The City of Durant encourages participation from all its citizens. If participation at any public meeting is not possible due to a disability, notification to the City Clerk at least 48 hours prior to the scheduled meeting is encouraged in order to make the necessary accommodations. The City of Durant may waive the 48-hour rule if interpreters for the deaf (signing) or translation services for limited English proficient (LEP) individuals are not the necessary accommodation.

DURANT CITY COUNCIL

2:00 PM

Roscoe J. Hatfield Council Chambers, 300 West Evergreen, Durant, OK 74701

June 30, 2020

SPECIAL AGENDA

CALL TO ORDER

INVOCATION/FLAG SALUTE

ROLL CALL

ORDER OF BUSINESS

1. Presentation to City Council of FY 18-19 Annual Financial Statements and Auditor's Reports
2. Consider Approval of Budget Amendment 2020-13
3. Consider Approval of Resolution 2020-25 Extending the Declared State of Emergency Due to the COVID-19 Pandemic.
4. Consider Approval of Agreement Between the Durant Historical Society and the City of Durant for Fiscal Year 2020-2021 (C-2020-36)
5. Consider Approval of Agreement Between the City of Durant and the Big Five Community Services for FY 2020-2021 (C-2020-37)
6. Public Hearing: For Closeout of 2017 Community Development Block Grant (CDBG) Small Cities 17031 CDBG 17 (C-2017-65) for Market Square Improvements - Project # 656.
7. 2017 Community Development Block Grant (CDBG) Small Cities 17031 CDBG 17 (C-2017-65) for Market Square Improvements - Project # 656.

   A. Consideration to Accept the Market Square Improvements 17031 CDBG 17 Project# 656 As Successfully Complete.

   B. Consideration to Approve the 17031 CDBG 17 Closeout Documents.

   C . Consideration To Approve the Resolution 2020-26 to Support The Closeout.

8. Consideration to Approve the Resolution 2020-27 to Support the Application Phase Public Hearing for the 2020 CDBG Small Cities Grant Application for the City-Owned Water Treatment Plant Electrical and SCADA System Improvements.

ADJOURNMENT

CERTIFICATE

This is to certify that in conformity with the Oklahoma Open Meeting Act, public notice of the date, time and place of this meeting was filed with the City Clerk of Durant on June 24, 2020 at 3:30 p.m. and that an agenda of said meeting was posted at the place of such meeting at 1:05 p.m. on the 26th day of June, 2020.

____

Cynthia J. Price, City of Durant

Agenda Item: 1.

The City of Durant

Office of City Treasurer

Memorandum

Date:	6/23/2020
To:	Mayor and City Council
From:	An-Chen Lai, Finance Director/Treasurer
Re:	Presentation to City Council of FY 18-19 Annual Financial Statements and Auditor's Reports

Ms. Ladonna Sinning, CPA, with Arledge and Associates is presenting and discussing our annual audited financial reports and single audit for fiscal year end June 30,2019.
The report is for all funds of the City of Durant and related public trusts.

Council Information / Action Requested

Your review and acceptance of the Fiscal Year 2018-2019 auditor's reports is requested.

City Staff Information / Action Follow-up, if Council authorizes this action:

Once accepted by the Council, the City Treasurer's Office will distribute the reports to all required financial institutions and agencies.
The distribution is needed to keep the city compliant with all federal, state and debt covenant requirements.

ATTACHMENTS:

Description	Type	Upload Date
FY 18-19 Annual Financial Statements and Independent Auditor's Reports	Cover Memo	6/23/2020
FY 18-19 single audit reports	Cover Memo	6/23/2020

THE CITY OF DURANT, OKLAHOMA

ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORTS

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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Arledge & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Durant, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Durant, Oklahoma (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

309 N. Bryant Ave. • Edmond, OK 73034 • 405.348.0615 • Fax 405.348.0931 • www.jmacpas.com
Member of AICPA and OSCPA

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, pension plan information, and other post-employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, as listed in the table of contents, are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Arledge & Associates, P.C.

June 9, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Durant's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2019, the City's total net position increased by $9,274,695 or 10.4% from the prior year.
- During the year, the City's expenses for governmental activities were $24,881,557 and were funded by program revenues of $6,004,609 and further funded with taxes and other general revenues that totaled $19,839,580.
- In the City's business-type activities, such as utilities, total program revenues exceeded expenses by $7,244,209.
- For budgetary reporting purposes, the General Fund reported revenues exceeding estimates by $15,754 or 0.1%, while expenditures were under the final appropriations by $2,749,457 or 16.2%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Durant (the "City") and its component units using the integrated approach as prescribed by GASB. Included in this report are government-wide statements for each of the three categories of activities, governmental, business-type, and discretely-presented component units. The government-wide financial statements present the complete financial picture of the City's reporting entity from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately and combined. These statements include all assets of the City (including infrastructure capital assets) as well as all liabilities (including all long-term debt), and also include all deferred outflows and deferred inflows.

Reporting the City as a Whole

<u>The Statement of Net Position and the Statement of Activities</u>

One of the most frequently asked questions about the City's finances is, "Has the City's overall financial condition improved, declined or remained steady over the past year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the City's net position and changes in them from the prior year. You can think of the City's net position – the difference between assets, deferred outflows, liabilities, and deferred inflows – as one way to measure the City's financial condition, or position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving, deteriorating, or remaining steady. However, you must consider other nonfinancial factors, such as changes in the City's tax base, the condition of the City's roads, and the quality of services to assess the overall health and performance of the City.

The Statement of Net Position and the Statement of Activities divide the City into three categories:

- Governmental activities -- Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.

- Business-type activities -- For certain activities, the City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, wastewater, sanitation and airport activities are reported here.

- Discretely-presented component units – These account for activities of the City's reporting entity that do not meet the criteria for blending. The City's discretely-presented component units report industrial development activities, tourism-economic development activities and public works projects.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money.

Governmental funds -- Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

Proprietary funds -- When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the government-wide financial statements. In fact, the City's enterprise funds are essentially the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

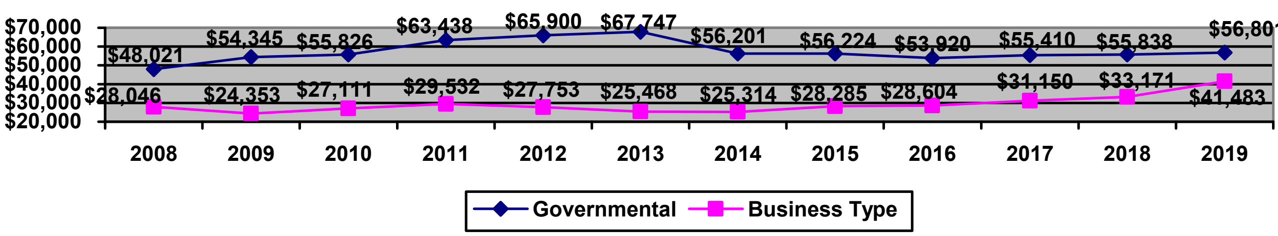
The City's combined net position increased from $89,009,325 to $98,284,020 between fiscal years 2018 and 2019. Looking at the net position of governmental and business-type activities separately, governmental activities increased $962,632, while business-type activities increased $8,312,063.

Table 1
Net Position

	Governmental Activities		% Inc. Dec.	Business-type Activities		% Inc. Dec.	Total Primary Government		% Inc. Dec.
	2019	2018		2019	2018		2019	2018	
Assets:									
Current and other assets	$ 16,039,739	$ 16,848,311	-5%	$ 10,731,684	$ 6,075,943	77%	$ 26,771,423	$ 22,924,254	17%
Capital assets, net	50,261,980	51,152,918	-2%	49,800,542	49,270,419	1%	100,062,522	100,423,337	0%
Total assets	66,301,719	68,001,229	-2%	60,532,226	55,346,362	9%	126,833,945	123,347,591	3%
Deferred Outflows of Resources:									
Deferred amount related to pensions	3,277,530	3,050,833	7%	377,365	423,724	-11%	3,654,895	3,474,557	5%
Deferred amount on refunding	-	-	-	9,976	29,927	-67%	9,976	29,927	-67%
Total deferred outflows	3,277,530	3,050,833	7%	387,341	453,651	-15%	3,664,871	3,504,484	5%
Liabilities:									
Long-term debt	8,946,735	10,495,860	-15%	18,577,868	21,462,467	-13%	27,524,603	31,958,327	-14%
Other liabilities	1,847,235	3,328,764	-45%	498,922	878,034	-43%	2,346,157	4,206,798	-44%
Total liabilities	10,793,970	13,824,624	-22%	19,076,790	22,340,501	-15%	29,870,760	36,165,125	-17%
Deferred Inflows of Resources:									
Deferred amount related to pensions	1,984,744	1,389,535	43%	359,292	288,090	25%	2,344,036	1,677,625	40%
Net Position:									
Net investment in capital assets	49,814,669	50,570,855	-1%	33,636,112	30,273,473	11%	83,450,781	80,844,328	3%
Restricted	4,526,582	4,261,048	6%	752,794	698,753	8%	5,279,376	4,959,801	6%
Unrestricted (deficit)	2,459,284	1,006,000	-144%	7,094,579	2,199,196	-223%	9,553,863	3,205,196	-198%
Total net position	$ 56,800,535	$ 55,837,903	2%	$41,483,485	$33,171,422	25%	$98,284,020	$89,009,325	10%

Total net position of the City's governmental activities increased to approximately $56.8 million. $54,341,251 of that net position is either restricted as to the purposes they can be used for or are invested in capital assets (buildings, roads, bridges, and so on). Consequently, unrestricted net position amounted to $2,459,284 at the end of this year. Total net position of the business-type activities increased to approximately $41.5 million. However, $34,388,906 of net position is either restricted as to the purposes they can be used for or are invested in capital assets. Consequently, unrestricted net position amounted to $7,094,579 at the end of the year.

Total Net Position at Year End
(in 000's)



Unaudited

Changes in Net Position

For the year ended June 30, 2019, net position of the primary government changed as follows:

Table 2
Changes in Net Position

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	2019	2018		2019	2018		2019	2018	
Revenues:									
Program revenues:									
Charges for services	$ 1,030,414	$ 1,034,031	0%	$ 13,372,183	$ 12,906,330	4%	$ 14,402,597	$ 13,940,361	3%
Operating grants/contributions	4,278,493	26,346,114	-84%	-	-	-	4,278,493	26,346,114	-84%
Capital grants/contributions	695,702	1,822,773	-62%	3,663,410	459,863	697%	4,359,112	2,282,636	91%
General revenues:									
Sales and use taxes	18,199,244	17,917,334	2%	-	-	-	18,199,244	17,917,334	2%
Other taxes	1,817,891	1,797,317	1%	-	-	-	1,817,891	1,797,317	1%
Other general revenue	723,744	839,795	-14%	166,555	133,934	24%	890,299	973,729	-9%
Total revenues	26,745,488	49,757,364	-46%	17,202,148	13,500,127	27%	43,947,636	63,257,491	-31%
Program expenses:									
General government	4,703,950	4,376,211	7%	-	-	-	4,703,950	4,376,211	7%
Public safety	9,220,353	9,629,405	-4%	-	-	-	9,220,353	9,629,405	-4%
Public works	3,131,098	4,352,927	-28%	-	-	-	3,131,098	4,352,927	-28%
Culture and recreation	2,598,463	2,447,194	6%	-	-	-	2,598,463	2,447,194	6%
Cemetery	99,276	69,403	43%	-	-	-	99,276	69,403	43%
Economic development	2,752,391	24,962,894	-89%	-	-	-	2,752,391	24,962,894	-89%
Industrial dev. (payment to DIA)	102,034	394,600	-74%	-	70,000	-100%	102,034	464,600	-78%
Community dev. (payment to DCFA)	1,854,138	1,849,584	0%	-	-	-	1,854,138	1,849,584	0%
Tourism-Econ dev (payment to DTEDA)	412,576	389,336	6%	-	-	-	412,576	389,336	6%
Interest on long-term debt	7,278	9,591	-24%	244,855	263,720	-7%	252,133	273,311	-8%
Water	-	-	-	2,998,087	2,625,927	14%	2,998,087	2,625,927	14%
Sewer	-	-	-	2,424,843	2,656,503	-9%	2,424,843	2,656,503	-9%
Sanitation	-	-	-	2,883,873	4,195,684	-31%	2,883,873	4,195,684	-31%
Airport	-	-	-	1,239,726	1,219,786	2%	1,239,726	1,219,786	2%
Total expenses	24,881,557	48,481,145	-49%	9,791,384	11,031,620	-11%	34,672,941	59,512,765	-42%
Excess (deficiency) before transfers	1,863,931	1,276,219	46%	7,410,764	2,468,507	200%	9,274,695	3,744,726	148%
Transfers	(901,299)	447,103	302%	901,299	(447,103)	-302%	-	-	-
Increase in net position	**$ 962,632**	**$ 1,723,322**	-44%	**$ 8,312,063**	**$ 2,021,404**	311%	**$ 9,274,695**	**$ 3,744,726**	148%

The City's governmental activities' current year increase in net position of $962,632 represents a 44% decrease from the increase in net position from the prior year. The business-type activities' current year increase in net position of $8,312,063 represents a 311% increase from the increase in net position from the prior year.

Some of the greater differences as noted in Table 1 and 2 are explained as follows:

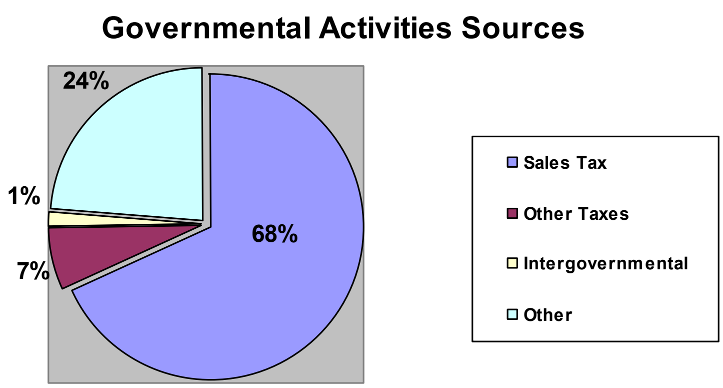
- Governmental activities operating grants and contributions decreased 84% due to the issuance of TIF revenue bonds and contributions received from Commercials Metal Company (CMC) in the Durant Tax Increment Finance Authority in the prior year, reported as a major special revenue fund. These bonds are reported as conduit debt and, therefore, are shown as operating contributions in the government-wide financials.
- Governmental activities capital grants and contributions decreased 62% due to the decrease in EDA grant of $1.5 million from prior year and an increase in capital asset contributions of $583,519 from prior year.

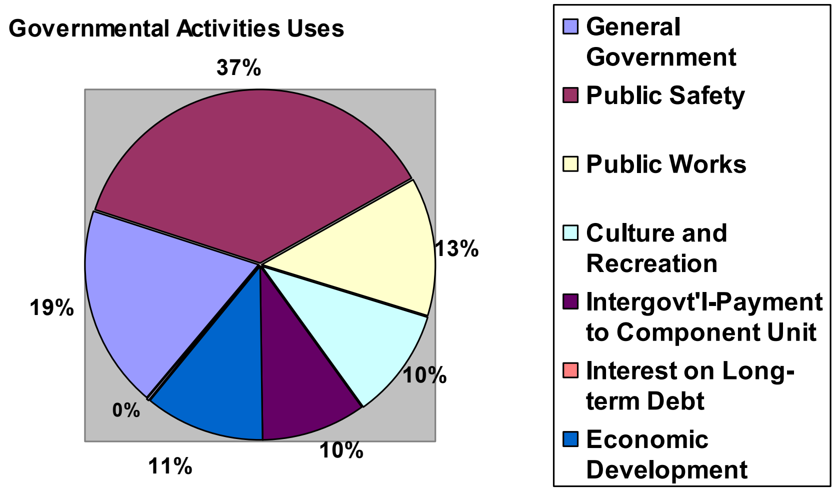
- Economic development expenditures decreased by $22,210,503 related to the payment of the TIF bond proceeds to Commercial Metal Company in the prior year.
- Business-type activities capital grants and contributions increased 697% due to the increase in grants from the Oklahoma Department of Commerce, Federal Aviation Administration and private donations.
- Governmental activities cemetery expenses increased by 43% due to an increase in mowing contracts.
- Industrial development expense-payment to DIA decreased 74% due to the Commercial Metals Company project expenditures of $102,034 not being capitalized in current year due to those expenditures not being city assets compared to prior year Commercial Metals Company project expenditures of $394,600 not being capitalized.
- Sanitation expense decreased 30% due to a decrease of salaries expense of approximately $639,000 from prior year, along with a decrease in administration costs allocated to the various functions.
- Transfers changed significantly due to the reclassification of capital asset activity between governmental and business-type activities.

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note all taxes are classified as general revenue even if restricted for a specific purpose.

For the year ended June 30, 2019, the City's governmental activities were funded as follows:





For the year ended June 30, 2019, total expenses for governmental activities amounted to $24,881,557. Of these total expenses, taxpayers and other general revenues funded $19,839,580, while those directly benefiting from the program funded $4,974,195 from grants and other contributions and $1,030,414 from charges for services.

Net Cost of Durant's Governmental Activities

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2019	2018	2019-2018	2019	2018	2019-2018
General government	$4,703,950	$4,376,211	7.5%	($4,231,104)	($4,078,375)	3.7%
Public safety	9,220,353	9,629,405	-4.2%	(7,268,472)	(7,885,219)	-7.8%
Public works	3,131,098	4,352,927	-28.1%	(2,968,620)	(2,606,785)	13.9%
Culture and recreation	2,598,463	2,447,194	6.2%	(1,927,989)	(1,997,960)	-3.5%
Cemetery	99,276	69,403	43.0%	(80,862)	(29,778)	171.5%
Economic development	2,752,391	24,962,894	-89.0%	(23,875)	(36,999)	-35.5%
Industrial development - payments to DIA	102,034	394,600	-74.1%	(102,034)	(394,600)	-74.1%
Community development - payments to DCFA	1,854,138	1,849,584	0.2%	(1,854,138)	(1,849,584)	0.2%
Tourism-Econ development - payments to DTEDA	412,576	389,336	6.0%	(412,576)	(389,336)	6.0%
Interest on long-term debt	7,278	9,591	-24.1%	(7,278)	(9,591)	-24.1%
Total	$24,881,557	$48,481,145	-48.7%	($18,876,948)	($19,278,227)	-2.1%

Unaudited

Business-type Activities

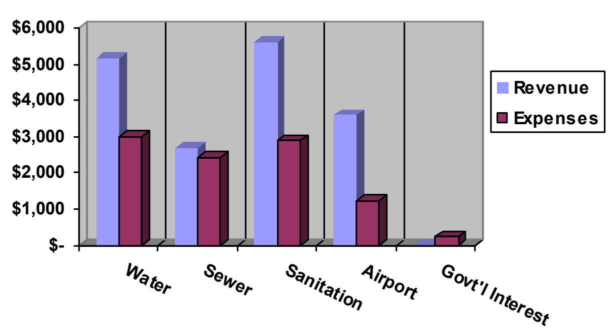
In reviewing the business-type activities net (expense)/revenue, the following highlights should be noted:

Net Cost of Durant's Business-Type Activities

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2019	2018	2019-2018	2019	2018	2019-2018
Water	$2,998,087	$2,625,927	14.2%	$2,158,328	$1,373,660	57.1%
Sewer	2,424,843	2,656,503	-8.7%	264,344	114,820	130.2%
Sanitation	2,883,873	4,195,684	-31.3%	2,707,881	1,293,019	109.4%
Airport	1,239,726	1,219,786	1.6%	2,358,511	(113,206)	-2183.4%
Governmental interest on long-term debt	244,855	263,720	-7.2%	(244,855)	(263,720)	-7.2%
Industrial development-payments to DIA	-	70,000	-100.0%	-	(70,000)	-100.0%
Total	$9,791,384	$11,031,620	-11.2%	$7,244,209	$2,334,573	210.3%

- Total business-type activities reported net revenues of $7,244,209 for the year ended June 30, 2019.
- Water, sewer, sanitation and airport activities reported net revenues for the year ended June 30, 2019, while governmental interest on long-term debt reported net expenses of $244,855.

Business-Type Activities Revenue and Expense (in 000's)



A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2019 fiscal year, the governmental funds reported a combined total fund balance of $12,811,949 or a 7.9% increase from the prior year. The enterprise funds reported total net position of $41,126,467 or a 24.3% increase from 2018.

Unaudited

Other fund highlights include:

- For the year ended June 30, 2019, the General Fund's total fund balance decreased by $912,252 or 17.5%.
- The 1/4% Economic Development Fund's total fund balance increased by $570,458 or 14.1%.
- The Capital Improvement Fund's total fund balance increased by $1,425,543 or 2427.2%.

General Fund Budgetary Highlights

For the year ended June 30, 2019, the General Fund reported actual budgetary basis revenues above final estimates by $15,754 or a 0.1% positive variance. General Fund actual budgetary basis expenditures were under final appropriations by $2,749,457 or a 16.2% positive variance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2019, the City had $100,062,522 invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, water lines and sewer lines. (See table below).

Primary Government Capital Assets
(Net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$5,341,392	$5,341,392	$2,434,493	$2,339,603	$7,775,885	$7,680,995
Buildings	18,695,280	18,893,643	12,066,196	13,175,795	30,761,476	32,069,438
Improvements	2,182,174	1,591,281	6,242,189	6,588,816	8,424,363	8,180,097
Machinery & equipment	3,599,025	3,735,542	2,738,176	2,821,382	6,337,201	6,556,924
Infrastructure	20,369,914	21,285,382	22,552,733	22,509,033	42,922,647	43,794,415
Construction in progress	74,195	305,678	3,766,755	1,835,790	3,840,950	2,141,468
Totals	$50,261,980	$51,152,918	$49,800,542	$49,270,419	$100,062,522	$100,423,337

This year's more significant capital asset additions are discussed below:

- The City placed in service a 2006 Mass Decontamination Unit totaling $250,019.
- The City placed in service Phase II Swimming Pool Improvements totaling $453,574.
- The City placed in service a Street Overlay-Washington & Radio Road project totaling $203,652.
- The City placed in service a new Senior Citizen Building totaling $433,500.
- The City placed in service a CMC RDW #5 Waterline totaling $795,181.
- The City placed in service a 2019 Hino 338 Chassis Packer totaling $168,000.

See Note 5 to the financial statements for more detail information on the City's capital assets and changes therein.

Long- Term Debt

At year-end, the City had $20,277,986 in long-term debt outstanding which represents a $3,109,184 or 13.3% decrease from the prior year. The City's changes in long-term debt by type of debt are as follows:

Primary Government Long-Term Debt

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2019	2018	2019	2018	2019	2018	2019-2018
Capital lease obligations	$447,311	$582,063	$ -	$ -	$447,311	$582,063	-23.2%
Notes payable	-	-	17,238,703	20,124,289	17,238,703	20,124,289	-14.3%
Landfill closure liability	-	-	601,760	540,601	601,760	540,601	11.3%
Meter deposit liability	-	-	492,144	450,874	492,144	450,874	9.2%
Settlement Claims Liability	-	170,401	-	-	-	170,401	-100.0%
Accrued comp absences	1,252,807	1,236,032	245,261	282,910	1,498,068	1,518,942	-1.4%
Totals	$1,700,118	$1,988,496	$18,577,868	$21,398,674	$20,277,986	$23,387,170	-13.3%

For the year ended June 30, 2019, the only significant transactions that occurred were normal debt retirements.

See Note 6 to the financial statements for more detail information on the City's long-term debt and changes therein.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Sales Tax Collection

Sales tax collections to date in fiscal year 2018-2019 increased over the previous fiscal year of 2017-2018 by 0.07%, while sales tax collections of the fiscal year of 2017-2018 reflect an increase of 2.92%.

The city sales tax collections have increased ten consecutive years since 2009-2019. The rate at June 30, 2019 was 4.375 cent tax on each dollar of taxable sales. The distribution of the sales tax is as follows:

Economic Development (effective 1/1/04)	.25%
Multi-Sports Facilities (effective 10/1/04)	.25%
SOSU Improvements (effective 10/1/04)	.25%
Capital Improvements (effective 1978, rev. 1999)	1.00%
General Operations	2.00%
DISD Improvements (effective 7/1/08)	.625%

Major Economic Development projects:

BrucePak

BrucePak is currently adding freezer space capacity so that off-site freezer space will no longer be needed. Will result in increase in employment of 50 employees (from 350 to 400) when complete.

Commercial Metals Corporation (CMC)

Commercial Metals Corporation (CMC): Officially opened in April, 2018 and currently employees 222 persons with an average salary of $65,000. With an investment of $270,000,000, CMC manufactures rebar used in concrete construction and steel fence t-posts.

Choctaw Nation

The Choctaw Nation has been the largest driver of economic development in the City of Durant over the past few decades. Current employment of Choctaw Nation Tribal Services and Enterprises is between 5,000 and 6,000 in Durant, and will increase by an estimated 1,000 with the recently announced hotel and casino expansion, with construction to begin in the spring of 2019. In addition, a new Choctaw Cultural Center with indoor and outdoor exhibit areas is under construction and will serve as a regional tourist attraction. The Choctaw Judicial Center nears completion as well.

SteelFab

Durant Industrial Authority and several other economic development partners entered into a Memorandum of Understanding with SteelFab Texas, Inc. to provide a list of economic development incentives and a commitment by SteelFab to economic investment and job creation in Durant. Included in this agreement was a letter of commitment to provide water and wastewater service to the plant site to be located on Country Club Road, east of Highway 78. SteelFab has committed to employ 150 persons within 3 years of beginning production with an average employee wage of $42,000 per year. In only the first few months of production, the plant is already employing 105 persons.

Tubacex Durant

Currently under construction. Projected completion date early 2020. Will employ 140 persons manufacturing stainless steel and alloy tubing for the petroleum refining, nuclear, and aerospace industries. Average salary will be $55,000. A Spanish company, Tubacex Durant will serve as the U.S. Headquarters for the company.

UPS Project

The UPS project broke ground in October and plans are to complete the facility by early 2019. Last year, UPS estimated that there will be 22 full-time employees and 30 part- time employees at the facility. Total payroll estimated to be $4.5M to $5.0M, and site development costs in excess of $3,000,000.

Durant Regional Airport (Eaker Field)

The Durant Regional Airport (Eaker Field) is currently extending the main runway from 5,000 feet to 7,000 to better accommodate larger corporate jet traffic. Currently, many corporate aircraft cannot utilize the Durant Airport and must land in neighboring Texas. This runway extension will much better serve local industry and will bring significant economic benefits to Durant. In addition, there has been a continuing expansion of corporate hangars at the airport.

Next Year's Budget

Revenue Budget and Projections:

- 2% Sales Tax: Projected sales tax revenue for FY 19-20 represents a conservative approach to the FY 18-19 estimated actual revenues. Historically, the average annual growth rate for all tax revenue has been approximately 2.83 since 2010.
- Franchise fees, Licenses & Permit/Other General Fund Revenue:
  Development activity in our area is expected to continue in the next fiscal year, projected revenue in this area for FY 19-20 is anticipated to follow this trend.

Expense / Department Operations / Capital Outlay:

- Employee Health Insurance: Human Resources Department has done an excellent job in monitoring and working with reps from Insurica and Blue Cross to keep our overall premiums down from previous years.
- Personal Services: The proposed budget reflects a modest increase for both union and non-union employees.
- Capital Improvements: The following capital expenses have been included in the budget:

  - 7 New Police Vehicles
  - Bullet Proof Vest for Police Officers
  - Police Radios
  - Minor Improvements to Animal Control Building
  - Roof repairs to Police & Fire Station and City Hall
  - VFD's on #1 and #2 Raw Pumps for Water Plant
  - Residential Collection Truck for Sanitation Department
  - 2 Refuse Transfer Trailers for Landfill disposal
  - SL-RAT System (Sewer Line Rapid Assessment Tool)

The current economic slowdown that began in early March 2020 related to the effects of the Coronavirus will certainly have some kind of financial impact on the City's financial position and activities. However, the City plans to respond with appropriate actions once the depth and length of the slowdown and its impact on the City have been determined.

CONTACTING THE CITY OF DURANT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Durant City Manager via phone at 580-931-6605 or the Durant City Treasurer at 580-931-6651 or via mail at City of Durant-P.O. Box 578-Durant, OK 74702-0578.

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

Statement of Net Position– June 30, 2019

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Durant Industrial Authority	Durant Community Facilities Authority	Durant Tourism Economic Development Authority
ASSETS:						
Cash and cash equivalents	$ 10,018,197	$ 8,226,804	$ 18,245,001	$ 476,001	$ 2,113,857	$ 498,968
Investments	45,078	-	45,078	350,626	-	-
Investment in Durant TIF Authority bonds	-	-	-	3,100,000	-	-
Accounts receivable, net of allowance	-	1,981,371	1,981,371	-	-	-
Miscellaneous taxes receivable	113,600	-	113,600	-	-	-
Court fine receivable, net of allowance	31,254	-	31,254	-	-	-
Internal balances	(351,910)	351,910	-	-	-	-
Due to/from component unit	(36,925)	-	(36,925)	-	-	36,925
Advance to/from component unit	2,850,000	-	2,850,000	(2,850,000)	-	-
Due from other governments	2,730,354	60,862	2,791,216	-	-	-
Notes receivable	-	-	-	1,175,007	-	-
Other receivables	69,037	-	69,037	-	-	-
Net pension asset	571,054	110,737	681,791	-	-	-
Capital assets:						
Land and construction in progress	5,415,587	6,201,248	11,616,835	1,741,282	266,000	-
Other capital assets, net of depreciation	44,846,393	43,599,294	88,445,687	16,044	-	-
Total assets	66,301,719	60,532,226	126,833,945	4,008,960	2,379,857	535,893
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred amount related to pensions	3,277,530	377,365	3,654,895	10,462	-	-
Deferred amount on refunding	-	9,976	9,976	-	613,713	-
Total deferred outflows	3,277,530	387,341	3,664,871	10,462	613,713	-
LIABILITIES:						
Accounts payable	624,825	252,869	877,694	9,672	242	6,279
Accrued payroll liabilities	392,208	77,299	469,507	-	-	-
Accrued interest payable	-	168,754	168,754	293	38,769	-
Due to other governments	3,579	-	3,579	-	-	-
Claims liability	765,154	-	765,154	-	-	-
Due to bondholders	4,981	-	4,981	-	-	-
Unearned revenue	56,488	-	56,488	-	-	-
Long-term liabilities:						
Due within one year	238,141	3,138,379	3,376,520	143,209	1,247,733	-
Due in more than one year	8,708,594	15,439,489	24,148,083	767,666	6,530,987	-
Total liabilities	10,793,970	19,076,790	29,870,760	920,840	7,817,731	6,279
DEFERRED INFLOWS OF RESOURCES:						
Deferred amount related to pensions	1,984,744	359,292	2,344,036	5,848	-	-
NET POSITION:						
Net investment in capital assets	49,814,669	33,636,112	83,450,781	1,565,849	266,000	-
Restricted	4,526,582	752,794	5,279,376	-	-	-
Unrestricted (deficit)	2,459,284	7,094,579	9,553,863	1,526,885	(5,090,161)	529,614
Total net position	$ 56,800,535	$ 41,483,485	$ 98,284,020	$ 3,092,734	$ (4,824,161)	$ 529,614

See accompanying notes to the Basic Financial Statements.

Statement of Activities –Year Ended June 30, 2019

		Program Revenue			Net (Expense) Revenue and Changes in Net Position: Primary Government			Component Units		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Durant Industrial Authority	Durant Community Facilities Authority	Durant Tourism Economic Development Authority
Primary government										
Governmental activities:										
General government	$ 4,703,950	$ 353,046	$ 119,800	$ -	$ (4,231,104)	$ -	$ (4,231,104)	$ -	$ -	$ -
Public safety	9,220,353	435,405	1,234,284	282,192	(7,268,472)	-	(7,268,472)	-	-	-
Public works	3,131,098	4,313	158,165	-	(2,968,620)	-	(2,968,620)	-	-	-
Culture and recreation	2,598,463	219,375	37,589	413,510	(1,927,989)	-	(1,927,989)	-	-	-
Cemetery	99,276	18,275	139	-	(80,862)	-	(80,862)	-	-	-
Economic development	2,752,391	-	2,728,516	-	(23,875)	-	(23,875)	-	-	-
Industrial development (Payment to DIA)	102,034	-	-	-	(102,034)	-	(102,034)	-	-	-
Community development (Payment to DCFA)	1,854,138	-	-	-	(1,854,138)	-	(1,854,138)	-	-	-
Tourism-Econ Dev (Payment to DTEDA)	412,576	-	-	-	(412,576)	-	(412,576)	-	-	-
Interest on long-term debt	7,278	-	-	-	(7,278)	-	(7,278)	-	-	-
Total governmental activities	24,881,557	1,030,414	4,278,493	695,702	(18,876,948)	-	(18,876,948)	-	-	-
Business-type activities										
Water	2,998,087	4,272,746	-	883,669	-	2,158,328	2,158,328	-	-	-
Sewer	2,424,843	2,689,187	-	-	-	264,344	264,344	-	-	-
Sanitation	2,883,873	5,591,754	-	-	-	2,707,881	2,707,881	-	-	-
Airport	1,239,726	818,496	-	2,779,741	-	2,358,511	2,358,511	-	-	-
Governmental interest on long-term debt	244,855	-	-	-	-	(244,855)	(244,855)	-	-	-
Total business-type activities	9,791,384	13,372,183	-	3,663,410	-	7,244,209	7,244,209	-	-	-
Total primary government	$ 34,672,941	$ 14,402,597	$ 4,278,493	$ 4,359,112	(18,876,948)	7,244,209	(11,632,739)			
Component Units										
Industrial development	$ 258,306	$ -	$ -	$ -				(258,306)	-	-
Community development	471,975	-	-	-				-	(471,975)	-
Tourism-Economic development	197,939	860	-	-				-	-	(197,079)
Total component units	$ 928,220	$ 860	$ -	$ -				(258,306)	(471,975)	(197,079)
General revenues:										
Taxes:										
Sales and use taxes					18,199,244	-	18,199,244	-	-	-
Franchise and public service taxes					982,347	-	982,347	-	-	-
E-911 taxes					403,110	-	403,110	-	-	-
Tourism taxes					412,576	-	412,576	-	-	-
Tax increment financing (TIF) taxes					19,858	-	19,858	-	-	-
Intergovernmental revenue not restricted to specific programs					303,680	-	303,680	-	-	-
Investment income					70,383	70,218	140,601	34,998	23,297	3,658
Miscellaneous					141,263	96,337	237,600	4,450	-	-
Payments received from primary government					-	-	-	102,034	1,854,138	412,576
Payments received from component unit					208,418	-	208,418	-	-	-
Transfers - internal activity					(901,299)	901,299	-	-	-	-
Total general revenues and transfers					19,839,580	1,067,854	20,907,434	141,482	1,877,435	416,234
Change in net position					962,632	8,312,063	9,274,695	(116,824)	1,405,460	219,155
Net position - beginning					55,837,903	33,171,422	89,009,325	3,209,558	(6,229,621)	310,459
Net position - ending					$ 56,800,535	$ 41,483,485	$ 98,284,020	$ 3,092,734	$ (4,824,161)	$ 529,614

See accompanying notes to the Basic Financial Statements.

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

Governmental Funds Balance Sheet - June 30, 2019

		Special Revenue Funds			Capital Project Funds			
	General	1/4% Economic Development Fund	5/8% Sales Tax Education Fund	Durant Tax Increment Finance Authority	Capital Improvement Fund	1% Sales Tax Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	$ 3,624,322	$ 1,696,510	$ -	$ 21,483	$ 1,635,723	$ -	$ 1,175,620	$ 8,153,658
Investments	-	-	-	-	-	-	45,078	45,078
Receivables:								
Advance to component unit	-	2,850,000	-	-	-	-	-	2,850,000
Due from other funds	1,490	-	-	-	6,192	-	27,332	35,014
Due from other governments	1,341,866	125,687	348,606	-	47,979	502,748	363,468	2,730,354
Miscellaneous taxes receivable	76,675	-	-	-	-	-	36,925	113,600
Court fines receivable, net	31,254	-	-	-	-	-	-	31,254
Other receivables	10,768	-	-	-	-	-	58,269	69,037
Total assets	$ 5,086,375	$ 4,672,197	$ 348,606	$ 21,483	$ 1,689,894	$ 502,748	$ 1,706,692	$ 14,027,995
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:								
Liabilities:								
Accounts payable	$ 243,923	$ 65,280	$ -	$ 103	$ 195,258	$ -	$ 87,662	$ 592,226
Accrued payroll liabilities	369,618	-	-	-	-	-	17,183	386,801
Due to other funds	22,224	-	-	-	-	-	7,682	29,906
Due to component unit	-	-	-	-	-	-	36,925	36,925
Due to other governments	3,579	-	-	-	-	-	-	3,579
Due to bondholders	4,981	-	-	-	-	-	-	4,981
Unearned revenue	56,488	-	-	-	-	-	-	56,488
Total liabilities	700,813	65,280	-	103	195,258	-	149,452	1,110,906
Deferred Inflows of Resources:								
Deferred revenue	94,779	-	-	-	10,361	-	-	105,140
Fund balances:								
Restricted	45,910	3,079,875	348,606	21,380	-	501,067	551,124	4,547,962
Assigned	2,168,787	1,527,042	-	-	1,484,275	1,681	1,006,116	6,187,901
Unassigned	2,076,086	-	-	-	-	-	-	2,076,086
Total fund balances	4,290,783	4,606,917	348,606	21,380	1,484,275	502,748	1,557,240	12,811,949
Total liabilities, deferred inflows and fund balances	$ 5,086,375	$ 4,672,197	$ 348,606	$ 21,483	$ 1,689,894	$ 502,748	$ 1,706,692	$ 14,027,995

See accompanying notes to the Basic Financial Statements.

Governmental Funds Statement of Changes in Fund Balances – Year Ended June 30, 2019

		Special Revenue Funds			Capital Project Funds			
	General Fund	1/4% Economic Development Fund	5/8% Sales Tax Education Fund	Durant Tax Increment Finance Authority	Capital Improvement Fund	1% Sales Tax Revenue Fund	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes	$ 10,072,299	$ 929,914	$ 2,599,892	$ 19,858	$ -	$ 3,719,658	$ 2,675,514	$ 20,017,135
Intergovernmental	1,578,052	-	-	-	1,568,565	-	906,025	4,052,642
Charges for services	209,840	-	-	-	-	-	93,842	303,682
Licenses and permits	343,900	-	-	-	-	-	-	343,900
Fines and forfeitures	333,186	-	-	-	-	-	-	333,186
Investment income	32,179	11,832	-	4,017	14,707	-	4,899	67,634
Miscellaneous	238,879	-	-	2,728,516	238,693	-	1,745	3,207,833
Total revenues	12,808,335	941,746	2,599,892	2,752,391	1,821,965	3,719,658	3,682,025	28,326,012
EXPENDITURES								
Current:								
General government	2,082,971	-	2,580,491	-	-	-	-	4,663,462
Public safety	9,829,789	-	-	-	-	-	713,967	10,543,756
Public works	1,889,206	-	-	-	-	-	-	1,889,206
Culture and recreation	2,079,416	-	-	-	-	-	12,317	2,091,733
Cemetery	91,046	-	-	-	-	-	-	91,046
Economic development	-	-	-	2,773,801	-	-	-	2,773,801
Capital outlay	29,420	65,280	-	-	1,563,481	-	1,126,070	2,784,251
Debt service:								
Principal	-	-	-	-	130,361	-	-	130,361
Interest and other charges	-	-	-	-	6,104	-	-	6,104
Total expenditures	16,001,848	65,280	2,580,491	2,773,801	1,699,946	-	1,852,354	24,973,720
Excess (deficiency) of revenues over (under) expenditures	(3,193,513)	876,466	19,401	(21,410)	122,019	3,719,658	1,829,671	3,352,292
OTHER FINANCING SOURCES (USES)								
Transfers in	2,176,141	-	-	-	1,500,000	-	281,172	3,957,313
Transfers out	(1,172)	(306,100)	-	-	(196,476)	(3,708,276)	(3,208)	(4,215,232)
Transfers from component unit	106,292	102,126	-	-	-	-	-	208,418
Transfers to component unit	-	(102,034)	-	-	-	-	(2,266,714)	(2,368,748)
Total other financing sources and uses	2,281,261	(306,008)	-	-	1,303,524	(3,708,276)	(1,988,750)	(2,418,249)
Net change in fund balances	(912,252)	570,458	19,401	(21,410)	1,425,543	11,382	(159,079)	934,043
Fund balances - beginning	5,203,035	4,036,459	329,205	42,790	58,732	491,366	1,716,319	11,877,906
Fund balances - ending	$ 4,290,783	$ 4,606,917	$ 348,606	$ 21,380	$ 1,484,275	$ 502,748	$ 1,557,240	$ 12,811,949

See accompanying notes to the Basic Financial Statements.

Fund Balance – Net Position:

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position:

Total fund balance, governmental funds	$ 12,811,949
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation of $80,835,077	50,219,478
Certain long-term assets are not available to pay current period expenditures and therefore are deferred in the funds:	
Grants receivable	54,966
Court fines receivable	50,174
	105,140
Certain other long-term assets are not current financial resources and, therefore, they, along with deferred outflows, are not reported in the funds:	
Net pension asset	571,054
Pension related deferred outflows	3,277,530
	3,848,584
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. A portion of the net position of the internal service fund is included in governmental activities in the Statement of Net Position:	
Net position of the Internal Service Funds	1,087,386
Internal service fund interfund balance resulting from net revenues reported in business-type activities	(357,018)
	730,368
Certain long-term liabilities are not due and payable from current financial resources and, therefore, they, along with deferred inflows, are not reported in the funds:	
Capital lease obligations	(432,464)
Due to others - TIF Authority	(21,380)
Accrued compensated absences	(1,229,779)
Net pension liability	(7,246,617)
Pension related deferred inflows	(1,984,744)
	(10,914,984)
Net Position of Governmental Activities in the Statement of Net Position	$ 56,800,535

Changes in Fund Balances - Net Position Reconciliation:

Net change in fund balances - total governmental funds:	$ 934,043
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital assets contributed or transferred	583,519
Capital asset purchases capitalized	1,144,805
Book value on capital assets disposed	(3,306)
Depreciation expense	(2,619,569)
	(894,551)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Change in deferred revenue	(1,488,650)
	(1,488,650)
In the Statement of Activities, the net cost of pension benefits earned is calculated and reported as pension expense. The fund financial statements report pension contributions as pension expenditures. This amount represents the difference between pension contributions and calculated pension expense.	1,463,289
	1,463,289
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
Debt principal payments	130,361
	130,361
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in due to others-TIF Authority	21,410
Change in settlement claims liability	170,401
Change in accrued compensated absences	(26,472)
	165,339
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. A portion of the change in net position of the internal service fund is included in governmental activities in the Statement of Net Position:	
Total change in net position of the internal service funds	931,898
Net revenues (expenses) of the internal service fund reported in business-type activities	(279,097)
	652,801
Change in net position of governmental activities	$ 962,632

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

Proprietary Funds Statement of Net Position - June 30, 2019

	Enterprise Funds			
	Utility Authority Fund	Airport Authority Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	$ 3,951,133	$ 1,787,706	$ 5,738,839	$ 1,864,539
Restricted cash and cash equivalents	2,487,965	-	2,487,965	-
Due from other funds	-	8,225	8,225	-
Due from other governments	-	60,862	60,862	-
Accounts receivable, net	1,942,765	38,606	1,981,371	-
Total current assets	8,381,863	1,895,399	10,277,262	1,864,539
Noncurrent assets:				
Net pension asset	110,737	-	110,737	-
Capital assets:				
Land and other non-depreciable assets	3,895,799	2,305,449	6,201,248	-
Other capital assets, net of depreciation	33,798,843	9,800,451	43,599,294	42,502
Total noncurrent assets	37,805,379	12,105,900	49,911,279	42,502
Total assets	46,187,242	14,001,299	60,188,541	1,907,041
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amounts related to pensions	377,365	-	377,365	-
Deferred amount on refunding	9,976	-	9,976	-
Total Deferred outflows of resources	387,341	-	387,341	-
LIABILITIES				
Current liabilities:				
Accounts payable	229,415	23,454	252,869	11,219
Accrued payroll liabilities	77,299	-	77,299	5,407
Due to other funds	13,333	-	13,333	-
Accrued interest payable	168,754	-	168,754	-
Estimated liability for claims	-	-	-	765,154
Current portion of:				
Meter deposit liability	98,429	-	98,429	-
Notes payable	2,942,722	42,614	2,985,336	4,659
Landfill closure liability	30,088	-	30,088	-
Accrued compensated absences	24,526	-	24,526	2,303
Total current liabilities	3,584,566	66,068	3,650,634	788,742
Noncurrent liabilities:				
Meter deposit liability	393,715	-	393,715	-
Notes payable	13,971,471	281,896	14,253,367	10,188
Landfill closure liability	571,672	-	571,672	-
Accrued compensated absences	220,735	-	220,735	20,725
Total noncurrent liabilities	15,157,593	281,896	15,439,489	30,913
Total liabilities	18,742,159	347,964	19,090,123	819,655
DEFERRED INFLOWS OF RESOURCES:				
Deferred amounts related to pensions	359,292	-	359,292	-
NET POSITION				
Net investment in capital assets	21,854,722	11,781,390	33,636,112	27,655
Restricted for debt service	752,794	-	752,794	-
Unrestricted	4,865,616	1,871,945	6,737,561	1,059,731
Total net position	$ 27,473,132	$ 13,653,335	41,126,467	$ 1,087,386

Amounts reported for business-type activities in the Statement of Net Position are different because: Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. An interfund receivable or payable has been recorded in the business-type activities for its share of the net income or loss of the internal service funds.	
Net position of the Internal Service Funds	357,018
Net position of business-type activities	$ 41,483,485

See accompanying notes to the Basic Financial Statements.

Proprietary Funds Statement of Changes in Net Position - Year Ended June 30, 2019

	Enterprise Funds			
	Utility Authority Fund	Airport Authority Fund	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services:				
Water charges	$ 3,946,264	$ -	$ 3,946,264	$ -
Sewer charges	2,562,854	-	2,562,854	-
Water and sewer taps	184,081	-	184,081	-
Penalties	118,544	-	118,544	-
Non-payment fees	158,761	-	158,761	-
Sanitation charges	4,427,278	-	4,427,278	-
Landfill gate fees	594,930	-	594,930	-
Lab tests	19,140	-	19,140	-
Airport	-	816,742	816,742	-
Rentals	96,337	-	96,337	-
Transfer station fees	451,960	-	451,960	-
Recycable products	5,333	-	5,333	-
Self insurance charges	-	-	-	3,467,080
Miscellaneous	84,542	1,754	86,296	919,412
Total operating revenues	12,650,024	818,496	13,468,520	4,386,492
OPERATING EXPENSES				
Public works administration	187,221	-	187,221	-
Utility billing	613,054	-	613,054	-
Water/sewer line maintenance	790,348	-	790,348	-
Water treatment plant	1,049,666	-	1,049,666	-
Wastewater treatment	698,309	-	698,309	-
Collection - solid waste	879,574	-	879,574	-
General government	106,331	-	106,331	-
Lake Durant	36,751	-	36,751	-
Disposal - solid waste	1,385,877	-	1,385,877	-
Airport	-	698,920	698,920	-
Claims expense	-	-	-	3,444,894
Depreciation expense	2,381,630	468,242	2,849,872	11,275
Total operating expenses	8,128,761	1,167,162	9,295,923	3,456,169
Operating income (loss)	4,521,263	(348,666)	4,172,597	930,323
NON-OPERATING REVENUES (EXPENSES)				
Investment income	61,413	8,805	70,218	2,749
Interest expense and fiscal charges	(690,494)	(11,877)	(702,371)	(1,174)
Total non-operating revenue (expenses)	(629,081)	(3,072)	(632,153)	1,575
Net income (loss) before contributions and transfers	3,892,182	(351,738)	3,540,444	931,898
Capital contributions	1,454,862	2,779,741	4,234,603	-
Transfers in	4,374,575	152,067	4,526,642	-
Transfers out	(4,100,330)	(168,393)	(4,268,723)	-
Change in net position	5,621,289	2,411,677	8,032,966	931,898
Total net position - beginning	21,851,843	11,241,658	33,093,501	155,488
Total net position - ending	$ 27,473,132	$ 13,653,335	$ 41,126,467	$ 1,087,386

Change in net position - enterprise funds	$ 8,032,966
Amounts reported for business-type activities in the Statement of Activities are different because: Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. An interfund receivable or payable has been recorded in the business-type activities for its share of the net income or loss of the	
Change in net position of the Internal Service Fund	279,097
Change in the net position of the business-type activities	$ 8,312,063

See accompanying notes to the Basic Financial Statements.

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2019

	Enterprise Funds			
	Utilities Authority Fund	Airport Authority Fund	Total Proprietary Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 12,330,523	$ 876,895	$ 13,207,418	$ 4,386,492
Payments to suppliers	(2,676,733)	(1,033,137)	(3,709,870)	(3,440,832)
Payments to employees	(3,128,901)	-	(3,128,901)	(217,689)
Receipts of customer meter deposits	154,967	-	154,967	-
Refunds of customer meter deposits	(113,697)	-	(113,697)	-
Other receipts (payments)	6,666	(8,225)	(1,559)	1,588
Net Cash Provided by (Used in) Operating Activities	6,572,825	(164,467)	6,408,358	729,559
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	4,374,575	152,067	4,526,642	-
Transfers to other funds	(4,100,330)	(168,393)	(4,268,723)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	274,245	(16,326)	257,919	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(219,272)	(1,705,861)	(1,925,133)	(14,888)
Proceeds from capital grant and contributions	-	2,997,631	2,997,631	-
Principal paid on capital debt	(2,843,541)	(42,045)	(2,885,586)	(4,391)
Interest and fiscal charges paid on capital debt	(690,394)	(11,877)	(702,271)	(1,174)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(3,753,207)	1,237,848	(2,515,359)	(20,453)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	61,413	8,805	70,218	2,749
Net Cash Provided by Investing Activities	61,413	8,805	70,218	2,749
Net Increase in Cash and Cash Equivalents	3,155,276	1,065,860	4,221,136	711,855
Balances - beginning of the year	3,283,822	721,846	4,005,668	1,152,684
Balances - end of the year	$ 6,439,098	$ 1,787,706	$ 8,226,804	$ 1,864,539
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	$ 3,951,133	$ 1,787,706	$ 5,738,839	$ 1,864,539
Current restricted cash and cash equivalents	2,487,965	-	2,487,965	-
	$ 6,439,098	$ 1,787,706	$ 8,226,804	$ 1,864,539
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 4,521,263	$ (348,666)	$ 4,172,597	$ 930,323
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation expense	2,381,630	468,242	2,849,872	11,275
Change in assets and liabilities:				
Receivables	(319,501)	58,399	(261,102)	-
Due from other funds	-	(8,225)	(8,225)	1,588
Accounts payable	(25,044)	(334,217)	(359,261)	(8,801)
Accrued payroll liabilities	-	-	-	502
Due to other funds	6,666	-	6,666	-
Estimated liability for claims	-	-	-	(195,631)
Landfill closure liability	61,159	-	61,159	-
Meter deposit liability	41,270	-	41,270	-
Pension liability & related accounts	(56,969)	-	(56,969)	-
Accrued compensated absences	(37,649)	-	(37,649)	(9,697)
Net Cash Provided by (Used in) Operating Activities	$ 6,572,825	$ (164,467)	$ 6,408,358	$ 729,559
Noncash activities:				
Contributed capital assets received	$ 1,454,862	$ -	$ 1,454,862	$ -

FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS

Footnotes to the Basic Financial Statements:

1. Financial Reporting Entity

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity", as amended by Statement 61, and includes all component units for which the City is financially accountable.

The City's financial reporting entity includes the primary government (City of Durant), blended component units, and discretely presented component units as follows:

The City of Durant –operates the public safety, culture and recreation, streets and public works, cemetery, and administrative activities

The City of Durant is a Council/Manager form of government with a population of approximately 16,891 located in Bryan County in southeastern Oklahoma. The City is governed by a five-member council and operates under state law and City ordinances through the three branches of democratic government:

- Legislative – the City Council is a five-member governing body elected by the citizens at large
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

The City provides typical municipal services such as public safety, culture and recreation, cemetery, streets and public works.

Blended Component Units [City Council serves as governing body (trustees)]:

The Durant City Utility Authority –operates the water, sewer, and sanitation facilities of the City.

The Durant Library Authority –operates to promote, own, construct, lease and finance charitable, scientific, literary or educational facilities or purposes.

The Durant Airport Authority –operates to develop, construct, plan, establish, install, and enlarge, improve, maintain, equip, operate, control and regulate air transportation facilities.

The Durant Development Authority –operates to stimulate economic growth and development of the City – would be reported as a blended component unit, but currently has no financial activity.

The Durant Tax Increment Finance Authority –operates to assist the Beneficiary, the State of Oklahoma, its Governmental Agencies, and private entities, agencies and citizens in implementing provisions of the Local Development Act.

Discretely Presented Component Units [Separate governing body (trustees) from the City Council]:

The Durant Industrial Authority –operates to finance, operate, construct and administer any public works improvements or facilities on behalf of the City

Durant Community Facilities Authority –operates to promote and develop public works projects or facilities, recreation and/or tourism, and educational opportunities.

Durant Tourism Economic Development Authority –operates to encourage, promote and foster tourism economic development.

Each of these component units are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority generated resources. In addition, the City has leased certain existing assets at the creation of the Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved. These trusts issue debt in their name for the acquisition of assets that benefit both other governments and their own.

2. Basis of Presentation and Accounting

Government-Wide Financial Statements:

The statements of net position and activities are reported on the accrual basis of accounting and the economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred or economic asset used. In accordance with the economic resources measurement focus, all assets and liabilities, both current and noncurrent are reported, along with any related deferred outflows and deferred inflows.

Program revenues within the Statement of Activities are derived directly from each activity or from parties outside of the City's taxpayers. The City has the following program revenues in each activity:

- Public Safety – Fire, Police, Animal Control, Court, and Civil Emergency Management – fines and forfeitures, restricted operating grants and restricted capital grants
- Public works –Streets and City Garage – commercial vehicle and gasoline excise tax shared by the State, sidewalk and street repair fees, operating and capital grants
- Cemetery – cemetery openings/closings and interments, operating grants
- Culture and recreation – swimming pool fees, library fees, multi-sports complex fees, operating grants
- General Government – license and permits, mowing fees, reports and copy fees, digital mapping fees, operating grants
- Economic Development – Tax increment financing (TIF) taxes and operating grants and contributions

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Governmental Funds:

The City's governmental funds are comprised of the following:

Major Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds.

Special Revenue Funds:

- 1/4 % Sales Tax Economic Development - accounts for one-quarter cent sales tax restricted for economic development.

- 5/8 % Sales Tax Education Fund - accounts for five-eighths cent sales tax restricted for Durant Public Schools for education capital projects.

- Durant Tax Increment Finance Authority - accounts for TIF taxes restricted for repayment of Tax Increment Revenue bonds.

Capital Project Funds:

- 1% Sales Tax Revenue Fund - accounts for revenues received from the third-penny city sales tax, earmarked for capital improvements and related debt service.

- Capital Improvement Fund - accounts for capital expenditures of all departments, in all funds. Receives transfers from other funds as its main revenue source.

Aggregated Non-Major Funds (reported as Other Governmental Funds):

Special Revenue Funds:

- Special 911 Tax Fund - accounts for the revenues received from the emergency service fees on telephone bills. Funds are used to pay monthly service charges for the enhanced 911 system. Remaining funds may be used for other emergency communications needs.

- R.L Williams Library Fund - accounts for revenues received from library fines, copies, memorials, etc. Funds are used for operations of the library.

- Drug Enforcement Fund - accounts for revenues received by police department from a proportionate distribution of funds related to property received from drug forfeitures. Funds are expended for purposes of surveillance, communications and related expenditures.

- HOME/FEMA Grant Fund - accounts for HOME/FEMA Grant funds in accordance with state and federal program guidelines.

- 1/4 % Sales Tax M.S. Fund - accounts for one-quarter cent sales tax restricted for transfer to DCFA for multi-sports complex.

- 1/4 % Sales Tax SOSU Fund - accounts for one-quarter cent sales tax restricted for transfer to DCFA for SOSU capital projects.

- 5% Lodging Tourism Tax Fund – accounts for 5% lodging/tourism tax restricted for transfer to Durant Tourism Economic Development Authority (DTEDA)

Capital Project Funds:

- DWRF Community Center & Library Fund – accounts for donation revenue for community center & library project.

- Cemetery Care Fund - accounts for the transfer of 12.5% of revenue from cemetery lot sales and interment fees, which, with the exception of interest earnings, may only be used to purchase additional land and for major capital improvements to the cemetery. Interest earnings in the fund are transferred to Cemetery Operations Account, which is combined with the General Fund for report purposes.

- CDBG Fund - accounts for Community Development Block Grant funds in accordance with state and federal program guidelines.

The governmental funds are reported on the modified accrual basis of accounting and current financial resources measurement focus. On the modified accrual basis of accounting revenues are recorded when earned and measurable and available to pay current financial obligations, while expenditures are recorded when incurred and payable from current financial resources. The City defines revenue availability as collected within 60 days of period end.

The reconciliation of the governmental funds financial statements to the governmental activities presentation in the government-wide financial statements is the result of the use of the accrual basis of accounting and economic resources measurement focus at the government-wide level.

The General Fund, 1% Sales Tax Revenue Fund, Capital Improvement Fund, 1/4% Sales Tax Economic Development Fund, 5/8% Sales Tax Education Fund, and Durant Tax Increment Finance Authority are considered major funds and are therefore displayed in separate columns. All other governmental funds are considered non-major funds and are aggregated under the column Other Governmental Funds.

Proprietary Funds:

When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds include enterprise funds and internal service funds. Enterprise funds are used to account for business-like activities provided to the general public. Internal service funds are used to account for business-type activities provided within the government. Proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability. The City's enterprise funds are the Durant City Utilities Authority, and Durant Airport Authority. The City's internal service funds include the Employee Health Fund, Worker's Compensation Fund, and the Info Tech Service Fund.

The Durant City Utilities Authority Fund and the Durant Airport Authority Fund are considered major funds and are therefore displayed in separate columns.

3. Cash, Cash Equivalents, Deposits and Investments

For the purposes of the statement of net position, balance sheets, and statement of cash flows, cash and cash equivalents includes all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three-months or less. Revenue bond and promissory note trust account investments in open-ended mutual fund shares are also considered cash equivalents and are reported at the funds' current share prices.

Investments consist of non-negotiable certificates of deposit whose original maturity term exceeds three months and mutual funds. These non-negotiable certificates of deposit are carried at cost. Marketable investments are carried at fair value.

The City of Durant is governed by the deposit and investment limitations of state law. The deposits and investments held at June 30, 2019 are as follows:

Deposits and Investments

PRIMARY GOVERNMENT:

Type of Deposits and Investments	Maturities		Carrying Value
Demand deposits			$16,240,588
Time deposit	02/04/20		45,078
Cash on hand			4,631
		Credit Rating	
Mutual Funds - First United Money Market		not rated	1,995,821
Mutual Funds - Blackrock Liq Fedfd-Csh Res		AAAm	3,961
Total			$18,290,079

Reconciliation to Statement of Net Position:

Cash and cash equivalents	$ 18,245,001
Investments	45,078
	$ 18,290,079

COMPONENT UNITS:

Durant Industrial Authority:

Type of Deposits and Investments	Maturities	Carrying Value
Demand deposits		$ 476,001
Time deposit	9/20/2019	350,626
		$ 826,627

Reconciliation to Statement of Net Position:

Cash and cash equivalents	$ 476,001
Investments	350,626
	$ 826,627

Durant Community Facilities Authority:

Type of Deposits and Investments	Credit Rating	Value
Demand deposits		$ 1,881,311
Mutual Funds - Goldman Sachs Financial Sq Trsy Oblig	AAAm	232,546
Total		$ 2,113,857

Reconciliation to Statement of Net Position:

Cash and cash equivalents	$ 2,113,857
	$ 2,113,857

Durant Tourism Economic Development Authority:

Type of Deposits and Investments	Value
Demand deposits	$ 498,968
Total	$ 498,968

Reconciliation to Statement of Net Position:

Cash and cash equivalents	$ 498,968
	$ 498,968

Custodial Credit Risk – Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the City holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

The City's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 110% of the uninsured deposits and accrued interest thereon. As of June 30, 2019, the City's deposits were fully collateralized.

Investment Interest Rate Risk - the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's only investments are in open ended mutual funds.

Investment Credit Risk – The City has no investment policy that limits its investment choices other than the limitations of state law that generally authorize investments in:

a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U. S. Government is pledged.
b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c., and d.

Concentration of Investment Credit Risk - the City places no limit on the amount it may invest in any one issuer.

Restricted Cash and Investments - The amounts reported as restricted assets of the Enterprise Funds on the statement of net position are comprised of amounts held by the Durant City Utilities Authority and Durant Airport Authority for utility deposits (refunded upon termination of service or applied to final bill) and amounts held by the trustee bank related to debt activity. The restricted assets as of June 30, 2019 are as follows:

	Current Cash and cash Equivalents
Utility Deposits	$ 492,144
OWRB Accounts (DCUA):	
2009A Principal Account	116,853
2009A Interest Account	80,790
2009B Principal Account	40,337
2009B Interest Account	27,898
2009B Construction Account	26,841
2010 Note Proceeds Account	1,135
2010 Principal Account	69,062
2010 Interest Account	32,280
2010 Construction Account	222,984
2012A Principal Account	239,980
2012A Interest Account	14,785
2012A Construction Account	823,237
2013 Principal Account	123,772
2013 Interest Account	9,916
2006 Interest Account	1,319
2006 Principal Account	13,802
2007 Revenue Account	4,617
2007 Project Account	76
2007 Principal Account	99,392
2007 Interest Account	46,745
Total Restricted Assets	$ 2,487,965

4. Accounts Receivable

	Receivable	Allowance for Bad Debts	Net Receivable
Governmental Activities:			
Court Fines Receivable	$ 312,543	$ (281,289)	$ 31,254
Business-Type Activities:			
Airport Receivables	$ 42,049	$ (3,443)	$ 38,606
Utility Receivables	$ 2,133,876	$ (191,111)	$ 1,942,765

5. Capital Assets and Depreciation

Capital Assets:

Capital assets consist of land, land improvement, construction in progress, buildings and building improvements, machinery and equipment, and infrastructure. A capitalization threshold of $5,000 is used to report capital assets with the exception of buildings and infrastructure assets which have a threshold of $25,000. Capital assets are reported at actual or estimated historical cost. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2003. Prior to July 1, 2003, governmental funds' infrastructure assets, such as streets, bridges, drainage systems and traffic signal systems were not capitalized. Infrastructure assets acquired since that date are recorded at cost. Donated capital assets are recorded at their fair value at the date of donation. For the year ended June 30, 2019, capital assets balances changed as follows:

Primary Government:

	Balance at July 1, 2018	Additions and Transfers	Disposals and Transfers	Balance at June 30, 2019
Governmental activities:				
Non-depreciable:				
Land	$ 5,341,392	$ -	$ -	$ 5,341,392
Construction-in-progress	305,678	655,697	(887,180)	74,195
Total non-depreciable assets at historical cost	5,647,070	655,697	(887,180)	5,415,587
Depreciable:				
Buildings	25,014,234	433,500	-	25,447,734
Improvements	3,739,255	713,374	-	4,452,629
Machinery and equipment	12,805,481	450,363	(8,500)	13,247,344
Infrastructure	82,267,344	377,458	-	82,644,802
Total depreciable assets at historical cost	123,826,314	1,974,695	(8,500)	125,792,509
Less accumulated depreciation				
Buildings	(6,120,591)	(631,863)	-	(6,752,454)
Improvements	(2,147,974)	(122,481)	-	(2,270,455)
Machinery and equipment	(9,069,939)	(583,574)	5,194	(9,648,319)
Infrastructure	(60,981,962)	(1,292,926)	-	(62,274,888)
Total accumulated depreciation	(78,320,466)	(2,630,844)	5,194	(80,946,116)
Net depreciable assets	45,505,848	(656,149)	(3,306)	44,846,393
Governmental activities capital assets, net	$ 51,152,918	$ (452)	$ (890,486)	$ 50,261,980
Business-type activities:				
Non-depreciable:				
Land	$ 2,339,603	$ 94,890	$ -	$ 2,434,493
Construction-in-progress	1,835,790	2,726,146	(795,181)	3,766,755
Total non-depreciable assets at historical cost	4,175,393	2,821,036	(795,181)	6,201,248
Depreciable:				
Buildings	33,523,652	14,000	-	33,537,652
Improvements	15,381,988	-	-	15,381,988
Machinery and equipment	11,020,346	497,251	-	11,517,597
Utility property and improvements	38,258,043	842,889	-	39,100,932
Total depreciable assets at historical cost	98,184,029	1,354,140	-	99,538,169
Less accumulated depreciation				
Buildings	(20,347,857)	(1,123,599)	-	(21,471,456)
Improvements	(8,793,172)	(346,627)	-	(9,139,799)
Machinery and equipment	(8,198,964)	(580,457)	-	(8,779,421)
Utility property and improvements	(15,749,010)	(799,189)	-	(16,548,199)
Total accumulated depreciation	(53,089,003)	(2,849,872)	-	(55,938,875)
Net depreciable assets	45,095,026	(1,495,732)	-	43,599,294
Business-type capital assets, net	$ 49,270,419	$ 1,325,304	$ (795,181)	$ 49,800,542

Component Units:

COMPONENT UNITS:	Balance at July 1, 2018	Additions and Transfers	Deductions and Transfers	Balance at June 30, 2019
Durant Industrial Authority:				
Non-depreciable:				
Land	$ 1,673,856	$ -	$ -	$ 1,673,856
Construction-in-progress	-	67,426	-	67,426
Total non-depreciable assets at historical cost	1,673,856	67,426	-	1,741,282
Depreciable:				
Machinery and equipment	34,631	-	-	34,631
Utility property and improvements	17,664	-	-	17,664
Total depreciable assets at historical cost	52,295	-	-	52,295
Less accumulated depreciation				
Machinery and equipment	(34,631)	-	-	(34,631)
Utility property and improvements	(1,178)	(442)	-	(1,620)
Total accumulated depreciation	(35,809)	(442)	-	(36,251)
Net depreciable assets	16,486	(442)	-	16,044
Durant Industrial Authority capital assets, net	$ 1,690,342	$ 66,984	$ -	$ 1,757,326
Durant Community Facilities Authority:				
Non-depreciable:				
Land	$ 266,000	$ -	$ -	$ 266,000
Durant Community Facilities Authority capital assets, net	$ 266,000	$ -	$ -	$ 266,000

Depreciation:

Depreciable capital assets are depreciated on a straight-line basis over useful lives. The range of estimated useful lives by type of asset is as follows: Buildings 20-40 years, Improvements other than buildings 20-50 years, Machinery and equipment 3-15 years, and Infrastructure 30-40 years.

Depreciation of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset. Depreciation expense has been allocated as follows:

Governmental Activities:		Business-Type Activities:	
General government	$ 152,803	Water	$ 913,995
Public safety	482,182	Sewer	1,126,981
Public works	1,360,697	Sanitation	340,654
Culture and recreation	626,932	Airport	468,242
Cemetery	8,230	Total depreciation	$ 2,849,872
Total depreciation	$ 2,630,844		

6. Long-Term Debt and Debt Service Requirements

For the year ended June 30, 2019, the reporting entity's long-term debt changed as follows:

Type of Debt	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Amounts Due Within a Year
Governmental Activities:					
Capital Lease Obligations	$ 582,063	$ -	$ 134,752	$ 447,311	$ 112,860
Settlement Claims Liability	170,401	-	170,401	-	-
Accrued Compensated Absences	1,236,032	140,378	123,603	1,252,807	125,281
Total Governmental Activities	$ 1,988,496	$ 140,378	$ 428,756	$ 1,700,118	$ 238,141
Plus: Net Pension Liability				7,246,617	
				$ 8,946,735	
Business-type Activities:					
Notes Payable - Direct Borrowings/Placements	$ 20,124,289	$ -	$ 2,885,586	$ 17,238,703	$ 2,985,336
Landfill Closure Liability	540,601	61,159	-	601,760	30,088
Meter Deposit Liability	450,874	154,967	113,697	492,144	98,429
Accrued Compensated Absences	282,910	-	37,649	245,261	24,526
Total Business-Type Activities	$ 21,398,674	$ 216,126	$ 3,036,932	$ 18,577,868	$ 3,138,379
Component Unit Debt:					
Durant Industrial Authority:					
Notes Payable - Direct Borrowings/Placements	$ 1,040,996	$ -	$ 130,121	$ 910,875	$ 143,209
Total Durant Industrial Authority	1,040,996	-	130,121	910,875	143,209
Durant Community Facilities Authority:					
Notes Payable - Direct Borrowings/Placements	$ 586,620	$ -	$ 77,900	$ 508,720	$ 82,733
Revenue Bonds Payable	8,365,000	-	1,095,000	7,270,000	1,165,000
Total Durant Community Facilities Authority	8,951,620	-	1,172,900	7,778,720	1,247,733
Total Component Unit Debt	$ 9,992,616	$ -	$ 1,303,021	$ 8,689,595	$ 1,390,942

Governmental activities long-term debt:

Capital Lease Obligations:

$200,230 capital lease with First United Bank for a rescue pumper, payable in monthly installments of $3,586, final payment due August 20, 2022, with interest at 2.85%	$126,380
$283,169 capital lease with Motorola for 911 equipment, payable in annual installments of $45,451, final payment due December 31, 2025, with interest at 4.07%	283,169
$24,681 capital lease with Dell Financial Services for IT equipment, payable in annual installments of $5,565, final payment due September 30, 2021, with interest at 5.937%	14,847
$161,731 capital lease with Landmark Bank for 4 police vehicles, payable in monthly installments of $2,867, final payment due February 11, 2020, with interest at 2.45%	22,915
Total Capital Lease Obligations	$ 447,311
Current portion	$ 112,860
Non-current portion	334,451
Total Capital Lease Obligations	$ 447,311

Accrued Compensated Absences:

Accrued compensated absences reported in the governmental activities are comprised of accrued vacation, holiday and compensatory time leave.

Current portion	$ 125,281
Non-current portion	1,127,526
Total Accrued Compensated Absences	$1,252,807

Net Pension Liability:

Current portion	$ -
Non-current portion	7,246,617
Total Net Pension Liability	$7,246,617

Business-type activities long-term debt:

Notes Payable - Direct Borrowings/Placements:

Note Payable (DCUA) to Oklahoma Water Resources Board dated March 25, 2003, original amount of $4,127,524 with an annual interest rate of 0%, admin fee of 0.5%, due in semi-annual principal installments each March 15 and September 15 of $114,653 beginning September 15, 2003, final installment due March 15, 2021. Collateral for this note is a pledge of revenues. In the event of default, the lender may: 1) file suit for specific performance of any or all of the covenants of the Borrower contained in this Loan Agreement or in the Local Note; 2) accelerate the payment of principal of and interest accrued on the Local Note; 3) appoint temporary trustees to take over, operate and maintain the System on a profitable basis and ensure the payment of the principal of and interest on the Local Note and any other Borrower indebtedness; 4) file suit to enforce or enjoin the action or inaction of the parties under the provisions of this Loan Agreement.	$ 458,614
Note Payable (DCUA) to Oklahoma Water Resources Board dated April 16, 2004, original amount of $2,131,976 with an annual interest rate of 0%, admin fee of 0.5%, due in semi-annual principal installments each March 15 and September 15 of $62,705 beginning September 15, 2004, final installment due March 15, 2021. Collateral for this note is a pledge of revenues. In the event of default, the lender may: 1) file suit for specific performance of any or all of the covenants of the Borrower contained in this Loan Agreement or in the Local Note; 2) accelerate the payment of principal of and interest accrued on the Local Note; 3) appoint temporary trustees to take over, operate and maintain the System on a profitable basis and ensure the payment of the principal of and interest on the Local Note and any other Borrower indebtedness; 4) file suit to enforce or enjoin the action or inaction of the parties under the provisions of this Loan Agreement.	250,793
Note Payable (DAA) to Vision Bank dated May 2, 2016, original amount of $450,000 with an annual interest rate of 3.706%, due in monthly installments of $4,493, final installment due May 1, 2026. The Note is unsecured. In the event of default, the lender may declare the entire principal amount of the Note and the accrued interest due and payable immediately.	324,509

Sales Tax & Utility Revenue Note (DCUA) to First United Trust Bank dated August 28, 2007, original amount of $5,610,000 with an annual interest rate of 4.49%, due in semi-annual installments with principal ranging from $80,000 to $215,000, final installment due September 1, 2027. The collateral for this note is a pledge of revenues. In the event of default, the lender may: 1) file suit for specific performance of any or all of the covenants of the Authority contained in this Note Indenture; 2) acceleration of the payment of principal of and interest accrued on all notes; 3) appoint temporary trustees to take over, operate and

maintain the System on a profitable basis and ensure the payment of the principal of and interest on the note; 4) file suit to enforce or enjoin the action or inaction of the borrower under the provisions of the Note Indenture.	3,005,000
Sales Tax & Utility Revenue Note (DCUA) to First United Trust Bank dated September 1, 2009, original amount of $6,000,000 with an annual interest rate of 4.45%, due in semi-annual installments with principal ranging from $90,000 to $255,000, final installment due September 1, 2029. The collateral for this note is a pledge of revenues. In the event of default, the lender may: 1) file suit for specific performance of any or all of the covenants of the Authority contained in this Note Indenture; 2) acceleration of the payment of principal of and interest accrued on all notes; 3) appoint temporary trustees to take over, operate and maintain the System on a profitable basis and ensure the payment of the principal of and interest on the note; 4) file suit to enforce or enjoin the action or inaction of the borrower under the provisions of the Note Indenture.	3,835,000
Sales Tax & Utility Revenue Note (DCUA) to First United Trust Bank dated September 1, 2009, original amount of $2,000,000 with an annual interest rate of 4.589%, due in semi-annual installments with principal ranging from $25,000 to $75,000, final installment due September 1, 2029. The collateral for this note is a pledge of revenues. In the event of default, the lender may: 1) file suit for specific performance of any or all of the covenants of the Authority contained in this Note Indenture; 2) acceleration of the payment of principal of and interest accrued on all notes; 3) appoint temporary trustees to take over, operate and maintain the System on a profitable basis and ensure the payment of the principal of and interest on the note; 4) file suit to enforce or enjoin the action or inaction of the borrower under the provisions of the Note Indenture.	1,285,000
Sales Tax & Utility Revenue Note (DCUA) to First United Trust Bank dated November 1, 2010, original amount of $6,000,000 with an annual interest rate of 3.95%, due in semi-annual installments with principal ranging from $100,000 to $215,000, final installment due November 1, 2030. The collateral for this note is a pledge of sales tax and gross revenues of the system and a security interest in the lease agreement. In the event of default, the lender may: 1) file suit for specific performance of any or all of the covenants of the Authority contained in this Note Indenture; 2) acceleration of the payment of principal of and interest accrued on all notes; 3) appoint temporary trustees to take over, operate and maintain the System on a profitable basis and ensure the payment of the principal of and interest on the note; 4) file suit to enforce or enjoin the action or inaction of the borrower under the provisions of the Note Indenture.	4,025,000
Note Payable (DCUA) to Landmark Bank for 2 sanitation trucks dated September 22, 2016, original amount of $374,340 with an annual interest rate of 2.25%, due in monthly installments of $6,607, final installment due September 22, 2021. The collateral is a security interest in the equipment purchased with the proceeds of this Note. In the event of default, the lender may declare the entire principal amount of the Note and the accrued interest due and payable immediately.	173,406
Note Payable (DCUA) to Landmark Bank for a sanitation truck dated November 1, 2016, original amount of $183,340 with an annual interest rate of 2.45%, due in monthly installments of $3,254, final installment due November 1, 2021. The collateral is a security interest in the equipment purchased with the proceeds of this Note. In the event of default, the lender may declare the entire principal amount of the Note and the accrued interest due and payable immediately.	88,086

Note Payable (DCUA) to Landmark Bank for a sanitation truck dated September 22, 2016, original amount of $280,986 with an annual interest rate of 2.4%, due in monthly installments of $4,978, final installment due September 22, 2021. The collateral is a security interest in the equipment purchased with the proceeds of this Note. In the event of default, the lender may declare the entire principal amount of the Note and the accrued interest due and payable immediately.	130,410
Note Payable (DCUA) to First United Bank for 2 sanitation vehicles dated November 16, 2016, original amount of $85,986 with an annual interest rate of 2.69%, due in monthly installments of $1,535, final installment due November 20, 2021. The collateral is a security interest in the equipment purchased with the proceeds of this Note. In the event of default, the lender may declare the entire principal amount of the Note and the accrued interest due and payable immediately.	42,885
Sales Tax & Utility Revenue Note (DCUA) to First United Trust Bank dated December 20, 2012, original amount of $7,500,000 with an annual interest rate of 2.35%, due in semi-annual installments with principal ranging from $300,000 to $495,000, final installment due October 1, 2021. The collateral for this note is a pledge of sales tax and gross revenues of the system and a security interest in the lease agreement. In the event of default, the lender may: 1) file suit for specific performance of any or all of the covenants of the Authority contained in this Note Indenture; 2) acceleration of the payment of principal of and interest accrued on all notes; 3) appoint temporary trustees to take over, operate and maintain the System on a profitable basis and ensure the payment of the principal of and interest on the note; 4) file suit to enforce or enjoin the action or inaction of the borrower under the provisions of the Note Indenture.	2,385,000
Sales Tax & Utility Revenue Note (DCUA) to First United Trust Bank dated July 24, 2013, original amount of $3,805,000 with an annual interest rate of 2.06%, due in semi-annual installments with principal ranging from $60,000 to $255,000, final installment due October 1, 2021. The collateral for this note is a pledge of revenues. In the event of default, the lender may: 1) file suit for specific performance of any or all of the covenants of the Authority contained in this Note Indenture; 2) acceleration of the payment of principal of and interest accrued on all notes; 3) appoint temporary trustees to take over, operate and maintain the System on a profitable basis and ensure the payment of the principal of and interest on the note; 4) file suit to enforce or enjoin the action or inaction of the borrower under the provisions of the Note Indenture.	1,235,000
Total Notes Payable (Direct Borrowings/Placements)	$17,238,703

Current portion	$2,985,336
Non-current portion	14,253,367
Total Notes Payable (Direct Borrowings/Placements)	$17,238,703

Accrued Compensated Absences:

Accrued compensated absences reported in the business-type activities are comprised of accrued vacation, holiday and compensatory time leave.

Current portion	$24,526
Non-current portion	220,735
Total Accrued Compensated Absences	$245,261

Meter Deposit Liability:

Meter deposit liability reported in the business-type activities:

Current portion	$98,429
Non-current portion	393,715
Total Meter Deposit Liability	$492,144

Landfill Closure Liability:

Landfill closure liability reported in the business-type activities:

Current portion	$30,088
Non-current portion	571,672
Total Landfill Closure Liability	$601,760

Component Unit long-term debt:

Notes Payable (DIA) – Direct Borrowings/Placements:

Notes payable of the Durant Industrial Authority to ODOC dated February 23, 2000, original amount of $300,000 with an annual interest rate of 0%, due in monthly installments of $1,250, final installment due February 1, 2023. The collateral for this note is a pledge of water and wastewater revenues. In the event of default, the lender may: 1) declare the entire principal amount of the Note and the accrued interest due and payable immediately. 2) charge a default rate of interest at 6% above the set per annum rate 3) charge a late fee not to exceed an amount equal to $0.04 per each dollar of each payment not paid w/in 10 days of due date (not applicable if option #2 is elected) 4) charge a fee for collection costs.	$52,500
Notes payable of the Durant Industrial Authority to ODOC dated April 29, 2004, original amount of $400,000 with an annual interest rate of 0%, due in monthly installments of $1,667, final installment due January 1, 2025. The collateral for this note is a pledge of utility revenues. In the event of default, the lender may: 1) declare the entire principal amount of the Note and the accrued interest due and payable immediately. 2) charge a default rate of interest at 6% above the set per annum rate 3) charge a late fee not to exceed an amount equal to $0.04 per each dollar of each payment not paid w/in 10 days of due date (not applicable if option #2 is elected) 4) charge a fee for collection costs.	108,333
Notes payable of the Durant Industrial Authority to ODOC dated May 8, 2003, original amount of $500,000 with an annual interest rate of 0%, due in monthly installments of $2,083, final installment due January 1, 2024. The collateral for this note is a pledge of utility revenues. In the event of default, the lender may: 1) declare the entire principal amount of the Note and the accrued interest due and payable immediately. 2) charge a default rate of interest at 6% above the set per annum rate 3) charge a late fee not to exceed an amount equal to $0.04 per each dollar of each payment not paid w/in 10 days of due date (not applicable if option #2 is elected) 4) charge a fee for collection costs.	110,416
Note Payable of the Durant Industrial Authority to private individuals dated February 20, 2003, for land, original amount of $700,000 with an annual interest rate of 5.5%, due in monthly installments of $4,815, final installment due February 20, 2023. There is no collateral for this note. In the event of default, the lender may declare the entire principal amount of the Note and the accrued interest due and payable immediately.	191,477

Notes payable of the Durant Industrial Authority to ODOC dated August 25, 2006, original amount of $400,000 with an annual interest rate of 0%, due in monthly installments of $1,667, final installment due December 1, 2026. The collateral for this note is a pledge of utility revenues. In the event of default, the lender may: 1) declare the entire principal amount of the Note and the accrued interest due and payable immediately. 2) charge a default rate of interest at 6% above the set per annum rate 3) charge a late fee not to exceed an amount equal to $0.04 per each dollar of each payment not paid w/in 10 days of due date (not applicable if option #2 is elected) 4) charge a fee for collection costs.	284,833
Notes payable of the Durant Industrial Authority to ODOC dated November 8, 2006, original amount of $399,956 with an annual interest rate of 0%, due in monthly installments of $1,666, final installment due September 1, 2027. The collateral for this note is a pledge of utility revenues. In the event of default, the lender may: 1) declare the entire principal amount of the Note and the accrued interest due and payable immediately. 2) charge a default rate of interest at 6% above the set per annum rate 3) charge a late fee not to exceed an amount equal to $0.04 per each dollar of each payment not paid w/in 10 days of due date (not applicable if option #2 is elected) 4) charge a fee for collection costs.	163,316
	$910,875

Current portion	$ 143,209
Non-current portion	767,666
Total Notes Payable (Direct Borrowings/Placements)	$910,875

Notes Payable (DCFA) – Direct Borrowing/Placement:

Sales Tax Revenue Note (DCFA) to First United Bank dated February 1, 2007, original amount of $1,275,000 with an annual interest rate of 5.6%, due in monthly installments of $9,099, final installment due October 30, 2024. Final draw-downs equal $1,085,320. Collateral for this note is a pledge sales tax revenues. In the event of default, the lender may: 1) pursue any available remedy at law or equity by suit, action, foreclosure, mandamus or other proceeding to enforce the payment of the principal of, premium, if any, and interest on the indebtedness then Outstanding; 2) enforce and compel the performance of the duties and obligations of the Authority as set for within the Note.	$ 508,720

Current portion	$ 82,733
Non-current portion	425,987
Total Notes Payable (Direct Borrowing/Placement)	$ 508,720

Revenue Bonds Payable (DCFA):

Refunding revenue bonds payable of the Durant Community Facilities Authority dated December 22, 2011, original amount of $14,115,000 with an annual interest rate of 3.1%, due in semi-annual principal installments each May 1 and November 1 ranging from $350,000 to $735,000 beginning November 1, 2012, final installment due November 1, 2024	$7,270,000

Current portion	$1,165,000
Non-current portion	6,105,000
Total Revenue Bonds Payable	$7,270,000

Long-term debt service requirements to maturity:

	Governmental Activities	
	Capital Lease Obligations	
Year Ending June 30,	Principal	Interest
2020	$ 112,860	$ 4,314
2021	81,705	12,337
2022	84,646	9,396
2023	42,138	6,729
2024	40,324	5,127
2025-2026	85,638	5,263
Total	$ 447,311	$ 43,166

	Business-Type Activities	
	Notes Payable - Direct Borrowings/Placements	
Year Ending June 30,	Principal	Interest
2020	$ 2,985,336	$ 614,227
2021	3,051,515	531,788
2022	1,905,064	447,506
2023	1,147,617	390,337
2024	1,199,411	340,126
2025-2029	6,019,760	882,218
2030-2031	930,000	32,290
Total	$ 17,238,703	$ 3,238,492

	Component Units	
	Durant Industrial Authority	
	Notes Payable-Direct Borrowings/Placements	
Year Ending June 30,	Principal	Interest
2020	$ 143,209	$ 9,322
2021	151,192	6,588
2022	154,080	3,700
2023	130,238	782
2024	70,413	-
2025-2029	171,660	-
2030-2034	90,083	-
Total	$ 910,875	$ 20,392

	Durant Community Facilities Authority			
	Notes Payable-Direct Borrowings/Placements		Revenue Bonds Payable	
Year Ending June 30,	Principal	Interest	Principal	Interest
2020	$ 82,733	$ 26,454	$ 1,165,000	$ 216,613
2021	87,627	21,560	1,235,000	179,955
2022	92,733	16,453	1,320,000	141,127
2023	98,138	11,049	1,380,000	99,510
2024	103,844	5,342	1,435,000	56,343
2025	43,645	450	735,000	11,392
Total	$ 508,720	$ 81,308	$ 7,270,000	$ 704,940

Component Unit – Conduit Debt:

Original Debt	Project	Remaining Principal
Durant Tax Increment Finance Authority:		
Durant TIF Authority Rev Bonds 2017A $20,433,380	(1) Commercial Metals Co mill site	$18,156,880
Durant TIF Authority Rev Bonds 2017B 3,100,000	(1) Commercial Metals Co mill site	3,100,000

(1) Commercial Metals Co mill site Tax Apportionment Bonds

The Tax Apportionment Bonds were issued to fund reimbursement of a portion of the projected plant construction and equipping costs of a technologically advanced processing building having the operational capability of producing steel products. The TIF Bonds were issued in two series, with the senior series purchased by a group of banking institutions with locations in the City and the junior series purchased by Durant Industrial Authority (DIA). The TIF Bonds would not be a general obligation bond of the City and would not be recourse to the City. The TIF Bonds would be secured only by the TIF Revenues. The TIF Revenues would be limited to the amount of the incentive provided to the Company, plus any amounts necessary (i) to pay interest and other financing costs, including costs of issuance, as well as to fund any capitalized interest and reasonably required reserves associated with the TIF Bonds, and/or (ii) to pay or reimburse the costs incurred or to be incurred by or on behalf of the City or the TIF Trust in implementing and administering this Project Plan. The City began receiving incremental taxes in 2018. These are paid to the trustee bank to be applied to the debt. If the incremental taxes are insufficient to service the debt, the Durant TIF Authority has no further liability. The apportionment of the TIF Revenues shall begin on the effective date of the debt, or July 3, 2017, and shall continue for that period required for the payment of the TIP Costs, or a period not to exceed twenty-five (25) full fiscal years, whichever is less. It is expected that TIP Revenues generated during the initial sixteen (16) years following the Effective Date will be sufficient to pay all TIF Costs and that the Increment District would terminate at such time, *Landfill Closure Liability:*

State and federal laws and regulations require the City to place a final cover on its construction and demolition landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for eight years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these costs as an operating expense of the Utilities Authority in each fiscal year. The current period expense amount is based upon the amount of landfill capacity used as of each fiscal year end.

The $601,760 reported as accrued landfill closure cost liability at June 30, 2019, represents the cumulative amount of such costs reported to date based on the use of 96.91% of the estimated capacity of the landfill. The Authority will recognize the remaining estimated costs of closure and post-closure care in the amount of $19,159 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2019. The Authority expects to close the landfill in the year 2027 and actual costs may be higher or lower at that time due to inflation, changes in technology or changes in regulations.

The City has qualified under the Department of Environmental Quality (DEQ) financial assurance test relating to these future closure and post-closure care costs, whereby the City's overall financial condition and other submitted information serves as evidence of the City's ability to pay for the closure and post-closure care costs when the landfill is actually closed. As such, the City is not required to fund an escrow trust account for these costs.

Pledge of Future Revenues

Sales Tax and Utility Net Revenues Pledge - The City has pledged, for debt covenant coverage purposes, three cents (or 69%) of future sales tax revenues, and net utility revenues to repay the $6,000,000 of the 2010 Sales Tax and Utility Revenue Note, $6,000,000 of the 2009A Sales Tax and Utility Revenue Note, $2,000,000 of the 2009B Sales Tax and Utility Revenue Note, $5,610,000 of the 2007 Sales Tax Revenue Note, $4,127,524 of the 2003A OWRB BF Note, $2,131,976 of the 2004 OWRB ORF, $7,500,000 of the 2012A Utility System and Sales Tax Note, and $3,805,000 of the 2013 Sales Tax and Utility Revenue Note. Proceeds from the notes provided for the purchase or construction of capital assets. The notes are payable from the pledged sales tax revenues and net utility revenues. The notes are payable through 2030, 2029, 2029, 2027, 2021, 2021, 2021, and 2021 respectively. The total principal and interest payable for the remainder of the life of these notes are $19,662,078. Pledged sales taxes in the current year were $11,158,974 and net utility revenues and interest were $3,391,476. Maximum annual debt service payments of $3,528,094 for the applicable debt were 24.2% of pledged sales taxes and net utility revenues.

Sales Tax Revenue Pledge – Component Unit (DCFA) – The City has pledged one-half cent of future sales tax revenues to repay the $14,115,000 of the 2011 Refunding Sales Tax Revenue Bonds and the $1,275,000 of the 2007 Sales Tax Revenue Note. Proceeds from the notes provided for the purchase or construction of capital assets. The notes are payable from the pledged sales tax revenue. The notes are payable through 2024 and 2025. The total principal and interest for the remainder of the life of these notes are $8,564,968. Pledged sales taxes received in the current year were $1,859,829. Current annual debt service payments of $1,454,382 for the applicable debt were 78% of pledged and transferred sales taxes.

Debt Service Coverage Requirement:

The OWRB debt agreements require that Net Revenues Available for Debt Service must equal at least 125% of the maximum annual debt service on all DUA parity debt. The 2007 Sales Tax Revenue Note requires coverage to meet at least 125% of average annual debt service, while the 2010 Sales Tax & Utility Revenue Note requires coverage to meet at least 100% of annual debt service. Since the OWRB debt requires a greater restriction, all calculations will not be presented. The actual coverage was met as follows:

Gross Revenue Available for Debt Service:		
Charges for services	$	6,811,743
Investment income		61,413
Sales tax pledged (3 cents)		11,158,974
Total Gross Revenues Available		18,032,130
Operating Expenses:		
Operations		3,481,680
Total Operating Expenses		3,481,680
Net Revenues Available for Debt Service	$	14,550,450
Debt Service Requirements:		
Maximum annual debt service on all DUA parity debt	$	3,528,094
Computed Coverage		412%
Coverage Requirement		125%

The above gross revenue and operating expenses include only water and sewer operations of the Utility Authority, excluding depreciation and amortization.

7. Net Position and Fund Balances

Net Position:

Net position as reported in the government-wide and proprietary fund financial statements is displayed in three components:

a. *Net investment in capital assets* - Consists of capital assets and related accounts, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

b. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

c. *Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

It is the City's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balances

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as:

a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

b. Restricted – consists of fund balance with constraints place on the use of resources either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city's highest level of decision-making authority. The City's highest level of decision-making authority is made by ordinance. The City currently reports no committed fund balance. Public trusts reported as governmental funds use a resolution as their highest level of decision-making authority.

d. Assigned – includes amounts that are constrained by the city's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for transfers and interest income for governmental funds are made through the budgetary process.

e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

It is the City's policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Proprietary fund equity is classified the same as in the government-wide statements.

The following tables show the fund balance classifications as shown on the Governmental Funds Balance Sheet:

	General Fund	1/4% Economic Development Fund	5/8% Sales Tax Education Fund	Durant Tax Increment Finance Authority	Capital Improvement Fund	1% Sales Tax Revenue Fund	Other Governmental Funds	Total
Fund Balance:								
Restricted For:								
Economic development	$ -	$ 3,079,875	$ -	$ 21,380	$ -	$ -	$ -	$ 3,101,255
Education	-	-	348,606	-	-	-	-	348,606
Capital improvements and debt service	-	-	-	-	-	501,067	28,372	529,439
Cemetery	-	-	-	-	-	-	207,237	207,237
Multi-sports complex	-	-	-	-	-	-	125,687	125,687
SOSU capital projects	-	-	-	-	-	-	125,687	125,687
Public safety	45,910	-	-	-	-	-	15,412	61,322
Community center & library	-	-	-	-	-	-	770	770
Library	-	-	-	-	-	-	47,959	47,959
Sub-total Restricted	45,910	3,079,875	348,606	21,380	-	501,067	551,124	4,547,962
Assigned to:								
Economic development	-	1,527,042	-	-	-	-	-	1,527,042
Capital improvements and debt service	-	-	-	-	1,484,275	1,681	-	1,485,956
Public safety	-	-	-	-	-	-	146	146
Community center & library	-	-	-	-	-	-	723,163	723,163
Library	-	-	-	-	-	-	2,269	2,269
Insurance	4,562	-	-	-	-	-	-	4,562
Christmas lighting	5,331	-	-	-	-	-	-	5,331
Beautification	111,016	-	-	-	-	-	-	111,016
Cemetery	32,205	-	-	-	-	-	6,788	38,993
Recreation	140,372	-	-	-	-	-	-	140,372
Capital projects - grants	-	-	-	-	-	-	11	11
E911 services	-	-	-	-	-	-	273,739	273,739
Budget balancing purposes	1,875,301	-	-	-	-	-	-	1,875,301
Sub-total Assigned	2,168,787	1,527,042	-	-	1,484,275	1,681	1,006,116	6,187,901
Unassigned	2,076,086	-	-	-	-	-	-	2,076,086
Total Fund Balance	$ 4,290,783	$ 4,606,917	$ 348,606	$ 21,380	$ 1,484,275	$ 502,748	$ 1,557,240	$ 12,811,949

Restricted Net Position – Governmental Activities

The following table shows the net position restricted for other purposes as shown on the Government-Wide Statement of Net Position:

Fund	Restricted By	Amount
1/4% Economic Development Fund	Enabling legislation	$ 3,079,875
5/8% Sales Tax Education Fund	Enabling legislation	348,606
1% Sales Tax Revenue Fund	Enabling legislation	501,067
1/4% Sales Tax M.S. Fund	Enabling legislation	125,687
1/4% Sales Tax SOSU Fund	Enabling legislation	125,687
General Fund	External parties	45,910
DWRF Community Center & Library Fund	External parties	770
R.L. Williams Library Fund	External parties	47,959
CDBG Grant Fund	External parties	28,372
Drug Enforcement Fund	State statutes and/or debt indentures	15,412
Cemetery Care Fund	State statutes and/or debt indentures	207,237
		$ 4,526,582

8. Internal and Interfund Balances and Transfers

The City's policy is to eliminate interfund transfers and balances in the statements of activities and net position to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and internal balances and then offset in the total column in the government-wide statements. Interfund transfers and balances between funds are not eliminated in the fund financial statements.

Transfers:

Internal transfers between funds and activities for the year ended June 30, 2019 were as follows:

Transfer From	Transfer To	Amount	Nature of Transfer
General Fund	Cemetery Care Fund	$ 1,172	Statutory transfer (12.5%)
1/4% Economic Development Fund	Durant City Utilities Authority	306,100	Debt payments
1% Sales Tax Revenue Fund	Durant City Utilities Authority	3,708,276	Sales tax transfer
Capital Improvement Fund	Durant City Utilities Authority	196,476	Debt payments
Special 911 Tax Fund	General Fund	3,008	Operational subsidy
Cemetery Care Fund	General Fund	200	Cemetery annual interest
Durant Airport Authority Fund	General Fund	4,670	Reimbursement of expenses
Durant Airport Authority Fund	Durant City Utilities Authority	152,067	Debt payments
Durant Airport Authority Fund	Durant City Utilities Authority	11,656	Capital asset activity
Durant City Utilities Authority	General Fund	1,900,000	Operating transfer
Durant City Utilities Authority	Special 911 Tax Fund	200,000	Operational subsidy
Durant City Utilities Authority	Capital Improvement	1,500,000	Transfer for capital purchases
Durant City Utilities Authority	DWRF Com Ctr & Lib Fund	80,000	Maintenance reserve
Durant City Utilities Authority	Durant Airport Authority Fund	152,067	Debt payments
Durant City Utilities Authority	General Fund	68,263	Reimbursement of expenses
Durant City Utilities Authority	General Fund	200,000	Operational subsidy
		$ 8,483,955	

Reconciliation to fund financial statements:

	Transfers In	Transfers Out	Net Transfers
Governmental Funds	$ 3,957,313	$ (4,215,232)	$ (257,919)
Enterprise Funds	4,526,642	(4,268,723)	257,919
Total	$ 8,483,955	$ (8,483,955)	$ -

Reconciliation to statement of activities:

	Governmental	Business-Type
Net transfers	$ (257,919)	$ 257,919
Reclassification of capital asset activity	(1,454,862)	1,454,862
Reclassification of activities at the govt-wide statements	811,482	(811,482)
Total Transfers - Internal Activity	$ (901,299)	$ 901,299

Interfund Balances:

Due From	Due To		Amount	Nature of Balance
E911 Fund	General Fund	$	1,490	Service fees initially posted to wrong account
General Fund	E911 Fund		13,861	Deposit of county 911 taxes to wrong fund
General Fund	Cemetery Care Fund		138	Transfer not yet made for 12.5% of cemetery revenues
CDBG Fund	Capital Improvement Fund		6,192	Negative share of pooled cash
General Fund	Durant Airport Authority		8,225	Expense paid out of wrong account
Durant City Utilities Authority	DWRF Comm Ctr & Library		13,333	Expense paid out of wrong account
Total		$	43,239	

Reconciliation to Fund Financial Statements:

		Due From		Due To		Internal Service Funds Reconciliation		Net Internal Balances
Governmental Funds	$	35,014	$	(29,906)	$	(357,018)	$	(351,910)
Proprietary Funds		8,225		(13,333)		357,018		351,910
Total	$	43,239	$	(43,239)	$	-	$	-

9. Sales and Property Tax

Sales Tax:

The City levies a 4.375 cent sales tax on each dollar of taxable sales of which is recorded as follows:

- 2 cents recorded as revenue within the General Fund then transferred to the Durant City Utilities Authority for pledging purposes as required by resolution. Any unused portion is transferred back to the General Fund.
- 1 cent recorded as revenue within the 1% Sales Tax Revenue Fund then transferred to the Durant City Utilities Authority as required by bond indenture for debt service. Any unused portion is transferred back to the 1% Sales Tax Revenue Fund.
- 1/4 cent recorded as revenue within the 1/4 % Sales Tax Economic Development Fund to be used for economic development.
- 1/4 cent recorded as revenue within the 1/4 % Sales Tax M.S. Fund to be transferred to the Durant Community Facilities Authority for debt service.
- 1/4 cent recorded as revenue within the 1/4 % Sales Tax S.O.S.U. Fund to be transferred to the Durant Community Facilities Authority for debt service.
- 5/8 cent recorded as revenue within the 5/8% Sales Tax Education Fund to be transferred to and used by Durant Public Schools for education-related capital projects.

Property Tax:

The City presently levies no property tax. In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the City.

10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City manages these various risks of loss by securing commercial insurance for general liability and physical property and being self-insured for workers compensation. For workers compensation, the City has a third-party administrator for the claims process. Claims Administrative Services and the City signed an agreement for these services, effective November 22, 2011. Management believes such insurance coverage is sufficient to preclude any significant losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Claims Liability Analysis – Internal Service Funds:

The claims liabilities related to the risks of loss that are retained reports a liability for claims if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Such accrued losses include an estimated liability for incurred but not reported claims based on past historical experience.

For the risk management internal service self-insurance funds, changes in the estimated claims liability for the City from July 1, 2016, to June 30, 2019, are as follows:

	Employee Health	Worker's Compensation	Total Internal Service
Claims liability, July 1, 2016	$ 726,543	$ 70,355	$ 796,898
Claims incurred and changes in estimates	5,138,954	1,505,987	6,644,941
Claims paid	(5,401,563)	(232,493)	(5,634,056)
Claims liability, July 1, 2017, (restated)	463,934	1,343,849	1,807,783
Claims incurred and changes in estimates	3,392,621	(76,191)	3,316,430
Claims paid	(3,856,555)	(306,873)	(4,163,428)
Claims liability, July 1, 2018	-	960,785	960,785
Claims incurred and changes in estimates	2,804,542	151,872	2,956,414
Claims paid	(2,804,542)	(347,503)	(3,152,045)
Claims liability, June 30, 2019	$ -	$ 765,154	$ 765,154
Assets available to pay claims at June 30, 2019	$ 1,536,345	$ 212,679	$ 1,749,024

11. Contingencies

Litigation:

The City is a party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City Sinking Fund for the payment of any court assessed judgment rendered against the City. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

Federal and State Award Programs:

The City of Durant participates in various federal or state grant/loan programs from year to year. In 2019, the City's involvement in federal and state award programs was material. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

12. Outstanding Notes Receivable – City and Component Units

The component units have five outstanding notes receivable as of June 30, 2019.

The Durant Industrial Authority executed a $400,000 note receivable in April 2004 with Cardinal FG Company at a zero percent (0%) interest rate, due in 240 monthly installments of $1,667, maturity date January 2025	$112,359
The Durant Industrial Authority executed a $399,956 note receivable in November 2006 with Eagle Suspensions, Inc at a zero percent (0%) interest rate, due in 240 monthly installments of $1,666, maturity date September 2027	163,315
The Durant Industrial Authority executed a $400,000 note receivable in August 2006 with Earth Biofuels at a zero percent (0%) interest rate, due in 240 monthly installments of $1,667, maturity date October 2023 . In the prior year, it was determined that this note receivable meets the definition of uncollectible; therefore, an allowance was recorded in the DIA to offset this receivable.	271,688
The Durant Industrial Authority executed a $520,000 note receivable in August 2012 with PharmcareOK at a zero percent (0%) interest rate, due in 120 monthly installments of $4,333, maturity date January 2023	199,333
The Durant Industrial Authority executed a $700,000 forgivable note receivable in July 2016 with Bruce Packing Company, Inc. at a zero percent (0%) interest rate, forgivable in 3 annual amounts of $233,333, beginning July 21, 2021 and maturing on July 21, 2023	700,000
Total Notes Receivable – DIA	1,446,695
Less: Allowance for Uncollectible	(271,688)
Notes Receivable – DIA, net	$1,175,007

The following schedule shows the current year activity related to these notes receivable:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Improvement Fund:				
DCFA - Paving Project at DMSC	$ 6,272	$ -	$ 6,272	$ -
DIA:				
Cardinal FG Company	132,359	-	20,000	112,359
Abbott Family LLC/Pharmcare	216,667	-	17,334	199,333
Eagle Suspension	183,312	-	19,997	163,315
Earth Biofuels	271,688	-	-	271,688
Earth Biofuels-Allowance	(271,688)	-	-	(271,688)
Texoma Manufacturing	58,125	-	58,125	-
Bruce Packing Company dba BrucePac	700,000	-	-	700,000
Total	$ 1,296,735	$ -	$ 121,728	$ 1,175,007

13. Pension Plan Participation

The City of Durant participates in four pension or retirement plans:

- Oklahoma Firefighter's Pension and Retirement System (OFPRS) – a statewide cost-sharing plan
- Oklahoma Police Pension and Retirement System (OPPRS) – a statewide cost-sharing plan
- Oklahoma Municipal Retirement System Master Defined Benefit Plan and Trust (OkMRF) – an agent multiple-employer defined benefit plan
- Oklahoma Municipal Retirement System Defined Contribution Plan (OkMRF) – an agent multiple-employer defined contribution plan

Firefighters' Plan:

Plan description - The City of Durant, as the employer, participates in the Firefighters Pension & retirement—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Firefighters Pension & Retirement System (FPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the FPRS. FPRS issues a publicly available financial report that can be obtained at www.ok.gov/fprs.

Benefits provided - FPRS provides defined retirement benefits based on members' final average compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. The Plan's benefits are established and amended by Oklahoma statute. Retirement provisions are as follows:

Normal Retirement:

- Hired Prior to November 1, 2013
  Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is $150.60 per month.

- Hired After November 1, 2013
  Normal retirement is attained upon completing 22 years of service. The normal retirement benefit is equal to 55% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. Also participants must be age 50 to begin receiving benefits. For volunteer firefighters, the monthly pension benefit for normal retirement is $165.66 per month.

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in the line of duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not in the line of duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not-in-the-line-of-duty disability is also limited to only those with less than 20 years of service and is $7.53 per year of service. For volunteer firefighters, the in-the-line-of-duty pension is $150.60 with less than 20 years of service or $7.53 per year of service, with a maximum of 30 years.

A $5,000 lump sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The $5,000 death benefit does not apply to members electing the vested benefit.

Contributions **-** The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were $293,695. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of $654,718 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of $645,920. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2019, the City reported a liability of $7,246,617 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2018. Based upon this information, the City's proportion was .6438%.

For the year ended June 30, 2019, the City recognized pension expense of ($75,061). At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,513,614	$ -
Net difference between projected and actual earnings on pension plan investments	-	602,135
Changes in proportion and differences between City contributions and proportionate share of contributions	92,730	390,792
City contributions during measurement date	10,070	1,567
City contributions subsequent to the measurement date	293,695	-
Total	$ 1,910,109	$ 994,494

In the year ending June 30, 2020, $293,695 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	$ 243,002
2021	163,937
2022	(43,370)
2023	161,759
2024	96,592
	$ 621,920

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3%
Salary increases:	3.5% to 9.0% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates were based on the RP2000 combined healthy with blue collar adjustment as appropriate, with adjustments for generational mortality improvement using scale AA for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	4.37%
Domestic equity	47%	7.01%
International equity	15%	8.83%
Real estate	10%	6.58%
Other assets	8%	5.70%

Discount Rate- The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate-The following presents the net pension liability of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability	$ 9,491,641	$ 7,246,617	$ 5,361,155

Pension plan fiduciary net position - Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial report of the FPRS which can be located at www.ok.gov/FPRS .

Police Plan:

Plan description - The City of Durant, as the employer, participates in the Oklahoma Police Pension and Retirement Plan—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Police Pension and Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at www.ok.gov/OPPRS.

Benefits provided - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later. Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit.

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were $317,698. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of $296,094 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of $310,501. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2019, the City reported an asset of $378,977 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2018. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2018. Based upon this information, the City's proportion was .7956%.

For the year ended June 30, 2019, the City recognized pension expense of $277,176. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,238	$ 355,102
Changes of assumptions	165,513	-
Net difference between projected and actual earnings on pension plan investments	197,348	-
Changes in proportion and differences between City contributions and proportionate share of contributions	25,744	6,699
City contributions during measurement date	7,505	9,979
City contributions subsequent to the measurement date	317,698	-
Total	$ 716,046	$ 371,780

In the year ending June 30, 2020, $317,698 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	$ 207,534
2021	84,815
2022	(209,465)
2023	(66,662)
2024	10,346
	$ 26,568

Actuarial Assumptions*-The* total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	3.5% to 10% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Cost-of-living adjustments:	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).
Mortality rates:	Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.
	Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.
	Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	4.53%
Domestic equity	5.86%
International equity	8.83%
Real estate	6.58%
Private Equity	9.21%
Commodities	5.06%

The current allocation policy is that approximately 60% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 25% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

Discount Rate- The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**-** The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	$ 1,757,957	$ (378,977)	$ (2,185,512)

Pension plan fiduciary net position **-** Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OPPRS; which can be located at www.ok.gov/OPPRS .

OkMRF Defined Benefit Plan:

Plan Description-The City contributes to the OkMRF for all eligible employees except for those covered by the Police and Firefighter Pension Systems. The plan is an agent multiple employer - defined benefit plan administered by OkMRF. The OkMRF plan issues a separate financial report and can be obtained from OkMRF or from their website: www.okmrf.org/reports.html . Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

Summary of Significant Accounting Policies-For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by OkMRF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value based on published market prices. Detailed information about the OkMRF plans' fiduciary net position is available in the separately issued OkMRF financial report.

Eligibility Factors and Benefit Provisions

Provision	As of 07/01/18 OkMRF Plan
a. Eligible to participate	Full-time employees except police, firefighters and other employees who are covered under an approved system.
b. Period Required to Vest	7 years of credited service
c. Eligibility for Distribution	-Normal retirement at age 65 with 7 years of service -Early retirement at age 55 with 7 years of service

	-Disability retirement upon disability with 7 years of service -Death benefit with 7 years of service for married employees
d. Benefit Determination Base	Final average salary - the average of the five highest consecutive annual salaries out of the last 10 calendar years of service
e. Benefit Determination Methods:	
Normal Retirement	2.625% of final average salary multiplied by credited years of service
Early Retirement	Actuarially reduced benefit based upon age, final average salary, and years of service at termination
Disability Retirement	Same as normal retirement
Death Benefit	50% of employees accrued benefit, but terminates upon spouse re-marriage
Prior to 7 Years of Service	No benefits
f. Benefit Authorization	Benefits are established and amended by City Council adoption of an ordinance in accordance with O.S. Title, 11, Section 48-101-102
g. Form of Benefit Payments	Normal form is a 60 months certain and life thereafter basis. Employee may elect, with City consent, option form based on actuarial equivalent.

B. Employees Covered by Benefit Terms

	City	DIA	Total
Active Employees	130	0	130
Deferred Vested Former Employees	27	0	27
Retirees or Retiree Beneficiaries	50	2	52
Total	207	2	209

Contribution Requirements-The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 7.43% of covered payroll as of 7-1-18 and 7.04% of covered payroll as of 7-1-17. For the year ended June 30, 2019, the City recognized $386,867 of employer contributions to the plan which equals the actuarially determined amount based on covered payroll of $5,208,258. Employees cannot contribute to the plan in accordance with the plan provisions adopted by the City Council.

Actuarial Assumptions

Date of Last Actuarial Valuation	July 1, 2018
a. Actuarial cost method	Entry age normal

b. Rate of Return on Investments and Discount Rate	7.5%
c. Projected Salary Increase	Varies between 7.42% and 4.0% based on age
d. Post Retirement Cost-of-Living Increase	Benefits (attributable to service prior to 1/1/2010) in payment status are adjusted each July 1st based on the percentage change in the CPI. The maximum increase or decrease in any year is 3%.
e. Inflation Rate	2.75%
f. Mortality Table	UP 1994, with projected mortality improvement
g. Percent of married employees	100%
h. Spouse age difference	3 years (female spouses younger)
i. Turnover	Select and ultimate rates Ultimate rates are age-related as shown Additional rates per thousand are Added during the first 5 years: Year 1: 225 Year 2: 140 Year 3: 100 Year 4: 70 Year 5: 40

Discount Rate – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.5% since the plan's net fiduciary position is projected to be sufficient to make projected benefit payments.

The City has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, the sufficiency of pension plan assets was made without a separate projection of cash flows.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.75%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2018 are summarized in the following table:

	Target Allocation	Real Return	Weighted Return
Large cap stocks S&P 500	25%	5.80%	1.45%
Small/mid cap stocks Russell 2500	10%	6.40%	0.64%
Long/short equity MSCI ACWI	10%	5.00%	0.50%
International stocks MSCI EAFE	20%	6.20%	1.24%
Fixed income bonds Barclay's Capital Aggregate	30%	2.30%	0.69%
Real estate NCREIF	5%	4.60%	0.23%
Cash equivalents 3 month Treasury	0%	0.00%	0.00%
TOTAL	100%		
Average Real Return			4.75%
Inflation			2.75%
Long-term expected return			7.50%

Changes in Net Pension Liability (Asset) – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2018 which is also the measurement date. There were several changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were no changes between the measurement date of July 1, 2018 and the City's report ending date of June 30, 2019, that would have had a significant impact on the net pension liability (asset). The following table reports the components of changes in net pension liability (asset):

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances Beginning of Year	$ 21,995,434	$ 21,826,366	$ 169,068
Changes for the Year:			
Service cost	567,186	-	567,186
Interest expense	1,617,469	-	1,617,469
Differences between expected and actual experience	(557,229)	-	(557,229)
Contributions--City	-	358,545	(358,545)
Contributions--members	-	178,254	(178,254)
Net investment income	-	1,609,044	(1,609,044)
Benefits paid	(874,167)	(874,167)	-
Plan administrative expenses	-	(46,535)	46,535
Net Changes	753,259	1,225,141	(471,882)
Balances End of Year	$ 22,748,693	$ 23,051,507	$ (302,814)

Sensitivity of the net pension liability to changes in the discount rate-The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.5 percent, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability (Asset)	$ 2,719,788	$ (302,814)	$ (2,805,617)

The City reported $233,821 in pension expense for the year ended June 30, 2019. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	City	DIA	Total	City	DIA	Total
Differences between expected and actual experience	$ 116,902	$ -	$ 116,902	$ 960,134	$ -	$ 960,134
Changes of assumptions	343,485	$ -	343,485	-	-	-
Net difference between projected and actual earnings on pension plan investments	158,587	-	158,587	-	-	-
Changes in proportion and differences between City contributions and proportionate share of contributions	11,168	382	11,550	5,701	5,848	11,549
City contributions during measurement date	11,730	10,080	21,810	11,927	-	11,927
City contributions subsequent to the measurement date	386,867	-	386,867	-	-	-
Total	$ 1,028,739	$ 10,462	$ 1,039,201	$ 977,762	$ 5,848	$ 983,610

The $386,867 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase or decrease of the net pension asset in the year ended June 30, 2020.

Amortization of Pension Deferrals - Amounts reported as deferred outflows of resources (excluding deferred outflows of resources related to contributions made subsequent to the measurement date) and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	Total	City	DIA
2020	$ 91,769	$ 90,258	$ 1,511
2021	(87,587)	(89,098)	1,511
2022	(291,041)	(292,400)	1,359
2023	(44,417)	(44,650)	233
	$ (331,276)	$ (335,890)	$ 4,614

OkMRF Defined Contribution Plan:

The City has also provided a defined contribution plan and trust known as the City of Durant Plan and Trust (the "Plan") in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OkMRF). OkMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The plan is administered by Bank One of Oklahoma City. The defined contribution plan is available to all full-time employees except those participating in state fire or police programs. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon employment, and are required to make contributions to the plan of 5% (not to exceed 10%), effective July 1, 2001. By City ordinance, the City, as employer, intends to make contributions to the plan at a variable rate effective July 1, 2001. Voluntary nondeductible contributions by employees shall be allowed under the provisions of the plan. The City's contributions for each employee (and interest allocated to the employee's account) are vested at a rate of 100% after 7 years of service. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting are allocated back to remaining eligible participants. The authority to establish and amend the provisions of the plan rests with the City Council.

By City adopted ordinance in 2007, a plan for the City Manager and Assistant City Manager was approved in which employees in these positions contribution rate is 7% and employer contribution rate is 13% and they are immediately vested (no year limit).

For the year ended June 30, 2019, the City contributed $0 to the plan, while the employee contributions totaled $85,394.

OkMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 100 N. Broadway, Oklahoma City, Oklahoma, 73102.

15. New Accounting Pronouncements

The GASB has issued several new accounting pronouncements, which will be effective in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the City's consideration of the impact of these pronouncements are described below:

GASB Statement 84, *Fiduciary Activities* - GASB No. 84 was issued January 2017, this Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City has not yet determined the impact that implementation of GASB 84 will have on its net position.

GASB Statement 87, *Leases* - GASB No. 87 was issued June 2017, the primary objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about activities. The City has not yet determined the impact that implementation of GASB 87 will have on its net position.

GASB Statement 90, *Majority Equity Interests* - GASB No. 90, Majority Equity Interests (An amendment of GASB Statement 14 and 61) –issued August 2018, will be effective for the City beginning with its fiscal year ending June 30, 2020. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The City has not yet determined the impact that implementation of GASB 90 will have on its net position.

GASB Statement 91, Conduit Debt Obligations – issue May 2019, will be effective for the City beginning with its fiscal year ending December 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City has not yet determined the impact that implementation of GASB 91 will have on its net position.

16. Subsequent Events

The current economic slowdown that began in early March 2020 related to the effects of the Coronavirus will certainly have some kind of financial impact on the City's financial position and activities. However, the City plans to respond with appropriate actions once the slowdown and its impact on the City have been determined.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule (Budgetary Basis) – Year Ended June 30, 2019

	GENERAL FUND			
	Budgeted Amounts		Actual	Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning Budgetary Fund Balance:	$ 3,454,453	$ 3,454,453	$ 4,968,337	$ 1,513,884
Resources (Inflows):				
Taxes	10,055,000	10,055,000	10,072,299	17,299
Intergovernmental	621,000	627,409	627,240	(169)
Charges for services	112,000	112,000	81,747	(30,253)
Fines and forfeitures	355,500	355,500	333,186	(22,314)
Licenses and permits	281,500	281,500	343,900	62,400
Investment income	25,000	25,000	28,594	3,594
Miscellaneous	243,469	243,469	228,666	(14,803)
Other financing sources	1,900,000	1,900,000	1,900,000	-
Total Resources	13,593,469	13,599,878	13,615,632	15,754
Amounts available for appropriation	17,047,922	17,054,331	18,583,969	1,529,638
Charges to Appropriations (Outflows):				
City Administration	562,504	562,504	562,253	251
City Clerk	130,662	130,662	114,728	15,934
City Treasurer	384,007	385,107	384,907	200
City Attorney	103,400	103,400	61,737	41,663
General Government	2,716,533	2,568,781	658,388	1,910,393
Police	5,088,498	5,258,899	4,983,971	274,928
Animal Control	109,874	109,874	102,771	7,103
Fire	3,285,850	3,416,502	3,381,281	35,221
Municipal Court	148,045	148,045	132,580	15,465
Civil Emergency Management	328,688	330,282	257,612	72,670
Community Development	564,554	573,554	564,461	9,093
Streets	1,195,440	1,200,440	1,070,064	130,376
City Garage	331,565	331,565	245,793	85,772
Parks, Recreation and General Services	835,059	835,059	768,851	66,208
Swimming Pool	116,921	123,921	113,539	10,382
Public Library	725,974	730,249	663,478	66,771
Senior Citizens Center	23,860	23,860	16,833	7,027
Other Financing Uses - Transfers Out	144,292	144,292	144,292	-
Total Charges to Appropriations	16,795,726	16,976,996	14,227,539	2,749,457
Ending Budgetary Fund Balance	$ 252,196	$ 77,335	$ 4,356,430	$ 4,279,095

Unaudited

Budgetary Comparison Schedule (Budgetary Basis) – Year Ended June 30, 2019, Continued

SPECIAL REVENUE - 1/4% ECONOMIC DEVELOPMENT FUND

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance	$ 1,091,122	$ 1,091,122	$ 4,036,459	$ 2,945,337
Resources (Inflows):				
Taxes	952,500	952,500	929,914	(22,586)
Investment income	8,800	8,800	11,832	3,032
Transfers in - component unit	106,094	106,094	102,126	(3,968)
Amounts available for appropriation	2,158,516	2,158,516	5,080,331	2,921,815
Charges to appropriations (outflows):				
Economic development	1,731,582	1,731,582	65,280	1,666,302
Transfers out	306,100	306,100	306,100	-
Transfers out - component unit	102,034	102,034	102,034	-
Total Charges to Appropriations	2,139,716	2,139,716	473,414	1,666,302
Ending Budgetary Fund Balance	$ 18,800	$ 18,800	$ 4,606,917	$ 4,588,117

SPECIAL REVENUE - 5/8% SALES TAX EDUCATION FUND

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance	$ -	$ -	$ 329,205	$ 329,205
Resources (Inflows):				
Taxes	2,599,107	2,599,107	2,599,892	785
Amounts available for appropriation	2,599,107	2,599,107	2,929,097	329,990
Charges to appropriations (outflows):				
General government	2,599,107	2,599,107	2,580,491	18,616
Total Charges to Appropriations	2,599,107	2,599,107	2,580,491	18,616
Ending Budgetary Fund Balance	$ -	$ -	$ 348,606	$ 348,606

SPECIAL REVENUE - DURANT TAX INCREMENT FINANCE AUTHORITY

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance	$ -	$ -	$ 42,790	$ 42,790
Resources (Inflows):				
Taxes	2,773,968	45,451	19,858	(25,593)
Investment income	-	-	4,017	4,017
Miscellaneous income	-	2,728,517	2,728,516	(1)
Amounts available for appropriation	2,773,968	2,773,968	2,795,181	21,213
Charges to appropriations (outflows):				
Economic development	2,773,968	2,773,968	2,773,801	167
Total Charges to Appropriations	2,773,968	2,773,968	2,773,801	167
Ending Budgetary Fund Balance	$ -	$ -	$ 21,380	$ 21,380

Unaudited

Footnotes to Budgetary Comparison Schedules:

1. The City prepares its budgets for all funds on the modified accrual basis of accounting with the exception of payroll accruals and certain expenditures related to on-behalf payments for police and fire and tax apportionment revenue transfers. For budgetary purposes expenditures are recorded in the period the invoice is received, except for payroll expenditures that are recorded when paid. All unexpended encumbrances lapse at year-end and therefore are not recorded as expenditures for budgetary purposes.

2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation within a fund require the approval of the City Manager. All supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.

3. The budgetary basis differs from the modified accrual basis as shown in the schedule below:

	General Fund
Total budgetary amounts available for appropriation	$18,583,969
Current year on-behalf payments made by state	950,812
Beginning budgetary fund balance	(4,968,337)
Actual revenues and transfers per Statement of Revenues and Expenditures and Changes in Fund Balance	$14,566,444
Total revenues	$12,666,444
Transfers in	1,900,000
	$14,566,444
Total budgetary charges to appropriations	$14,227,539
Net difference in prior year and current year payroll accruals	60,324
Current year on-behalf payments made by state	950,812
Actual expenditures and transfers per Statement of Revenues and Expenditures and Changes in Fund Balance	$15,238,675
Total expenditures	15,094,383
Interaccount transfers	144,292
	$15,238,675

Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF DURANT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years*

	2015	2016	2017	2018	2019
City's proportion of the net pension liability	0.688374%	0.685132%	0.650685%	0.662943%	0.643774%
City's proportionate share of the net pension liability	$ 7,078,874	$ 7,272,054	$ 7,949,524	$ 8,337,995	$ 7,246,617
City's covered-employee payroll	$ 1,788,012	$ 1,868,206	$ 1,900,625	$ 1,951,518	$ 1,914,700
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	396%	389%	418%	427%	378%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only five years are presented because 10-year data is not yet available.
Current measurement date is June 30, 2018

SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years

	2015	2016	2017	2018	2019
Statutorially required contribution	$ 262,072	$ 266,089	$ 273,213	$ 268,059	$ 293,695
Contributions in relation to the statutorially required contribution	262,072	266,089	273,213	268,059	293,695
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	$ 1,868,206	$ 1,900,625	$ 1,951,518	$ 1,914,700	$ 2,097,823
Contributions as a percentage of covered-employee payroll	14.03%	14.00%	14.00%	14.00%	14.00%

Notes to Schedule:

Only five years are presented because 10-year data is not yet available.

Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF DURANT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years*

	2015	2016	2017	2018	2019
City's proportion of the net pension liability (asset)	0.8113%	0.8804%	0.8469%	0.8646%	0.7956%
City's proportionate share of the net pension liability (asset)	$ (273,169)	$ 35,899	$ 1,296,951	$ 66,503	$ (378,977)
City's covered-employee payroll	$ 2,191,728	$ 2,395,574	$ 2,498,075	$ 2,674,985	$ 2,393,906
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12.46%	1.50%	51.92%	2.49%	15.83%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only five years are presented because 10-year data is not yet available.
Current year measurement date is June 30, 2018.

SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years

	2015	2016	2017	2018	2019
Statutorially required contribution	$ 312,317	$ 324,679	$ 347,748	$ 313,991	$ 317,698
Contributions in relation to the statutorially required contribution	312,317	324,679	347,748	313,991	317,698
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	$ 2,395,574	$2,498,075	$ 2,674,985	$ 2,393,906	$ 2,447,776
Contributions as a percentage of covered-employee payroll	13.04%	13.00%	13.00%	13.12%	12.98%

Notes to Schedule:

Only five years are presented because 10-year data is not yet available.

Required Supplementary Information
Oklahoma Municipal Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios — **Last Five Fiscal Years**

	2015	2016	2017	2018	2019
Total pension liability					
Service cost	$ 474,442	$ 504,423	$ 535,334	$ 520,170	$ 567,186
Interest	1,339,625	1,397,991	1,511,043	1,524,210	1,617,469
Differences between expected and actual experience	-	224,049	(1,156,893)	73,474	(557,229)
Changes of assumptions	-	-	-	577,148	-
Benefit payments, including refunds of member contributions	(555,849)	(618,337)	(719,024)	(720,157)	(874,167)
Net change in total pension liability	1,258,218	1,508,126	170,460	1,974,845	753,259
Total pension liability - beginning	17,083,785	18,342,003	19,850,129	20,020,589	21,995,434
Total pension liability - ending (a)	$ 18,342,003	$ 19,850,129	$ 20,020,589	$ 21,995,434	$ 22,748,693
Plan fiduciary net position					
Contributions - employer	$ 493,430	$ 461,861	$ 442,455	$ 467,299	$ 358,545
Contributions - member	174,621	177,044	179,833	186,706	178,254
Net investment income	2,676,643	532,000	176,438	2,411,380	1,609,044
Benefit payments, including refunds of member contributions	(555,849)	(618,337)	(719,024)	(720,157)	(874,167)
Administrative expense	(39,638)	(39,943)	(38,554)	(42,698)	(46,535)
Net change in plan fiduciary net position	2,749,207	512,625	41,148	2,302,530	1,225,141
Plan fiduciary net position - beginning	16,220,856	18,970,063	19,482,688	19,523,836	21,826,366
Plan fiduciary net position - ending (b)	$ 18,970,063	$ 19,482,688	$ 19,523,836	$ 21,826,366	$ 23,051,507
Net pension liability (asset) - ending (a) - (b)	$ (628,060)	$ 367,441	$ 496,753	$ 169,068	$ (302,814)
Plan fiduciary net position as a percentage of the total pension liability	103.42%	98.15%	97.52%	99.23%	101.33%
Covered employee payroll	$ 4,936,396	$ 5,050,820	$ 5,146,282	$ 5,529,720	$ 5,092,952
Net pension liability (asset) as a percentage of covered-employee payroll	12.72%	7.27%	9.65%	3.06%	5.95%

Notes to Schedule:

Only five years are presented because 10-year data is not yet available.
This information includes activity for the City and the DIA, a discretely presented component unit.

Required Supplementary Information
Oklahoma Municipal Retirement Fund

Schedule of Employer Contributions — **Last Five Fiscal Years**

	2015	2016	2017	2018	2019
Actuarially determined contribution	$ 462,585	$ 443,916	$ 483,908	$ 358,544	$ 386,867
Contributions in relation to the actuarially determined contribution	462,585	443,916	483,908	358,544	386,867
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 5,050,820	$ 5,146,282	$ 5,529,720	$ 5,092,952	$ 5,208,258
Contributions as a percentage of covered-employee payroll	9.16%	8.63%	8.75%	7.04%	7.43%

Notes to Schedule:

1. Only five years are presented because 10-year data is not yet available.

2. Latest Valuation Date: July 1, 2019

3. Actuarially determined contribution rate is calculated as of July 1, 2014, July 1, 2015, July 1, 2016, July 1, 2017 and July 1, 2018
   Fiscal year 2014-2015 contributions were at a rate of 9.13%.
   Fiscal year 2015-2016 contributions are set at a rate of 8.59%.
   Fiscal year 2016-2017 contributions are set at a rate of 8.76%.
   Fiscal year 2017-2018 contributions are set at a rate of 7.04%.
   Fiscal year 2018-2019 contributions are set at a rate of 7.43%.

4. Methods and assumptions used to determine contribution rates:
   Actuarial cost method - Entry age normal
   Amortization method - Level percent of payroll, closed
   Remaining amortization period - 27 years
   Asset valuation method - Actuarial:
   Smoothing period - 4 years
   Recognition method - Non-asymptotic
   Corridor - 70% - 130%
   Salary increases - 4.00% to 7.42% (varies by attained age)
   Investment rate of return - 7.5%

5. This information includes activity for the City and DIA, a discretely presented component unit

SUPPLEMENTARY INFORMATION

Combining Balance Sheet – General Fund Accounts – June 30, 2019

	General Fund Accounts						
	General Fund	Cemetery Operations Account	Beautification Account	Christmas Lighting Account	Insurance Cash Account	Multi-Sports Complex Account	Total
ASSETS							
Cash and cash equivalents	$ 3,289,549	$ 53,699	$ 111,016	$ 5,331	$ 4,562	$ 160,165	$ 3,624,322
Due from other funds	1,490	-	-	-	-	-	1,490
Due from other governments	1,341,866	-	-	-	-	-	1,341,866
Miscellaneous taxes receivable	76,675	-	-	-	-	-	76,675
Court fines receivable, net	31,254	-	-	-	-	-	31,254
Other receivables	10,768	-	-	-	-	-	10,768
Total assets	$ 4,751,602	$ 53,699	$ 111,016	$ 5,331	$ 4,562	$ 160,165	$ 5,086,375
LIABILITIES, DEFFERED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 213,259	$ 21,356	$ -	$ -	$ -	$ 9,308	$ 243,923
Accrued payroll liabilities	359,133	-	-	-	-	10,485	369,618
Due to other funds	22,086	138	-	-	-	-	22,224
Due to other governments	3,579	-	-	-	-	-	3,579
Due to bondholders	4,981	-	-	-	-	-	4,981
Unearned revenue	56,488	-	-	-	-	-	56,488
Total liabilities	659,526	21,494	-	-	-	19,793	700,813
Deferred Inflows of Resources:							
Deferred revenue	94,779	-	-	-	-	-	94,779
Fund balances:							
Restricted	45,910	-	-	-	-	-	45,910
Assigned	1,875,301	32,205	111,016	5,331	4,562	140,372	2,168,787
Unassigned	2,076,086	-	-	-	-	-	2,076,086
Total fund balances	3,997,297	32,205	111,016	5,331	4,562	140,372	4,290,783
Total liabilities, deferred inflows and fund balances	$ 4,751,602	$ 53,699	$ 111,016	$ 5,331	$ 4,562	$ 160,165	$ 5,086,375

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund Accounts – Year Ended June 30, 2019

	General Fund	Cemetery Operations Account	Beautification Account	Christmas Lighting Account	Insurance Cash Account	Multi-Sports Complex Account	Total
REVENUES							
Taxes	$ 10,072,299	$ -	$ -	$ -	$ -	$ -	$ 10,072,299
Intergovernmental	1,578,052	-	-	-	-	-	1,578,052
Charges for services	81,747	18,275	-	-	-	109,818	209,840
Licenses and permits	343,900	-	-	-	-	-	343,900
Fines and forfeitures	333,186	-	-	-	-	-	333,186
Investment income	28,594	352	909	43	516	1,765	32,179
Miscellaneous	228,666	171	-	-	1,140	8,902	238,879
Total revenues	12,666,444	18,798	909	43	1,656	120,485	12,808,335
EXPENDITURES							
Current:							
General government	1,794,604	-	-	-	288,367	-	2,082,971
Public safety	9,829,789	-	-	-	-	-	9,829,789
Public works	1,889,206	-	-	-	-	-	1,889,206
Culture, tourism and recreation	1,563,395	-	-	-	-	516,021	2,079,416
Cemetery	-	91,046	-	-	-	-	91,046
Capital Outlay	17,389	-	-	-	-	12,031	29,420
Total expenditures	15,094,383	91,046	-	-	288,367	528,052	16,001,848
Excess (deficiency) of revenues over expenditures	(2,427,939)	(72,248)	909	43	(286,711)	(407,567)	(3,193,513)
OTHER FINANCING SOURCES (USES)							
Interaccount transfers	(144,292)	63,926	-	-	82,767	(2,401)	-
Transfers in	1,900,000	200	-	-	75,941	200,000	2,176,141
Transfers out	-	(1,172)	-	-	-	-	(1,172)
Transfer from component unit	-	-	-	-	41,292	65,000	106,292
Total other financing sources and uses	1,755,708	62,954	-	-	200,000	262,599	2,281,261
Net change in fund balances	(672,231)	(9,294)	909	43	(86,711)	(144,968)	(912,252)
Fund balances - beginning	4,669,528	41,499	110,107	5,288	91,273	285,340	5,203,035
Fund balances - ending	$ 3,997,297	$ 32,205	$ 111,016	$ 5,331	$ 4,562	$ 140,372	$ 4,290,783

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2019

	SPECIAL REVENUE FUNDS					
	Special 911 Tax Fund	R.L. Williams Library Fund	Drug Enforcement Fund	HOME/FEMA Grant Fund	1/4% Sales Tax M.S. Fund	1/4% Sales Tax SOSU Fund
ASSETS						
Cash and cash equivalents	$ 228,899	$ 6,665	$ 15,558	$ 11	$ -	$ -
Investments	-	45,078	-	-	-	-
Miscellaneous taxes receivable	-	-	-	-	-	-
Due from other funds	13,861	-	-	-	-	-
Due from other governments	-	-	-	-	125,687	125,687
Other receivables	58,269	-	-	-	-	-
Total assets	$ 301,029	$ 51,743	$ 15,558	$ 11	$ 125,687	$ 125,687
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 8,617	$ 1,515	$ -	$ -	$ -	$ -
Accrued payroll liabilities	17,183	-	-	-	-	-
Due to other funds	1,490	-	-	-	-	-
Due to other component unit	-	-	-	-	-	-
Total liabilities	27,290	1,515	-	-	-	-
Fund balances:						
Restricted	-	47,959	15,412	-	125,687	125,687
Assigned	273,739	2,269	146	11	-	-
Total fund balances	273,739	50,228	15,558	11	125,687	125,687
Total liabilities and fund balances	$ 301,029	$ 51,743	$ 15,558	$ 11	$ 125,687	$ 125,687

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2019, (Continued)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS			
	5% Lodging Tourism Tax Fund	DWRF Community Center & Library Fund	Cemetery Care Fund	CDBG Fund	TOTALS
ASSETS					
Cash and cash equivalents	$ -	$ 710,600	$ 213,887	$ -	$ 1,175,620
Investments	-	-	-	-	45,078
Miscellaneous taxes receivable	36,925	-	-	-	36,925
Due from other funds	-	13,333	138	-	27,332
Due from other governments	-	-	-	112,094	363,468
Other receivables	-	-	-	-	58,269
Total assets	$ 36,925	$ 723,933	$ 214,025	$ 112,094	$ 1,706,692
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ 77,530	$ 87,662
Accrued payroll liabilities	-	-	-	-	17,183
Due to other funds	-	-	-	6,192	7,682
Due to other component unit	36,925	-	-	-	36,925
Total liabilities	36,925	-	-	83,722	149,452
Fund balances:					
Restricted	-	770	207,237	28,372	551,124
Assigned	-	723,163	6,788	-	1,006,116
Total fund balances	-	723,933	214,025	28,372	1,557,240
Total liabilities and fund balances	$ 36,925	$ 723,933	$ 214,025	$ 112,094	$ 1,706,692

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Year Ended June 30, 2019

	SPECIAL REVENUE FUNDS					
	Special 911 Tax Fund	R.L. Williams Library Fund	Drug Enforcement Fund	HOME/FEMA Grant Fund	1/4% Sales Tax M.S. Fund	1/4% Sales Tax SOSU Fund
REVENUES						
Taxes	$ 403,110	$ -	$ -	$ -	$ 929,914	$ 929,914
Intergovernmental	-	7,737	14,892	-	-	-
Charges for services	93,842	-	-	-	-	-
Investment earnings	1,987	165	-	-	-	-
Miscellaneous	-	1,745	-	-	-	-
Total revenues	498,939	9,647	14,892	-	929,914	929,914
EXPENDITURES						
Current:						
Public safety	713,644	-	323	-	-	-
Culture and recreation	-	12,317	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	713,644	12,317	323	-	-	-
Excess (deficiency) of revenues over expenditures	(214,705)	(2,670)	14,569	-	929,914	929,914
OTHER FINANCING SOURCES (USES)						
Transfers in	200,000	-	-	-	-	-
Transfers out	(3,008)	-	-	-	-	-
Transfer to component unit	-	-	-	-	(927,069)	(927,069)
Net change in fund balances	(17,713)	(2,670)	14,569	-	2,845	2,845
Fund balances - beginning	291,452	52,898	989	11	122,842	122,842
Fund balances - ending	$ 273,739	$ 50,228	$ 15,558	$ 11	$ 125,687	$ 125,687

(Continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Year Ended June 30, 2019, (Continued)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS			
	5% Lodging Tourism Tax Fund	DWRF Community Center & Library Fund	Cemetery Care Fund	CDBG Fund	Totals
REVENUES					
Taxes	$ 412,576	$ -	$ -	$ -	$ 2,675,514
Intergovernmental	-	-	-	883,396	906,025
Charges for services	-	-	-	-	93,842
Investment earnings	-	995	1,752	-	4,899
Miscellaneous	-	-	-	-	1,745
Total revenues	412,576	995	1,752	883,396	3,682,025
EXPENDITURES					
Current:					
Public safety	-	-	-	-	713,967
Culture and recreation	-	-	-	-	12,317
Capital outlay	-	-	-	1,126,070	1,126,070
Total expenditures	-	-	-	1,126,070	1,852,354
Excess (deficiency) of revenues over expenditures	412,576	995	1,752	(242,674)	1,829,671
OTHER FINANCING SOURCES (USES)					
Transfers in	-	80,000	1,172	-	281,172
Transfers out	-	-	(200)	-	(3,208)
Transfer to component unit	(412,576)	-	-	-	(2,266,714)
Net change in fund balances	-	80,995	2,724	(242,674)	(159,079)
Fund balances - beginning	-	642,938	211,301	271,046	1,716,319
Fund balances - ending	$ -	$ 723,933	$ 214,025	$ 28,372	$ 1,557,240

Combining Statement of Net Position – Internal Service Funds – June 30, 2019

	Employee Health Fund	Worker's Compensation Fund	Info Tech Service Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,536,345	$ 212,679	$ 115,515	$ 1,864,539
Total current assets	1,536,345	212,679	115,515	1,864,539
Non-current assets:				
Capital Assets:				
Other capital assets, net of depreciation	-	-	42,502	42,502
Total non-current assets	-	-	42,502	42,502
Total assets	1,536,345	212,679	158,017	1,907,041
LIABILITIES				
Current liabilities:				
Accounts payable	-	-	11,219	11,219
Accrued payroll liabilities	-	-	5,407	5,407
Estimated liability for claims	-	765,154	-	765,154
Capital lease payable - current	-	-	4,659	4,659
Accrued compensated absences - current	-	-	2,303	2,303
Total current liabilities	-	765,154	23,588	788,742
Non-current liabilities:				
Capital lease payable - noncurrent	-	-	10,188	10,188
Accrued compensated absences - noncurrent	-	-	20,725	20,725
Total noncurrent liabilities	-	-	30,913	30,913
Total liabilities	-	765,154	54,501	819,655
NET POSITION				
Net investment in capital assets	-	-	27,655	27,655
Unrestricted (deficit)	1,536,345	(552,475)	75,861	1,059,731
Total net position	$ 1,536,345	$ (552,475)	$ 103,516	$ 1,087,386

Combining Statement of Changes in Net Position–Internal Service Funds–Year Ended June 30, 2019

	Employee Health Fund	Worker's Compensation Fund	Info Tech Service Fund	Total
REVENUES				
Charges for services:				
Self insurance charges	$ 3,128,080	$ 339,000	$ -	$ 3,467,080
Miscellaneous	426,566	782	492,064	919,412
Total operating revenues	3,554,646	339,782	492,064	4,386,492
OPERATING EXPENSES				
Claims expense	2,804,542	151,872	-	2,956,414
Info tech services	-	-	488,480	488,480
Depreciation	-	-	11,275	11,275
Total operating expenses	2,804,542	151,872	499,755	3,456,169
Operating income (loss)	750,104	187,910	(7,691)	930,323
NON-OPERATING REVENUES (EXPENSES)				
Investment income	89	1,629	1,031	2,749
Interest expense	-	-	(1,174)	(1,174)
Total non-operating revenue (expenses)	89	1,629	(143)	1,575
Change in net position	750,193	189,539	(7,834)	931,898
Total net position - beginning	786,152	(742,014)	111,350	155,488
Total net position - ending	$ 1,536,345	$ (552,475)	$ 103,516	$ 1,087,386

Combining Schedule of Net Position – DCUA Accounts – June 30, 2019

	Utilities Authority Fund Accounts		
	Utilities Authority Fund	UA Bonds Sinking Account	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,705,894	$ 1,245,239	$ 3,951,133
Restricted cash and cash equivalents	658,095	1,829,870	2,487,965
Accounts receivable, net of allowance	1,942,765	-	1,942,765
Total current assets	5,306,754	3,075,109	8,381,863
Non-current assets:			
Net pension asset	110,737	-	110,737
Capital Assets:			
Land and other non-depreciable assets	3,895,799	-	3,895,799
Other capital assets, net of depreciation	33,798,843	-	33,798,843
Total noncurrent assets	37,805,379	-	37,805,379
Total assets	43,112,133	3,075,109	46,187,242
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts related to pensions	377,365	-	377,365
Deferred amount on refunding	9,976	-	9,976
Total deferred outflows of resources	387,341	-	387,341
LIABILITIES			
Current liabilities:			
Accounts payable	229,415	-	229,415
Accrued payroll liabilities	77,299	-	77,299
Due to other funds	13,333	-	13,333
Accrued interest payable	168,754	-	168,754
Current portion of:			
Meter deposit liability	98,429	-	98,429
Notes payable	2,942,722	-	2,942,722
Landfill closure liability	30,088	-	30,088
Accrued compensated absences	24,526	-	24,526
Total current liabilities	3,584,566	-	3,584,566
Non-current liabilities:			
Meter deposit liability	393,715	-	393,715
Notes payable	13,971,471	-	13,971,471
Landfill closure liability	571,672	-	571,672
Accrued compensated absences	220,735	-	220,735
Total noncurrent liabilities	15,157,593	-	15,157,593
Total liabilities	18,742,159	-	18,742,159
DEFERRED INFLOWS OF RESOURCES:			
Deferred amounts related to pensions	359,292	-	359,292
NET POSITION			
Net investment in capital assets	20,780,525	1,074,197	21,854,722
Restricted for debt service	(2,879)	755,673	752,794
Unrestricted	3,620,377	1,245,239	4,865,616
Total net position	$ 24,398,023	$ 3,075,109	$ 27,473,132

Combining Schedule of Revenues, Expenses, and Changes in Net Position – DCUA Accounts – Year Ended June 30, 2019

	Utilities Authority Fund Accounts		
	Utilities Authority Fund	UA Bonds Sinking Account	Total
REVENUES			
Charges for services:			
Water charges	$ 3,946,264	$ -	$ 3,946,264
Sewer charges	2,562,854	-	2,562,854
Water and sewer taps	184,081	-	184,081
Penalties	118,544	-	118,544
Non-payment fees	158,761	-	158,761
Sanitation charges	4,427,278	-	4,427,278
Landfill gate fees	594,930	-	594,930
Lab tests	19,140	-	19,140
Rentals	96,337	-	96,337
Transfer station fees	451,960	-	451,960
Recyclable products	5,333	-	5,333
Miscellaneous	84,542	-	84,542
Total operating revenues	12,650,024	-	12,650,024
OPERATING EXPENSES			
Public works administration	187,221	-	187,221
Utility billing	613,054	-	613,054
Water/sewer line maintenance	790,348	-	790,348
Water treatment plant	1,049,666	-	1,049,666
Wastewater treatment	698,309	-	698,309
Collection - solid waste	879,574	-	879,574
General government	106,331	-	106,331
Lake Durant	36,751	-	36,751
Disposal - solid waste	1,385,877	-	1,385,877
Depreciation expense	2,381,630	-	2,381,630
Total operating expenses	8,128,761	-	8,128,761
Operating income	4,521,263	-	4,521,263
NON-OPERATING REVENUES (EXPENSES)			
Investment income	20,117	41,296	61,413
Interest expense and fiscal changes	(690,494)	-	(690,494)
Total non-operating revenue (expenses)	(670,377)	41,296	(629,081)
Income before contributions and transfers	3,850,886	41,296	3,892,182
Capital contributions	1,454,862	-	1,454,862
Interaccount transfers	3,336,527	(3,336,527)	-
Transfers in	514,232	3,860,343	4,374,575
Transfers out	(4,100,330)	-	(4,100,330)
Change in net position	5,056,177	565,112	5,621,289
Total net position - beginning	19,341,846	2,509,997	21,851,843
Total net position - ending	$ 24,398,023	$ 3,075,109	$ 27,473,132

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CITY OF DURANT, OKLAHOMA

SINGLE AUDIT REPORTS
AND SUPPLEMENTARY SCHEDULES

June 30, 2019

CITY OF DURANT, OKLAHOMA

June 30, 2019

PAGE

SINGLE AUDIT REPORTS AND SUPPLEMENTARY SCHEDULES:

Reports related to financial statements of the reporting entity Required by GAO *Government Auditing Standards*:

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	1

Reports related to Federal Assistance Programs Required by the Uniform Guidance:

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required By the Uniform Guidance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	5
Notes to the Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	7
Summary Schedule of Prior Audit Findings and Questioned Costs	9

Arledge & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council
City of Durant, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Durant, Oklahoma (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 9, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as 2019-01.

309 N. Bryant Ave. • Edmond, OK 73034 • 405.348.0615 • Fax 405.348.0931 • www.jmacpas.com
Member of AICPA and OSCPA

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Arledge & Associates, P.C.

June 9, 2020

Arledge & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members of the City Council
City of Durant, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited the City of Durant, Oklahoma's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2019-01. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 9, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Arledge & Associates, P.C.

June 9, 2020

City of Durant
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended June 30, 2019

Federal Grantor/Program or Cluster Title	*Federal CFDA Number*	*Pass-through Grantor and Number*	*Name of Grant - Grant ID No.*	*Federal Expenditures($)*
Highway Safety Cluster-Cluster				
Department of Transportation				
State and Community Highway Safety				
State and Community Highway Safety	20.600	Oklahoma Highway Safety Office,PT-18-03-08-15		13,063
State and Community Highway Safety	20.600	Oklahoma Highway Safety Office,PT-19-03-06-16		37,844
Total State and Community Highway Safety				50,907
National Priority Safety Programs				
National Priority Safety Programs	20.616	Oklahoma Highway Safety Office,M5OT-19-03-01-03		1,163
National Priority Safety Programs	20.616	Oklahoma Highway Safety Office,M5OT-18-03-01-02		298
Total National Priority Safety Programs				1,461
Total Department of Transportation				52,368
Total Highway Safety Cluster-Cluster				52,368
Other Programs				
Department of Homeland Security				
Emergency Management Performance Grants				
Emergency Management Performance Grants	97.042	Oklahoma Department of Civil Emergency Management,None		30,000
Emergency Management Performance Grants	97.042	Oklahoma Department of Civil Emergency Management,None		10,000
Emergency Management Performance Grants	97.042	Oklahoma Department of Civil Emergency Management,EMPG-17 Spec Proj 06CP-03-TOWER		1,200
Emergency Management Performance Grants	97.042	Oklahoma Department of Civil Emergency Management,EMPG-17 Spec Proj 06CP-01-HFRQ		2,280
Emergency Management Performance Grants	97.042	Oklahoma Department of Civil Emergency Management,EMPG-17 Spec Proj#12TR-00-TEQP		1,409
Emergency Management Performance Grants	97.042	Oklahoma Department of Civil Emergency Management,EMPG-17 Spec Proj #14SW-01-VIDA		20,364
Emergency Management Performance Grants	97.042	Oklahoma Department of Civil Emergency Management,EMPG17 Spec Proj AEL#12VE-00-SPEC		10,400
Total Emergency Management Performance Grants				75,653
Homeland Security Grant Program				
Homeland Security Grant Program	97.067	Oklahoma Office of Homeland Security,#850.065		1,016
Homeland Security Grant Program	97.067	Oklahoma Office of Homeland Security,#950.065		3,626
Total Homeland Security Grant Program				4,642
Total Department of Homeland Security				80,295
Department of the Interior				
Outdoor Recreation_Acquisition, Development and Planning				
Outdoor Recreation_Acquisition, Development and Planning	15.916	Oklahoma Tourism and Recreation Department,40-01229		3,110
Total Outdoor Recreation_Acquisition, Development and Planning				3,110
Total Department of the Interior				3,110
United States Department of Justice				
Bulletproof Vest Partnership Program				
Bulletproof Vest Partnership Program	16.607			7,173
Total Bulletproof Vest Partnership Program				7,173
Total United States Department of Justice				7,173
Department of Transportation				
Airport Improvement Program				
Airport Improvement Program	20.106	Federal Aviation Administration,3-40-0025-011-2016		60,862
Airport Improvement Program	20.106	Federal Aviation Administration,3-40-0025-013-2018		680,991
Total Airport Improvement Program				741,853
Total Department of Transportation				741,853
Department of Housing and Urban Development				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Oklahoma Department of Commerce, 17166 CDBG ED 87		883,397
Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii				883,397
Total Department of Housing and Urban Development				883,397
National Endowment for the Humanities				
Promotion of the Arts_Grants to Organizations and Individuals				
Promotion of the Arts_Grants to Organizations and Individuals	45.024			7,382
Total Promotion of the Arts_Grants to Organizations and Individuals				7,382
Grants to States				
Grants to States	45.310	Oklahoma Department of Libraries		4,274
Grants to States	45.310	Oklahoma Department of Libraries		3,737
Total Grants to States				8,011
Total National Endowment for the Humanities				15,393
Total Other Programs				1,731,221
Total Expenditures of Federal Awards				$ 1,783,589

The accompanying notes are an integral part of this schedule

CITY OF DURANT, OKLAHOMA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2019

NOTE A—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2019. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF DURANT, OKLAHOMA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2019

Section I--Summary of Auditor's Results

Financial statements

Type of auditor's report issued on whether the financial statements were in accordance with GAAP:	*Unmodified*	
Internal control over financial reporting:		
• Material weakness(es) identified?	_____ yes	__X__ no
• Significant deficiency(ies) identified?	_____ yes	__X__ none reported
Noncompliance material to financial statements noted?	_____ yes	__X__ no

Federal Awards

Internal control over major federal programs:		
• Material weakness(es) identified?	_____ yes	__X__ no
• Significant deficiency(ies) identified?	_____ yes	__X__ none reported
Type of auditor's report issued on compliance for major federal programs:	*Unmodified*	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	__X__ yes	_____ no

Identification of major federal programs:

Program	CFDA Number
Airport Improvement Grant	20.106

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as low-risk auditee?	_____ yes	__X__ no

Section II--Findings Required to be Reported in Accordance with *Government Auditing Standards:*

A. Internal control

No matters were reported.

B. Compliance Findings

No matters were reported.

Section III--Findings Required to be Reported in Accordance with the Uniform Guidance:

A. Internal control

No matters were reported.

B. Compliance Findings

Finding: 2019-01 – Filing of the Data Collection Form with the Federal Audit Clearinghouse

Criteria: In order to report the Schedule of Expenditures of Federal Awards (the SEFA) in accordance with the Uniform Guidance, as well as the financial statements in accordance with generally accepted accounting principles (GAAP), management needs to appropriately monitor the timing of the submission of the data collection form within 30 days of the filing of the audit report or nine months after the end of the fiscal year.

Condition: Internal control processes were not adequately designed to ensure that the filing of the data collection form for fiscal years ending June 30, 2018 and 2019 were filed within the required time frame as outlined by the Uniform Guidance 2 CFR 200.512(a).

Cause and Effect: Internal control processes were not adequately designed to ensure the data collection form was filed with federal audit clearinghouse within the required time frame.

Recommendation: We recommend the internal controls for reporting with the federal audit clearinghouse be reviewed to ensure that future filings of the data collection form are completed within the prescribed timeline.

Management Response: The City will set up procedures to ensure the timely filing of any federal and state required reports and forms.

CITY OF DURANT, OKLAHOMA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

June 30, 2019

Findings Required to be Reported in Accordance with *Government Auditing Standards:*

A. Internal Control

Reference	Finding	Status	Corrective Action Plan or Other Explanation
2018-01	Internal control processes were not adequately designed to obtain loss reserve estimates from the City's third-party administrator. As a result, it was determined prior year worker's compensation loss reserves were understated by $1,295,595.	Fully Corrected	The City worked with the third party administrator to obtain necessary information to timely record this liability for the current year engagement.

B. Compliance Findings

No matters were reported.

Findings Required to be Reported in Accordance with the Uniform Guidance:

Finding: 2018-02 – Special Tests and Provisions – Reporting

A. Internal Control

Reference	Finding	Status	Corrective Action Plan or Other Explanation
2018-02	Internal control processes were not adequately designed to communicate the completion of a grant project that triggered $1,500,000 of grant funds being due to the City as well as $1,500,000 being due to the pass-through agency. As a result, the SEFA was misstated by $1,500,000. Additionally, assets, liabilities, revenues, and expenses in the City's Government-Wide financial statements were understated by $1,500,000.	Fully Corrected	The City worked with awarding agencies and reviewed ongoing projects for potential federal awards that were involved in the projects to ensure that the Schedule of Expenditures of Federal Awards was complete.

B. Compliance Findings

No matters were reported.

DURANT
· OKLAHOMA ·

The City of Durant

Office of City Treasurer

Memorandum

Date: 6/23/2020
To: Mayor and City Council
From: An-chen Lai, Finance Director/Treasurer
Re: Consider Approval of Budget Amendment 2020-13

Your authorization to approve Budget Amendment BA 2020-13 is requested.
All of the adjustments are procedural in nature: necessary to carry out the activities of the city.
All of the proposed budget changes have been reviewed by the City Manger and the amendment is recommended for approval.

Council Information / Action Requested

Your authorization to approve Budget Amendment, BA 2020-13
#1887 TO PURCHASE EQUIPMENT FOR COUNCIL MEETING BROADCASTING
#1888 TO REPAIR STAHL BUILDING WINDOW DUE TO WIND DAMAGE, OMAG REIMBURSE $1,838
#1889 SET UP 2020 CWSRF OWRB FINANCING
#1890 TRANSFER TO CI FOR WWTP PROJECT, ADJ BOR-WEEB GRANT ADM FEE & ADJ STREETS IMPROVEMENT
#1891 TRANSFER TO CI TO COVER 2016 OK LAND & WATER GRANT -CITY CASH MATCH
#1892 TRANSFER FROM DCUA TO COVER 2016 OK LAND & WATER GRANT- CITY CASH MATCH
#1893 TO ADJ CDBG GRANT REV TO CITY CASH MATCH- MARKET SQUARE PROJECT
#1894 TO ADJ CAPITAL IMPROV. TRANSFER TO COVER MARKET SQUARE PROJECT

City Staff Information / Action Follow-up, if Council authorizes this action:

The City Treasurer's Office will install the approved budget amendment in the city's accounting software and ensure that all funds are still in balance.

ATTACHMENTS:

Description	Type	Upload Date
BA 2020-13	Cover Memo	6/26/2020

PACKET: 00398-BA2020-13

BUDGET CODE: CB-Current Budget

FUND ACCOUNT	DATE	DESCRIPTION	ADJUSTMENT	ORIGINAL BUDGET	PREVIOUS ADJUSTMENTS	NEW BUDGET	BUDGET BALANCE
Budget Adj. # 001887							
010 000-301.10-00 BEGINNING UNENCUMBERED	6/30/2020	BA2020-13 IT CHAMBE	30,000.00	0.00	0.00	30,000.00-	30,000.00-
010 020-560.80-06 COUNCIL CHAMBERS VIDEO EQUIP DEPT: INFO. TECH. SERVICE DEPT.	6/30/2020	BA2020-13 IT CHAMBE	30,000.00	0.00	0.00	30,000.00	30,000.00
Budget Adj. # 001888							
206 000-361.40-00 MISC. REVENUE	6/30/2020	BA2020-13 AIRPT MIS	1,838.00	2,000.00-	16,709.00	20,547.00-	930.21-
206 065-503.50-60 BUILDING MAINTENANCE DEPT: EAKER FIELD	6/30/2020	BA2020-13 AIRPT MIS	1,838.00	0.00	9,394.00	11,232.00	8,379.47
Budget Adj. # 001889							
210 000-361.15-08 2020 CWSRF OWRB FINANCING	6/30/2020	BA2020-13 2020 OWRB	12,935,000.00	0.00	0.00	12,935,000.00-	12,935,000.00-
210 053-528.90-93 COST OF ISSUANCE 2020 CWSRF DEPT: 2020 CWSRF-WWTP IMPRV.	6/30/2020	BA2020-13 2020 OWRB	264,200.00	0.00	0.00	264,200.00	0.00
210 053-528.99-23 TRSF 2020 CWSRF TO CI DEPT: 2020 CWSRF-WWTP IMPRV.	6/30/2020	BA2020-13 2020 OWRB	12,670,800.00	0.00	0.00	12,670,800.00	12,670,800.00
Budget Adj. # 001890							
015 000-364.28-06 TRSF FM 2020 CWSRF 210-053	6/30/2020	BA2020-13 CI 2020 O	12,670,800.00	0.00	0.00	12,670,800.00-	12,670,800.00-
015 905-555.61-00 2020 WWTP PROJECT DEPT: 2020 CWSRF EXP.	6/30/2020	BA2020-13 CI 2020 O	12,670,800.00	0.00	0.00	12,670,800.00	12,670,800.00
015 000-362.10-16 GRANT-2019 BOR-WEEG	6/30/2020	BA2020-13 CI BOR-WE	2,000.00-	0.00	1,500,000.00	1,498,000.00-	1,498,000.00-
015 026-551.61-44 AMR / AMI METER REPLACEMENT DEPT: WATER/SEWER LINE MAINT.	6/30/2020	BA2020-13 CI BOR-WE	2,000.00-	0.00	5,500,000.00	5,498,000.00	5,443,270.01
015 805-555.61-90 2020 STREETS IMPROVEMENTS DEPT: 2020 USSTRN EXPENSE	6/30/2020	BA2020-13 STRETS IM	8,182,205.00-	0.00	9,980,870.00	1,798,665.00	1,798,665.00

PACKET: 00398-BA2020-13
BUDGET CODE: CB-Current Budget

FUND ACCOUNT	DATE	DESCRIPTION	ADJUSTMENT	ORIGINAL BUDGET	PREVIOUS ADJUSTMENTS	NEW BUDGET	BUDGET BALANCE
Budget Adj. # 001890							
015 805-555.61-02 2020 STREETS PROJECT DEPT: 2020 USSTRN EXPENSE	6/30/2020	BA2020-13 STRETS IM	8,182,205.00	0.00	0.00	8,182,205.00	8,182,205.00
Budget Adj. # 001891							
405 000-301.10-00 BEGINNING UNENCUMBERED	6/30/2020	BA2020-13 TRS TO CI	69,000.00	0.00	0.00	69,000.00-	69,000.00-
405 030-555.99-16 TRSF TO CAPITAL IMPROVE. FUND DEPT: UTILITY GENERAL ADMIN.	6/30/2020	BA2020-13 TRS TO CI	69,000.00	1,600,000.00	9,300.00	1,678,300.00	211,633.26
Budget Adj. # 001892							
015 000-301.10-00 BEGINNING UNENCUMBERED	6/30/2020	BA2020-13 CI TRSF F	69,000.00-	40,000.00-	77,710.33	48,710.33-	48,710.33-
015 000-364.27-00 TRSF FROM UTILITY AUTHORITY	6/30/2020	BA2020-13 CI TRSF F	69,000.00	1,600,000.00-	9,300.00	1,678,300.00-	211,633.26-
Budget Adj. # 001893							
250 000-362.40-15 17CDBG MRKT SQR GRANT REV	6/30/2020	BA2020-13 MRKT SQUA	3,227.00-	0.00	91,114.00	87,887.00-	87,887.00-
250 000-364.29-08 TRSF FRM 015 17CDBG MRKT SQR	6/30/2020	BA2020-13 MRKT SQUA	3,227.00	0.00	91,114.00	94,341.00-	94,341.00-
Budget Adj. # 001894							
015 009-532.61-05 1-TON TRUCK W/ DUMP BED DEPT: PARKS & GENERAL SERVICES	6/30/2020	BA2020-13 CI TO MK	1,027.00-	39,000.00	0.00	37,973.00	126.00
015 009-532.61-63 MOWING EQUIP DEPT: PARKS & GENERAL SERVICES	6/30/2020	BA2020-13 CI TO MK	1,400.00-	28,000.00	0.00	26,600.00	95.40
015 019-569.61-99 FUND RESERVE DEPT: GENERAL GOVERNMENT	6/30/2020	BA2020-13 CI TO MK	800.00-	3,026.00	1,720.00-	506.00	506.00
015 009-532.61-08 TRSF TO 17CDBG MARKET SQUARE DEPT: PARKS & GENERAL SERVICES	6/30/2020	BA2020-13 CI TO MK	3,227.00	0.00	91,114.00	94,341.00	94,341.00

PACKET NOTES:
#1887 TO PURCHASE EQUIPMENT FOR COUNCIL MEETING BROADCASTING

PACKET: 00398-BA2020-13

BUDGET CODE: CB-Current Budget

FUND ACCOUNT	DATE	DESCRIPTION	ADJUSTMENT	ORIGINAL BUDGET	PREVIOUS ADJUSTMENTS	NEW BUDGET	BUDGET BALANCE

Budget Adj. # 001894 --

#1888 TO REPAIR STAHL BUILDING WINDOW DUE TO WIND DAMAGE,
OMAG REIMBURSE $1,838
#1889 SET UP 2020 CWSRF OWRB FINANCING
#1890 TRSF TO CI FOR WWTP RROJECT, ADJ BOR-WEEG GRANT ADM
FEE & TO ADJ STREETS IMPRV.
#1891 TO TRANSFER TO CI COVER 2016 OK LAND & WATER
CONSERVATION GRANT- CITY CASH MATCH
#1892 TRANSFER FROM DCUA TO COVER 2016 OK LAND & WATER GRANT
-CITY CASH MATCH
#1893 TRANSFER MARKET SQUARE PROJECT CITY MATCH
$1894 TO ADJ TRANSFER FROM CI TO CDBG TO COVER MARKET SQUARE
PROJECT

TOTAL NO. ADJUSTMENTS--REVENUE:	10	25,704,638.00
TOTAL NO. ADJUSTMENTS--EXPENSE:	13	25,704,638.00
TOTAL IN PACKET--		51,409,276.00

*** NO WARNINGS ***

*** NO ERRORS ***

*** END OF REPORT ***

The City of Durant

Office of City Manager

Memorandum

Date:	6/25/2020
To:	Mayor and City Council
From:	John Dean, City Manager
Re:	Consider Approval of Resolution 2020-25 Extending the Declared State of Emergency Due to the COVID-19 Pandemic.

This resolution extends the state of emergency until July 15th, 2020. It says we will continue to follow the state guidelines.

Council Information / Action Requested

Approval of the resolution.

City Staff Information / Action Follow-up, if Council authorizes this action:

ATTACHMENTS:

Description	Type	Upload Date
Resolution 2020-25	Cover Memo	6/25/2020

RESOLUTION NO. 2020-25

A RESOLUTION TO EXTEND THE STATE OF EMERGENCY DUE TO THE COVID-19 PANDEMIC; ESTABLISHING PUBLIC MEETING PRACTICES FOR CITY COUNCIL, AUTHORITIES, TRUSTS, COMMISSIONS, ADVISORY BOARDS AND COMMITTEES OF THE CITY OF DURANT; DIRECTING THE CITY MANAGER TO NOT ISSUE PERMITS FOR EVENTS WITH CERTAIN LIMITATIONS; AUTHORIZING THE CITY MANAGER TO ADJUST OPERATIONS AND SERVICES IN RESPONSE TO COVID-19 AS NECESSARY; AND FOLLOW THE STATE OPEN UP AND RECOVER SAFELY THREE-PHASE APPROACH.

WHEREAS, on March 11, 2020, the World Health Organization (WHO) declared the coronavirus COVID-19 disease to be a pandemic; and

WHEREAS, on March 13, 2020, the President of the United States declared a National Emergency due to the COVID-19 virus pandemic; and

WHEREAS, on March 15, 2020, the Governor of the State of Oklahoma has declared an emergency caused by the impending threat of COVID-19 to the people of this State and the public's peace, health and safety; and

WHEREAS, the Centers for Disease Control (CDC) has advised certain American cities and counties to limit public gatherings of 10 people; and

WHEREAS, health professionals and researchers have determined that COVID-19 is spread by human contact and interaction, and that avoidance of human contact through methods such as social distancing is believed to stop or slow the spread of COVID-19; and

WHEREAS, the spread of COVID-19 is a disaster threatening or resulting in the death or injury of persons in the City of Durant to such an extent that extraordinary measures must be taken to protect the public health, safety and welfare; and

WHEREAS, Title 11 of the Oklahoma State Statutes, Section 22-120 provides for Public Health, Hospitals, and Quarantine; and

WHEREAS, on March 20, 2020 the Mayor issued a Proclamation declaring the existence of a civil emergency in the City of Durant to protect the public health, safety and welfare; and

WHEREAS, on March 31, 2020 the City Council of Durant adopted Ordinance 1900 establishing the Durant Emergency Task Force; and

WHEREAS, the Governor of the State of Oklahoma has amended the emergency declaration of March 15, 2020 caused by the threat of COVID-19 to the people of this State and the public's peace, health and safety which remains in effect; and

WHEREAS, the Governor of the State of Oklahoma began implementing the "Open Up and Recover Safely" (OURS) a three-phase approach to open Oklahoma's economy starting April 24, 2020; and

WHEREAS, the Governor of the State of Oklahoma revised the "Open Up and Recover Safely" (OURS) a three-phase approach to open Oklahoma's economy on May 28, 2020; and

NOW THEREFORE, BE IT RESOLVED by the Durant City Council as follows:

1. A state of emergency continues to exist within the City of Durant.

2. This state of emergency shall remain in effect within the City of Durant until 10:00 a.m. on Wednesday, July 15, 2020, when the pandemic emergency will be reassessed.

3. All social events or social gatherings in or on a City-owned or City operated facilities or property, are required to follow social distancing guidelines until the expiration of this state of emergency; and

4. The City Manager shall neither issue special event permits nor other permits that do not allow for social distancing for any public or private event until the expiration of this state of emergency. Other adjustments may be made by the City Manager to the administrative operations of city facilities and services.

5. Meetings of all City of Durant authorities, commissions, and trusts may be held via video or tele conferencing at City Hall. All meetings of the Durant City Council, Durant City Utilities Authority, and Durant Airport Authority will be conducted as scheduled but may be conducted by video conferencing in accordance with the Open Meetings Act. Meetings will remain open to the public but steps will be taken to ensure social distancing of attendees. Open public meetings will be broadcast live in accordance with the Open Meeting Act. All meetings conducted via video or tele conferencing shall be conducted in accordance with the Open Meeting Act. All Advisory Board and committee meetings may be held but must practice social distancing.

6. Durant Municipal Court dockets shall continue. Steps will continue to be taken to ensure social distancing of attendees.

7. All in-person social gatherings shall follow the social distancing procedures and protocols.

8. The City of Durant will continue to follow the State of Oklahoma “Open Up and Recover Safely” (OURS) approach as implemented by the State of Oklahoma.

PASSED AND APPROVED this 30th day of June, 2020 by the Durant City Council.

Approved: __________________________

Oden Grube, Mayor

Attest: __________________________

Cynthia J. Price, City Clerk

DURANT
· OKLAHOMA ·

The City of Durant

Office of City Clerk

Memorandum

Date:	6/24/2020
To:	Mayor and City Council
From:	Cynthia J. Price, City Clerk
Re:	Consider Approval of Agreement Between the Durant Historical Society and the City of Durant for Fiscal Year 2020-2021 (C-2020-36)

The terms and conditions of this contract are unchanged from FY 2019-2020.

Council Information / Action Requested

Approval of Agreement Between the Durant Historical Society and the City of Durant for Fiscal Year 2020-2021 (C-2020-36)

City Staff Information / Action Follow-up, if Council authorizes this action:

ATTACHMENTS:

Description	Type	Upload Date
Agreement Between the Durant Historical Society and the City of Durant for Fiscal Year 2020-2021 (C-2020-36)	Exhibit	6/24/2020

Contract No. C-2020-36

Agreement

Durant Historical Society
and
City of Durant
FY 2020-2021

WHEREAS, the City of Durant desires to contract with the Durant Historical Society to operate a museum to exhibit artifacts and enhance local cultural displays for the enjoyment of the citizens of our community.

NOW THEREFORE, the City of Durant and the Durant Historical Society do hereby agree as follows:

1. The Durant Historical Society agrees to operate a museum which shall be open at least 5 days a week inside the city limits of Durant for display of historical items and artifacts of the City of Durant and the Bryan County area.
2. The Durant Historical Society agrees to provide sufficient staffing to maintain the museum and public displays as stated in Item #1 above.
3. The City of Durant agrees to pay the Durant Historical Society $8,500 which shall be paid in four quarterly payments to the Society as a partial reimbursement for its expenses in operating the museum for the cultural betterment and historical preservation of historical artifacts of our community.
4. As a result of receiving municipal funding, Durant Historical Society agrees and understands that it must follow the Oklahoma Open Meeting Act.
5. This agreement shall become effective on the _____ day of __________, 2020.

Approved by the Durant Historical Society and the Durant City Council on the ___ day of ___________, 2020.

Durant Historical Society		**City of Durant**	
DHS President	Date	Oden Grube, Mayor	Date
DHS Secretary	Date	Cynthia J. Price, City Clerk	Date

DURANT
· OKLAHOMA ·

The City of Durant

Office of City Clerk

Memorandum

Date:	6/24/2020
To:	Mayor and City Council
From:	Cynthia J. Price, City Clerk
Re:	Consider Approval of Agreement Between the City of Durant and the Big Five Community Services for FY 2020-2021 (C-2020-37)

The terms and conditions of this contract are unchanged from FY 2019-2020.

Council Information / Action Requested

Agreement Between the City of Durant and the Big Five Community Services for FY 2020-2021

City Staff Information / Action Follow-up, if Council authorizes this action:

ATTACHMENTS:

Description	Type	Upload Date
Agreement Between the City of Durant and the Big Five Community Services for FY 2020-2021 (C-2020-37)	Exhibit	6/24/2020

AGREEMENT BETWEEN THE CITY OF DURANT
AND THE BIG FIVE COMMUNITY SERVICES
FOR FY 2020-21

STATE OF OKLAHOMA §
§
COUNTY OF BRYAN §

THIS AGREEMENT, made this ___ day of ______, 2020, between the City of Durant, an Oklahoma municipal corporation (hereinafter referred to as *"City"*), and the Big Five Community Services (hereinafter referred to as *"Big Five"*).

WITNESSETH:

WHEREAS, the City of Durant desires to support Big Five Community Services and the Southern Oklahoma Rural Transportation System (SORTS) that provides vital transportation services for many citizens of our community.

NOW, THEREFORE, it is hereby agreed by and between the parties hereto, for and in consideration of the following mutual covenants and promises:

<u>Section 1.</u> Big Five Community Services agrees to continue to provide vital transportation services to the citizens of our community through the SORTS program.

<u>Section 2.</u> Big Five Community Services agrees to provide sufficient staff to operate and maintain the SORTS program with a level of service necessary to provide essential transportation opportunities for our citizens.

<u>Section 3.</u> The City agrees to pay Big Five Community Services $15,000 for transportation services to be provided by Southern Oklahoma Rural Transportation System (SORTS) during Fiscal Year 2020-2021 in quarterly payments. Big Five understands and agrees that the funds provided herein must be expended for the benefit of the City and its inhabitants by providing vital transportation services. Big Five further agrees that it will file with the City a fully itemized report or receipt and disbursement following the guidelines for expenditure of municipal funds outlined in 11 O.S. 17-101 et. seq. and 11 O. S.17-201 et seq.

<u>Section 4.</u> In the event of any default in or breach of this agreement or any of its terms or conditions, by any party hereto, such party shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach and, in any event, within ten (10) days after receipt of such notice. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach.

<u>Section 5.</u> No member, official, or employee of the City or Big Five Community Services shall have any personal interest, direct or indirect, in this agreement; nor shall any member, official, or employee participate in any decision relating to this agreement which affects his personal interests or the interest of any corporation, partnership, or association in which he is directly or indirectly interested.

Section 6. No member, official, or employee of the City shall be personally liable to Big Five Community Services in the event of any default or breach by the City or for any amount which may become due to Big Five Community Services or any obligation under the terms of this agreement.

Section 7. Big Five Community Services shall provide the City of Durant a copy of its annual budget for the Fiscal Year 2020-2021 along with quarterly financial statements, which shall be provided by the 25th day of the month following the last day of each quarter. Upon receipt of quarterly financial statements the City shall approve the invoice or claim form submitted by Big Five for payment and process according to approved purchasing procedures established for the City of Durant.

Section 8. Big Five Community Services covenants and agrees that any funds unspent or unencumbered shall not be carried over into the next fiscal year.

Section 9. As a result of receiving municipal funding, Big Five Community Services agrees and understands that it must follow the Oklahoma Open Meeting Act.

IN WITNESS WHEREOF, parties have caused this agreement to be executed this ____ day of ____________________, 2020.

ATTEST:	CITY OF DURANT
By: ______________________________	By: ______________________________
Cynthia J. Price, City Clerk Date	Oden Grube, Mayor Date
ATTEST:	BIG FIVE COMMUNITY SERVICES
By: ______________________________	By: ______________________________
Secretary Date	President Date

CITY OF DURANT LEGAL REVIEW:

By: ______________________________

Thomas Marcum, City Attorney Date

DURANT
· OKLAHOMA ·

The City of Durant

Grants Department

Memorandum

Date:	6/26/2020
To:	Mayor and City Council
From:	Rebecca Payne, Grants Coordinator
Re:	Public Hearing: For Closeout of 2017 Community Development Block Grant (CDBG) Small Cities 17031 CDBG 17 (C-2017-65) for Market Square Improvements - Project # 656.

City of Durant has completed the 2017 CDBG 17031 project for Market Square Improvements with a total of $112,078.65 including the required match.

Per the grant requirement, the public hearing is held to present the CDBG program and project.

Becca will conduct the Public Hearing per the grant guidelines and the approved Citizen Participation Plan.

Council Information / Action Requested

No Action: Public Hearing For The 2017 Community Development Block Grant Small Cities (CDBG).

City Staff Information / Action Follow-up, if Council authorizes this action:

Becca will complete and submit public hearing documentation with the closeout to OK Department of Commerce on June 30, 2020.

ATTACHMENTS:

Description	Type	Upload Date
Public Hearing Notice - 17031 CDBG	Cover Memo	6/26/2020

NOTICE OF PUBLIC HEARING

TO DISCUSS THE CLOSEOUT FOR A COMMUNITY DEVELOPMENT BLOCK GRANT

17031 CDBG 17 Small Cities Program

City of Durant, OK

The City of Durant has completed the Market Square Improvements Project**, which includes an ADA Restroom, Canopy Shade Structure and Electrical Improvements.** The publicly owned project was partially funded by Oklahoma Department of Commerce through the 2017 Community Development Block Grant Small Cities Program. To follow the adopted 2017-2020 Citizen Participation Plans and grant guidelines, the City of Durant will hold a Closeout Public Hearing to discuss the project accomplishments.

Tuesday ▪ June 30, 2020 at 2:00 PM
City Council Chambers at Durant City Hall
300 West Evergreen ▪ Durant, Oklahoma.
Public Hearing will also be live-streamed through the
City of Durant website at www.durant.org
within the GOVERNMENT tab: Live Stream - Youtube Channel link
▪ OR connect directly at - https://durant.org/live ▪

The purpose of the public hearing is to provide a clear explanation of the completed project and to give an opportunity for citizens to discuss the CDBG project with city officials and fellow citizens. According to the Oklahoma Department of Commerce's Income guidelines, the project benefits the entire community, with at least 51% low to moderate-income residents.

All interested citizens are invited to attend or view the Public Hearing. Topics of discussion will include: OK State CDBG Program purpose, design and emphasis; the completed 2017 CDBG Project to include project purpose and description.

If you are unable to attend or view the Public Hearing at the scheduled time, and you would like more information, please write or call the City Clerk, 300 West Evergreen, Durant, Oklahoma 74071 (580) 931.6645 to comment on the completed project. A City of Durant official attending the Public Hearing will answer your comments or questions.

Posted Wednesday, June 24, 2020 before 2:00 p.m. on the City of Durant website (www.durant.org), City of Durant Facebook, Durant City Hall, Durant County Courthouse and Annex, Donald W. Reynolds Public Library, and Durant Chamber Of Commerce.

The City of Durant
Grants Department

Memorandum

Date: 6/26/2020
To: Mayor and City Council
From: Rebecca Payne, Grants Coordinator
Re: 2017 Community Development Block Grant (CDBG) Small Cities 17031 CDBG 17 (C-2017-65) for Market Square Improvements - Project # 656.

A. Consideration to Accept the Market Square Improvements 17031 CDBG 17 Project# 656 As Successfully Complete.

B. Consideration to Approve the 17031 CDBG 17 Closeout Documents.

C. Consideration To Approve the Resolution 2020-26 to Support The Closeout.

Project complete and match was met.

The following documentation is uploaded for your reference for ITEM B.

Final Expenditure Report

Closeout Certification

Final Wage Compliance Report (3 contractors - all payroll in compliance with Federal Wages)

Certificate of Completion (restroom, canopy and electrical) signed by project architect.

Council Information / Action Requested

1. Accept the Market Square Improvements 17031 CDBG 17 Project# 656 As Successfully Complete.
2. Approve the 17031 CDBG 17 Closeout Documents.
3. Approve the Resolution 2020-26 For The Closeout.

City Staff Information / Action Follow-up, if Council authorizes this action:

Becca will submit documentation with the closeout to be submitted to ODOC on June 30 after council meeting.

ATTACHMENTS:

Description	Type	Upload Date
Resolution 2020-26	Cover Memo	6/26/2020
17031 CDBG Final Expenditure Report	Cover Memo	6/29/2020
17031 CDBG Contract Closeout Certification	Cover Memo	6/29/2020
17031 CDBG Final Wage Compliance Reports	Cover Memo	6/29/2020
17031 CDBG Certificates of Completion	Cover Memo	6/29/2020

ATTACHMENT

RESOLUTION No. 2020 – 026

A RESOLUTION FOR CLOSEOUT PUBLIC HEARING
OK Department of Commerce
2017 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
SMALL CITIES PROGRAM
17031 CDBG 17

WHEREAS, the City of Durant has completed the 2017 Community Development Block Grant through the CDBG - Small Cities Program project 17031 CDBG 17 (C-2017-65) for Market Square improvements; and

WHEREAS, the performance period for the 17031 CDBG 17 (C-2017-65) for Market Square improvements was October 6, 2017 through July 6, 2020 ; and

WHEREAS, as required by the 2017 grant program guidelines and the City's 2017 and 2020 Citizen Participation Plans, a public hearing was conducted on this date within a special called council meeting to provide project and program information; and

WHEREAS, in support of the Oklahoma Governor's State of Emergency Executive Order and the City of Durant's Ordinance 1900 for declared State of Emergency related to Covid-19 pandemic disaster crisis, the City of Durant continues "social distancing" protocol for all public meetings; and

WHEREAS, the public hearing notice was posted in nine public view locations, as well as posted on the City of Durant's website and Facebook page, and identified as an agenda item within the official agenda sent to six media outlets, with public invitation to attend the public hearing or connect via a live stream option; and

WHEREAS, the City's on-staff Grants Coordinator conducted the public hearing during today's special called City Council meeting on June 30 at 2:00 PM and provided information about the 2017 CDBG Small Cities program and completed project as outlined per grant guidelines and Citizen Participation Plans; and

WHEREAS, the City's on-staff Grants Coordinator will include all Public Hearing documentation and approved closeout items to be submitted to OK Department of Commerce on June 30, 2020.

NOW THEREFORE, BE IT RESOLVED by the Durant City Council that the City of Durant confirms the public hearing was held on today's date, as stated in this Resolution as required for the 2017 CDBG Small Cities closeout.

PASSED AND APPROVED by the Mayor and City Council of the City of Durant, Oklahoma this June 30, 2020, at a special called meeting of the governing body, in compliance with the Open Meeting Act, 25 O.S. § 301 et seq.

____
Oden Grube, Mayor

ATTEST:

____
Cynthia Price, City Clerk

CDBG-SC-2017-DURANT CI-00327

Durant, City of

CDBG-EXP-2017-DURANT CI-01784

Contractor Name: Durant, City of

Contract #: 17031 CDBG 17

Month: June

Year: 2020

Type of Expenditure Report

Monthly ✔ Final Revised

INTEREST RECONCILIATION		CASH RECONCILIATION	
Total Interest Earned (YTD):	$0	Cash Received (YTD):	$35,142.26
Less Interest Expended (YTD):	$0	Cash Expended (YTD):	$17,507.40
Interest Earned Cash Balance:	$0	Unexpended Cash Balance:	$17,634.86

Category	Current Expenditures	YTD Expenditures	Budget	Remaining Balance
Construction	($17,634.86)	$17,507.40	$91,114.00	$73,606.60
Engineering/Architect	$0	$0	$0	$0
Inspection	$0	$0	$0	$0
Planning	$0	$0	$0	$0
Direct Grantee Admin	$0	$0	$0	$0
Public Facilities Admin	$0	$0	$0	$0
Other	$0	$0	$0	$0
TOTAL CDBG COSTS	($17,634.86)	$17,507.40	$91,114.00	$73,606.60
Leverage/Match	$94,571.25	$94,571.25	$91,114.00	($3,457.25)

By submitting this report, I hereby certify that the expenditures reported are taken from the original Books of Account and that such expenditures are valid and consistent with the terms of the contract.

Revision Explanation:
Financial support documents were all included with the Request for Reimbursement No. 1.

The PKT # 28 was submitted as a grant expenditure; however, due to expenditure ineligibility, these funds are being returned to ODOC via CHECK # 181106 and uploaded in this section as well as all match documentation.

Durant, City of

CIOSEOUT CERTIFICATION

CDBG-SC-2017-DURANT CI-00327

Applicant:		City of Durant	
Contract #:		17031 CDBG 17	
I.	FINAL CASH RECONCILIATION		
	A.	Total cash received under this contract (include cash in transit)	$35,142.26
	B.	Less: Total accrued Expenditures this contract	$17,507.40
	C.	Excess Cash on Hand to be refunded to ODOC	$17,634.86
	D.	I certify that the expenditures reported are taken from the original books of account and that such expenditures are valid and consistent with the terms of this contract.	
	E.	I further certify that the attached check in the amount of $17,634.86 (Same as Line C above) fully represents all the money received for but not expended in performance of this Contract.	
	F.	This amount is refunded to ODOC in accordance with the terms of the contract.	
II.	RELEASE		
	A.	Pursuant to the terms of this contract and in consideration of the Total Accrued Expenditures referred to in Line B above which have been paid or will be paid to the Contractor under this contract, Contractor, upon payment of any remaining balance by ODOC, does remise, release and discharge the State of Oklahoma, ODOC and their officers, agents and	

employees of and from all liabilities, obligations, claims and demands whatsoever under or arising from the performance of this contract.

B. I understand that the Total Accrued Expenditures certified in I.D. above will become the final total obligated amount of this contract.

III. ASSIGNMENT OF REFUNDS, REBATES AND CREDIT

Pursuant to the terms of this contract and in consideration of payment of costs as provided in said contract, Contractor does hereby:

A. Assign, transfer, set over and release to the Oklahoma Department of Commerce all right, title and interest to all refunds, rebates and credits or other amounts, including any interest thereon, arising out of the performance of this contract, together with all rights of action accrued or which may accrue thereunder.

B. Agree to take whatever action may be necessary to effect prompt collection of all such refunds, rebates, credits or other amounts, including any interest theron, due or which may become due and to forward promptly by check made payable to the Oklahoma Department of Commerce any proceeds so collected.

C. Agree to cooperate fully with the Oklahoma Department of Commerce as to any claim or suit in connection with such refunds, rebates, credits or other amounts due, including any interest theron; to execute any protest, pleading, application, power of attorney or doceuments in connection therewith; and to permit the Oklahoma Department of Commerce to represent it at any hearing, trial or other proceeding arising out of such claim or suit.

Submitted By:
John R. Dean
Name
City Manager
Title

Total Beneficiaries:
15856
LMI Beneficiaries:
9196

Form 9.2

FINAL WAGE COMPLIANCE REPORT

Grant Recipient Name: CITY OF DURANT	Contract Number: 17031 CDBG 17
Contact Person: REBECCA PAYNE	Telephone No.: 580.931.6623
Project Name: MKT SQ: RESTROOM ELECTRICAL	Project Location: SW CORNER - EVERGREEN & 1ST AVE
Construction Completion Date: MAY 4, 2020	Contract Amount: $ 2,450 00
Prime Contractor: CITY OF DURANT (RESTROOM FACILITY)	
Subcontractors: FARRIS ELECTRIC, LLC 2247 W. MOCKINGBIRD DURANT 74701	

1. Were any workers paid less than the specified Davis-Bacon rates that applied to this project? OK69 Mod 2
   □ Yes X No

2. If YES:

a. What was the total amount of restitution paid? $____________________

b. What was the method of restitution?
   - □ Paid by the Contractor
   - □ Paid by Grant Recipient with funds withheld from payment to the Contractor

Firm	Affected Employees	Amount of Restitution Paid	Nature of Violations

(Attach additional pages if necessary.)

3. Were any workers not paid the correct overtime payments? □ Yes □ No

If YES: Liquidated damages at the rate of $10 for each calendar day for each worker must be calculated and the Contractor notified of his liability, and

4. Provide information concerning the nature of the overtime violations. This should include:

   a. Firm's Name, Address and Phone Number: ____________________

   b. Date Contractor was notified in writing of the amount of liquidated damages which could be assessed: ____________________

   c. Date the Contractor responded to the written notice: (must be within 30 days of the receipt of notification): ____________________

   d. Did the Contractor seek a reduction or waiver of the liquidated damages?

   □ Yes □ No

e. If YES: Was the requested approved and for what

☐ Yes - Reduction. ☐ Yes - Waiver. ☐ No.

f. On what grounds was HUD's or USDOL's response based? ______________________

____

g. Total amount of Liquidated Damages paid: $______________

h. What was the method of payment of the Liquidated Damages?

☐ Paid by the Contractor

☐ Paid by the Grant Recipient with funds withheld from payment to the Contractor.

i. Did the Contractor appeal the final decision to assess Liquidated Damages to the Wage Appeals Board?

☐ Yes ☐ No

j. Attach copies of all correspondence relative to any Liquidated Damages.

5. If appropriate, attach a recommendation of and justification for sanctions against the Contractor.

Submitted by:

Rebecca Payne
Signature

JUNE 29, 2020
Date

REBECCA PAYNE
Typed Name/Title

Form 9.2

FINAL WAGE COMPLIANCE REPORT

Grant Recipient Name: CITY OF DURANT	Contract Number: 17031 CDBG 17
Contact Person: REBECCA PAYNE	Telephone No.: 580.931.6623
Project Name: MKT SQ - CANOPY	Project Location: SW CORNER - EVERGREEN & 1st AVE
Construction Completion Date: MAY 29, 2020	Contract Amount: $ 51,900.00
Prime Contractor: MID-PLAINS CONSTRUCTION, INC. 6635 US 70 MEAD 73449	
Subcontractors: NARVAEZ CONSTRUCTION, INC. 1418 W. ALABAMA ST DURANT 74701	

1. Were any workers paid less than the specified Davis-Bacon rates that applied to this project? OK69 Mod 2
   - ☐ Yes
   - ☒ No
2. If YES:

a. What was the total amount of restitution paid? $____________________

b. What was the method of restitution?
- ☐ Paid by the Contractor
- ☐ Paid by Grant Recipient with funds withheld from payment to the Contractor

Firm	Affected Employees	Amount of Restitution Paid	Nature of Violations

(Attach additional pages if necessary.)

3. Were any workers not paid the correct overtime payments? ☐ Yes ☐ No

If YES: Liquidated damages at the rate of $10 for each calendar day for each worker must be calculated and the Contractor notified of his liability, and

4. Provide information concerning the nature of the overtime violations. This should include:

   a. Firm's Name, Address and Phone Number: ____________________

   b. Date Contractor was notified in writing of the amount of liquidated damages which could be assessed: ____________________

   c. Date the Contractor responded to the written notice: (must be within 30 days of the receipt of notification): ____________________

   d. Did the Contractor seek a reduction or waiver of the liquidated damages?

   ☐ Yes ☐ No

e. If YES: Was the requested approved and for what

☐ Yes - Reduction. ☐ Yes - Waiver. ☐ No.

f. On what grounds was HUD's or USDOL's response based? ______________________
____

g. Total amount of Liquidated Damages paid: $______________

h. What was the method of payment of the Liquidated Damages?

☐ Paid by the Contractor

☐ Paid by the Grant Recipient with funds withheld from payment to the Contractor.

i. Did the Contractor appeal the final decision to assess Liquidated Damages to the Wage Appeals Board?

☐ Yes ☐ No

j. Attach copies of all correspondence relative to any Liquidated Damages.

5. If appropriate, attach a recommendation of and justification for sanctions against the Contractor.

Submitted by:

Rebecca Payne
Signature

REBECCA PAYNE
Typed Name/Title

JUNE 29, 2020
Date

Form 9.2

FINAL WAGE COMPLIANCE REPORT

Grant Recipient Name: City of Durant	Contract Number: 17031-CDBG-17
Contact Person: Rebecca Payne	Telephone No.: 580.931.6623
Project Name: Market Sq- Electrical	Project Location: SW Corner - Evergreen & 1st Ave
Construction Completion Date: June 11, 2020	Contract Amount: $ 17,634.86
Prime Contractor: Farris Electric, LLC	2247 W. Mockingbird Durant 74701
Subcontractors	

1. Were any workers paid less than the specified Davis-Bacon rates that applied to this project? OK69 Mod 2
   ☐ Yes ☒ No

2. If YES:

a. What was the total amount of restitution paid? $________________________

b. What was the method of restitution?
   - ☐ Paid by the Contractor
   - ☐ Paid by Grant Recipient with funds withheld from payment to the Contractor

Firm	Affected Employees	Amount of Restitution Paid	Nature of Violations

(Attach additional pages if necessary.)

3. Were any workers not paid the correct overtime payments? ☐ Yes ☐ No

If YES: Liquidated damages at the rate of $10 for each calendar day for each worker must be calculated and the Contractor notified of his liability, and

4. Provide information concerning the nature of the overtime violations. This should include:

   a. Firm's Name, Address and Phone Number: ________________________

   b. Date Contractor was notified in writing of the amount of liquidated damages which could be assessed: ________________________

   c. Date the Contractor responded to the written notice: (must be within 30 days of the receipt of notification): ________________________

   d. Did the Contractor seek a reduction or waiver of the liquidated damages?

   ☐ Yes ☐ No

e. If YES: Was the requested approved and for what

☐ Yes - Reduction. ☐ Yes - Waiver. ☐ No.

f. On what grounds was HUD's or USDOL's response based? ______________________
____

g. Total amount of Liquidated Damages paid: $______________

h. What was the method of payment of the Liquidated Damages?

☐ Paid by the Contractor

☐ Paid by the Grant Recipient with funds withheld from payment to the Contractor.

i. Did the Contractor appeal the final decision to assess Liquidated Damages to the Wage Appeals Board?

☐ Yes ☐ No

j. Attach copies of all correspondence relative to any Liquidated Damages.

5. If appropriate, attach a recommendation of and justification for sanctions against the Contractor.

Submitted by:

Rebecca Payne ____________________ June 29, 2020 ____________
Signature Date

REBECCA PAYNE ____________________
Typed Name/Title GRANTS COORDINATOR

CDBG CERTIFICATE OF COMPLETION

I, Shane Knight
(print your name here)

☐ Engineering: ______
(print name of company)

☒ Architect: Theorem, LLC
(print name of company)

☐ County Commissioner: ______
(print name of County)

☐ City/Town Personnel: ______
(print name of City/Town here)

have been the project site overseer for CDBG Project # 17031, for the City of Durant, Bryan County, Oklahoma, for certain improvements consisting of:

(Project description)

ADA Restroom Facility within Market Square: City completed the building as the contractor, which included in-kind labor.

Completed May 22, 2020

do hereby concur that the above referred to improvements were accomplished according to approved plans and specifications and/or duly authorized change orders, to the best of my knowledge, information and belief. This Certification is for the benefit of the OWNER listed above to finalize the project quantities and payment.

A final field observation of the project was completed.

City of Durant of City of Durant is the prime contractor on this job.
(print name of Contractor) (print contractor company name here)

I DO HEREBY APPROVE THE ABOVE REFERRED TO IMPROVEMENTS, AND RECOMMEND APPROVAL TO THE City of Durant.
(print name of City/Town/County)

Dated this 29 day of June, 2020.

______
(your signature here)

SHANE KNIGHT
(print name here)

THEOREM LLC
(print company name here)

CDBG CERTIFICATE OF COMPLETION

I, Shane Knight
(print your name here)

- ☐ Engineering: ______________________
  (print name of company)
- ☒ Architect: Theorem, LLC
  (print name of company)
- ☐ County Commissioner: ______________________
  (print name of County)
- ☐ City/Town Personnel: ______________________
  (print name of City/Town here)

have been the project site overseer for CDBG Project # 17031, for the City of Durant, Bryan County, Oklahoma, for certain improvements consisting of:

(Project description)
Canopy Shade Structure within Market Square
Completed May 29, 2020

do hereby concur that the above referred to improvements were accomplished according to approved plans and specifications and/or duly authorized change orders, to the best of my knowledge, information and belief. This Certification is for the benefit of the OWNER listed above to finalize the project quantities and payment.

A final field observation of the project was completed.

Layne Morgan of Mid-Plains Const is the prime contractor on this job.
(print name of Contractor) (print contractor company name here)

I DO HEREBY APPROVE THE ABOVE REFERRED TO IMPROVEMENTS, AND RECOMMEND APPROVAL TO THE City of Durant.
(print name of City/Town/County)

Dated this 29 day of June, 20 20

____
(your signature here)

SHANE KNIGHT
(print name here)

THEOREM LLC
(print company name here)

CDBG CERTIFICATE OF COMPLETION

I, Shane Knight
(print your name here)

☐ Engineering: ______
(print name of company)

☒ Architect: Theorem
(print name of company)

☐ County Commissioner: ______
(print name of County)

☐ City/Town Personnel: ______
(print name of City/Town here)

have been the project site overseer for CDBG Project # 17031, for the City of Durant, Bryan County, Oklahoma, for certain improvements consisting of:

(Project description)
Electrical Improvements within Market Square
Completed June 11, 2020

do hereby concur that the above referred to improvements were accomplished according to approved plans and specifications and/or duly authorized change orders, to the best of my knowledge, information and belief. This Certification is for the benefit of the OWNER listed above to finalize the project quantities and payment.

A final field observation of the project was completed.

Chris Farris of Farris Electric is the prime contractor on this job.
(print name of Contractor) (print contractor company name here)

I DO HEREBY APPROVE THE ABOVE REFERRED TO IMPROVEMENTS, AND RECOMMEND APPROVAL TO THE City of Durant.
(print name of City/Town/County)

Dated this 29 day of June, 2020.

______
(your signature here)

SHANE KNIGHT
(print name here)

THEOREM, LLC
(print company name here)

DURANT
· OKLAHOMA ·

The City of Durant

Grants Department

Memorandum

Date:	6/26/2020
To:	Mayor and City Council
From:	Rebecca Payne, Grants Coordinator
Re:	Consideration to Approve the Resolution 2020-27 to Support the Application Phase Public Hearing for the 2020 CDBG Small Cities Grant Application for the City-Owned Water Treatment Plant Electrical and SCADA System Improvements.

With the short time frame and unable to provide council approved minutes for the special meeting on June 16, this resolution should suffice for the grant application due June 30.

Council Information / Action Requested

Approve the Resolution 2020-27 to Support The Application Phase Public Hearing.

City Staff Information / Action Follow-up, if Council authorizes this action:

Becca will submit with approved resolution with the grant application.

ATTACHMENTS:

Description	Type	Upload Date
Resolution 2020-27	Cover Memo	6/26/2020

ATTACHMENT

RESOLUTION No. 2020 – 027

A RESOLUTION FOR APPLICATION PHASE PUBLIC HEARING
OK Department of Commerce
2020 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
SMALL CITIES PROGRAM

WHEREAS, the City of Durant is submitting a 2020 Community Development Block Grant through the CDBG - Small Cities Program for the Upgrade of Electrical and Controls System (Supervisory control and data acquisition - SCADA) for the City-owned Water Treatment Plant improvements; and

WHEREAS, as required by the 2020 grant program guidelines and the City's 2020 Citizen Participation Plan, a public hearing was scheduled to provide project and program information on Tuesday - June 16, 2020 within a special called council meeting; and

WHEREAS, in support of the Oklahoma Governor's State of Emergency Executive Order and the City of Durant's Ordinance 1900 for declared State of Emergency related to Covid-19 pandemic disaster crisis, the City of Durant continues "social distancing" protocol for all public meetings; and

WHEREAS, the public hearing notice was posted in nine public view locations, as well as posted on the City of Durant's website and Facebook page, and identified as an agenda item within the official agenda sent to six media outlets, with public invitation to attend the public hearing or connect via a live stream option on June 16; and

WHEREAS, the City's on-staff Grants Coordinator conducted the public hearing on June 16, 2020 and provided information about the 2020 CDBG Small Cities program and proposed project as outlined in the grant application; and

WHEREAS, the City's on-staff Grants Coordinator will include all Public Hearing documentation with the application to be submitted to OK Department of Commerce on June 30, 2020.

NOW THEREFORE, BE IT RESOLVED by the Durant City Council that the City of Durant confirms the public hearing was held on June 16, 2020 as stated in this Resolution in preparation for the 2020 CDBG Small Cities application submission, with a desire to obtain grant assistance for the Water Treatment Plant - SCADA System improvements.

PASSED AND APPROVED by the Mayor and City Council of the City of Durant, Oklahoma this June 30, 2020, at a special called meeting of the governing body, in compliance with the Open Meeting Act, 25 O.S. § 301 et seq.

____
Oden Grube, Mayor

ATTEST:

____
Cynthia Price, City Clerk