

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 necessary accommodation.

DURANT CITY COUNCIL

6:00 PM

**Roscoe J. Hatfield
Council Chambers,
300 West Evergreen,
Durant, Oklahoma
AGENDA**

August 12, 2025

CALL TO ORDER

INVOCATION/FLAG SALUTE

ROLL CALL

ORDER OF BUSINESS

1. Consent Items

To help streamline meetings and allow the focus to be on other items requiring strategic thought, the "Consent Items" portion of the agenda groups the routine, procedural, and self-explanatory non-controversial items together. These items are voted on in a single motion (one vote). However, any Council member requesting further information on a specific item thus removes it from the "Consent Items" section for individual attention and separate vote.

- a. Consider Approval of Regular Meeting Minutes of July 8, 2025
- b. Consider Approval of Budget Supplements BA 25-12
- c. Consider Approval of Mayoral Recommendation for Marion Hill and Jane Hicks to Each Serve an Additional Three Year Term on the Durant Library Board
- d. Consider Approval of Mayoral Recommendation for Nomination of Daniel Tarkington for Oklahoma Municipal Retirement Fund (OkMRF) District 2 Trustee Position

2. Consider Items Removed from Consent

3. Information Items

4. Administration

- a. Consider Approval of Economic Development Agreement Between the City of Durant and Albertson's LLC (C-2025-61)
- b. Consider and Take Action with Respect to a Resolution R-2025-10 Approving the Incurrence of Indebtedness by The Durant City Utilities Authority (the "Authority") Issuing Its Utility System and Sales Tax Revenue Note, Series 2025A (the "Note"); Providing that the Organizational Document Creating the Authority is Subject to the

Provisions of the Indenture Authorizing the Issuance of said Note; Waiving Competitive Bidding with Respect to the Sale of said Note and Approving the Proceedings of the Authority Pertaining to the Sale of said Note; Ratifying and Confirming the Sales Tax Agreement by and between the City of Durant, Oklahoma (the "City") and the Authority Pertaining to the Year-to-Year Pledge of Certain Sales Tax Revenues; Ratifying and Confirming the Lease, as Amended, Pertaining to the City's Utility Systems; and Containing Other Provisions Relating Thereto. [Series 2025A Note – Main Street Project]

- c. Consider and Take Action with Respect to a Resolution R-2025-11 of the City of Durant, Oklahoma (the "City") Approving Action Taken by The Durant City Utilities Authority (the "Authority") Authorizing Issuance, Sale and Delivery of a Promissory Note of the Authority to the Oklahoma Water Resources Board; Ratifying and Confirming a Lease, as Amended, By and Between the City and the Authority Pertaining to Certain Water, Sanitary Sewer, and Garbage Systems; Ratifying and Confirming a Sales Tax Agreement By and Between the Authority and the City Pertaining to a Pledge of Certain Sales Tax Revenues; and Containing Other Provisions Related Thereto. [Series 2025B FAP Note Drainage Project]
- d. Consider and Take Action with Respect to a Resolution R-2025-12 of the City of Durant, Oklahoma (the "City") Approving Action Taken by The Durant City Utilities Authority (the "Authority") Authorizing Issuance, Sale and Delivery of a Promissory Note of the Authority to the Oklahoma Water Resources Board; Ratifying and Confirming a Lease, as Amended, By and Between the City and the Authority Pertaining to Certain Water, Sanitary Sewer, and Garbage Systems; Ratifying and Confirming a Sales Tax Agreement By and Between the Authority and the City Pertaining to a Pledge of Certain Sales Tax Revenues; and Containing Other Provisions Related Thereto. [Series 2025C FAP Note – Water Line Project]
- e. Consider Approval of Proposal for a Comprehensive Water and Wastewater Cost of Service and Rate Design Study, Stormwater Utility Rate Study and Solid Waste Utility Rate Study (C-2025-56)
- f. Consider Approval of Emergency Purchase of Custom Dell Server for City of Durant Infrastructure in the Amount of \$63,870.00
- g. Consider Acceptance of FY 2023-2024 Annual Financial Statements and Auditor's Reports
- h. Consider Approval of Professional Services Agreement with Crawford and Associates (C-2025-58)
- i. Consider Approval of Professional Services Agreement with HBC CPAs & Advisors for the Fiscal Year Ending June 30, 2025 (C-2025-62)
- j. Consider Approval of Mutual Aid Agreement between the City of Durant and Durant Independent School District (C-2025-57)
- k. Consider Approval of Resolution Supporting Continued Participation in Main Street Programs (R-2025-05)

5. New Business

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 the 11th day of November, 2024 and that an agenda of said meeting was posted at the place of such meeting at 3:30 p.m. on the 8th day of August 2025.



Cynthia J. Price, City of Durant



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: Cynthia Price, City Clerk
Re: Consider Approval of Regular Meeting Minutes of July 8, 2025

Council Information / Action Requested

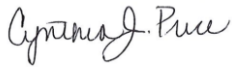
Approval of Regular Meeting Minutes of July 8, 2025

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

ATTACHMENTS:

1. Durant City Council Minutes 07082025 cjp

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 the 10th day of December 2024 and that an agenda of said meeting was posted at the place of such meeting at 4:00 p.m. on the 3rd day of July 2025.



Cynthia J. Price, City of Durant

MINUTES OF THE MEETING OF DURANT CITY COUNCIL

July 8, 2025 AT 6:00 PM

Roscoe J. Hatfield Council Chambers

300 West Evergreen

Durant, Oklahoma

CALL TO ORDER

Mayor Tucker called the meeting to order at 6:00 p.m.

INVOCATION/FLAG SALUTE

Mayor Tucker provided the invocation and led the flag salute.

ROLL CALL

Present:

Council Member Lauran Fuller

Council Member Humphrey Miller

Council Member Danny Sherrer

Vice Mayor Mike Simulescu

Mayor Martin Tucker

City Attorney Tom Marcum

City Manager Pam Polk

City Clerk Cynthia J. Price

Absent:

None

PRESENTATIONS

1. 2025 Second Quarter Employee Service Awards

The following employees received service awards:

5 YEARS

Jamissa Ellis

10 YEARS
Paige Cates

25 YEARS
Christopher Marcy

30 YEARS
Michael Stinson

ORDER OF BUSINESS

1. Consent Items

To help streamline meetings and allow the focus to be on other items requiring strategic thought, the "Consent Items" portion of the agenda groups the routine, procedural, and self-explanatory non-controversial items together. These items are voted on in a single motion (one vote). However, any Council member requesting further information on a specific item thus removes it from the "Consent Items" section for individual attention and separate vote.

- a. Consider Approval of Regular Meeting Minutes of June 9, 2025
- b. Consider Approval of Budget Supplements BA 25-11

Motion To: Approve Consent Items as Presented

Motion By:

Seconded By:

Ayes: Fuller, Miller, Sherrer, Simulescu, Tucker

Nays: None

Abstain: None

2. Consider Items Removed from Consent

Motion To: Approve Consent Items as Presented

Motion By: Mike Simulescu

Seconded By: Lauren Fuller

Ayes: Fuller, Miller, Sherrer, Simulescu, Tucker

Nays: None

Abstain: None

3. Information Items

- a. Durant Sports Festival Wrap Up

City Manager Pam Polk provided a status update on the cyber security breach.

Parks and Recreation Director Ryan Brewer provided highlights of the Durant Sports Festival.

4. Administration

- a. Consider Approval of the Professional Engineering Services Agreement between City of Durant and Garver LLC for the Main Street Drainage Improvements from Main Street to Cemetery Road

Motion To: Approve Professional Engineering Services Agreement between City of Durant and Garver LLC for the Main Street Drainage Improvements from Main Street to Cemetery Road
Subject to Review and Confirmation of Approval from City Attorney Tom Marcum

Motion By: Martin Tucker

Seconded By: Humphrey Miller

Ayes: Fuller, Miller, Sherrer, Simulescu, Tucker

Nays: None

Abstain: None

City Attorney reviewed the contract and personally provided the city clerk with verbal approval.

5. Executive Session

- a. Consider Entering Into Executive Session to Discuss Project 1 and Take Possible Action (This executive session is authorized by Oklahoma State Statute, Title 25 Section 307 C-11);

Motion To: Enter into Executive Session

Motion By: Martin Tucker

Seconded By: Humphrey Miller

Ayes: Fuller, Miller, Sherrer, Simulescu, Tucker

Nays: None

Abstain: None

- b. Consider Action Pursuant to Executive Session Item 5(a)

No action.

6. New Business

There was no new business.

ADJOURNMENT

Motion To: Adjourn Meeting

Motion By: Mike Simulescu

Seconded By: Martin Tucker

Ayes: Fuller, Miller, Sherrer, Simulescu, Tucker

Nays: None

Abstain: None



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: An chen Lai, Finance Director/Treasurer
Re: Consider Approval of Budget Supplements BA 25-12

#409 Appropriate funds for General Fund Operation Expenditures
#410 Appropriate funds for Employee Insurance Fund Premium Adjustment
#411 Appropriate funds for Beautification Fund Expenditures Adjustment
#412 Appropriate funds for IT Services Fund Expenditures Adjustment
#413 Appropriate funds for DIA Utility Expense Adjustment
#414 Appropriate funds for 911 Fund Operation Expenditures
#415 Appropriate funds for Airport Authority Fund Operating Expenses
#416 Appropriate funds for Sinking Fund Fees Adjustment
#417 Appropriate funds for DCUA Operating Expenses
#418 Appropriate funds for DMSC Operating Expenses
#419 Appropriate funds for Cemetery Operating Expenses

Council Information / Action Requested

Approval of BA 25-12

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

ATTACHMENTS:

1. BA 25-12 92-102 Budget Adjustment Register



Durant, OK

Budget Adjustment Register

Adjustment Detail

Packet: GLPKT11694 - BA 25-12 92-102 FY 24-25

Adjustment Number	Budget Code	Description	Adjustment Date
BA0000409	FY 24/25 ORIGINAL BUDGET	BA 25-12 92 GF OPERATION EXPENDITURES ADJ.	6/30/2025

Summary Description:

Account Number	Account Name	Adjustment Description	Before	Adjustment	After
001-001-550-5051	OFFICE SUPPLIES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	1,000.00	250.00	1,250.00
June: 250.00					
001-001-550-5854	UNIFORMS	BA 25-12 92 GF OPERATION EXPENDITURES AD...	1,300.00	-250.00	1,050.00
June: -250.00					
001-001-570-7200	TRAINING AND TRAVEL	BA 25-12 92 GF OPERATION EXPENDITURES AD...	15,222.00	-5,604.00	9,618.00
June: -5,604.00					
001-002-510-1100	SALARIES AND WAGES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	68,605.94	4,481.00	73,086.94
June: 4,481.00					
001-002-510-1300	UNEMPLOYMENT INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	270.00	13.00	283.00
June: 13.00					
001-002-510-1400	FICA TAXES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	5,604.49	343.00	5,947.49
June: 343.00					
001-002-510-1500	OMRF PENSION CONTRIBUTIO...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	5,612.83	342.00	5,954.83
June: 342.00					
001-002-510-1600	LIFE & HEALTH INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	9,702.60	425.00	10,127.60
June: 425.00					
001-003-510-1100	SALARIES AND WAGES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	291,533.04	-2,925.00	288,608.04
June: -2,925.00					
001-003-510-1500	OMRF PENSION CONTRIBUTIO...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	20,383.41	270.00	20,653.41
June: 270.00					
001-003-510-1600	LIFE & HEALTH INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	45,346.80	2,350.00	47,696.80
June: 2,350.00					
001-003-530-3032	POSTAGE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	2,500.00	175.00	2,675.00
June: 175.00					
001-003-550-5051	OFFICE SUPPLIES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	1,500.00	130.00	1,630.00
June: 130.00					
001-005-510-1100	SALARIES AND WAGES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	3,754,141.27	17,500.00	3,771,641.27
June: 17,500.00					
001-005-510-1200	OVERTIME	BA 25-12 92 GF OPERATION EXPENDITURES AD...	140,022.00	14,850.00	154,872.00
June: 14,850.00					
001-005-510-1400	FICA TAXES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	277,706.39	11,900.00	289,606.39
June: 11,900.00					
001-005-510-1500	OMRF PENSION CONTRIBUTIO...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	16,849.64	750.00	17,599.64
June: 750.00					
001-005-510-1600	LIFE & HEALTH INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	618,074.64	-47,000.00	571,074.64
June: -47,000.00					
001-005-510-1700	WORKERS' COMPENSATION EXP	BA 25-12 92 GF OPERATION EXPENDITURES AD...	86,400.00	-10,000.00	76,400.00
June: -10,000.00					
001-005-510-1900	POLICE RETIREMENT SYSTEM	BA 25-12 92 GF OPERATION EXPENDITURES AD...	484,983.32	-29,000.00	455,983.32
June: -29,000.00					
001-006-510-1100	SALARIES AND WAGES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	107,749.55	1.00	107,750.55
June: 1.00					
001-006-510-1200	OVERTIME	BA 25-12 92 GF OPERATION EXPENDITURES AD...	8,500.00	1,021.00	9,521.00

Budget Adjustment Register
Packet: GLPKT11694 - BA 25-12 92-102 FY 24-25

June:	1,021.00				
001-006-510-1400		FICA TAXES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	8,986.42	74.00 9,060.42
June:	74.00				
001-006-510-1600		LIFE & HEALTH INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	29,107.80	-1,096.00 28,011.80
June:	-1,096.00				
001-008-510-1100		SALARIES AND WAGES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	2,576,787.13	56,000.00 2,632,787.13
June:	56,000.00				
001-008-510-1400		FICA TAXES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	43,798.03	3,500.00 47,298.03
June:	3,500.00				
001-008-510-1600		LIFE & HEALTH INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	512,295.60	15,600.00 527,895.60
June:	15,600.00				
001-008-510-1800		FIREFIGHTERS RETIREMENT	BA 25-12 92 GF OPERATION EXPENDITURES AD...	406,948.37	-10,100.00 396,848.37
June:	-10,100.00				
001-008-520-2124		MEDICAL/PHYSICALS	BA 25-12 92 GF OPERATION EXPENDITURES AD...	9,195.00	-6,500.00 2,695.00
June:	-6,500.00				
001-008-530-3031		PHONE & TELECOMMUNICATI...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	15,786.00	-9,500.00 6,286.00
June:	-9,500.00				
001-008-530-3078		LABOR UNION CONTRACT LEG...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	10,000.00	-10,000.00 0.00
June:	-10,000.00				
001-009-510-1100		SALARIES AND WAGES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	463,180.55	-7,700.00 455,480.55
June:	-7,700.00				
001-009-510-1202		SPECIAL PAY-LEAVE & BONUS ...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	4,850.00	7,400.00 12,250.00
June:	7,400.00				
001-009-550-5854		UNIFORMS	BA 25-12 92 GF OPERATION EXPENDITURES AD...	15,000.00	300.00 15,300.00
June:	300.00				
001-012-510-1111		SALARIES AND WAGES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	196,183.47	-12,463.00 183,720.47
June:	-12,463.00				
001-012-510-1200		OVERTIME	BA 25-12 92 GF OPERATION EXPENDITURES AD...	0.00	720.00 720.00
June:	720.00				
001-013-510-1100		SALARIES AND WAGES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	37,922.82	3,200.00 41,122.82
June:	3,200.00				
001-013-510-1300		UNEMPLOYMENT INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	270.00	3.00 273.00
June:	3.00				
001-013-510-1600		LIFE & HEALTH INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	9,702.60	1,650.00 11,352.60
June:	1,650.00				
001-013-510-1700		WORKERS' COMPENSATION EXP	BA 25-12 92 GF OPERATION EXPENDITURES AD...	1,800.00	40.00 1,840.00
June:	40.00				
001-013-530-3037		MUNICIPAL JUDGE SERVICES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	21,700.00	1,550.00 23,250.00
June:	1,550.00				
001-013-530-3056		CREDIT CARD PROCESSING FEES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	15,500.00	1,350.00 16,850.00
June:	1,350.00				
001-013-550-5878		MC BAD DEBT COLLECT. FEES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	20,000.00	1,950.00 21,950.00
June:	1,950.00				
001-014-510-1100		SALARIES AND WAGES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	320,756.66	-16,176.00 304,580.66
June:	-16,176.00				
001-014-510-1200		OVERTIME	BA 25-12 92 GF OPERATION EXPENDITURES AD...	3,000.00	111.00 3,111.00
June:	111.00				
001-014-510-1300		UNEMPLOYMENT INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	1,612.86	455.00 2,067.86
June:	455.00				
001-014-510-1600		LIFE & HEALTH INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	64,495.32	14,141.00 78,636.32
June:	14,141.00				
001-014-510-1700		WORKERS' COMPENSATION EXP	BA 25-12 92 GF OPERATION EXPENDITURES AD...	10,752.38	1,361.00 12,113.38
June:	1,361.00				

Budget Adjustment Register
Packet: GLPKT11694 - BA 25-12 92-102 FY 24-25

001-014-530-3031	PHONE & TELECOMMUNICATI...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	4,240.00	100.00	4,340.00
June:	100.00				
001-014-530-3032	POSTAGE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	750.00	8.00	758.00
June:	8.00				
001-015-510-1100	SALARIES AND WAGES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	394,390.73	-892.00	393,498.73
June:	-892.00				
001-015-510-1202	SPECIAL PAY-LEAVE & BONUS ...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	8,000.00	780.00	8,780.00
June:	780.00				
001-015-510-1300	UNEMPLOYMENT INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	2,700.00	112.00	2,812.00
June:	112.00				
001-015-510-1600	LIFE & HEALTH INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	93,859.80	3,360.00	97,219.80
June:	3,360.00				
001-015-530-3051	CONTRACT LABOR	BA 25-12 92 GF OPERATION EXPENDITURES AD...	6,000.00	-3,360.00	2,640.00
June:	-3,360.00				
001-016-550-5852	FUEL	BA 25-12 92 GF OPERATION EXPENDITURES AD...	60,000.00	5,500.00	65,500.00
June:	5,500.00				
001-016-550-5884	ALLEY/STREET MAINTENANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	35,000.00	-5,500.00	29,500.00
June:	-5,500.00				
001-017-510-1100	SALARIES AND WAGES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	102,761.96	-371.00	102,390.96
June:	-371.00				
001-017-510-1204	VEHICLE & CELL PHONE ALLO...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	2,650.00	350.00	3,000.00
June:	350.00				
001-017-570-7010	MISC. EXPENDITURES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	1,150.00	21.00	1,171.00
June:	21.00				
001-018-510-1100	SALARIES AND WAGES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	187,137.60	-305.00	186,832.60
June:	-305.00				
001-018-510-1400	FICA TAXES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	13,656.18	305.00	13,961.18
June:	305.00				
001-019-530-3033	UTILITIES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	255,000.00	1,500.00	256,500.00
June:	1,500.00				
001-019-530-3038	ADVERTISING- GEN FUND	BA 25-12 92 GF OPERATION EXPENDITURES AD...	7,000.00	-2,905.00	4,095.00
June:	-2,905.00				
001-019-550-5058	BUILDING MAINT. & SUPPLIES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	27,000.00	425.00	27,425.00
June:	425.00				
001-019-550-5864	BUILDING EQUIP & FURN	BA 25-12 92 GF OPERATION EXPENDITURES AD...	9,134.00	300.00	9,434.00
June:	300.00				
001-019-570-0013	EMPL. PHYSICALS & DRUG TEST...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	14,000.00	3,500.00	17,500.00
June:	3,500.00				
001-019-570-7010	A & G MISCELLANEOUS	BA 25-12 92 GF OPERATION EXPENDITURES AD...	98,384.00	250.00	98,634.00
June:	250.00				
001-019-570-7010	A & G MISCELLANEOUS	BA 25-12 92 GF OPERATION EXPENDITURES AD...	98,384.00	250.00	98,634.00
June:	250.00				
001-019-570-7021	VEHICLE REGISTRATION FEES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	1,000.00	30.00	1,030.00
June:	30.00				
001-019-570-7047	PHONE SERVICE - COMMON C...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	4,800.00	900.00	5,700.00
June:	900.00				
001-021-510-1100	SALARIES AND WAGES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	175,850.69	7,750.00	183,600.69
June:	7,750.00				
001-021-510-1300	UNEMPLOYMENT INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	1,080.00	165.00	1,245.00
June:	165.00				
001-021-510-1400	FICA TAXES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	14,242.72	450.00	14,692.72
June:	450.00				
001-021-510-1500	OMRF PENSION CONTRIBUTIO...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	14,196.50	465.00	14,661.50

Budget Adjustment Register
Packet: GLPKT11694 - BA 25-12 92-102 FY 24-25

June:	465.00					
001-021-510-1600		LIFE & HEALTH INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	38,810.40	720.00	39,530.40
June:	720.00					
001-021-550-5663		VEHICLE MAINTENANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	10,335.00	-4,900.00	5,435.00
June:	-4,900.00					
001-021-550-5849		COMPUTER SOFTWARE & ACCE...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	5,000.00	-1,500.00	3,500.00
June:	-1,500.00					
001-021-550-5852		FUEL	BA 25-12 92 GF OPERATION EXPENDITURES AD...	5,000.00	-2,900.00	2,100.00
June:	-2,900.00					
001-021-550-5854		UNIFORMS	BA 25-12 92 GF OPERATION EXPENDITURES AD...	8,500.00	-1,000.00	7,500.00
June:	-1,000.00					
001-021-550-5861		MINOR TOOLS AND EQUIPMENT	BA 25-12 92 GF OPERATION EXPENDITURES AD...	6,200.00	-865.00	5,335.00
June:	-865.00					
001-021-550-5871		OIL AND LUBRICANTS	BA 25-12 92 GF OPERATION EXPENDITURES AD...	53,900.00	865.00	54,765.00
June:	865.00					
001-023-510-1100		SALARIES AND WAGES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	44,129.28	4,791.00	48,920.28
June:	4,791.00					
001-023-510-1300		UNEMPLOYMENT INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	270.00	47.00	317.00
June:	47.00					
001-023-510-1400		FICA TAXES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	3,402.67	367.00	3,769.67
June:	367.00					
001-023-510-1500		OMRF PENSION CONTRIBUTIO...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	3,384.87	365.00	3,749.87
June:	365.00					
001-023-510-1600		LIFE & HEALTH INSURANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	9,702.60	425.00	10,127.60
June:	425.00					
001-023-530-3031		PHONE & TELECOMMUNICATI...	BA 25-12 92 GF OPERATION EXPENDITURES AD...	2,384.00	-1,100.00	1,284.00
June:	-1,100.00					
001-023-530-3033		UTILITIES	BA 25-12 92 GF OPERATION EXPENDITURES AD...	5,000.00	-1,150.00	3,850.00
June:	-1,150.00					
001-023-550-5656		BUILDING AND MAINTENANCE	BA 25-12 92 GF OPERATION EXPENDITURES AD...	13,200.00	-3,245.00	9,955.00
June:	-3,245.00					

Adjustment Number	Budget Code	Description	Adjustment Date
BA0000410	FY 24/25 ORIGINAL BUDGET	BA 25-12 93 EMPLY INS LIBLITY PREMIUM INCR.	6/30/2025

Summary Description:

Account Number	Account Name	Adjustment Description	Before	Adjustment	After
005-000-381-9000	CITY CONTRIBUTION	BA 25-12 93 EMPLY INS LIBLITY PREMIUM INCR.	-2,676,100.00	-50,530.00	-2,726,630.00
June:	-50,530.00				
005-066-530-3456	LIFE INSURANCE PREMIUM EXP.	BA 25-12 93 EMPLY INS LIBLITY PREMIUM INCR.	24,801.00	12,340.00	37,141.00
June:	12,340.00				
005-066-530-3900	HEALTH INSURANCE PREMIUM	BA 25-12 93 EMPLY INS LIBLITY PREMIUM INCR.	2,740,000.00	38,190.00	2,778,190.00
June:	38,190.00				

Adjustment Number	Budget Code	Description	Adjustment Date
BA0000411	FY 24/25 ORIGINAL BUDGET	BA 25-12 94 BEAUTIFICATION DOWNTOWN CLEANING	6/30/2025

Summary Description:

Account Number	Account Name	Adjustment Description	Before	Adjustment	After
008-019-570-7010	MISC. EXPENDITURES	BA 25-12 94 BEAUTIFICATION DOWNTOWN CL...	750.00	500.00	1,250.00
June:	500.00				
008-019-570-7800	FUND RESERVE	BA 25-12 94 BEAUTIFICATION DOWNTOWN CL...	96,364.00	-500.00	95,864.00
June:	-500.00				

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Adjustment Number	Budget Code	Description	Adjustment Date
BA0000412	FY 24/25 ORIGINAL BUDGET	BA 25-12 95 IT SVR OPERATION ADJ	6/30/2025

Summary Description:

Account Number	Account Name	Adjustment Description	Before	Adjustment	After
010-020-510-1100	SALARIES AND WAGES	BA 25-12 95 IT SVR OPERATION ADJ	230,999.64	8,053.00	239,052.64
June: 8,053.00					
010-020-510-1200	OVERTIME	BA 25-12 95 IT SVR OPERATION ADJ	6,000.00	10,695.00	16,695.00
June: 10,695.00					
010-020-510-1202	SPECIAL PAY-LEAVE & BONUS ...	BA 25-12 95 IT SVR OPERATION ADJ	1,400.00	5,847.00	7,247.00
June: 5,847.00					
010-020-510-1300	UNEMPLOYMENT INSURANCE	BA 25-12 95 IT SVR OPERATION ADJ	1,087.14	191.00	1,278.14
June: 191.00					
010-020-510-1400	FICA TAXES	BA 25-12 95 IT SVR OPERATION ADJ	17,697.45	1,679.00	19,376.45
June: 1,679.00					
010-020-510-1500	OMRF PENSION CONTRIBUTIO...	BA 25-12 95 IT SVR OPERATION ADJ	18,142.21	1,427.00	19,569.21
June: 1,427.00					
010-020-510-1600	LIFE & HEALTH INSURANCE	BA 25-12 95 IT SVR OPERATION ADJ	52,139.88	7,291.00	59,430.88
June: 7,291.00					
010-020-530-3031	PHONE & TELECOMMUNICATI...	BA 25-12 95 IT SVR OPERATION ADJ	9,000.00	2,178.00	11,178.00
June: 2,178.00					
010-020-530-3041	INTERNET SERVICE / GMAIL	BA 25-12 95 IT SVR OPERATION ADJ	22,800.00	14,162.00	36,962.00
June: 14,162.00					
010-020-530-3468	PROJECT & KNOWLEDGE MNGT.	BA 25-12 95 IT SVR OPERATION ADJ	41,000.00	-40,000.00	1,000.00
June: -40,000.00					
010-020-550-5034	POSTAL METER & SUPPLIES	BA 25-12 95 IT SVR OPERATION ADJ	5,700.00	2,762.00	8,462.00
June: 2,762.00					
010-020-550-5690	ACCOUNTING SOFTWARE & M...	BA 25-12 95 IT SVR OPERATION ADJ	205,300.00	-28,858.00	176,442.00
June: -28,858.00					
010-020-550-5802	HARDWARE PURCH. - PRINTERS	BA 25-12 95 IT SVR OPERATION ADJ	4,820.00	1,273.00	6,093.00
June: 1,273.00					
010-020-570-7016	PHOTOCOPY PAPER	BA 25-12 95 IT SVR OPERATION ADJ	1,200.00	13,000.00	14,200.00
June: 13,000.00					
010-020-570-7016	PHOTOCOPY PAPER	BA 25-12 95 IT SVR OPERATION ADJ	1,200.00	300.00	1,500.00
June: 300.00					

Adjustment Number	Budget Code	Description	Adjustment Date
BA0000413	FY 24/25 ORIGINAL BUDGET	BA 25-12 96 DIA UTILITY & DEBT PYMNT EXP ADJUST	6/30/2025

Summary Description:

Account Number	Account Name	Adjustment Description	Before	Adjustment	After
020-000-375-0501	CG - CDBG LOAN PMT. REIMB.	BA 25-12 96 DIA UTILITY EXP ADJUST	-20,000.00	8,333.00	-11,667.00
June: 8,333.00					
020-017-530-3033	UTILITIES	BA 25-12 96 DIA UTILITY EXP ADJUST	650.00	865.00	1,515.00
June: 865.00					
020-067-570-7400	CONTINGENCY RESERVE	BA 25-12 96 DIA UTILITY EXP ADJUST	170,833.01	-865.00	169,968.01
June: -865.00					
020-067-580-8631	CG - CDBG LOAN PMT. EXP.	BA 25-12 96 DIA UTILITY EXP ADJUST	20,000.00	-8,333.00	11,667.00
June: -8,333.00					

Adjustment Number	Budget Code	Description	Adjustment Date
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BA0000414 FY 24/25 ORIGINAL BUDGET BA 25-12 96 FUND 101 OPERATION EXP. ADJ

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Summary Description:

Account Number	Account Name	Adjustment Description	Before	Adjustment	After
101-007-510-1100	SALARIES AND WAGES	BA 25-12 96 FUND 101 OPERATION EXP. ADJ	540,804.38	-52,462.00	488,342.38
June: -52,462.00					
101-007-510-1200	OVERTIME	BA 25-12 96 FUND 101 OPERATION EXP. ADJ	31,200.00	40,440.00	71,640.00
June: 40,440.00					
101-007-510-1202	SPECIAL PAY-LEAVE & BONUS ...	BA 25-12 96 FUND 101 OPERATION EXP. ADJ	500.00	9,564.00	10,064.00
June: 9,564.00					
101-007-530-3031	PHONE & TELECOMMUNICATI...	BA 25-12 96 FUND 101 OPERATION EXP. ADJ	25,075.00	1,883.00	26,958.00
June: 1,883.00					
101-007-530-3053	COMMUNICATION SERVICE FE...	BA 25-12 96 FUND 101 OPERATION EXP. ADJ	12,692.00	575.00	13,267.00
June: 575.00					

Adjustment Number	Budget Code	Description	Adjustment Date
BA0000415	FY 24/25 ORIGINAL BUDGET	BA 25-12 98 FUND 206 OPERATION EXP ADJ	6/30/2025

Summary Description:

Account Number	Account Name	Adjustment Description	Before	Adjustment	After
206-065-510-1300	UNEMPLOYMENT INSURANCE	BA 25-12 98 FUND 206 OPERATION EXP ADJ	1,620.00	231.00	1,851.00
June: 231.00					
206-065-510-1600	LIFE & HEALTH INSURANCE	BA 25-12 98 FUND 206 OPERATION EXP ADJ	55,049.40	-6,458.00	48,591.40
June: -6,458.00					
206-065-550-5660	BUILDING MAINTENANCE	BA 25-12 98 FUND 206 OPERATION EXP ADJ	0.00	25.00	25.00
June: 25.00					
206-065-550-5887	AVIATION GASOLINE PURCHAS...	BA 25-12 98 FUND 206 OPERATION EXP ADJ	250,000.00	1,690.00	251,690.00
June: 1,690.00					
206-065-560-2204	JET FUEL PURCHASES	BA 25-12 98 FUND 206 OPERATION EXP ADJ	550,000.00	4,512.00	554,512.00
June: 4,512.00					
206-065-580-8036	FY16 10 T HANGAR INT EXPENSE	BA 25-12 98 FUND 206 OPERATION EXP ADJ	2,928.00	-158.00	2,770.00
June: -158.00					
206-065-580-8037	FY16 10 T HANGAR PRNCP PY...	BA 25-12 98 FUND 206 OPERATION EXP ADJ	50,994.00	158.00	51,152.00
June: 158.00					

Adjustment Number	Budget Code	Description	Adjustment Date
BA0000416	FY 24/25 ORIGINAL BUDGET	BA 25-12 99 UA SINKING FEES ADJ	6/30/2025

Summary Description:

Account Number	Account Name	Adjustment Description	Before	Adjustment	After
210-000-361-1000	INTEREST EARNED	BA 25-12 99 UA SINKING FEES ADJ	-5,000.00	-7,491.00	-12,491.00
June: -7,491.00					
210-046-530-3033	LOCAL TRUSTEE FEE	BA 25-12 99 UA SINKING FEES ADJ	2,000.00	500.00	2,500.00
June: 500.00					
210-058-580-9500	INTEREST EXPENSE 2023 CWSRF	BA 25-12 99 UA SINKING FEES ADJ	7,500.00	6,991.00	14,491.00
June: 6,991.00					

Adjustment Number	Budget Code	Description	Adjustment Date
BA0000417	FY 24/25 ORIGINAL BUDGET	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	6/30/2025

Summary Description:

Account Number	Account Name	Adjustment Description	Before	Adjustment	After
405-024-510-1100	SALARIES AND WAGES	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	293,929.90	-328.00	293,601.90
June: -328.00					
405-024-510-1200	OVERTIME	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	1,850.00	253.00	2,103.00

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June:	253.00				
405-024-550-5049		COMP. SOFTWARE, SUPPLIES, ...	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	500.00	75.00 575.00
June:	75.00				
405-025-510-1300		UNEMPLOYMENT INSURANCE	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	1,620.00	139.00 1,759.00
June:	139.00				
405-025-510-1600		LIFE & HEALTH INSURANCE	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	85,367.52	3,080.00 88,447.52
June:	3,080.00				
405-025-510-1700		WORKERS' COMPENSATION EXP	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	9,000.00	702.00 9,702.00
June:	702.00				
405-025-530-3032		POSTAGE	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	68,500.00	-4,890.00 63,610.00
June:	-4,890.00				
405-025-530-3056		CREDIT CARD PROCESSING FEES	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	135,000.00	26,751.00 161,751.00
June:	26,751.00				
405-025-530-3057		KIOSK AND WEB PYMT FEES	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	90,200.00	-25,782.00 64,418.00
June:	-25,782.00				
405-026-510-1100		SALARIES AND WAGES	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	592,874.02	-1,171.00 591,703.02
June:	-1,171.00				
405-026-510-1202		SPCEIAL PAY-LEAVE & BONUS ...	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	7,700.00	954.00 8,654.00
June:	954.00				
405-026-510-1300		UNEMPLOYMENT INSURANCE	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	4,320.00	217.00 4,537.00
June:	217.00				
405-027-510-1100		SALARIES AND WAGES	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	307,051.30	16,849.00 323,900.30
June:	16,849.00				
405-027-510-1202		SPECIAL PAY-LEAVE & BONUS ...	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	1,700.00	3,910.00 5,610.00
May:	3,910.00				
405-027-510-1300		UNEMPLOYMENT INSURANCE	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	2,160.00	105.00 2,265.00
June:	105.00				
405-027-510-1400		FICA TAXES	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	24,879.42	944.00 25,823.42
June:	944.00				
405-027-510-1500		OMRF PENSION CONTRIBUTIO...	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	25,017.99	667.00 25,684.99
June:	667.00				
405-027-530-3033		UTILITIES	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	355,000.00	-22,483.00 332,517.00
June:	-22,483.00				
405-027-550-5663		VEHICLE MAINTENANCE	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	6,000.00	8.00 6,008.00
June:	8.00				
405-028-510-1200		OVERTIME	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	0.00	25,851.00 25,851.00
June:	25,851.00				
405-028-510-1202		SPECIAL PAY-LEAVE & BONUS ...	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	2,800.00	480.00 3,280.00
June:	480.00				
405-028-510-1300		UNEMPLOYMENT INSURANCE	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	2,160.00	440.00 2,600.00
June:	440.00				
405-028-510-1400		FICA TAXES	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	29,148.49	1,291.00 30,439.49
June:	1,291.00				
405-028-510-1500		OMRF PENSION CONTRIBUTIO...	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	29,422.37	1,726.00 31,148.37
June:	1,726.00				
405-028-510-1600		LIFE & HEALTH INSURANCE	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	74,454.60	15,275.00 89,729.60
June:	15,275.00				
405-028-530-3033		UTILITIES	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	246,000.00	-22,403.00 223,597.00
June:	-22,403.00				
405-028-550-5853		CHEMICALS, DRUGS, AND LAB	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	80,000.00	-16,900.00 63,100.00
June:	-16,900.00				
405-028-550-5861		MINOR TOOLS AND EQUIPMENT	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	7,000.00	-5,760.00 1,240.00
June:	-5,760.00				

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405-029-510-1100	SALARIES AND WAGES	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	613,106.96	-65,114.00	547,992.96
June:	-65,114.00				
405-029-510-1200	OVERTIME	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	20,800.00	60,696.00	81,496.00
June:	60,696.00				
405-029-510-1202	SPECIAL PAY-LEAVE & BONUS ...	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	1,746.74	7,698.00	9,444.74
June:	7,698.00				
405-029-510-1400	FICA TAXES	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	47,691.72	13.00	47,704.72
June:	13.00				
405-029-510-1600	LIFE & HEALTH INSURANCE	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	159,618.12	-7,711.00	151,907.12
June:	-7,711.00				
405-029-530-3031	PHONE & TELECOMMUNICATI...	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	1,034.00	4,418.00	5,452.00
June:	4,418.00				
405-030-530-3010	RURAL WATER COLLECTION FEE	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	7,000.00	370.00	7,370.00
June:	370.00				
405-030-530-3375	WATER & WASTEWATER PERM...	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	35,000.00	-10,570.00	24,430.00
June:	-10,570.00				
405-031-530-3033	UTILITIES	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	0.00	10,200.00	10,200.00
June:	10,200.00				
405-049-510-1200	OVERTIME	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	20,800.00	36,193.00	56,993.00
June:	36,193.00				
405-049-510-1202	SPECIAL PAY-LEAVE & BONUS ...	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	4,000.00	3,793.00	7,793.00
June:	3,793.00				
405-049-510-1300	UNEMPLOYMENT INSURANCE	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	3,448.00	224.00	3,672.00
June:	224.00				
405-049-510-1400	FICA TAXES	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	40,330.00	2,743.00	43,073.00
June:	2,743.00				
405-049-510-1500	OMRF PENSION CONTRIBUTIO...	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	40,656.40	2,554.00	43,210.40
June:	2,554.00				
405-049-510-1700	WORKERS' COMPENSATION EXP	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	21,600.00	523.00	22,123.00
June:	523.00				
405-049-530-3044	SOLID WASTE DISPOSAL FEES	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	420,000.00	33,254.00	453,254.00
June:	33,254.00				
405-049-550-5852	FUEL	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	190,000.00	-57,000.00	133,000.00
June:	-57,000.00				
405-049-550-5854	UNIFORMS	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	15,000.00	1,783.00	16,783.00
June:	1,783.00				
405-049-550-5859	LANDFILL EQUIP. REPAIR	BA 25-12 100 DCUA OPERATION EXPENSES ADJ	260,000.00	-24,067.00	235,933.00
June:	-24,067.00				

Adjustment Number	Budget Code	Description	Adjustment Date
BA0000418	FY 24/25 ORIGINAL BUDGET	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	6/30/2025

Summary Description:

Account Number	Account Name	Adjustment Description	Before	Adjustment	After
500-010-510-1100	SALARIES AND WAGES	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	113,126.20	-30,990.00	82,136.20
June:	-30,990.00				
500-010-510-1202	SPECIAL PAY-LEAVE & BONUS ...	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	350.00	1,202.00	1,552.00
June:	1,202.00				
500-010-510-1500	OMRF PENSION CONTRIBUTIO...	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	3,338.61	958.00	4,296.61
June:	958.00				
500-010-510-1600	LIFE & HEALTH INSURANCE	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	9,702.60	2,113.00	11,815.60
June:	2,113.00				
500-010-530-3452	SALES TAX EXP	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	5,000.00	1,717.00	6,717.00

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June:	1,717.00					
500-010-550-5849		COMPUTER SOFTWARE/ACCES...	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	10,000.00	-4,152.00	5,848.00
June:	-4,152.00					
500-011-510-1100		SALARIES AND WAGES	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	198,612.19	15,523.00	214,135.19
June:	15,523.00					
500-011-510-1200		OVERTIME	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	1,900.00	3,305.00	5,205.00
June:	3,305.00					
500-011-510-1202		SPECIAL PAY-LEAVE & BONUS ...	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	1,750.00	522.00	2,272.00
June:	522.00					
500-011-510-1300		UNEMPLOYMENT INSURANCE	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	1,350.00	126.00	1,476.00
June:	126.00					
500-011-510-1400		FICA TAXES	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	15,195.47	1,474.00	16,669.47
June:	1,474.00					
500-011-510-1500		OMRF PENSION CONTRIBUTIO...	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	15,392.15	1,434.00	16,826.15
June:	1,434.00					
500-011-510-1600		LIFE & HEALTH INSURANCE	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	48,513.00	6,487.00	55,000.00
June:	6,487.00					
500-011-510-1700		WORKERS' COMPENSATION EXP	BA 25-12 101 DMSC OPERATION EXPENSES ADJ	9,000.00	281.00	9,281.00
June:	281.00					

Adjustment Number	Budget Code	Description	Adjustment Date
BA0000419	FY 24/25 ORIGINAL BUDGET	BA 25-12-102 CEMETERY OPERATION EXP. ADJ	6/30/2025

Summary Description:

Account Number	Account Name	Adjustment Description	Before	Adjustment	After
610-000-301-1000	BEGINNING UNENCUMBERED	BA 25-12-102 CEMETERY OPERATION EXP. ADJ	-661.00	-948.00	-1,609.00
June:	-948.00				
610-050-530-3332	LEGAL FEES	BA 25-12-102 CEMETERY OPERATION EXP. ADJ	100.00	373.00	473.00
June:	373.00				
610-050-570-7050	PRE-PAID DISTRIBUT TO GRVE ...	BA 25-12-102 CEMETERY OPERATION EXP. ADJ	1,500.00	575.00	2,075.00
June:	575.00				

Budget Code Summary

Budget	Budget Description	Account	Account Description	Before	Adjustment	After
25	FY 24/25 ORIGINAL BUDGET	001-001-550-5051	OFFICE SUPPLIES	1,000.00	250.00	1,250.00
		001-001-550-5854	UNIFORMS	1,300.00	-250.00	1,050.00
		001-001-570-7200	TRAINING AND TRAVEL	15,222.00	-5,604.00	9,618.00
		001-002-510-1100	SALARIES AND WAGES	68,605.94	4,481.00	73,086.94
		001-002-510-1300	UNEMPLOYMENT INSURANCE	270.00	13.00	283.00
		001-002-510-1400	FICA TAXES	5,604.49	343.00	5,947.49
		001-002-510-1500	OMRF PENSION CONTRIBUTIONS	5,612.83	342.00	5,954.83
		001-002-510-1600	LIFE & HEALTH INSURANCE	9,702.60	425.00	10,127.60
		001-003-510-1100	SALARIES AND WAGES	291,533.04	-2,925.00	288,608.04
		001-003-510-1500	OMRF PENSION CONTRIBUTIONS	20,383.41	270.00	20,653.41
		001-003-510-1600	LIFE & HEALTH INSURANCE	45,346.80	2,350.00	47,696.80
		001-003-530-3032	POSTAGE	2,500.00	175.00	2,675.00
		001-003-550-5051	OFFICE SUPPLIES	1,500.00	130.00	1,630.00
		001-005-510-1100	SALARIES AND WAGES	3,754,141.27	17,500.00	3,771,641.27
		001-005-510-1200	OVERTIME	140,022.00	14,850.00	154,872.00
		001-005-510-1400	FICA TAXES	277,706.39	11,900.00	289,606.39
		001-005-510-1500	OMRF PENSION CONTRIBUTIONS	16,849.64	750.00	17,599.64
		001-005-510-1600	LIFE & HEALTH INSURANCE	618,074.64	-47,000.00	571,074.64
		001-005-510-1700	WORKERS' COMPENSATION EXP	86,400.00	-10,000.00	76,400.00
		001-005-510-1900	POLICE RETIREMENT SYSTEM	484,983.32	-29,000.00	455,983.32
		001-006-510-1100	SALARIES AND WAGES	107,749.55	1.00	107,750.55
		001-006-510-1200	OVERTIME	8,500.00	1,021.00	9,521.00
		001-006-510-1400	FICA TAXES	8,986.42	74.00	9,060.42
		001-006-510-1600	LIFE & HEALTH INSURANCE	29,107.80	-1,096.00	28,011.80
		001-008-510-1100	SALARIES AND WAGES	2,576,787.13	56,000.00	2,632,787.13
		001-008-510-1400	FICA TAXES	43,798.03	3,500.00	47,298.03
		001-008-510-1600	LIFE & HEALTH INSURANCE	512,295.60	15,600.00	527,895.60
		001-008-510-1800	FIREFIGHTERS RETIREMENT	406,948.37	-10,100.00	396,848.37
		001-008-520-2124	MEDICAL/PHYSICALS	9,195.00	-6,500.00	2,695.00
		001-008-530-3031	PHONE & TELECOMMUNICATION	15,786.00	-9,500.00	6,286.00
		001-008-530-3078	LABOR UNION CONTRACT LEGAL E...	10,000.00	-10,000.00	0.00
		001-009-510-1100	SALARIES AND WAGES	463,180.55	-7,700.00	455,480.55
		001-009-510-1202	SPECIAL PAY-LEAVE & BONUS ACCR	4,850.00	7,400.00	12,250.00
		001-009-550-5854	UNIFORMS	15,000.00	300.00	15,300.00
		001-012-510-1111	SALARIES AND WAGES	196,183.47	-12,463.00	183,720.47
		001-012-510-1200	OVERTIME	0.00	720.00	720.00
		001-013-510-1100	SALARIES AND WAGES	37,922.82	3,200.00	41,122.82
		001-013-510-1300	UNEMPLOYMENT INSURANCE	270.00	3.00	273.00
		001-013-510-1600	LIFE & HEALTH INSURANCE	9,702.60	1,650.00	11,352.60
		001-013-510-1700	WORKERS' COMPENSATION EXP	1,800.00	40.00	1,840.00
		001-013-530-3037	MUNICIPAL JUDGE SERVICES	21,700.00	1,550.00	23,250.00
		001-013-530-3056	CREDIT CARD PROCESSING FEES	15,500.00	1,350.00	16,850.00
		001-013-550-5878	MC BAD DEBT COLLECT. FEES	20,000.00	1,950.00	21,950.00
		001-014-510-1100	SALARIES AND WAGES	320,756.66	-16,176.00	304,580.66
		001-014-510-1200	OVERTIME	3,000.00	111.00	3,111.00
		001-014-510-1300	UNEMPLOYMENT INSURANCE	1,612.86	455.00	2,067.86
		001-014-510-1600	LIFE & HEALTH INSURANCE	64,495.32	14,141.00	78,636.32
		001-014-510-1700	WORKERS' COMPENSATION EXP	10,752.38	1,361.00	12,113.38
		001-014-530-3031	PHONE & TELECOMMUNICATION	4,240.00	100.00	4,340.00
		001-014-530-3032	POSTAGE	750.00	8.00	758.00
		001-015-510-1100	SALARIES AND WAGES	394,390.73	-892.00	393,498.73
		001-015-510-1202	SPECIAL PAY-LEAVE & BONUS ACCR	8,000.00	780.00	8,780.00
		001-015-510-1300	UNEMPLOYMENT INSURANCE	2,700.00	112.00	2,812.00
		001-015-510-1600	LIFE & HEALTH INSURANCE	93,859.80	3,360.00	97,219.80
		001-015-530-3051	CONTRACT LABOR	6,000.00	-3,360.00	2,640.00
		001-016-550-5852	FUEL	60,000.00	5,500.00	65,500.00
		001-016-550-5884	ALLEY/STREET MAINTENANCE	35,000.00	-5,500.00	29,500.00
		001-017-510-1100	SALARIES AND WAGES	102,761.96	-371.00	102,390.96

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001-017-510-1204	VEHICLE & CELL PHONE ALLOWAN...	2,650.00	350.00	3,000.00
001-017-570-7010	MISC. EXPENDITURES	1,150.00	21.00	1,171.00
001-018-510-1100	SALARIES AND WAGES	187,137.60	-305.00	186,832.60
001-018-510-1400	FICA TAXES	13,656.18	305.00	13,961.18
001-019-530-3033	UTILITIES	255,000.00	1,500.00	256,500.00
001-019-530-3038	ADVERTISING- GEN FUND	7,000.00	-2,905.00	4,095.00
001-019-550-5058	BUILDING MAINT. & SUPPLIES	27,000.00	425.00	27,425.00
001-019-550-5864	BUILDING EQUIP & FURN	9,134.00	300.00	9,434.00
001-019-570-0013	EMPL. PHYSICALS & DRUG TESTING	14,000.00	3,500.00	17,500.00
001-019-570-7010	A & G MISCELLANEOUS	98,384.00	500.00	98,884.00
001-019-570-7021	VEHICLE REGISTRATION FEES	1,000.00	30.00	1,030.00
001-019-570-7047	PHONE SERVICE - COMMON COSTS	4,800.00	900.00	5,700.00
001-021-510-1100	SALARIES AND WAGES	175,850.69	7,750.00	183,600.69
001-021-510-1300	UNEMPLOYMENT INSURANCE	1,080.00	165.00	1,245.00
001-021-510-1400	FICA TAXES	14,242.72	450.00	14,692.72
001-021-510-1500	OMRF PENSION CONTRIBUTIONS	14,196.50	465.00	14,661.50
001-021-510-1600	LIFE & HEALTH INSURANCE	38,810.40	720.00	39,530.40
001-021-550-5663	VEHICLE MAINTENANCE	10,335.00	-4,900.00	5,435.00
001-021-550-5849	COMPUTER SOFTWARE & ACCES.	5,000.00	-1,500.00	3,500.00
001-021-550-5852	FUEL	5,000.00	-2,900.00	2,100.00
001-021-550-5854	UNIFORMS	8,500.00	-1,000.00	7,500.00
001-021-550-5861	MINOR TOOLS AND EQUIPMENT	6,200.00	-865.00	5,335.00
001-021-550-5871	OIL AND LUBRICANTS	53,900.00	865.00	54,765.00
001-023-510-1100	SALARIES AND WAGES	44,129.28	4,791.00	48,920.28
001-023-510-1300	UNEMPLOYMENT INSURANCE	270.00	47.00	317.00
001-023-510-1400	FICA TAXES	3,402.67	367.00	3,769.67
001-023-510-1500	OMRF PENSION CONTRIBUTIONS	3,384.87	365.00	3,749.87
001-023-510-1600	LIFE & HEALTH INSURANCE	9,702.60	425.00	10,127.60
001-023-530-3031	PHONE & TELECOMMUNICATION	2,384.00	-1,100.00	1,284.00
001-023-530-3033	UTILITIES	5,000.00	-1,150.00	3,850.00
001-023-550-5656	BUILDING AND MAINTENANCE	13,200.00	-3,245.00	9,955.00
005-000-381-9000	CITY CONTRIBUTION	-2,676,100.00	-50,530.00	-2,726,630.00
005-066-530-3456	LIFE INSURANCE PREMIUM EXP.	24,801.00	12,340.00	37,141.00
005-066-530-3900	HEALTH INSURANCE PREMIUM	2,740,000.00	38,190.00	2,778,190.00
008-019-570-7010	MISC. EXPENDITURES	750.00	500.00	1,250.00
008-019-570-7800	FUND RESERVE	96,364.00	-500.00	95,864.00
010-020-510-1100	SALARIES AND WAGES	230,999.64	8,053.00	239,052.64
010-020-510-1200	OVERTIME	6,000.00	10,695.00	16,695.00
010-020-510-1202	SPECIAL PAY-LEAVE & BONUS ACCR	1,400.00	5,847.00	7,247.00
010-020-510-1300	UNEMPLOYMENT INSURANCE	1,087.14	191.00	1,278.14
010-020-510-1400	FICA TAXES	17,697.45	1,679.00	19,376.45
010-020-510-1500	OMRF PENSION CONTRIBUTIONS	18,142.21	1,427.00	19,569.21
010-020-510-1600	LIFE & HEALTH INSURANCE	52,139.88	7,291.00	59,430.88
010-020-530-3031	PHONE & TELECOMMUNICATION	9,000.00	2,178.00	11,178.00
010-020-530-3041	INTERNET SERVICE / GMAIL	22,800.00	14,162.00	36,962.00
010-020-530-3468	PROJECT & KNOWLEDGE MNGT.	41,000.00	-40,000.00	1,000.00
010-020-550-5034	POSTAL METER & SUPPLIES	5,700.00	2,762.00	8,462.00
010-020-550-5690	ACCOUNTING SOFTWARE & MAINT	205,300.00	-28,858.00	176,442.00
010-020-550-5802	HARDWARE PURCH. - PRINTERS	4,820.00	1,273.00	6,093.00
010-020-570-7016	PHOTOCOPY PAPER	1,200.00	13,300.00	14,500.00
020-000-375-0501	CG - CDBG LOAN PMT. REIMB.	-20,000.00	8,333.00	-11,667.00
020-017-530-3033	UTILITIES	650.00	865.00	1,515.00
020-067-570-7400	CONTINGENCY RESERVE	170,833.01	-865.00	169,968.01
020-067-580-8631	CG - CDBG LOAN PMT. EXP.	20,000.00	-8,333.00	11,667.00
101-007-510-1100	SALARIES AND WAGES	540,804.38	-52,462.00	488,342.38
101-007-510-1200	OVERTIME	31,200.00	40,440.00	71,640.00
101-007-510-1202	SPECIAL PAY-LEAVE & BONUS ACCR	500.00	9,564.00	10,064.00
101-007-530-3031	PHONE & TELECOMMUNICATION	25,075.00	1,883.00	26,958.00
101-007-530-3053	COMMUNICATION SERVICE FEES	12,692.00	575.00	13,267.00
206-065-510-1300	UNEMPLOYMENT INSURANCE	1,620.00	231.00	1,851.00
206-065-510-1600	LIFE & HEALTH INSURANCE	55,049.40	-6,458.00	48,591.40
206-065-550-5660	BUILDING MAINTENANCE	0.00	25.00	25.00

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206-065-550-5887	AVIATION GASOLINE PURCHASES	250,000.00	1,690.00	251,690.00
206-065-560-2204	JET FUEL PURCHASES	550,000.00	4,512.00	554,512.00
206-065-580-8036	FY16 10 T HANGAR INT EXPENSE	2,928.00	-158.00	2,770.00
206-065-580-8037	FY16 10 T HANGAR PRNCP PYMT	50,994.00	158.00	51,152.00
210-000-361-1000	INTEREST EARNED	-5,000.00	-7,491.00	-12,491.00
210-046-530-3033	LOCAL TRUSTEE FEE	2,000.00	500.00	2,500.00
210-058-580-9500	INTEREST EXPENSE 2023 CWSRF	7,500.00	6,991.00	14,491.00
405-024-510-1100	SALARIES AND WAGES	293,929.90	-328.00	293,601.90
405-024-510-1200	OVERTIME	1,850.00	253.00	2,103.00
405-024-550-5049	COMP. SOFTWARE, SUPPLIES, ACCE	500.00	75.00	575.00
405-025-510-1300	UNEMPLOYMENT INSURANCE	1,620.00	139.00	1,759.00
405-025-510-1600	LIFE & HEALTH INSURANCE	85,367.52	3,080.00	88,447.52
405-025-510-1700	WORKERS' COMPENSATION EXP	9,000.00	702.00	9,702.00
405-025-530-3032	POSTAGE	68,500.00	-4,890.00	63,610.00
405-025-530-3056	CREDIT CARD PROCESSING FEES	135,000.00	26,751.00	161,751.00
405-025-530-3057	KIOSK AND WEB PYMT FEES	90,200.00	-25,782.00	64,418.00
405-026-510-1100	SALARIES AND WAGES	592,874.02	-1,171.00	591,703.02
405-026-510-1202	SPCEIAL PAY-LEAVE & BONUS ACCR	7,700.00	954.00	8,654.00
405-026-510-1300	UNEMPLOYMENT INSURANCE	4,320.00	217.00	4,537.00
405-027-510-1100	SALARIES AND WAGES	307,051.30	16,849.00	323,900.30
405-027-510-1202	SPECIAL PAY-LEAVE & BONUS ACCR	1,700.00	3,910.00	5,610.00
405-027-510-1300	UNEMPLOYMENT INSURANCE	2,160.00	105.00	2,265.00
405-027-510-1400	FICA TAXES	24,879.42	944.00	25,823.42
405-027-510-1500	OMRF PENSION CONTRIBUTIONS	25,017.99	667.00	25,684.99
405-027-530-3033	UTILITIES	355,000.00	-22,483.00	332,517.00
405-027-550-5663	VEHICLE MAINTENANCE	6,000.00	8.00	6,008.00
405-028-510-1200	OVERTIME	0.00	25,851.00	25,851.00
405-028-510-1202	SPECIAL PAY-LEAVE & BONUS ACCR	2,800.00	480.00	3,280.00
405-028-510-1300	UNEMPLOYMENT INSURANCE	2,160.00	440.00	2,600.00
405-028-510-1400	FICA TAXES	29,148.49	1,291.00	30,439.49
405-028-510-1500	OMRF PENSION CONTRIBUTIONS	29,422.37	1,726.00	31,148.37
405-028-510-1600	LIFE & HEALTH INSURANCE	74,454.60	15,275.00	89,729.60
405-028-530-3033	UTILITIES	246,000.00	-22,403.00	223,597.00
405-028-550-5853	CHEMICALS, DRUGS, AND LAB	80,000.00	-16,900.00	63,100.00
405-028-550-5861	MINOR TOOLS AND EQUIPMENT	7,000.00	-5,760.00	1,240.00
405-029-510-1100	SALARIES AND WAGES	613,106.96	-65,114.00	547,992.96
405-029-510-1200	OVERTIME	20,800.00	60,696.00	81,496.00
405-029-510-1202	SPECIAL PAY-LEAVE & BONUS ACCR	1,746.74	7,698.00	9,444.74
405-029-510-1400	FICA TAXES	47,691.72	13.00	47,704.72
405-029-510-1600	LIFE & HEALTH INSURANCE	159,618.12	-7,711.00	151,907.12
405-029-530-3031	PHONE & TELECOMMUNICATION	1,034.00	4,418.00	5,452.00
405-030-530-3010	RURAL WATER COLLECTION FEE	7,000.00	370.00	7,370.00
405-030-530-3375	WATER & WASTEWATER PERMIT F...	35,000.00	-10,570.00	24,430.00
405-031-530-3033	UTILITIES	0.00	10,200.00	10,200.00
405-049-510-1200	OVERTIME	20,800.00	36,193.00	56,993.00
405-049-510-1202	SPECIAL PAY-LEAVE & BONUS ACCR	4,000.00	3,793.00	7,793.00
405-049-510-1300	UNEMPLOYMENT INSURANCE	3,448.00	224.00	3,672.00
405-049-510-1400	FICA TAXES	40,330.00	2,743.00	43,073.00
405-049-510-1500	OMRF PENSION CONTRIBUTIONS	40,656.40	2,554.00	43,210.40
405-049-510-1700	WORKERS' COMPENSATION EXP	21,600.00	523.00	22,123.00
405-049-530-3044	SOLID WASTE DISPOSAL FEES	420,000.00	33,254.00	453,254.00
405-049-550-5852	FUEL	190,000.00	-57,000.00	133,000.00
405-049-550-5854	UNIFORMS	15,000.00	1,783.00	16,783.00
405-049-550-5859	LANDFILL EQUIP. REPAIR	260,000.00	-24,067.00	235,933.00
500-010-510-1100	SALARIES AND WAGES	113,126.20	-30,990.00	82,136.20
500-010-510-1202	SPECIAL PAY-LEAVE & BONUS ACCR	350.00	1,202.00	1,552.00
500-010-510-1500	OMRF PENSION CONTRIBUTIONS	3,338.61	958.00	4,296.61
500-010-510-1600	LIFE & HEALTH INSURANCE	9,702.60	2,113.00	11,815.60
500-010-530-3452	SALES TAX EXP	5,000.00	1,717.00	6,717.00
500-010-550-5849	COMPUTER SOFTWARE/ACCESSOR...	10,000.00	-4,152.00	5,848.00
500-011-510-1100	SALARIES AND WAGES	198,612.19	15,523.00	214,135.19
500-011-510-1200	OVERTIME	1,900.00	3,305.00	5,205.00

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500-011-510-1202	SPECIAL PAY-LEAVE & BONUS ACCR	1,750.00	522.00	2,272.00
500-011-510-1300	UNEMPLOYMENT INSURANCE	1,350.00	126.00	1,476.00
500-011-510-1400	FICA TAXES	15,195.47	1,474.00	16,669.47
500-011-510-1500	OMRF PENSION CONTRIBUTIONS	15,392.15	1,434.00	16,826.15
500-011-510-1600	LIFE & HEALTH INSURANCE	48,513.00	6,487.00	55,000.00
500-011-510-1700	WORKERS' COMPENSATION EXP	9,000.00	281.00	9,281.00
610-000-301-1000	BEGINNING UNENCUMBERED	-661.00	-948.00	-1,609.00
610-050-530-3332	LEGAL FEES	100.00	373.00	473.00
610-050-570-7050	PRE-PAID DISTRIBUT TO GRVE SRV	1,500.00	575.00	2,075.00
	25 Total:	19,825,445.81	0.00	19,825,445.81
	Grand Total:	19,825,445.81	0.00	19,825,445.81

Fund Summary

Fund	Before	Adjustment	After
Budget Code:25 - FY 24/25 ORIGINAL BUDGET Fiscal: 2024-2025			
001	12,505,841.93	0.00	12,505,841.93
005	88,701.00	0.00	88,701.00
008	97,114.00	0.00	97,114.00
010	617,286.32	0.00	617,286.32
020	171,483.01	0.00	171,483.01
101	610,271.38	0.00	610,271.38
206	910,591.40	0.00	910,591.40
210	4,500.00	0.00	4,500.00
405	4,385,487.55	0.00	4,385,487.55
500	433,230.22	0.00	433,230.22
610	939.00	0.00	939.00
Budget Code 25 Total:	19,825,445.81	0.00	19,825,445.81
Grand Total:	19,825,445.81	0.00	19,825,445.81



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: Robbee Tonubbee, Director
Re: Consider Approval of Mayoral Recommendation for Marion HIII and Jane Hicks to Each Serve an Additional Three Year Term on the Durant Library Board

Council Information / Action Requested

Approval of Mayoral Recommendation for Marion HIII and Jane Hicks to Each Serve an Additional Three Year Term on the Durant Library Board

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

ATTACHMENTS:



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: Cynthia Price, City Clerk
Re: Consider Approval of Mayoral Recommendation for Nomination of Daniel Tarkington for Oklahoma Municipal Retirement Fund (OkMRF) District 2 Trustee Position

Mayor Tucker recommends the nomination of Daniel Tarkington as District 2 Trustee for the Oklahoma Municipal Retirement Fund Board of Trustees.

Council Information / Action Requested

Approval of Mayoral Recommendation for Nomination of _____ for Oklahoma Municipal Retirement Fund (OkMRF) District 2 Trustee Position

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

ATTACHMENTS:

1. OKMRF District 2 Trustee Ballot
2. OkMRF Nominee Biographies

RESOLUTION NO. R-2025-06

OFFICIAL BALLOT

A RESOLUTION OF City of Durant (employer name)
CASTING A VOTE FOR TRUSTEE OF THE OKLAHOMA
MUNICIPAL RETIREMENT FUND (OkMRF) TO FILL THE
EXPIRING TERM OF DISTRICT 2 TRUSTEE REPRESENTING
THE ENTIRE MEMBERSHIP.

WHEREAS, City of Durant, participates in the
OkMRF and is eligible to cast one vote for the Trustee office of the OkMRF Board to fill
the expiring term for District 2 Trustee; and

WHEREAS, no vote can be split or cast in any fraction or part of the whole; and

WHEREAS, the Authorized Agent indicates the results of our vote on the ballot
and returns this ballot to the Trust Administrator between July 20, 2025, and August 30,
2025.

NOW, THEREFORE, BE IT RESOLVED by the Mayor/Chair and City
Council/Board, of the participating employer City of Durant, that its
vote for the District 2 Trustee shall be cast for the following nominee (fill in name of
nominee):

1. _____
District 2 Trustee

END

The undersigned hereby certify that the foregoing Resolution was duly adopted
and approved by the Mayor/Chair and City Council/Board of the participating employer
of _____ on the _____ day of _____, _____.

Mayor/Chair

Attest (Seal):

City Clerk/Secretary/Authorized Agent

TO ENSURE DELIVERY, PLEASE CALL 1-888-394-6673 EXT. 100

MAIL RESOLUTIONS TO:
OKLAHOMA MUNICIPAL RETIREMENT FUND
1001 NW 63RD STREET, SUITE 260
OKLAHOMA CITY, OK 73116



2025 ELECTION OF DISTRICT 2 TRUSTEE OKLAHOMA MUNICIPAL RETIREMENT FUND ("OkMRF")

The governing body of each OkMRF Member is entitled to cast by resolution one (1) vote for the office of District 2 Trustee. The resolution (enclosed) must be returned and received no later than **August 30, 2025**. Please note: **Resolutions should be signed with a seal affixed to the ballot. Any resolutions unsigned or not received in the OkMRF offices by the deadline will not be valid. To ensure your ballot has been received in the OkMRF office, please call 1-888-394-6673, Ext 100 for confirmation.**

CAST YOUR VOTE FOR ONE (1) OF THE FOLLOWING NOMINEES ON THE ENCLOSED RESOLUTION:

GREG BUCKLEY

- Greg Buckley is presently the Town Administrator for the Town of Carlton Landing.
- Mr. Buckley holds a Bachelor of Arts degree in Public Administration from University of Oklahoma and Master of Arts in Public Administration from Northern Illinois University.
- He has approximately thirty-five (35) years' experience in municipal government.
- He serves on the City Manager Association of Oklahoma (CMAO) Board and has served as Treasurer and President. He is a CMAO Accredited Manager.
- He served on the Oklahoma Public Employers Labor Relations Association both as a Board member and President.
- He served on the Oklahoma Public Employee Relations Board as the City Representative November 2012 to June 2017.
- Greg serves on the Oklahoma Municipal League Legislative Committee.
- He served as Chairman of the Lake Eufaula Advisory Committee working with the U.S. Army Corp of Engineers.
- He has worked as an Adjunct Professor for Webster University.
- Mr. Buckley has worked for municipalities in three of the four quadrants of the State.
- He has served communities of all population sizes ranging from 94 to 95,000.
- He also works as a consultant helping communities with Labor Relations, Grants, Policies and Procedures, Financial Management, Operations, Strategic Planning, and Project Management.
- He has served in positions as City Manager, Town Administrator, Assistant City Manager, Treasurer/Finance Director, and Public Works Director in various municipal governments.
- He volunteers as a Certified Mediator with the OK Courts Early Settlement Alternative Dispute Resolution program.
- Greg has been married to his wife, Betty, for twenty-six (26) years and enjoys spending time with his three (3) grandchildren.

JIMMY ROBINSON

- Jimmy Robinson is currently the Superintendent for the Porum Public Works Authority, a position he has held for the past twelve (12) years.
- Mr. Robinson started his career with the Porum Public Works Authority in 2001 as a Water Operator before working his way through the ranks.
- He also works in other municipal positions such as Floodplains Administrator, Code Enforcement Officer, and Authorized Agent for OkMRF.
- Mr. Robinson holds a Bachelor of Science degree in Education from Northeastern State University.

BIOS Continued on back

JIMMY ROBINSON, Continued

- He was awarded the statewide Excellence in Operations award from the Oklahoma Rural Water Association in 2018 and went on to win the Ultimate Meter Challenge at the National Rural Water Association's WaterPro Conference.
- He is a U.S. Navy veteran who is still very active in the local chapter of the American Legion.
- He has been a long-time Little League baseball and football coach, as well as being the League President and President of the Athletic Booster club.
- Mr. Robinson owns and operates his own family farm with 60-head of cattle, shows pigs with his three children, and is a proud supporter and sponsor of the FFA.
- He is also a business owner, operating Triple B Sanitation with his wife, Pam, of twenty-eight (28) years.
- He attends First Baptist church of Webbers Falls with his family where he loves to cook for church and community events.
- Jimmy is the proud dad of Brian, Braydan, and Brutus, and the proud grandfather of Aidan, Christopher, and Laiklyn Jo.

DANIEL TARKINGTON

- Initially Daniel Tarkington worked as a municipal employee in Checotah for approximately five (5) years before deciding to run for office.
- Mr. Tarkington was elected Mayor in 2015 at age twenty-eight (28), defeating two-term incumbent by a wide margin—73.7% to 26.4%. And was sworn in for successive terms, including re-election with council members in 2023.
- He has served on the Board of Trustees of the Oklahoma Municipal Assurance Group (OMAG), initially appointed in 2018, and served until 2022.
- He is a member of the Oklahoma Municipal League (OML) Mayor's Council and a graduate of the OML Leadership Class VI.
- Daniel was the 2018 Mayor of the year recipient for cities under 5,000.
- He led revitalization efforts—enhancing curb appeal along U.S. Highway 69 and Interstate 40, working with OU's Institute for Quality Communities.
- Mr. Tarkington championed improvements to community spaces, including organizing local festivals, promoting a new City Hall, and boosting recreation via a splash pad and youth facilities. His campaign included a pledge to expand the sports complex with amenities like soccer fields, basketball courts, pickle ball courts, baseball fields, Justin Durrett Memorial pavilion, and a farmers' market.
- He actively supported the first-ever "Downtown Greenspace" engagement meeting with University of Oklahoma students in January 2025.
- Daniel authorized a cross-deputization agreement between Checotah Police and Muscogee Nation LightHorse Police in 2021, a move approved unanimously by the city council.
- Married to Jamie, they have two (2) daughters, RayLynn and Hallory.
- In his spare time, you might spot him racing dirt-track cars—he is known locally for that passion.
- Daniel is actively engaged in community events: Organizing Checotah's Freedom Celebration, assisting with the 5 K run, and various other activities.
- Under Mayor Tarkington, Checotah attracted significant contributions from hometown celebrity Carrie Underwood—estimated around \$500,000—funding animal shelters, school improvements, generators, and a splash pad.



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: Pam Polk, City Manager
Re: Consider Approval of Economic Development Agreement Between the City of Durant and Albertson's LLC (C-2025-61)

Council Information / Action Requested

Approval of Economic Development Agreement Between the City of Durant and Albertson's LLC (C-2025-61)

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

ATTACHMENTS:



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: Pam Polk, City Manager
Re: Consider and Take Action with Respect to a Resolution R-2025-10 Approving the Incurrence of Indebtedness by The Durant City Utilities Authority (the "Authority") Issuing Its Utility System and Sales Tax Revenue Note, Series 2025A (the "Note"); Providing that the Organizational Document Creating the Authority is Subject to the Provisions of the Indenture Authorizing the Issuance of said Note; Waiving Competitive Bidding with Respect to the Sale of said Note and Approving the Proceedings of the Authority Pertaining to the Sale of said Note; Ratifying and Confirming the Sales Tax Agreement by and between the City of Durant, Oklahoma (the "City") and the Authority Pertaining to the Year-to-Year Pledge of Certain Sales Tax Revenues; Ratifying and Confirming the Lease, as Amended, Pertaining to the City's Utility Systems; and Containing Other Provisions Relating Thereto. [Series 2025A Note – Main Street Project]

Council Information / Action Requested

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

ATTACHMENTS:

1. R-2025-10 City Series 2025A Note - Main Street Project UNSIGNED

RESOLUTION NO. R-2025-10

A RESOLUTION APPROVING THE INCURRENCE OF INDEBTEDNESS BY THE DURANT CITY UTILITIES AUTHORITY (THE "AUTHORITY") ISSUING ITS UTILITY SYSTEM AND SALES TAX REVENUE NOTE, SERIES 2025A (THE "NOTE"); PROVIDING THAT THE ORGANIZATIONAL DOCUMENT CREATING THE AUTHORITY IS SUBJECT TO THE PROVISIONS OF THE INDENTURE AUTHORIZING THE ISSUANCE OF SAID NOTE; WAIVING COMPETITIVE BIDDING WITH RESPECT TO THE SALE OF SAID NOTE AND APPROVING THE PROCEEDINGS OF THE AUTHORITY PERTAINING TO THE SALE OF SAID NOTE; RATIFYING AND CONFIRMING THE SALES TAX AGREEMENT BY AND BETWEEN THE CITY OF DURANT, OKLAHOMA (THE "CITY") AND THE AUTHORITY PERTAINING TO THE YEAR-TO-YEAR PLEDGE OF CERTAIN SALES TAX REVENUES; RATIFYING AND CONFIRMING THE LEASE, AS AMENDED, PERTAINING TO THE CITY'S UTILITY SYSTEMS; AND CONTAINING OTHER PROVISIONS RELATING THERETO.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DURANT, OKLAHOMA:

SECTION 1. INDEBTEDNESS AUTHORIZED. The Durant City Utilities Authority (the "Authority") is hereby authorized to incur an indebtedness by the issuance of its Utility System and Sales Tax Revenue Note, Series 2025A in the amount of not-to-exceed \$16,000,000.00 (the "Note"), according to the terms and conditions of a General Bond Indenture dated as of September 1, 2006, as previously supplemented and amended and as further supplemented and amended by a Series 2025A Supplemental Note Indenture, all by and between the Authority and First United Bank and Trust Company, as Trustee (collectively, the "Indenture"), provided that said Note shall never constitute a debt of the City of Durant, Oklahoma (the "City").

SECTION 2. ORGANIZATIONAL DOCUMENT SUBJECT TO INDENTURE. The organizational document creating the Authority, is hereby made subject to the terms of the Indenture authorizing the issuance and securing the payment of the Note as more fully described in Section 1 hereof.

SECTION 3. WAIVING COMPETITIVE BIDDING; APPROVAL OF SALE PROCEEDINGS. The waiving of competitive bidding for the sale of the Note and the sale of said Note by the Authority to a financial institution (referred to herein as the "Purchaser"), at a price of par, is hereby approved. The Authority shall designate the Purchaser of the Note in its Certificate of Determination to be executed at or prior to closing of the Note.

SECTION 4. SALES TAX AGREEMENT. The Sales Tax Agreement dated as of April 1, 2020, by and between the City and the Authority (the "Sales Tax Agreement"), which Sales Tax Agreement pertains to a year-to-year pledge of certain Sales Tax Revenue as security for the Note, is hereby ratified and confirmed.

SECTION 5. LEASE AGREEMENT. The Lease dated May 21, 1956, but to be effective as of May 10, 1956, as amended by the Supplement to Lease dated August 29, 1966, but to be effective as of June 14, 1966, and as further amended by the Second Supplement to Lease dated March 20, 1991, all by and between the City and the Authority, whereby the City leases unto the Authority its water, sanitary sewer, and garbage systems, is hereby ratified and confirmed, and the term of said Lease shall extend until the Note is paid in full.

SECTION 6. AUTHORIZING EXECUTION. The Mayor or Vice Mayor and City Clerk or Deputy City Clerk of the City representing the City at the closing of the above-referenced note issue are hereby authorized to approve and make any changes to the documents approved by this Resolution, for and on behalf of the City, the execution and delivery of such documents being conclusive as to the approval of any changes contained therein by the City; and to execute and deliver on behalf of the City any and all certifications and documentation necessary or attendant to the delivery of the Note, as directed by Bond Counsel.

[Remainder of Page Left Blank Intentionally]

PASSED AND APPROVED THIS 12TH DAY OF AUGUST, 2025.

CITY OF DURANT, OKLAHOMA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATE
OF
CITY COUNCIL ACTION

I, the undersigned, hereby certify that I am the duly qualified and acting City Clerk of the City of Durant, Oklahoma.

I further certify that the City Council of the City of Durant, Oklahoma, held a Regular Meeting at 6:00 o'clock p.m., on August 12, 2025, after due notice was given in full compliance with the Oklahoma Open Meeting Act.

I further certify that attached hereto is a full and complete copy of a Resolution that was passed and approved by said City Council at said meeting as the same appears in the official records of my office and that said Resolution is currently in effect and has not been repealed or amended as of this date.

I further certify that below is listed those Council Members present and absent at said meeting; those making and seconding the motion that said Resolution be passed and approved; and those voting for and against such motion:

PRESENT:

ABSENT:

MOTION MADE BY:

MOTION SECONDED BY:

AYE:

NAY:

WITNESS MY HAND THIS 12TH DAY OF AUGUST, 2025.

CITY OF DURANT, OKLAHOMA

(SEAL)

City Clerk



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: Pam Polk, City Manager
Re: Consider and Take Action with Respect to a Resolution R-2025-11 of the City of Durant, Oklahoma (the "City") Approving Action Taken by The Durant City Utilities Authority (the "Authority") Authorizing Issuance, Sale and Delivery of a Promissory Note of the Authority to the Oklahoma Water Resources Board; Ratifying and Confirming a Lease, as Amended, By and Between the City and the Authority Pertaining to Certain Water, Sanitary Sewer, and Garbage Systems; Ratifying and Confirming a Sales Tax Agreement By and Between the Authority and the City Pertaining to a Pledge of Certain Sales Tax Revenues; and Containing Other Provisions Related Thereto. [Series 2025B FAP Note Drainage Project]

Council Information / Action Requested

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

ATTACHMENTS:

1. R-2025-11 City Series 2025B FAP Note - Drainage Project UNSIGNED

PURSUANT TO THE LEGAL NOTICE AS IS REQUIRED BY THE OKLAHOMA OPEN MEETING ACT INCLUDING THE POSTING OF NOTICE AND AGENDA AS IS REQUIRED BY THE TERMS THEREOF, THE CITY COUNCIL OF THE CITY OF DURANT, OKLAHOMA (THE “CITY”) MET IN REGULAR SESSION AT THE CITY COUNCIL CHAMBERS, IN SAID CITY ON THE 12TH DAY OF AUGUST, 2025, AT 6:00 O'CLOCK P.M.

PRESENT:

ABSENT:

(OTHER PROCEEDINGS)

Thereupon, the following resolution was introduced and caused to be read by title. Councilmember _____ moved passage of the Resolution and Councilmember _____ seconded the motion. The motion carrying with it the approval of said Resolution was approved by the following vote:

AYE:

NAY:

The Resolution so approved is as follows:

RESOLUTION NO. R-2025-11

A RESOLUTION OF THE CITY OF DURANT, OKLAHOMA (THE “CITY”) APPROVING ACTION TAKEN BY THE DURANT CITY UTILITIES AUTHORITY (THE “AUTHORITY”) AUTHORIZING ISSUANCE, SALE AND DELIVERY OF A PROMISSORY NOTE OF THE AUTHORITY TO THE OKLAHOMA WATER RESOURCES BOARD; RATIFYING AND CONFIRMING A LEASE, AS AMENDED, BY AND BETWEEN THE CITY AND THE AUTHORITY PERTAINING TO CERTAIN WATER, SANITARY SEWER, AND GARBAGE SYSTEMS; RATIFYING AND CONFIRMING A SALES TAX AGREEMENT BY AND BETWEEN THE AUTHORITY AND THE CITY PERTAINING TO A PLEDGE OF CERTAIN SALES TAX REVENUES; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

WHEREAS, The Durant City Utilities Authority (the “Authority”) did, by its Resolution adopted on August 12, 2025, authorize the issuance, sale and delivery of its Series 2025B Promissory Note to Oklahoma Water Resources Board, in order to finance certain drainage system improvements, along with related costs (collectively, the “Project”); and

WHEREAS, the City Council of the City hereby determines that the actions taken by the Authority should be authorized and approved; and

WHEREAS, the City hereby determines that such other action necessary or attendant to accomplishment of the referenced financing should be considered by the City Council of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DURANT, OKLAHOMA:

Section 1. Issuance of Note. That the issuance, sale and delivery of the Authority's Series 2025B Promissory Note to Oklahoma Water Resources Board in the principal amount of not-to-exceed \$16,450,000.00 (the "2025B Note"), all as approved by said Authority on August 12, 2025, be and hereby is authorized, approved and ratified.

Section 2. Approval. That all actions heretofore taken by the Authority in connection with the issuance, sale and delivery of the 2025B Note, and all other aspects of the transaction be and are hereby authorized, approved and ratified.

Section 3. Lease Agreement. The Lease dated May 21, 1956, but to be effective as of May 10, 1956, as amended by the Supplement to Lease dated August 29, 1966, but to be effective as of June 14, 1966, and as further amended by the Second Supplement to Lease dated March 20, 1991, between the City and the Authority (the "Lease Agreement"), whereby the City leased its existing and hereafter acquired interest in the water, sanitary sewer, and garbage systems to the Authority and whereby the Authority agreed to operate and maintain said systems, is hereby ratified and confirmed and the term of said Lease Agreement shall extend until the 2025B Note is paid.

Section 4. Sales Tax Agreement. The Sales Tax Agreement dated as of April 1, 2020, by and between the City and the Authority (the "Sales Tax Agreement"), which Sales Tax Agreement pertains to a year-to-year pledge of certain sales tax revenue as security for the 2025B Note and certain obligations issued on a parity therewith, is hereby ratified and confirmed.

Section 5. Necessary Action. That the Mayor or Vice Mayor and City Clerk or Deputy City Clerk be and hereby are authorized and empowered to execute and deliver for and on behalf of the City any and all other documents or instruments reasonably necessary to accomplish the issuance, sale and delivery of the 2025B Note and all other aspects of the transaction.

[Remainder of Page Left Blank Intentionally]

PASSED AND APPROVED THIS 12TH DAY OF AUGUST, 2025.

CITY OF DURANT, OKLAHOMA

By _____
Mayor

ATTEST:

By _____
City Clerk

(SEAL)

STATE OF OKLAHOMA)
)SS
COUNTY OF BRYAN)

I, the undersigned, City Clerk of the City of Durant, Oklahoma, do hereby certify that the above and foregoing is a true, full and correct copy of an excerpt from the minutes of a meeting of the City Council of said City held on the date above stated, all as recorded in the official minutes of such meeting. I further certify that the “Open Meeting Law” was complied with for such meeting.

GIVEN UNDER MY HAND THIS 12TH DAY OF AUGUST, 2025.

(SEAL)

City Clerk



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: Pam Polk, City Manager
Re: Consider and Take Action with Respect to a Resolution R-2025-12 of the City of Durant, Oklahoma (the "City") Approving Action Taken by The Durant City Utilities Authority (the "Authority") Authorizing Issuance, Sale and Delivery of a Promissory Note of the Authority to the Oklahoma Water Resources Board; Ratifying and Confirming a Lease, as Amended, By and Between the City and the Authority Pertaining to Certain Water, Sanitary Sewer, and Garbage Systems; Ratifying and Confirming a Sales Tax Agreement By and Between the Authority and the City Pertaining to a Pledge of Certain Sales Tax Revenues; and Containing Other Provisions Related Thereto. [Series 2025C FAP Note – Water Line Project]

Council Information / Action Requested

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

ATTACHMENTS:

1. R-2025-12 City Series 2025C FAP Note - Water Line Project UNSIGNED

PURSUANT TO THE LEGAL NOTICE AS IS REQUIRED BY THE OKLAHOMA OPEN MEETING ACT INCLUDING THE POSTING OF NOTICE AND AGENDA AS IS REQUIRED BY THE TERMS THEREOF, THE CITY COUNCIL OF THE CITY OF DURANT, OKLAHOMA (THE "CITY") MET IN REGULAR SESSION AT THE CITY COUNCIL CHAMBERS, IN SAID CITY ON THE 12TH DAY OF AUGUST, 2025, AT 6:00 O'CLOCK P.M.

PRESENT:

ABSENT:

(OTHER PROCEEDINGS)

Thereupon, the following resolution was introduced and caused to be read by title. Councilmember _____ moved passage of the Resolution and Councilmember _____ seconded the motion. The motion carrying with it the approval of said Resolution was approved by the following vote:

AYE:

NAY:

The Resolution so approved is as follows:

RESOLUTION NO. R-2025-12

A RESOLUTION OF THE CITY OF DURANT, OKLAHOMA (THE "CITY") APPROVING ACTION TAKEN BY THE DURANT CITY UTILITIES AUTHORITY (THE "AUTHORITY") AUTHORIZING ISSUANCE, SALE AND DELIVERY OF A PROMISSORY NOTE OF THE AUTHORITY TO THE OKLAHOMA WATER RESOURCES BOARD; RATIFYING AND CONFIRMING A LEASE, AS AMENDED, BY AND BETWEEN THE CITY AND THE AUTHORITY PERTAINING TO CERTAIN WATER, SANITARY SEWER, AND GARBAGE SYSTEMS; RATIFYING AND CONFIRMING A SALES TAX AGREEMENT BY AND BETWEEN THE AUTHORITY AND THE CITY PERTAINING TO A PLEDGE OF CERTAIN SALES TAX REVENUES; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

WHEREAS, The Durant City Utilities Authority (the "Authority") did, by its Resolution adopted on August 12, 2025, authorize the issuance, sale and delivery of its Series 2025C Promissory Note to Oklahoma Water Resources Board, in order to finance certain water system improvements, along with related costs (collectively, the "Project"); and

WHEREAS, the City Council of the City hereby determines that the actions taken by the Authority should be authorized and approved; and

WHEREAS, the City hereby determines that such other action necessary or attendant to accomplishment of the referenced financing should be considered by the City Council of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DURANT, OKLAHOMA:

Section 1. Issuance of Note. That the issuance, sale and delivery of the Authority's Series 2025C Promissory Note to Oklahoma Water Resources Board in the principal amount of not-to-exceed \$35,270,000.00 (the "2025C Note"), all as approved by said Authority on August 12, 2025, be and hereby is authorized, approved and ratified.

Section 2. Approval. That all actions heretofore taken by the Authority in connection with the issuance, sale and delivery of the 2025C Note, and all other aspects of the transaction be and are hereby authorized, approved and ratified.

Section 3. Lease Agreement. The Lease dated May 21, 1956, but to be effective as of May 10, 1956, as amended by the Supplement to Lease dated August 29, 1966, but to be effective as of June 14, 1966, and as further amended by the Second Supplement to Lease dated March 20, 1991, between the City and the Authority (the "Lease Agreement"), whereby the City leased it existing and hereafter acquired interest in the water, sanitary sewer, and garbage systems to the Authority and whereby the Authority agreed to operate and maintain said systems, is hereby ratified and confirmed and the term of said Lease Agreement shall extend until the 2025C Note is paid.

Section 4. Sales Tax Agreement. The Sales Tax Agreement dated as of April 1, 2020, by and between the City and the Authority (the "Sales Tax Agreement"), which Sales Tax Agreement pertains to a year-to-year pledge of certain sales tax revenue as security for the 2025C Note and certain obligations issued on a parity therewith, is hereby ratified and confirmed.

Section 5. Necessary Action. That the Mayor or Vice Mayor and City Clerk or Deputy City Clerk be and hereby are authorized and empowered to execute and deliver for and on behalf of the City any and all other documents or instruments reasonably necessary to accomplish the issuance, sale and delivery of the 2025C Note and all other aspects of the transaction.

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PASSED AND APPROVED THIS 12TH DAY OF AUGUST, 2025.

CITY OF DURANT, OKLAHOMA

By _____
Mayor

ATTEST:

By _____
City Clerk

(SEAL)

[illegible]

I, the undersigned, City Clerk of the City of Durant, Oklahoma, do hereby certify that the above and foregoing is a true, full and correct copy of an excerpt from the minutes of a meeting of the City Council of said City held on the date above stated, all as recorded in the official minutes of such meeting. I further certify that the "Open Meeting Law" was complied with for such meeting.

GIVEN UNDER MY HAND THIS 12TH DAY OF AUGUST, 2025.

(SEAL)

City Clerk



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: Pam Polk, City Manager
Re: Consider Approval of Proposal for a Comprehensive Water and Wastewater Cost of Service and Rate Design Study, Stormwater Utility Rate Study and Solid Waste Utility Rate Study (C-2025-56)

Council Information / Action Requested

Approval of Proposal for a Comprehensive Water and Wastewater Cost of Service and Rate Design Study, Stormwater Utility Rate Study and Solid Waste Utility Rate Study (C-2025-56)

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

ATTACHMENTS:

1. C-2025-56 Service Agreement with NewGen Strategies & Solutions for Water, Wastewater, Stormwater Utility and Solid Waste Utility Rate Studies UNSIGNED



275 W. Campbell Road
Suite 440
Richardson, TX 75080
Phone: (972) 680-2000

July 14, 2025
via email: PPolk@durant.org

Pam Polk
City Manager
City of Durant
300 W Evergreen
Durant, OK 74701

Subject: Proposal for a Comprehensive Water and Wastewater Cost of Service and Rate Design Study, Stormwater Utility Rate Study and Solid Waste Utility Rate Study

Dear Pam:

I sure appreciated you and Phillip being able to take the time to meet with me. With everything y'all have going on, I know it wasn't the most convenient for you, especially given the cybersecurity issues you're dealing with currently. I definitely was able to get a good read on what you need to accomplish to get on track to start recovering sufficient revenues from your Enterprise Funds. That's even more pressing given the capital projects that are coming up for the City. And that doesn't take into account the transfer to the General Fund that you have to make every year. Given everything we discussed, I've put together a scope that includes Water, Wastewater, Stormwater and Solid Waste. The water and wastewater rate study will also include a cost-of-service study that will allocate costs between customer classes to help you determine which customers are creating what costs on the system and how should we be recovering these costs. This proposal letter details the tasks necessary to complete the various scopes of work, as well as the associated budget.

Phase 1: Water and Wastewater Cost of Service and Rate Design Scope of Work

Task 1 – Initiation of Initial Data Request

The Project Team will develop an initial data request that will be needed to begin the review and evaluation of the City's water and wastewater cost of service, revenue requirements and current rate sufficiency. This data will include, but is not limited to, operating, financial, management, policy, contract, and ordinance data. The purpose of the initial data request is to become more familiar with the City's operations and policies to maximize the effectiveness of our time with City representatives in the project kickoff meeting. The Project Team will issue the initial data request within ten (10) days after receiving notice to proceed on the project.

Task 2 – Initial Data and Information Assessment

Once the City has submitted the initially requested data, the data will be reviewed in preparation for discussion during the project kickoff meeting. Throughout the course of the project, data received by the Project Team will be sampled and tested for accuracy. The sampling and testing of historical billing data is critical as this data is used in the development of proper cost allocations and reliable revenue projections. The Project Team will work closely with the City's billing staff and software provider to extract the appropriate billing data. In addition, as necessary, the Project Team will conduct informal interviews with

Mrs. Pam Polk
July 14, 2025
Page 2

City staff during our review of the historical data to ensure that the Project Team understands the information provided and that the data is accurate.

Task 3 – Project Kickoff Meeting

After receiving the initially requested data, the Project Team will work with the City to schedule a kickoff meeting. The primary reason for the kickoff meeting is to allow the key Project Team consultants and participants from the City to be introduced and lay the general framework for how the Study will be conducted. This meeting will also allow for the finalization of the proposed work approach, as well as discussion and clarification of the information analyzed in Task 2. In addition, the project kickoff meeting will allow for the Project Team to gain a better understanding of the goals and objectives the City desires to achieve from the Study.

Task 4 – Determination of Test-Year Revenue Requirements

A test-year is a common term in rate studies that refers to an adjusted fiscal year cost that will be used as a basis for setting rates.

Revenue requirements will be developed for the water and wastewater utilities using the American Water Works Association (AWWA) accepted cash needs approach. The cash needs approach closely follows municipal budgeting practices and incorporates a utility's operation and maintenance costs, debt service and bond coverage requirements, cash funded capital outlays, reserve requirements, and transfers. In developing the revenue requirements, the Project Team will assess and project each utility's cost of service by analyzing each utility's historical costs, the current budget year, and any forecasts made for future fiscal years. The test-year cost of service will be adjusted by non-rate revenue sources to develop the test-year revenue required from utility rates.

Task 5 – Forecast of Revenue Requirements

Using the test-year developed in Task 4 for each utility, the Project Team will begin the development of a five (5) year revenue requirement forecast. As necessary, interviews with City staff may be conducted to gather additional data to complete this task. During this task, it is crucial to thoroughly analyze the assumptions used in projecting the revenue requirements. These assumptions may include, but may not be limited to, growth rate, inflation rates, changes in contractual obligations, and capital improvements. The Project Team will work closely with City staff to examine the City's planned method of financing future capital improvements (e.g., cash, debt, grants) and the financing methods' impact on rates, operating and capital reserve targets, and debt coverage requirements, as well as any anticipated operational and/or staffing changes over the five-year forecast.

Task 6 – Determination of Realizable Revenue at Current Rates

The results of this task will provide the data needed to properly evaluate the anticipated billed revenues of the utility under the current rate structures and the forecast total costs of providing utility services. This task will also provide a "check" of the data provided by City staff. In developing future revenue projections, adjustments will be made to the historical billing data to reflect normalized weather conditions and usage. The magnitude of overall increases, if any, and the potential need for redistribution of revenue responsibility between customer classes will also be assessed in this task.

Task 7 – Cost of Service

After developing the test year revenue requirement for each utility and forecasting the revenue requirement for a five-year period, the Project Team will perform a cost-of-service analysis specific to each service function. The cost-of-service analysis determines the overall cost responsibility of each customer class for the provision of the respective utility service and is crucial in establishing equitable rates. The following section briefly describes the specific steps required under the AWWA Cash Basis methodology for the development of the cost of service.

To begin the water and wastewater cost-of-service analysis, the Project Team will functionalize the water and wastewater revenue requirement. Functionalization is the process of grouping costs based on the function, or type, of service provided. For example, water utility costs can be functionalized into supply, treatment, transmission, and distribution. Discussions will be held with City staff to understand the types of services provided by the City, and the system information available from the City, to determine the appropriate functional cost categories to be used in the cost-of-service determinations. The final selection of the functional cost categories will be discussed with City staff.

After the development of the functionalized costs, water and wastewater costs are classified into the components of utility service that are provided. For the water utility, it is proposed that costs be classified using the AWWA recommended Base Extra-Capacity method, where costs are classified as base, extra-capacity, and customer related. For the wastewater utility, assuming the City utilizes an industrial strength surcharge, it is proposed that costs be classified using the Water Environmental Federation (WEF) recognized flow, Biochemical Oxygen Demand (BOD), Total Suspended Solids (TSS), and customer parameters.

It should be noted that these are the Project Team's proposed classification methods. Discussions will be held with City staff before the finalization of the agreement between the City and the Project Team to determine the appropriate classification methods to utilize in recognition of the City's objectives and available system and billing data.

One of the most important considerations in the setting of fair and equitable rates for water and wastewater utility service is the establishment of the appropriate grouping of customers (i.e., customer classes for cost distribution after costs are classified). Generally, a customer class should only include those customers who: (a) are in a similar location in relation to the utility; (b) use the same or similar service from the utility; and (c) receive similar service from the utility and place similar demands upon the utility.

Costs within each utility will be allocated to the selected customer classes based on each customer class's level of service provided by the City. It is imperative that the factors that form the basis of costs incurred by the City to provide continuous and adequate service to its customers be appropriately identified. This identification requires a thorough understanding of the influencing conditions controlling the design and/or actual operation of a system. These conditions include normal and peak weather conditions. Members of the Project Team are thoroughly versed in appropriately identifying these costs and are recognized experts before rate regulatory agencies. The factors for the allocation of costs to the customer classes will be dependent on the billing and system information available from the City.

Task 8 – Development of Rate and Fee Design

In the formulation of a rate and fee design plan, a clear and distinct understanding of the City's overall goals and objectives should serve as the foundation for the development of options since rate and fee design enables the utility to meet its service pricing objectives. Prior to commencing this task, members of the Project Team will discuss with City staff the potential rate design alternatives that meet the City's pricing goals and objectives. Please note that pricing for this task includes development of a maximum of three (3) alternative water rate structures and three (3) alternative wastewater rate structures.

Task 9 – Draft Report Preparation

The Project Team will develop a draft report summarizing findings, conclusions, and recommendations of the water and wastewater rate study. The Project Team is committed to ensuring that the City thoroughly understands the recommendations in the draft report and will ensure that City staff has sufficient time to address their concerns and/or questions prior to finalizing the report.

Task 10 – Final Report Preparation and Presentation

Upon receipt of City staff comments, the Project Team will make appropriate changes and provide the City with the final report. After completion of the final report, the Project Team will make a presentation of its recommendations to the City Council.

Deliverables:

- Up to three (3) on-site meetings with the Project Team, which will include the Project Kickoff meeting, where we will deliver a Rates 101 presentation to Staff, a Council Workshop with the study results and the Presentation of the Study results to the City Council
- Electronic Copy of Draft Report
- Electronic Copy of Final Report

Phase 2: Calculation of Stormwater Drainage Utility Financial Needs, Impervious Analysis and Related Monthly Stormwater Fees

The following presents our proposed scope of services to conduct a Stormwater Fee Study. It is our understanding that the City is not currently assessing stormwater fees. NewGen's Project Team will assist the City in evaluating costs to provide current and potentially expanded services and analyze the service area and customer base for the potential addition of a fee.

To perform the requested study, NewGen proposes the following work plan. This work plan closely follows the approaches and methodologies utilized by NewGen's members in all of their stormwater fee studies. Therefore, the City can be assured that the work plan proposed by NewGen has been tested and proven in numerous studies across the state and nation. Both NewGen and City Staff will work together to refine, customize, and finalize the work plan upon commencement of the project.

Unless otherwise specified or requested by the City, all meetings discussed throughout the work plan will take place virtually. NewGen utilizes a variety of tools to conduct virtual meetings and will work with the City to determine the best technology platform for all parties.

Task 1: Establish and Analyze Service Area

At the outset of the Project, NewGen will discuss the anticipated stormwater / drainage service area with City staff and establish the limits of the service area. This service area typically includes the corporate boundaries of the municipality. Once the service area is established, NewGen will utilize the City's parcel-level data to develop an inventory of the lots and tracts within the service area. NewGen will work with City staff and regional data providers as applicable to complete the necessary documentation needed to grant our team access to the data. With this data, our Team members will survey a sample of residential properties within the service area and develop the average impervious area for this sample set of properties. This average impervious area will then serve to set the equivalent residential unit (ERU) value for the City. Once developed, NewGen will then review non-residential properties in the City and calculate the potential impervious area and associated ERUs for these non-residential properties based on land area and appropriate impervious cover assumptions.

Task 1 will be completed primarily through our Data Analytics Team. With the collected data, our Team members will survey a sample of residential properties within the service area and develop the median impervious area for this sample set of properties. This median impervious area will then serve to update the equivalent residential unit (ERU) value for the City. Once developed NewGen will then review all non-residential properties and calculate the impervious area and associated ERUs for these non-residential properties.

Task 2: Prepare Customer Billing Database

To create the customer billing database for the assessment of stormwater fees, the impervious area and ERU values developed in Task 1 must be merged and assigned to the City's utility billing accounts. The information contained in the various parcel datasets and the City's utility billing database will likely vary, and a clean-up effort will be needed to properly merge the information. For example, different street naming conventions may exist between the two databases such that an address-matching effort is required to link the two sources of information together. Additionally, existing water or wastewater utility customers must be reviewed to see if they are also stormwater customers. Further, stormwater customers who are not City water or wastewater customers must also be identified, and new accounts created. As a result, various complications may arise in resolving mismatches or identifying where no match exists that will ultimately require City staff support to finalize the billing data.

It should be noted that the establishment of the customer billing database and evaluation and resolution of data discrepancies can be a time-consuming process depending on the quality of existing data and the desired basis for fee application. From our experience with similar projects, it is expected NewGen will be able to match over 90% of the parcels to accounts, but it is expected some number below 10% may require additional City assistance or decisions prior to the final billing assignment. NewGen will keep City staff apprised of work efforts and will proactively discuss difficulties as they may arise.

Task 3 – Revenue Forecasting and Rate Options

Using the database prepared previously, NewGen will forecast annual revenues based on a variety of potential rate scenarios. In addition, if desired, NewGen will provide an estimation of the revenue impact of granting potential discretionary exemptions.

Mrs. Pam Polk
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Task 4 – Cost of Service Comparison

Once the various revenue scenarios have been developed, NewGen will work with City staff to identify the current cost of stormwater management. In addition, discussions will be held with City Staff to determine the cost associated with additional stormwater management activities which are desired but are not currently deployed within the City. Once the cost is developed, it will be compared with the revenue generation scenarios developed under Task 3 to further inform the Council's decision on an appropriate level of stormwater charges.

Task 5 – Stormwater Fee Comparison Review

NewGen will compare the potential fee levels considered in Task 3 with Stormwater Fees of other municipal utilities, as appropriate, to provide benchmarking for consideration prior to setting its fees. At the conclusion of Task 5, NewGen will conduct a briefing presentation with City staff to discuss the results of the analysis. Included in these discussions will be the development of the strategy(ies) to communicate and institute the updated stormwater fee.

Task 6 – Draft Letter Report Preparation

NewGen will develop a draft letter report summarizing findings, conclusions, and recommendations of the Stormwater Fee Study. The report will include all methodologies, assumptions, and calculations, and a background section that includes all data used in the determinations made in the study. NewGen is committed to ensuring that the City thoroughly understands the recommendations in the draft report and will be available to discuss findings, answer questions, and receive input. NewGen will ensure that City staff have sufficient time to address their concerns and/or questions prior to finalizing the report.

Task 7 – Final Letter Report Preparation and Presentation

Upon receipt of City staff comments, NewGen will make appropriate changes and provide the City with the final report. After completion of the final report, NewGen will assist the City in the presentation of the results of the study to various stakeholders, including presenting the study's findings, conclusions, and recommendations to the City Council. The scope of work includes participation in three (3) in-person meetings with the City, to include the kickoff meeting, a workshop meeting of the City Council and a general Council meeting. It is assumed that these meetings will be conducted at the same time as the meetings for the Water and Wastewater and the Solid Waste study. Any additional meetings will be conducted on a time and expense basis.

Phase 3: Solid Waste Cost of Service and Rate Design Study

Task 1 – Project Initiation

Initial Data Request and Data Assessment

Similar to Phase 1, Task 1, NewGen will provide the City an initial request for information related to the solid waste services. The information requested will include operating, financial, management, policy, and ordinance data. For example, some of the items requested will include:

Historical and current budgets	City financial policies
Historical billing data	Capital improvement plan
Any contracts or inter-local agreements	A personnel roster
Schedule of debt service payments and covenants	An inventory of rolling stock and equipment

Throughout the course of the project, data received by the Project Team will be sampled and tested for accuracy. The sampling and testing of data is imperative to ensure the billing data used to set rates as well as data used in the development of proper cost allocations and reliable revenue projections is as accurate as possible. The Project Team will work closely with the City’s billing staff to obtain the appropriate billing data. In addition, the Project Team will conduct interviews with City staff during our review of the historical data to ensure the Project Team fully understands the information provided.

Data provided in response to the initial data request will allow the Project Team to begin the Study and become familiar with the City’s operations and policies in order to maximize the effectiveness of our time with City representatives during the project kick-off meeting.

Kickoff Meeting

NewGen will work with City staff to schedule a kickoff meeting. The primary purpose for the kickoff meeting is to allow the key Project Team consultants and participants from the City to be introduced and lay the general framework for how the Study will be conducted. This meeting will also allow for the finalization of the proposed work approach, as well as discussion and clarification of the information previously provided by the City and City’s goals and objectives.

Task 2 – Cost of Service Analysis

Determination of Test-Year Revenue Requirement

The revenue requirement will be developed using the cash needs approach, which closely follows municipal budgeting practices. This approach incorporates a utility’s operation and maintenance costs, debt service and bond coverage requirements, cash funded capital outlays, reserve requirements, and transfers. The revenue requirement is influenced by both internal and external factors. An example of an internal factor is a financial policy to maintain a certain operating reserve balance or to cash fund equipment purchases. An example of an external factor is a bond covenant requirement to maintain a certain debt reserve balance or coverage ratio. Both internal and external factors will be incorporated into the revenue requirement developed by NewGen.

In developing the revenue requirement, the Project Team will assess and forecast the cost of service by analyzing historical costs, the current budget, and any forecasts made by the City for future FYs. The Project Team will develop the revenue requirement for a test year (using the current budget). The “test year” is a common term in rate studies that refers to an adjusted FY cost that will be used as a basis for setting rates. The test-year will be adjusted to reflect expected recurring costs and revenues, so as not to include any one-time or non-recurring events. The revenue requirement will account for any non-rate or miscellaneous revenue sources, such as late payment fees, in order to isolate the revenue required to be recovered from utility rates.

Forecast of Revenue Requirement

Using the test-year previously developed, the Project Team will develop a five-year revenue requirement forecast. Interviews with City staff will be conducted to gather additional data to complete this task, as it is crucial to thoroughly analyze the assumptions used in projecting the revenue requirement. These assumptions may include, but may not be limited to growth rate, inflation rates, increase in contractual obligations and contractor costs, changes in operations/staffing, and capital improvements. An assessment of the rolling stock, equipment and facilities funding needs will be made to ensure sufficient recovery to keep these assets in good working condition and expand the service, as necessary. The Project Team will work closely with City staff to establish appropriate reserve funds and examine the planned method of financing (e.g., cash, debt, grants) for future capital needs. This will include analysis of the impact on rates, operating and capital reserve targets, and debt coverage requirements.

Determination of Realizable Revenue at Current Rates

NewGen will determine the revenue generated by current rates to properly evaluate the cost of service, the magnitude of overall rate increases, if any, and the need for redistribution of revenue responsibility between customer classes. This task will also provide a “check” to confirm NewGen has correctly reconstructed the billing data provided by City staff.

Allocation to Service Categories

Service categories represent the various solid waste services provided by the City, such as garbage collection, disposal, recycling collection, brush and bulk, etc. The ultimate number of service categories will be finalized during the conduct of the kick-off meeting. The administration of the Solid Waste Division is also a service category that typically includes any transfers for overhead services provided by the City, such as the City Attorney, Human Resources, Accounting, etc.

Allocation to Customer Classes

Once the revenue requirement is fully allocated to service categories it will be necessary to allocate the costs associated with services to customer classes, to the extent applicable.

Determination of the Cost of Service

NewGen will then use the fully allocated revenue requirement forecast in conjunction with the billing data for the forecast period, to determine the cost of providing solid waste services for the five-year forecast. This will provide the City the necessary framework to assess the adequacy and equity of current and proposed rates.

Task 3 – Rate Design

The proposed rates will be developed to reflect the cost-of-service results and industry best practices as well as policy decisions made by the City. Policy decisions might include various considerations, such as accommodations for affordability or incentivizing economic development. These policy decisions are often important for the City to achieve its goals but also result in rates that do not equal the cost-of-service. In the long run, this condition results in either an inter- or intra-class subsidy (or both). Although subsidies are quite common, they do not diminish the value of the cost of service, as the cost of service determines the rate design process. Without understanding the cost of service there is no way for policy makers to judge the magnitude of the subsidies created by adopted rates or the trade-offs involved in their decisions.



NewGen will obtain a comprehensive understanding of the City's goals and objectives regarding rates to enable the utility to meet its pricing objectives and financial policies. City policies will be reviewed by NewGen throughout the course of conducting the analysis and, if appropriate, will be vetted by the City.

Rate and Service Comparison

The Project Team has substantial experience assisting other solid waste utilities throughout the nation and will leverage this experience in comparing the City's services and rates to other local and regional utilities.

Task 4 – Reports, Final Presentation, and Model Training

Draft Report Preparation

NewGen will develop a draft report summarizing findings, conclusions, and recommendations based on our analysis for the City's review and comment. The Project Team is committed to ensuring that the City thoroughly understands the recommendations in the draft report and will ensure that City staff has sufficient time to have their concerns and/or questions addressed prior to finalizing the report.

Final Report Preparation

Upon receipt of City staff comments, the Project Team will make appropriate changes and provide the final report.

Final Presentation

NewGen will develop a Microsoft PowerPoint presentation to convey the findings and recommendations from the Study to City Council, stakeholders, and the public. NewGen will provide a draft version of the presentation to City staff for review and comment with sufficient time to allow for all questions or concerns to be addressed. NewGen will revise the presentation, as appropriate, to accommodate City staff comments.

NewGen will present the findings and recommendations from the analysis at a City Council meeting(s). NewGen is proposing three (3) in-person meetings which include a kickoff meeting and two (2)

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presentations to City Council, one (1) which will be a workshop, and we assume these presentations will be done for water, wastewater, stormwater and solid waste concurrently, rather than separate meetings for each.

Project Schedule and Budget

Phase I - Water and Wastewater Rate Study - Subject to timely response to information and data requests, as well as availability of data, NewGen will have draft water and wastewater rates for discussion with City staff within 120 days from notice to proceed. Assuming a start date of August 1, 2024, the draft report will be issued no later than December 5, 2024. The various tasks of this study will be conducted concurrently, to the extent possible, which ensures that the study is moving forward in a cost-efficient manner.

NewGen will commit to completing the comprehensive water and wastewater cost of service and rate design study for a lump sum price of **\$56,500, inclusive of out-of-pocket expenses incurred at cost.**

Phase II - Stormwater Drainage Fee Study – Provided the City has GIS parcel data or has access to similar parcel data, and assuming a start date of August 1, 2024, the draft report will be issued no later than December 5, 2024. Actual implementation of any new fee may require additional education and billing system edits before the City can expect to collect this new revenue.

Based on the size of the service area, NewGen's Data Analytics Team will complete Task 1 (Impervious Area Analysis) for a fixed fee of \$22,000. Additional Tasks will be completed at a fixed fee of \$25,760 as a result of some efficiencies realized by conducting the Study concurrently with the Water and Wastewater Rate Study. In summary, based on the work plan outlined herein, NewGen agrees to perform the requested Study for a **total fixed fee of \$47,760, inclusive of out-of-pocket expenses incurred at cost.**

Phase III – Solid Waste Rate Study

Subject to timely response to information and data requests, as well as availability of data, NewGen will have draft solid waste rates for discussion with City staff within 120 days from notice to proceed. Assuming a start date of August 1, 2024, the draft report will be issued no later than December 5, 2024. The various tasks of this study will be conducted concurrently, to the extent possible, which ensures that the study is moving forward in a cost-efficient manner.

NewGen will commit to completing the comprehensive solid waste cost of service and rate design study for a lump sum price of **\$40,000, inclusive of out-of-pocket expenses incurred at cost.**

If the City desires to engage NewGen for all three services offered in the proposed Phases, the total cost of Phases 1 - 3, would be a lump sum price of \$144,260. NewGen proposes to invoice the City monthly as a percent of fixed project task completion, plus out-of-pocket expenses incurred at cost. Payment is due within thirty (30) days of receipt of invoice. NewGen's hourly billing rates, effective through December 31, 2025, are as follows:

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NewGen Strategies and Solutions 2025 Billing Rates	
Position	Hourly Billing Rate
Partner	\$280 – \$440
Principal	\$275 – \$440
Senior Manager	\$240 – \$295
Manager	\$200 – \$240
Senior Consultant	\$185 – \$200
Consultant	\$175 – \$185
Administrative Services	\$135

Note: Billing rates are subject to change based on annual reviews and salary increases.

Services requested by the City not specifically outlined within the proposed work plan and which NewGen is unable to provide within the proposed project pricing above will be provided on a time and expense basis.

Again, NewGen appreciates the opportunity to propose our assistance to the City of Durant, and we stand ready to answer any questions or provide any additional information the City may need as you prepare to start these important projects. Should you have any questions or comments concerning this letter, please do not hesitate to contact me at 4074-913-4430 or rcampbell@newgenstrategies.net.

Sincerely,

NewGen Strategies and Solutions, LLC

Richard L Campbell

Richard L Campbell
Managing Director - Water

If the City of Durant finds the scope of services, project timing, and fees acceptable, please sign one copy as noted below, retain one copy for the City’s records, and return one copy (via email) to Richard Campbell at NewGen Strategies and Solutions, LLC.

Mrs. Pam Polk
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Phase I

City of Durant, Oklahoma (\$56,500) for a Water and Sewer Cost of Service Rate Design Study

Signed _____ Printed _____
Title _____ Date _____

Phase II

City of Durant, Oklahoma (\$47,760) for a Stormwater Drainage Fee Study

Signed _____ Printed _____
Title _____ Date _____

Phase III

City of Durant, Oklahoma (\$40,000) for a Solid Waste Rate Study

Signed _____ Printed _____
Title _____ Date _____



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: Pam Polk, City Manager
Re: Consider Approval of Emergency Purchase of Custom Dell Server for City of Durant Infrastructure in the Amount of \$63,870.00

Council Information / Action Requested

Approval of Emergency Purchase of Custom Dell Server for City of Durant Infrastructure in the Amount of \$63,870.00

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

ATTACHMENTS:



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: An chen Lai, Finance Director/Treasurer
Re: Consider Acceptance of FY 2023-2024 Annual Financial Statements and Auditor's Reports

HBC CPAs Advisors will come and answer the questions.

Council Information / Action Requested

Please Review and Acceptance of the Fiscal Year 2023-2024 Auditor's Reports

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

The City Treasurer's Office will distribute the reports to all required financial institutions and agencies.

ATTACHMENTS:

1. June 30, 2024 City of Durant Annual Financial Statements and Independent Auditor's Reports

City of



Durant | OK

**ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**



THE CITY OF DURANT, OKLAHOMA

ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORTS

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

**CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024**

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CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Durant, Oklahoma

Report on the Financial Statements

Opinions

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 City of Durant, Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 of Durant, Oklahoma, as of June 30, 2024, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Durant, Oklahoma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Durant, Oklahoma's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Durant, Oklahoma's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Durant, Oklahoma's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the pension plan schedules, on pages 9-19 and 71-78, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Durant, Oklahoma's basic financial statements. The accompanying combining and individual nonmajor governmental combining statements and the schedule of expenditures of federal and state awards are presented for purposes of additional analysis and are 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 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 nonmajor fund financial statements and the schedule of expenditures of federal awards 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 July 29, 2025, on our consideration of the City of Durant, Oklahoma'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 solely 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 the effectiveness of City of Durant, Oklahoma's 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 City of Durant, Oklahoma's internal control over financial reporting and compliance.

HBC CPAs & Advisors

Oklahoma City, Oklahoma
July 29, 2025

**CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024**

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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, 2024. Please read it in conjunction with the City’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2024, the City’s total net position increased by \$6,163,075 or 4.7% from the prior year.
- During the year, the City’s expenses for governmental activities were \$34,947,106 and were funded by program revenues of \$3,663,725 and further funded with taxes, other general revenues and transfers that totaled \$36,585,515.
- In the City’s business-type activities, such as utilities, total program revenues exceeded expenses by \$2,521,845.
- For budgetary reporting purposes, the General Fund reported revenues exceeding estimates by \$857,591 or 4.7%, while expenditures were under the final appropriations by \$2,727,484 or 12.9%.

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

The Statement of Net Position and the Statement of Activities

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.

Unaudited

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, economic development 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.

Unaudited

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

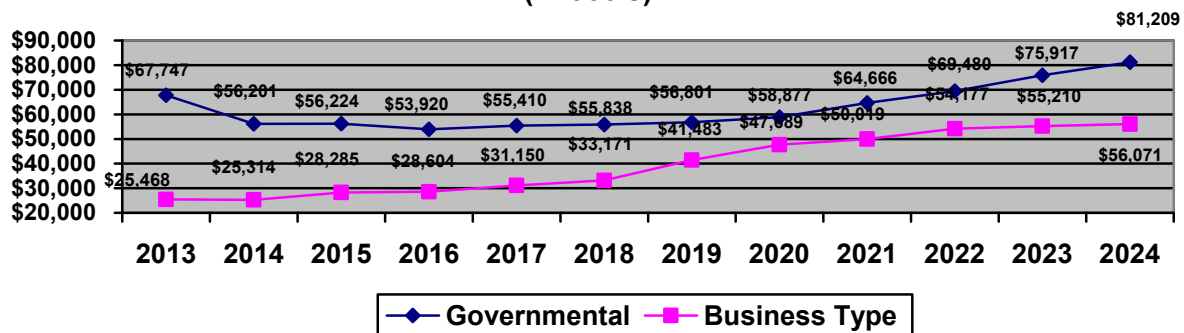
The City's combined net position increased from \$131,126,697 to \$137,289,772 between fiscal years 2023 and 2024. Looking at the net position of governmental and business-type activities separately, governmental activities increased \$5,302,134, while business-type activities increased \$860,941.

Table 1
Net Position

	Governmental Activities		% Inc. Dec.	Business-type Activities		% Inc. Dec.	Total Primary Government		% Inc. Dec.
	2024	2023		2024	2023		2024	2023	
Assets:									
Current and other assets	\$ 43,105,678	\$ 37,256,415	16%	\$ 21,990,601	\$ 23,240,847	-5%	\$ 65,096,279	\$ 60,497,262	8%
Capital assets, net	55,536,036	53,813,066	3%	57,450,912	56,528,074	2%	112,986,948	110,341,140	2%
Total assets	98,641,714	91,069,481	8%	79,441,513	79,768,921	0%	178,083,227	170,838,402	4%
Deferred Outflows of Resources:									
Deferred amount related to pensions	5,120,714	5,374,916	-5%	829,325	1,113,096	-25%	5,950,039	6,488,012	-8%
Total deferred outflows	5,120,714	5,374,916	-5%	829,325	1,113,096	-25%	5,950,039	6,488,012	-8%
Liabilities:									
Long-term debt	11,985,467	11,521,800	4%	22,175,209	23,626,880	-6%	34,160,676	35,148,680	-3%
Other liabilities	8,969,150	7,578,217	18%	786,682	615,673	28%	9,755,832	8,193,890	19%
Total liabilities	20,954,617	19,100,017	10%	22,961,891	24,242,553	-5%	43,916,508	43,342,570	1%
Deferred Inflows of Resources:									
Deferred inflows-leases	189,648	208,631	-9%	955,291	1,111,351	-14%	1,144,939	1,319,982	-13%
Deferred amount related to pensions	1,399,468	1,219,188	15%	282,579	317,977	-11%	1,682,047	1,537,165	9%
Total deferred inflows	1,589,116	1,427,819	11%	1,237,870	1,429,328	-13%	2,826,986	2,857,147	-1%
Net Position:									
Net investment in capital assets	53,482,348	52,688,817	2%	42,576,134	44,896,915	-5%	96,058,482	97,585,732	-2%
Restricted	6,648,734	5,400,210	23%	698,159	664,504	5%	7,346,893	6,064,714	21%
Unrestricted	21,087,613	17,827,534	18%	12,796,784	9,648,717	33%	33,884,397	27,476,251	23%
Total net position	\$ 81,218,695	\$ 75,916,561	7%	\$56,071,077	\$55,210,136	2%	\$137,289,772	\$131,126,697	5%

Total net position of the City's governmental activities increased to approximately \$81.2 million. \$60,131,082 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 \$21,087,613 at the end of this year. Total net position of the business-type activities increased to approximately \$56 million. However, \$43,274,293 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 \$12,796,784 at the end of the year.

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



Unaudited

CITY OF DURANT, OKLAHOMA
MANAGEMENT DISCUSSION & ANALYSIS
June 30, 2024

Changes in Net Position

For the year ended June 30, 2024, net position of the primary government changed as follows:

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	2024	2023		2024	2023		2024	2023	
Revenues:									
Program revenues:									
Charges for services	\$ 1,584,882	\$ 1,475,588	7%	\$ 16,067,005	\$ 14,768,818	9%	\$ 17,651,887	\$ 16,244,406	9%
Operating grants/contributions	1,607,874	1,563,774	3%	291,426	-	100%	1,899,300	1,563,774	21%
Capital grants/contributions	470,969	1,096,727	-57%	200,446	283,353	-29%	671,415	1,380,080	-51%
General revenues:									
Sales and use taxes	25,281,683	25,245,719	0%	-	-	-	25,281,683	25,245,719	0%
Other taxes	7,077,677	5,065,389	40%	-	-	-	7,077,677	5,065,389	40%
Other general revenue	2,139,610	3,026,378	-29%	425,641	284,903	49%	2,565,251	3,311,281	-23%
Total revenues	38,162,695	37,473,575	2%	16,984,518	15,337,074	11%	55,147,213	52,810,649	4%
Program expenses:									
General government	3,047,202	2,722,759	12%	-	-	-	3,047,202	2,722,759	12%
Public safety	13,065,912	11,809,974	11%	-	-	-	13,065,912	11,809,974	11%
Public works	3,695,371	3,449,598	7%	-	-	-	3,695,371	3,449,598	7%
Culture and recreation	3,521,832	3,511,450	0%	-	-	-	3,521,832	3,511,450	0%
Cemetery	129,425	138,459	-7%	-	-	-	129,425	138,459	-7%
Economic development	8,418,281	6,465,320	30%	-	-	-	8,418,281	6,465,320	30%
Industrial dev. (payment to DIA)	71,660	1,209,763	-94%	-	-	-	71,660	1,209,763	-94%
Community dev. (payment to DCFA)	2,491,276	2,503,994	-1%	-	-	-	2,491,276	2,503,994	-1%
Tourism-Econ dev (payment to DTEDA)	450,636	477,786	-6%	-	6,877	-100%	450,636	484,663	-7%
Interest on long-term debt	55,511	32,974	68%	323,371	348,991	-7%	378,882	381,965	-1%
Water	-	-	-	3,883,289	3,506,829	11%	3,883,289	3,506,829	11%
Sewer	-	-	-	3,517,069	2,957,853	19%	3,517,069	2,957,853	19%
Sanitation	-	-	-	3,967,915	3,825,680	4%	3,967,915	3,825,680	4%
Airport	-	-	-	2,345,388	2,373,043	-1%	2,345,388	2,373,043	-1%
Total expenses	34,947,106	32,322,077	8%	14,037,032	13,019,273	8%	48,984,138	45,341,350	8%
Excess (deficiency) before transfers	3,215,589	5,151,498	-38%	2,947,486	2,317,801	27%	6,163,075	7,469,299	-17%
Transfers	2,086,545	1,284,943	62%	(2,086,545)	(1,284,943)	62%	-	-	-
Increase in net position	\$ 5,302,134	\$ 6,436,441	-18%	\$ 860,941	\$ 1,032,858	-17%	\$ 6,163,075	\$ 7,469,299	-17%

The City's governmental activities' increase in net position of \$5,302,134 represents a 7% increase from the prior year. The business-type activities' increase in net position of \$860,941 represents a 1.5% increase from the prior year.

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

- Governmental activities capital grants and contributions decreased 57% due mainly to the completion of Emergency Management grant project from the previous year.
- Governmental activities other taxes increased 40% due to an increase in tax increment financing taxes from prior year while other general revenues decreased 29% due to city receiving a large claim settlement payment from the third-party insurer in prior year which greatly increased the general revenues in the previous year.
- Business-type activities operating grants and contributions increased 100% due mainly to the receiving the CDBG Residential Utility Assistance grant from the Oklahoma Department of the Commerce-State of Oklahoma.
- Governmental activities industrial development payment to DIA expense decreased by 94% due to a reduction in the total amount of DIA debt payments paid in the current year.

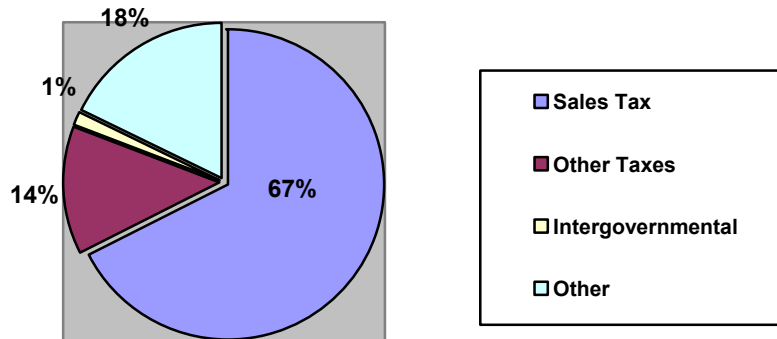
- Business-type activities Payment to Durant Tourism-Economic Development fund decreased by 100% due to no required payment due in current year.
- Governmental activities interest on long-term debt increased 68% due to the purchase of new fire truck in current year.
- Transfers changed significantly due to the reclassification of grant and capital asset activity between governmental and business-type activities.

Governmental Activities

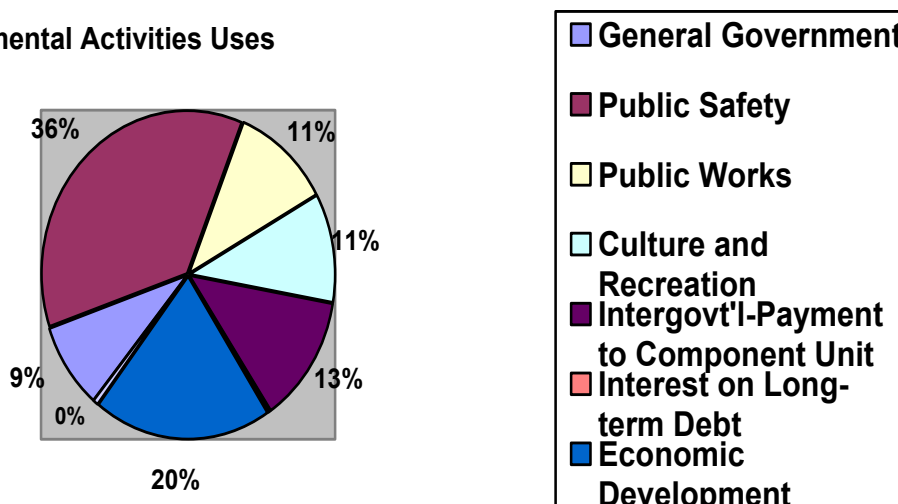
To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column 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 that all taxes are classified as general revenue even if restricted for a specific purpose.

For the year ended June 30, 2024, the City's governmental activities were funded as follows:

Governmental Activities Sources



Governmental Activities Uses



Unaudited

CITY OF DURANT, OKLAHOMA
MANAGEMENT DISCUSSION & ANALYSIS
June 30, 2024

For the year ended June 30, 2024, total expenses for governmental activities amounted to \$34,956,776. Of these total expenses, taxpayers and other general revenues funded \$36,585,515, while those directly benefiting from the program funded \$2,078,843 from grants and other contributions and \$1,584,882 from charges for services.

Net Cost of Durant's Governmental Activities

	<u>Total Cost of Services</u>		<u>Percentage Change</u>	<u>Net Revenue (Expense) of Services</u>		<u>Percentage Change</u>
	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>
General government	\$3,047,202	\$2,722,759	11.9%	(\$2,362,175)	(\$1,868,346)	26.4%
Public safety	13,065,912	11,809,974	10.6%	(10,720,093)	(9,130,733)	17.4%
Public works	3,695,371	3,449,598	7.1%	(3,519,162)	(3,275,169)	7.4%
Culture and recreation	3,521,832	3,511,450	0.3%	(3,103,713)	(3,111,043)	-0.2%
Cemetery	129,425	138,459	-6.5%	(90,874)	(110,860)	-18.0%
Economic development	8,418,281	6,465,320	30.2%	(8,418,281)	(6,465,320)	30.2%
Industrial development - payments to DIA	71,660	1,209,763	-94.1%	(71,660)	(1,209,763)	-94.1%
Community development - payments to DCFA	2,491,276	2,503,994	-0.5%	(2,491,276)	(2,503,994)	-0.5%
Tourism-Econ development - payments to DTEDA	450,636	477,786	-5.7%	(450,636)	(477,786)	-5.7%
Interest on long-term debt	55,511	32,974	68.3%	(55,511)	(32,974)	68.3%
Total	<u>\$34,947,106</u>	<u>\$32,322,077</u>	<u>8.1%</u>	<u>(\$31,283,381)</u>	<u>(\$28,185,988)</u>	<u>11.0%</u>

Business-type Activities

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

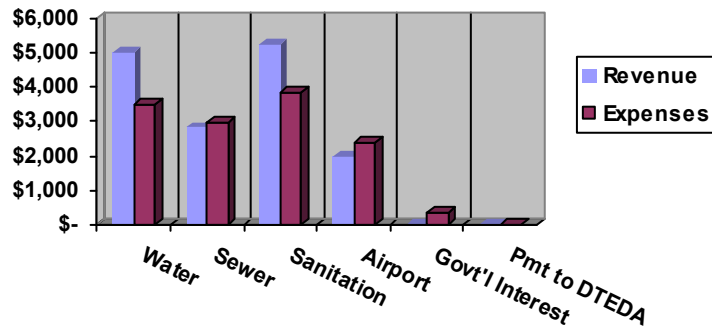
Net Cost of Durant's Business-Type Activities

	<u>Total Cost of Services</u>		<u>Percentage Change</u>	<u>Net Revenue (Expense) of Services</u>		<u>Percentage Change</u>
	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>
Water	\$3,883,289	\$3,506,829	10.7%	\$1,530,799	\$1,516,939	0.9%
Sewer	3,517,069	2,957,853	18.9%	(59,411)	(132,577)	-55.2%
Sanitation	3,967,915	3,825,680	3.7%	1,496,428	1,391,772	7.5%
Airport	2,345,388	2,373,043	-1.2%	(122,600)	(387,368)	-68.4%
Governmental interest on long-term debt	323,371	348,991	-7.3%	(323,371)	(348,991)	-7.3%
Tourism-Econ Dev (Payments to DTEDA)	-	6,877	-100.0%	-	(6,877)	-100.0%
Total	<u>\$14,037,032</u>	<u>\$13,019,273</u>	<u>7.8%</u>	<u>\$2,521,845</u>	<u>\$2,032,898</u>	<u>24.1%</u>

- Total business-type activities reported net revenues of \$2,521,845 for the year ended June 30, 2024.
- Water and sanitation activities reported net revenues for the year ended June 30, 2024, while sewer, airport, and governmental interest on long-term debt reported net expenses of \$59,411, \$122,600, and \$323,371 respectively.

Unaudited

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



A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2024 fiscal year, the governmental funds reported a combined total fund balance of \$31,712,862 or a 15.6% increase from the prior year. The enterprise funds reported total net position of \$54,931,825 or a 1.3% increase from 2023.

Other fund highlights include:

- For the year ended June 30, 2024, the ¼% Economic Development Fund's total fund balance increased by \$1,221,987 or 22%.
- The Capital Improvement Fund's total fund balance increased by \$1,574,009 or 65.2%.

General Fund Budgetary Highlights

For the year ended June 30, 2024, the General Fund reported actual budgetary basis revenues above final estimates by \$857,591 or an 4.7% positive variance. General Fund actual budgetary basis expenditures were under final appropriations by \$2,727,484 or a 12.9% positive variance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2024, the City had \$112,986,948 invested in capital assets and leased equipment, net of depreciation and amortization, including police and fire equipment, buildings, park facilities, water lines and sewer lines. (See table below).

Unaudited

CITY OF DURANT, OKLAHOMA
MANAGEMENT DISCUSSION & ANALYSIS
June 30, 2024

Primary Government Capital Assets (Net of accumulated depreciation and amortization)						
	Governmental Activities		Business-Type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$5,429,060	\$5,381,392	\$2,882,862	\$2,674,435	\$8,311,922	\$8,055,827
Buildings	16,743,206	17,786,684	6,541,137	8,726,610	23,284,343	26,513,294
Improvements	1,431,309	1,718,826	10,012,172	11,136,429	11,443,481	12,855,255
Machinery & equipment	6,701,045	5,673,774	10,371,061	5,014,251	17,072,106	10,688,025
Infrastructure	24,516,196	18,383,560	23,956,945	23,782,127	48,473,141	42,165,687
Machinery & equip-leases	147,292	402,237	28,519	51,584	175,811	453,821
Subscription assets	107,052	-	-	-	107,052	-
Construction in progress	460,876	2,297,028	3,658,216	6,011,810	4,119,092	8,308,838
Totals	<u>\$55,536,036</u>	<u>\$51,643,501</u>	<u>\$57,450,912</u>	<u>\$57,397,246</u>	<u>\$112,986,948</u>	<u>\$109,040,747</u>

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

- The city placed in service the 2020 WTP Upgrade of SCADA System and Water Lines Project totaling \$2,080,326.
- The city placed in service the AMR/AMI Meter Replacement Project totaling \$3,629,398.
- The city placed in service the EM Distribution Warehouse Project totaling \$112,079.
- The city placed in service the EOC Building Project totaling \$160,512.
- The city placed in service the C-Doppler Weather Radar Project totaling \$1,413,611.
- The city placed in service the 2020 University Blvd Street Improvement Project totaling \$4,279,231.

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

Long- Term Debt

At year-end, the City had \$26,740,216 in long-term debt outstanding which represents a \$450,237 or 1.7% 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							Total Percentage Change
	Governmental Activities		Business-Type Activities		Total		
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>
Lease obligations	\$ 247,023	\$ 270,470	\$ 25,348	\$ 40,759	\$272,371	\$ 311,229	-12.5%
Notes payable	1,806,665	662,398	20,476,280	22,015,006	22,282,945	22,677,404	-1.7%
Landfill closure liability	-	-	708,226	633,647	708,226	633,647	11.8%
Meter deposit liability	-	-	618,577	594,662	618,577	594,662	4.0%
Subscription obligations	98,982	195,823	-	-	98,982	195,823	-49.5%
Accrued comp absences	2,412,337	2,434,882	346,778	342,806	2,759,115	2,777,688	-0.7%
Totals	<u>\$4,565,007</u>	<u>\$3,563,573</u>	<u>\$22,175,209</u>	<u>\$23,626,880</u>	<u>\$26,740,216</u>	<u>\$27,190,453</u>	-1.7%

Unaudited

For the year ended June 30, 2024, the significant transactions that occurred were the reporting of new notes payable totaling \$2,024,198 for governmental activities.

See Note 6 to the financial statements for more detailed 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 in fiscal year 2023-2024 decreased over the previous fiscal year by -0.12%.

The rate at June 30, 2024 was 4.375-cent tax on each dollar of taxable sales. The distribution of 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 7/1/21)	1.00%
General Operations	2.00%
DISD Improvements (effective 7/1/08)	0.625%

Major Economic Development projects:

The economy of Durant remained vibrant during FY 2023-2024 with continued population and economic growth.

Population growth-- According to the U.S. Census Bureau, the population of Durant increased by .036% between 2022 and 2023. Durant continues to grow with numerous new home construction projects in new housing subdivisions both inside and outside the Durant City Limits. In real terms, the population of Durant increased from 19,568 in 2022 to 20,296 in 2023. By way of comparison, the state of Oklahoma as a whole increased only .009% from 2022 to 2023, compared to .036% in Durant for the same period.

Sales tax growth—A strong measure of the local economy is sales tax growth. During the fiscal year of FY2023-2024, the sales tax receipts of the city decreased by 0.12%. The decrease was due to the increase in the inflation rate and a decrease in spending by the residents.

Workforce and Unemployment—During the FY2023-2024 fiscal year, unemployment remained very low even though there was a slight increase from 3.4% in June 2023 to 3.6% in 2024. Durant continues to have job growth which is attributed to the expansion of the Choctaw Casino and Resort in Durant. Future job growth over the next 10 years is predicted to be 56.7%.

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.

Unaudited

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Statement of Net Position— June 30, 2024

	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	\$ 28,397,589	\$ 15,818,089	\$ 44,215,678	\$ 2,277,087	\$ 1,007,557	\$ 546,395
Investments	5,605,539	1,030,364	6,635,903	-	883,607	-
Investment in Durant TIF Authority bonds	-	-	-	3,100,000	-	-
Accounts receivable, net of allowance	-	2,398,817	2,398,817	9,833	-	-
Miscellaneous taxes receivable	148,564	-	148,564	-	-	-
Court fine receivable, net of allowance	79,154	-	79,154	-	-	-
Internal balances	(1,139,433)	1,139,433	-	-	-	-
Due to/from component unit	(34,214)	-	(34,214)	-	-	34,214
Advance to/from other funds	(129)	129	-	-	-	-
Advance to/from component unit	2,850,000	-	2,850,000	(2,850,000)	-	-
Due from other governments	5,749,755	-	5,749,755	437,245	-	-
Notes receivable	-	-	-	1,825,683	-	-
Other receivables	162,859	-	162,859	-	-	-
Lease receivables	190,152	1,000,996	1,191,148	-	-	-
Net pension asset	1,095,842	602,773	1,698,615	-	-	-
Capital assets:						
Land and construction in progress	5,889,936	6,541,078	12,431,014	1,142,241	266,000	-
Other capital assets, net of depreciation	49,646,100	50,909,834	100,555,934	13,836	-	-
Total assets	98,641,714	79,441,513	178,083,227	5,955,925	2,157,164	580,609
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred amount related to pensions	5,120,714	829,325	5,950,039	-	-	-
Total deferred outflows	5,120,714	829,325	5,950,039	-	55,793	-
LIABILITIES:						
Accounts payable	4,450,335	356,120	4,806,455	210	121	1,792
Accrued payroll liabilities	746,124	217,746	963,870	-	-	-
Accrued interest payable	-	212,816	212,816	-	69,064	-
Claims liability	548,334	-	548,334	-	-	-
Due to bondholders	723	-	723	-	-	-
Unearned revenue	3,223,634	-	3,223,634	-	-	-
Long-term liabilities:						
Due within one year	759,289	2,452,139	3,211,428	48,330	771,187	-
Due in more than one year	11,226,178	19,723,070	30,949,248	246,224	-	-
Total liabilities	20,954,617	22,961,891	43,916,508	294,764	840,372	1,792
DEFERRED INFLOWS OF RESOURCES:						
Deferred inflows-leases	189,648	955,291	1,144,939	-	-	-
Deferred amount related to pensions	1,399,468	282,579	1,682,047	-	-	-
Total deferred inflows	1,589,116	1,237,870	2,826,986	-	-	-
NET POSITION:						
Net investment in capital assets	53,482,348	42,576,134	96,058,482	1,156,078	266,000	-
Restricted	6,648,734	698,159	7,346,893	-	-	-
Unrestricted	21,087,613	12,796,784	33,884,397	4,505,083	1,106,585	578,817
Total net position	\$ 81,218,695	\$ 56,071,077	\$ 137,289,772	\$ 5,661,161	\$ 1,372,585	\$ 578,817

See accompanying notes to the Basic Financial Statements.

CITY OF DURANT, OKLAHOMA
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Statement of Activities –Year Ended June 30, 2024

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-type Activities	Total	Durant Industrial Authority	Durant Community Facilities Authority	Durant Tourism Economic Development Authority
Primary government										
Governmental activities:										
General government	\$ 3,047,202	\$ 454,427	\$ 230,600	\$ -	\$ (2,362,175)	\$ -	\$ (2,362,175)	\$ -	\$ -	\$ -
Public safety	13,065,912	849,630	1,091,402	404,787	(10,720,093)	-	(10,720,093)	-	-	-
Public works	3,695,371	330	175,879	-	(3,519,162)	-	(3,519,162)	-	-	-
Culture and recreation	3,521,832	247,670	104,267	66,182	(3,103,713)	-	(3,103,713)	-	-	-
Cemetery	129,425	32,825	5,726	-	(90,874)	-	(90,874)	-	-	-
Economic development	8,418,281	-	-	-	(8,418,281)	-	(8,418,281)	-	-	-
Industrial development (Payment to DIA)	71,660	-	-	-	(71,660)	-	(71,660)	-	-	-
Community development (Payment to DCFA)	2,491,276	-	-	-	(2,491,276)	-	(2,491,276)	-	-	-
Tourism-Econ Dev (Payment to DTEDA)	450,636	-	-	-	(450,636)	-	(450,636)	-	-	-
Interest on long-term debt	55,511	-	-	-	(55,511)	-	(55,511)	-	-	-
Total governmental activities	<u>34,947,106</u>	<u>1,584,882</u>	<u>1,607,874</u>	<u>470,969</u>	<u>(31,283,381)</u>	<u>-</u>	<u>(31,283,381)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities										
Water	3,883,289	5,120,962	291,426	1,700	-	1,530,799	1,530,799	-	-	-
Sewer	3,517,069	3,457,658	-	-	-	(59,411)	(59,411)	-	-	-
Sanitation	3,967,915	5,464,343	-	-	-	1,496,428	1,496,428	-	-	-
Airport	2,345,388	2,024,042	-	198,746	-	(122,600)	(122,600)	-	-	-
Governmental interest on long-term debt	323,371	-	-	-	-	(323,371)	(323,371)	-	-	-
Total business-type activities	<u>14,037,032</u>	<u>16,067,005</u>	<u>291,426</u>	<u>200,446</u>	<u>-</u>	<u>2,521,845</u>	<u>2,521,845</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 48,984,138</u>	<u>\$ 17,651,887</u>	<u>\$ 1,899,300</u>	<u>\$ 671,415</u>	<u>(31,283,381)</u>	<u>2,521,845</u>	<u>(28,761,536)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component Units										
Industrial development	\$ 855,465	\$ -	\$ -	\$ -				(855,465)	-	-
Community development	1,445,136	-	-	-				-	(1,445,136)	-
Tourism-Economic development	557,704	-	-	-				-	-	(557,704)
Total component units	<u>\$ 2,858,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(855,465)</u>	<u>(1,445,136)</u>	<u>(557,704)</u>
General revenues:										
Taxes:										
Sales and use taxes					25,281,683	-	25,281,683	-	-	-
Franchise and public service taxes					1,379,269	-	1,379,269	-	-	-
E-911 taxes					591,604	-	591,604	-	-	-
Tourism taxes					440,966	-	440,966	-	-	440,966
Tax increment financing (TIF) taxes					4,665,838	-	4,665,838	-	-	-
Intergovernmental revenue not restricted to specific programs					324,473	-	324,473	-	-	-
Investment income					589,315	351,163	940,478	-	86,003	-
Miscellaneous					253,550	74,478	328,028	476,998	-	3,128
Payments received from primary government						-	-	71,660	2,500,946	-
Payments received from component unit					972,272	-	972,272	-	-	-
Transfers - internal activity					2,086,545	(2,086,545)	-	-	-	-
Total general revenues and transfers					<u>36,585,515</u>	<u>(1,660,904)</u>	<u>34,924,611</u>	<u>548,658</u>	<u>2,586,949</u>	<u>444,094</u>
Change in net position					5,302,134	860,941	6,163,075	(306,807)	1,141,813	(113,610)
Net position - beginning					75,916,561	55,210,136	131,126,697	5,967,968	230,772	692,427
Net position - ending					<u>\$ 81,218,695</u>	<u>\$ 56,071,077</u>	<u>\$ 137,289,772</u>	<u>\$ 5,661,161</u>	<u>\$ 1,372,585</u>	<u>\$ 578,817</u>

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Governmental Funds Balance Sheet - June 30, 2024

		Special Revenue Funds				Capital Project Funds			
	General	1/4% Economic Development Fund	5/8% Sales Tax Education Fund	Durant Development Authority	Durant Tax Increment Finance Authority	Capital Improvement Fund	1% Sales Tax Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents	\$ 9,622,928	\$ 3,749,709	\$ -	\$ -	\$ 1,666,902	\$ 7,013,554	\$ -	\$ 2,062,811	\$ 24,115,904
Investments	5,142,852	-	-	-	-	-	-	462,687	5,605,539
Receivables:									
Advance to component unit	-	2,850,000	-	-	-	-	-	-	2,850,000
Due from other funds	-	-	-	-	-	-	-	498	498
Due from other governments	1,725,449	157,955	458,104	-	2,013,415	300,541	631,823	462,468	5,749,755
Miscellaneous taxes receivable	114,350	-	-	-	-	-	-	34,214	148,564
Court fines receivable, net	79,154	-	-	-	-	-	-	-	79,154
Other receivables	60,215	-	-	-	-	-	-	102,644	162,859
Lease receivables	190,152	-	-	-	-	-	-	-	190,152
Total assets	<u>\$ 16,935,100</u>	<u>\$ 6,757,664</u>	<u>\$ 458,104</u>	<u>\$ -</u>	<u>\$ 3,680,317</u>	<u>\$ 7,314,095</u>	<u>\$ 631,823</u>	<u>\$ 3,125,322</u>	<u>\$ 38,902,425</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:									
LIABILITIES:									
Accounts payable	\$ 351,208	\$ -	\$ -	\$ -	\$ 69	\$ 382,823	\$ -	\$ 29,696	\$ 763,796
Accrued payroll liabilities	682,392	-	-	-	-	-	-	43,880	726,272
Advance from DCUA	-	-	-	-	-	129	-	-	129
Due to other funds	498	-	-	-	-	-	-	-	498
Due to component unit	-	-	-	-	-	-	-	34,214	34,214
Due to bondholders	723	-	-	-	-	-	-	-	723
Unearned revenue	580,399	-	-	-	-	2,643,235	-	-	3,223,634
Total liabilities	<u>1,615,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69</u>	<u>3,026,187</u>	<u>-</u>	<u>107,790</u>	<u>4,749,266</u>
Deferred Inflows of Resources:									
Deferred inflows-leases	189,648	-	-	-	-	-	-	-	189,648
Unavailable revenue	19,155	-	-	-	1,784,395	300,541	-	146,558	2,250,649
Total deferred inflows of resources	<u>208,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,784,395</u>	<u>300,541</u>	<u>-</u>	<u>146,558</u>	<u>2,440,297</u>
Fund balances:									
Restricted	-	4,954,768	458,104	-	1,895,853	-	630,142	605,789	8,544,656
Assigned	3,577,233	1,802,896	-	-	-	3,987,367	1,681	2,373,290	11,742,467
Unassigned (deficit)	11,533,844	-	-	-	-	-	-	(108,105)	11,425,739
Total fund balances	<u>15,111,077</u>	<u>6,757,664</u>	<u>458,104</u>	<u>-</u>	<u>1,895,853</u>	<u>3,987,367</u>	<u>631,823</u>	<u>2,870,974</u>	<u>31,712,862</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 16,935,100</u>	<u>\$ 6,757,664</u>	<u>\$ 458,104</u>	<u>\$ -</u>	<u>\$ 3,680,317</u>	<u>\$ 7,314,095</u>	<u>\$ 631,823</u>	<u>\$ 3,125,322</u>	<u>\$ 38,902,425</u>

See accompanying notes to the Basic Financial Statements.

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Governmental Funds Statement of Changes in Fund Balances – Year Ended June 30, 2024

	Special Revenue Funds					Capital Project Funds			Total Governmental Funds
	General Fund	1/4% Economic Development Fund	5/8% Sales Tax Education Fund	Durant Development Authority	Durant Tax Increment Finance Authority	Capital Improvement Fund	1% Sales Tax Revenue Fund	Other Governmental Funds	
REVENUES									
Taxes	\$ 14,330,003	\$ 1,245,612	\$ 3,611,669	\$ -	\$ 2,881,443	\$ -	\$ 4,982,444	\$ 3,523,794	\$ 30,574,965
Intergovernmental	1,796,511	-	-	-	-	479,734	-	307,066	2,583,311
Charges for services	300,319	-	-	-	-	-	-	114,639	414,958
Licenses and permits	402,198	-	-	-	-	-	-	-	402,198
Fines and forfeitures	715,511	-	-	-	-	-	-	-	715,511
Investment income	299,736	44,493	-	-	108,298	74,148	-	41,445	568,120
Miscellaneous	203,793	3,542	-	-	-	458,051	-	66,195	731,581
Total revenues	18,048,071	1,293,647	3,611,669	-	2,989,741	1,011,933	4,982,444	4,053,139	35,990,644
EXPENDITURES									
Current:									
General government	2,898,025	-	-	-	-	-	-	-	2,898,025
Public safety	11,848,133	-	-	-	-	-	-	670,794	12,518,927
Public works	2,096,595	-	-	-	-	-	-	-	2,096,595
Culture and recreation	2,529,319	-	-	-	-	-	-	-	2,529,319
Cemetery	120,460	-	-	-	-	-	-	-	120,460
Economic development	137,449	-	-	3,621,532	2,373,797	-	-	-	6,132,778
Capital outlay	364,745	-	-	-	-	9,767,513	-	376,160	10,508,418
Debt service:									
Principal	14,472	-	-	-	-	312,836	-	39,698	367,006
Interest and other charges	528	-	-	-	-	43,958	-	5,753	50,239
Total expenditures	20,009,726	-	-	3,621,532	2,373,797	10,124,307	-	1,092,405	37,221,767
Excess (deficiency) of revenues over (under) expenditures	(1,961,655)	1,293,647	3,611,669	(3,621,532)	615,944	(9,112,374)	4,982,444	2,960,734	(1,231,123)
OTHER FINANCING SOURCES (USES)									
Transfers in	2,513,631	-	-	3,621,532	-	9,284,715	-	400,000	15,819,878
Transfers out	(1,028,436)	-	(3,621,532)	-	-	-	(5,001,890)	(7,168)	(9,659,026)
Transfers from component unit	972,272	-	-	-	-	-	-	-	972,272
Transfers to component unit	-	(71,660)	-	-	-	-	-	(2,941,912)	(3,013,572)
Proceeds from issuance of debt	-	-	-	-	-	1,401,668	-	-	1,401,668
Total other financing sources and uses	2,457,467	(71,660)	(3,621,532)	3,621,532	-	10,686,383	(5,001,890)	(2,549,080)	5,521,220
Net change in fund balances	495,812	1,221,987	(9,863)	-	615,944	1,574,009	(19,446)	411,654	4,290,097
Fund balances - beginning	14,615,265	5,535,677	467,967	-	1,279,909	2,413,358	651,269	2,459,320	27,422,765
Fund balances - ending	\$ 15,111,077	\$ 6,757,664	\$ 458,104	\$ -	\$ 1,895,853	\$ 3,987,367	\$ 631,823	\$ 2,870,974	\$ 31,712,862

See accompanying notes to the Basic Financial Statements.

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Fund Balance – Net Position:

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

Total fund balance, governmental funds	\$ 31,712,862
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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 and amortization of \$95,605,199	55,248,732
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Certain long-term assets are not available to pay current period expenditures and therefore are deferred in the funds:

Grants receivable	447,099
Other receivables	1,784,395
Court fines receivable	19,155
	2,250,649

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	1,095,842
Pension related deferred outflows	5,120,714
	6,216,556

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	3,767,077
Internal service fund interfund balance resulting from net revenues reported in business-type activities	(1,139,433)
	2,627,644

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:

Lease obligations	(58,236)
Notes Payable	(1,806,665)
Due to others - TIF Authority	(3,680,317)
Accrued compensated absences	(2,373,620)
Net pension liability	(7,519,442)
Pension related deferred inflows	(1,399,468)
	(16,837,748)

Net Position of Governmental Activities in the Statement of Net Position	\$ 81,218,695
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See accompanying notes to the Basic Financial Statements.

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Changes in Fund Balances - Net Position Reconciliation:

Net change in fund balances - total governmental funds: \$ 4,290,097

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 asset purchases capitalized	5,459,631
Depreciation expense	(3,499,070)
Amortization expense-leases	(105,417)
	1,855,144

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in unavailable revenue	1,922,214
	1,922,214

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.

318,362
318,362

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 proceeds received	(1,401,668)
Lease payable principal payments	109,605
Debt principal payments	257,401
	(1,034,662)

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	(2,287,355)
Change in accrued compensated absences	(78,567)
	(2,365,922)

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:

Net revenues (expenses) of the internal service fund reported in business-type activities	316,901
	316,901

Change in net position of governmental activities \$ 5,302,134

See accompanying notes to the Basic Financial Statements.

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Proprietary Funds Statement of Net Position - June 30, 2024

	Enterprise Funds			
	Utility Authority Fund	Airport Authority Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 7,688,780	\$ 959,173	\$ 8,647,953	\$ 4,281,685
Restricted cash and cash equivalents	7,170,136	-	7,170,136	-
Investments	1,030,364	-	1,030,364	-
Advance to other funds	255,795	-	255,795	-
Accounts receivable, net	2,271,525	127,292	2,398,817	-
Total current assets	18,416,600	1,086,465	19,503,065	4,281,685
Noncurrent assets:				
Lease receivable	632,348	368,648	1,000,996	-
Net pension asset	553,536	49,237	602,773	-
Capital assets:				
Land and other non-depreciable assets	5,531,780	1,009,298	6,541,078	-
Other capital assets, net of depreciation	37,219,769	13,675,279	50,895,048	287,304
Total noncurrent assets	43,937,433	15,102,462	59,039,895	287,304
Total assets	62,354,033	16,188,927	78,542,960	4,568,989
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amounts related to pensions	762,231	67,094	829,325	-
Total Deferred outflows of resources	762,231	67,094	829,325	-
LIABILITIES				
Current liabilities:				
Accounts payable	249,040	107,080	356,120	6,222
Accrued payroll liabilities	200,571	17,175	217,746	19,852
Advance from DCUA	-	255,666	255,666	-
Accrued interest payable	212,816	-	212,816	-
Estimated liability for claims	-	-	-	548,334
Current portion of:				
Meter deposit liability	123,715	-	123,715	-
Lease obligations	-	10,381	10,381	28,083
Subscription obligations	-	-	-	98,982
Notes payable	2,192,000	51,274	2,243,274	-
Landfill closure liability	35,411	-	35,411	-
Accrued compensated absences	33,673	1,005	34,678	3,872
Total current liabilities	3,047,226	442,581	3,489,807	705,345
Noncurrent liabilities:				
Meter deposit liability	494,862	-	494,862	-
Lease obligations	-	-	-	61,722
Notes payable	18,188,725	44,281	18,233,006	-
Landfill closure liability	672,815	-	672,815	-
Accrued compensated absences	303,056	9,044	312,100	34,845
Total noncurrent liabilities	19,659,458	53,325	19,712,783	96,567
Total liabilities	22,706,684	495,906	23,202,590	801,912
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows-leases	592,832	362,459	955,291	-
Deferred amounts related to pensions	248,756	33,823	282,579	-
Total current liabilities	841,588	396,282	1,237,870	-
NET POSITION				
Net investment in capital assets	28,011,408	14,564,907	42,576,315	98,517
Restricted for debt service	698,159	-	698,159	-
Unrestricted	10,858,425	798,926	11,657,351	3,668,560
Total net position	\$ 39,567,992	\$ 15,363,833	\$ 54,931,825	\$ 3,767,077

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	1,139,252
Net position of business-type activities	\$ 56,071,077

See accompanying notes to the Basic Financial Statements.

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Proprietary Funds Statement of Changes in Net Position - Year Ended June 30, 2024

	Enterprise Funds			
	Utility Authority Fund	Airport Authority Fund	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services:				
Water charges	\$ 4,813,331	\$ -	\$ 4,813,331	\$ -
Sewer charges	3,278,934	-	3,278,934	-
Water and sewer taps	252,705	-	252,705	-
Penalties	111,494	-	111,494	-
Non-payment fees	124,203	-	124,203	-
Sanitation charges	4,932,687	-	4,932,687	-
Landfill gate fees	190,251	-	190,251	-
Lab tests	19,906	-	19,906	-
Airport	-	1,696,904	1,696,904	-
Rentals	74,659	-	74,659	-
Transfer station fees	172,612	-	172,612	-
Recyclable products	7,199	-	7,199	-
Self insurance charges	-	-	-	2,913,451
Miscellaneous	139,641	327,138	466,779	1,069,697
Total operating revenues	14,117,622	2,024,042	16,141,664	3,983,148
OPERATING EXPENSES				
Public works administration	213,834	-	213,834	-
Utility billing	567,864	-	567,864	-
Water/sewer line maintenance	1,029,892	-	1,029,892	-
Water treatment plant	1,403,575	-	1,403,575	-
Wastewater treatment	1,120,523	-	1,120,523	-
Collection - solid waste	1,126,845	-	1,126,845	-
General government	176,362	-	176,362	-
Lake Durant	58,962	-	58,962	-
Disposal - solid waste	1,963,680	-	1,963,680	-
Airport	-	1,481,776	1,481,776	-
Claims expense	-	-	-	3,401,553
Debt issuance costs	465,500	-	465,500	-
Depreciation and amortization expense	2,979,978	820,209	3,800,187	151,626
Total operating expenses	11,107,015	2,301,985	13,409,000	3,553,179
Operating income (loss)	3,010,607	(277,943)	2,732,664	429,969
NON-OPERATING REVENUES (EXPENSES)				
Investment income	330,563	20,600	351,163	21,195
Interest expense and fiscal charges	(733,104)	(5,671)	(738,775)	(5,272)
Total non-operating revenue (expenses)	(402,541)	14,929	(387,612)	15,923
Net income (loss) before contributions and transfers	2,608,066	(263,014)	2,345,052	445,892
Capital contributions	4,167,500	380,431	4,547,931	-
Transfers in	3,314,323	160,500	3,474,823	-
Transfers out	(9,262,132)	(373,543)	(9,635,675)	-
Change in net position	827,757	(95,626)	732,131	445,892
Total net position - beginning	38,740,235	15,459,459	54,199,694	3,321,185
Total net position - ending	\$ 39,567,992	\$ 15,363,833	\$ 54,931,825	\$ 3,767,077
Change in net position - enterprise funds			\$ 732,131	
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			128,810	
Change in the net position of the business-type activities			\$ 860,941	

See accompanying notes to the Basic Financial Statements.

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Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2024

	Enterprise Funds			
	Utilities Authority Fund	Airport Authority Fund	Total Proprietary Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 13,678,678	\$ 1,918,947	\$ 15,597,625	\$ 3,983,148
Payments to suppliers	(4,553,903)	(1,136,270)	(5,690,173)	(3,069,469)
Payments to employees	(3,615,722)	(318,623)	(3,934,345)	(413,827)
Receipts of customer meter deposits	150,184	-	150,184	-
Refunds of customer meter deposits	(126,269)	-	(126,269)	-
Other receipts (payments)	73,104	(21,357)	51,747	-
Net Cash Provided by Operating Activities	<u>5,606,072</u>	<u>442,697</u>	<u>6,048,769</u>	<u>499,852</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	3,314,323	160,500	3,474,823	-
Transfers to other funds	(9,262,132)	(373,543)	(9,635,675)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(5,947,809)</u>	<u>(213,043)</u>	<u>(6,160,852)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(98,109)	(81,650)	(179,759)	-
Proceeds from issuance of capital debt	622,530	-	622,530	-
Principal paid on capital debt	(2,112,000)	(49,256)	(2,161,256)	-
Principal paid on leases	-	(15,369)	(15,369)	(27,832)
Principal paid on subscription obligations	-	-	-	(96,841)
Interest and fiscal charges paid on capital debt and leases	(741,351)	(5,671)	(747,022)	(5,272)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(2,328,930)</u>	<u>(151,946)</u>	<u>(2,480,876)</u>	<u>(129,945)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (purchase) of investments	(1,030,364)	-	(1,030,364)	-
Interest and dividends	330,563	20,600	351,163	21,195
Net Cash Provided by (used in) Investing Activities	<u>(699,801)</u>	<u>20,600</u>	<u>(679,201)</u>	<u>21,195</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,370,468)	98,308	(3,272,160)	391,102
Balances - beginning of the year	18,229,384	860,865	19,090,249	3,890,583
Balances - end of the year	<u>\$ 14,858,916</u>	<u>\$ 959,173</u>	<u>\$ 15,818,089</u>	<u>\$ 4,281,685</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 7,688,780	\$ 959,173	\$ 8,647,953	\$ 4,281,685
Current restricted cash and cash equivalents	7,170,136	-	7,170,136	-
Investments	<u>\$ 14,858,916</u>	<u>\$ 959,173</u>	<u>\$ 15,818,089</u>	<u>\$ 4,281,685</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 3,010,607	\$ (277,943)	\$ 2,732,664	\$ 429,969
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization expense	2,979,978	820,209	3,800,187	151,626
Change in assets, liabilities and deferrals:				
Receivables	(488,549)	(93,278)	(581,827)	-
Advance to other funds	73,104	-	73,104	-
Lease receivable	49,605	83,895	133,500	-
Due from other funds	-	-	-	-
Accounts payable	85,133	43,002	128,135	(1,648)
Accrued payroll liabilities	47,586	3,535	51,121	4,884
Due to other funds	-	-	-	-
Advance from DCUA	-	(21,357)	(21,357)	-
Estimated liability for claims	-	-	-	16,133
Landfill closure liability	74,579	-	74,579	-
Meter deposit liability	23,915	-	23,915	-
Deferred inflows related to leases	(60,348)	(95,712)	(156,060)	-
Pension liability & related accounts	(188,429)	(24,735)	(213,164)	-
Accrued compensated absences	(1,109)	5,081	3,972	(101,112)
Net Cash Provided by Operating Activities	<u>\$ 5,606,072</u>	<u>\$ 442,697</u>	<u>\$ 6,048,769</u>	<u>\$ 499,852</u>
Noncash activities:				
Contributed capital assets received	<u>\$ 4,167,500</u>	<u>\$ 380,431</u>	<u>\$ 4,547,931</u>	<u>\$ -</u>

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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 18,589 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 – reported as a blended component unit.

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 and contributions
- Public works –Streets and City Garage – commercial vehicle and gasoline excise tax shared by the State, sidewalk and street repair fees, operating grants and contributions
- Cemetery – cemetery openings/closings and interments, operating grants and contributions
- Culture and recreation – swimming pool fees, library fees, multi-sports complex fees, operating and capital grants and contributions
- General Government – license and permits, mowing fees, reports and copy fees, digital mapping fees, operating grants and contributions
- 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 transferred to Durant Development Authority restricted for Durant Public Schools for education capital projects.
- Durant Development Authority - accounts for five-eighths cent sales tax transferred from 5/8 % Sales Tax Education Fund 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.
- 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, except for 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 the 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 the 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, Durant Development Authority 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

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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 on June 30, 2024 are as follows:

Deposits and Investments

PRIMARY GOVERNMENT:

<u>Type of Deposits and Investments</u>	<u>Maturities</u>	<u>Carrying Value</u>
Demand deposits		\$35,993,763
Time deposit	06/27/24	421,060
Time deposit	06/27/24	5,142,852
Time deposit	02/04/24	41,627
Time deposit	08/14/24	730,364
Time deposit	08/28/24	300,000
Cash on hand		3,890
	<u>Credit Rating</u>	
Mutual Funds - First United Money Market	not rated	6,551,559
Mutual Funds - Blackrock Liq Fedfd-Csh Res	AAAm	1,666,466
Total		<u><u>\$50,851,581</u></u>
Reconciliation to Statement of Net Position:		
Cash and cash equivalents		\$ 44,215,678
Investments		6,635,903
		<u><u>\$ 50,851,581</u></u>

COMPONENT UNITS:

Durant Industrial Authority:

<u>Type of Deposits and Investments</u>	<u>Maturities</u>	<u>Carrying Value</u>
Demand deposits		<u>\$ 2,277,087</u>
		<u><u>\$ 2,277,087</u></u>

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Durant Community Facilities Authority:

<u>Type of Deposits and Investments</u>		<u>Carrying Value</u>
Demand deposits		\$ 740,915
Time deposit	07/06/25	883,607
		Credit Rating
Mutual Funds - Goldman Sachs Financial Sq Trsy Oblig		AAA- 266,642
Total		<u>\$ 1,891,164</u>
Reconciliation to Statement of Net Position:		
Cash and cash equivalents		\$ 1,007,557
Investments		883,607
		<u>\$ 1,891,164</u>

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, 2024, 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 limitations, 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., d., and e.

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Concentration of Investment Credit Risk - the City places no limit on the amount it may invest in any one issuer. The City had no investments in one issuer that exceeded the 10% threshold.

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, 2024, are as follows:

	Current Cash and cash Equivalents
Utility Deposits	\$ 618,577
OWRB Accounts (DCUA):	
2009A Principal Account	148,684
2009A Interest Account	60,066
2009B Principal Account	48,774
2009B Interest Account	20,655
2010 Principal Account	63,342
2010 Interest Account	24,024
2007 Revenue Account	4,847
2007 Project Account	83
2007 Principal Account	130,456
2007 Interest Account	23,726
2020 Construction Account	5,640,501
2020 Principal Account	269,452
2020 Interest Account	116,949
Total Restricted Assets	<u>\$ 7,170,136</u>

4. Accounts and Leases Receivable

Accounts Receivable - Accounts receivable of the business-type activities consist of customers utilities services provided, both billed and unbilled, due at year end, reported net of allowance for uncollectible amounts. The governmental activities receivable include police fines receivables and business-type receivable includes airport receivables.

	Receivable	Allowance for Bad Debts	Net Receivable
Governmental Activities:			
Court Fines Receivable	\$ 791,535	\$ (712,381)	\$ 79,154
Business-Type Activities:			
Utility billing receivables	\$ 2,078,635	\$ (125,854)	\$ 1,952,781
Miscellaneous receivables	340,656	(21,912)	318,744
Airport Receivables	140,982	(13,690)	127,292
Utility Receivables	<u>\$ 2,560,273</u>	<u>\$ (161,456)</u>	<u>\$ 2,398,817</u>

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Lease Receivable – The City and DCUA/DAA as a lessor, have entered into lease agreements involving land and buildings. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$39,105 for governmental activities and \$165,828 for business-type activities. Lease receivable balances at June 30, 2024, were as follows:

	Governmental Lease Receivable
FBI - General Services Administration	\$ 75,718
Bryan County Government	69,147
Matt Barnhill / 3B Grave Service LLC	27,822
OG&E	17,465
	<u>\$ 190,152</u>

	Business-Type Lease Receivable
Verizon	\$ 48,649
T-Mobile	237,856
US Cellular	345,843
Trussworks-DAA	296,649
Magnolia - DAA	71,999
	<u>\$ 1,000,996</u>

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, 2024, capital assets balances changed as follows:

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Primary Government:

	Balance at July 1, 2023	Additions and Transfers	Disposals and Transfers	Balance at June 30, 2024
Governmental activities:				
Non-depreciable capital assets:				
Land	\$ 5,429,060	\$ -	\$ -	\$ 5,429,060
Construction-in-progress	5,583,679	1,453,752	(6,576,555)	460,876
Total non-depreciable assets at historical cost	<u>11,012,739</u>	<u>1,453,752</u>	<u>(6,576,555)</u>	<u>5,889,936</u>
Depreciable capital assets:				
Buildings	26,505,042	272,591	-	26,777,633
Improvements	4,452,629	-	-	4,452,629
Machinery and equipment	17,445,670	2,229,947	-	19,675,617
Infrastructure	85,732,652	8,079,897	-	93,812,549
Total depreciable assets at historical cost	<u>134,135,993</u>	<u>10,582,435</u>	<u>-</u>	<u>144,718,428</u>
Less accumulated depreciation				
Buildings	(9,347,493)	(686,934)	-	(10,034,427)
Improvements	(2,891,711)	(129,609)	-	(3,021,320)
Machinery and equipment	(11,843,111)	(1,039,927)	-	(12,883,038)
Infrastructure	(67,724,294)	(1,663,593)	-	(69,387,887)
Total accumulated depreciation	<u>(91,806,609)</u>	<u>(3,520,063)</u>	<u>-</u>	<u>(95,326,672)</u>
Lease assets:				
Machinery and equipment	665,491		(208,612)	456,879
Subscription assets	290,570	-		290,570
Total lease assets being amortized	<u>956,061</u>	<u>-</u>	<u>(208,612)</u>	<u>747,449</u>
Less accumulated amortization				
Machinery and equipment	(393,359)	(105,417)	189,189	(309,587)
Subscription assets	(91,759)	(91,759)	-	(183,518)
Total accumulated amortization	<u>(485,118)</u>	<u>(197,176)</u>	<u>189,189</u>	<u>(493,105)</u>
Total assets, net	<u>42,800,327</u>	<u>6,865,196</u>	<u>(19,423)</u>	<u>49,646,100</u>
Governmental activities assets, net	<u>\$ 53,813,066</u>	<u>\$ 8,318,948</u>	<u>\$ (6,595,978)</u>	<u>\$ 55,536,036</u>
Business-type activities:				
Non-depreciable capital assets:				
Land	\$ 2,871,323	\$ 11,539	\$ -	\$ 2,882,862
Construction-in-progress (restated)	6,895,083	2,472,857	(5,709,724)	3,658,216
Total non-depreciable assets at historical cost	<u>9,766,406</u>	<u>2,484,396</u>	<u>(5,709,724)</u>	<u>6,541,078</u>
Depreciable capital assets:				
Buildings	33,568,297	-	-	33,568,297
Improvements	21,894,075	53,819	-	21,947,894
Machinery and equipment	17,090,483	5,809,134	-	22,899,616
Utility property and improvements	42,949,787	2,089,526	-	45,039,312
Total depreciable assets at historical cost	<u>115,502,642</u>	<u>7,952,479</u>	<u>-</u>	<u>123,455,119</u>
Less accumulated depreciation				
Buildings	(25,965,463)	(1,061,695)	-	(27,027,158)
Improvements	(11,324,738)	(610,989)	-	(11,935,727)
Machinery and equipment	(11,436,448)	(1,092,105)	-	(12,528,553)
Utility property and improvements	(20,057,270)	(1,025,096)	-	(21,082,366)
Total accumulated depreciation	<u>(68,783,919)</u>	<u>(3,789,885)</u>	<u>-</u>	<u>(72,573,804)</u>
Lease assets:				
Machinery and equipment	59,683	-	-	59,683
Total lease assets being amortized	<u>59,683</u>	<u>-</u>	<u>-</u>	<u>59,683</u>
Less accumulated amortization				
Machinery and equipment	(16,198)	(14,966)	-	(31,164)
Total accumulated amortization	<u>(16,198)</u>	<u>(14,966)</u>	<u>-</u>	<u>(31,164)</u>
Total assets, net	<u>46,762,208</u>	<u>4,147,628</u>	<u>-</u>	<u>50,909,834</u>
Business-type assets, net	<u>\$ 56,528,614</u>	<u>\$ 6,632,024</u>	<u>\$ (5,709,724)</u>	<u>\$ 57,450,912</u>

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Component Units:

	Balance at July 1, 2023	Additions and Transfers	Deductions and Transfers	Balance at June 30, 2024
COMPONENT UNITS:				
Durant Industrial Authority:				
Non-depreciable:				
Land	\$ 1,085,375	\$ -	\$ -	\$ 1,085,375
Construction-in-progress	56,866	-	-	56,866
Total non-depreciable assets at historical cost	1,142,241	-	-	1,142,241
Depreciable:				
Utility property and improvements	17,664	-	-	17,664
Total depreciable assets at historical cost	17,664	-	-	17,664
Less accumulated depreciation				
Utility property and improvements	(3,386)	(442)	-	(3,828)
Total accumulated depreciation	(3,386)	(442)	-	(3,828)
Net depreciable assets	14,278	(442)	-	13,836
Durant Industrial Authority capital assets, net	\$ 1,156,519	\$ (442)	\$ -	\$ 1,156,077
Durant Community Facilities Authority:				
Non-depreciable:				
Land	\$ 266,000	\$ -	\$ -	\$ 266,000
Durant Community Facilities Authority capital assets, net	\$ 266,000	\$ -	\$ -	\$ 266,000

Depreciation/Amortization:

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/amortization 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. Leased assets are amortized over the life of the associated contract. Depreciation/amortization expense has been allocated as follows:

Governmental Activities:		Business-Type Activities:	
Depreciation expense:		Depreciation expense:	
General government	\$ 178,984	Water	\$ 1,363,568
Public safety	781,381	Sewer	1,205,413
Public works	1,781,543	Sanitation	410,996
Culture and recreation	769,190	Airport	809,908
Cemetery	8,965	Total depreciation expense	\$ 3,789,885
Total depreciation expense	\$ 3,520,063		
Amortization expense:		Amortization expense:	
General government	184,291	Water	4,665
Culture and recreation	12,885	Airport	10,301
Total amortization expense	\$ 197,176	Total amortization expense	\$ 14,966
Total depr/amort expense	\$3,717,239	Total depr/amort expense	\$ 3,804,851

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6. Long-Term Debt and Debt Service Requirements

For the year ended June 30, 2024, the reporting entity's long-term debt changed as follows:

<u>Type of Debt</u>	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>	<u>Amounts Due Within a Year</u>
Governmental Activities:					
Notes Payable - Direct Borrowings/Placements	\$ 662,398	\$ 1,401,668	\$ 257,401	\$ 1,806,665	\$ 362,354
Lease Obligations	270,470	73,017	195,445	148,042	56,719
Subscription Obligations	195,823.00	-	96,841	98,982	98,982
Accrued Compensated Absences	2,434,882	285,343	307,889	2,412,336	241,234
Total Governmental Activities	<u>\$ 3,563,573</u>	<u>\$ 1,760,028</u>	<u>\$ 857,576</u>	<u>\$ 4,466,025</u>	<u>\$ 759,289</u>
Plus: Net Pension Liability				7,519,442	
				<u>\$ 11,985,467</u>	
Business-type Activities:					
Notes Payable - Direct Borrowings/Placements	\$ 22,015,006	\$ 622,530	\$ 2,161,256	\$ 20,476,280	\$ 2,243,274
Lease Obligations	40,759	-	15,411	25,348	15,061
Landfill Closure Liability	633,647	74,579	-	708,226	35,411
Meter Deposit Liability	594,662	150,184	126,269	618,577	123,715
Accrued Compensated Absences	342,806	40,224	36,252	346,778	34,678
Total Business-Type Activities	<u>\$ 23,626,880</u>	<u>\$ 887,517</u>	<u>\$ 2,339,188</u>	<u>\$ 22,175,209</u>	<u>\$ 2,452,139</u>
Component Unit Debt:					
Durant Industrial Authority:					
Notes Payable - Direct Borrowings/Placements	\$ 364,968	\$ -	\$ 70,414	\$ 294,554	\$ 48,330
Accrued Compensated Absences	1,794	-	1,794	-	-
Total Durant Industrial Authority	<u>366,762</u>	<u>-</u>	<u>72,208</u>	<u>294,554</u>	<u>48,330</u>
Durant Community Facilities Authority:					
Notes Payable - Direct Borrowings/Placements	\$ 140,227	\$ -	\$ 104,040	\$ 36,187	\$ 36,187
Revenue Bonds Payable	2,170,000	-	1,435,000	735,000	735,000
Total Durant Community Facilities Authority	<u>2,310,227</u>	<u>-</u>	<u>1,539,040</u>	<u>771,187</u>	<u>771,187</u>
Total Component Unit Debt	<u>\$ 2,676,989</u>	<u>\$ -</u>	<u>\$ 1,611,248</u>	<u>\$ 1,065,741</u>	<u>\$ 819,517</u>

Governmental activities long-term debt:

Notes Payable:

\$283,169 notes payable with Motorola for 911 equipment, payable in annual installments of \$45,451, final payment due December 31, 2025, with interest at 4.07%	\$ 101,675
\$499,590 notes payable with American Nation Bank for fire truck, payable in monthly installments of \$4,700, final payment due February 25, 2031, with interest at 2.375%	347,014
\$231,562 notes payable with Vision Bank for 5 police vehicles, payable in monthly installments of \$4,087, final payment due February 20, 2026, with interest at 2.251%	79,973
\$625,000 notes payable with American Nation Bank for 2024 Spartan Fire Engine Truck, payable in monthly installments of \$8,476.71, final payment due October 20, 2030 with interest at 3.75%	571,693
\$560,268 notes payable with American Nation Bank for two Trash Trucks, payable in monthly installments of \$10,573.06, final payment due December 20, 2028, with interest at 5.0%	509,513

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\$216,400 notes payable with American Nation Bank for two Dump Trailers, payable in monthly installments of \$4,083.78, final payment due December 20, 2028, with interest rate of 5.07%	<u>196,796</u>
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Total Notes Payable	<u>\$ 1,806,665</u>
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Current portion	\$ 362,354
Non-current portion	<u>1,444,311</u>
Total Notes Payable	<u>\$ 1,806,665</u>

Lease Obligations:

Current portion	\$ 56,719
Non-current portion	<u>91,323</u>
Total Lease Obligations	<u>\$ 148,042</u>

Subscription Obligations:

Current portion	\$ 98,982
Non-current portion	<u>-</u>
Total Subscription Obligations	<u>\$ 98,982</u>

Accrued Compensated Absences:

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

Current portion	\$ 241,234
Non-current portion	<u>2,171,102</u>
Total Accrued Compensated Absences	<u>\$ 2,412,336</u>

Net Pension Liability:

Current portion	\$ -
Non-current portion	<u>7,519,442</u>
Total Net Pension Liability	<u>\$ 7,519,442</u>

Business-type activities long-term debt:

Notes Payable - Direct Borrowings/Placements:

Note Payable (DCUA) to Oklahoma Water Resources Board dated June 18, 2019, original amount of \$4,000,000 with an annual interest rate of 1.51%, admin fee of 0.5%, due in semi-annual principal installments each March 15 and September 15 of \$100,000 beginning September 15, 2020, final installment due March 15, 2040. 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.

\$ 1,411,026

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Note Payable (DCUA) to Oklahoma Water Resources Board dated June 1, 2020, original amount of \$12,935,000 with an annual interest rate of 1.2%, admin fee of 0.5%, due in semi-annual principal installments each March 15 and September 15 ranging from \$1,000 to \$612,000, beginning March 15, 2022, final installment due September 15, 2041. 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.

259,200

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.

95,554

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.

1,380,000

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.

2,245,000

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.

745,000

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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.

2,485,000

Sales Tax & Utility Revenue Note (DCUA) to First United Trust Bank dated April 23, 2020, original amount of \$13,280,000 with an annual interest rate of 3.00%, due in semi-annual installments with principal ranging from \$10,000 to \$625,000, final installment due March 1, 2035. 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.

11,390,000

Sales Tax & Utility Revenue Note (DCUA) to First United Trust Bank dated December 19, 2023, original amount of \$23,000,000 with an annual interest rate of 3.07%, due in semi-annual installments with principal ranging from \$10,000 to \$448,000, final installment due March 15, 2056. 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.

465,500.

Total Notes Payable (Direct Borrowings/Placements) \$ 20,476,280

Current portion	\$ 2,243,274
Non-current portion	<u>18,233,006</u>
Total Notes Payable (Direct Borrowings/Placements)	<u>\$ 20,476,280</u>

Lease Obligations:

Current portion	\$ 15,061
Non-current portion	<u>10,287</u>
Total Lease Obligations	<u>\$ 25,348</u>

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Accrued Compensated Absences:

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

Current portion	\$ 34,678
Non-current portion	<u>312,100</u>
Total Accrued Compensated Absences	<u>\$ 346,778</u>

Meter Deposit Liability:

Meter deposit liability reported in the business-type activities:

Current portion	\$ 123,715
Non-current portion	<u>494,862</u>
Total Meter Deposit Liability	<u>\$ 618,577</u>

Landfill Closure Liability:

Landfill closure liability reported in the business-type activities:

Current portion	\$ 35,411
Non-current portion	<u>672,815</u>
Total Landfill Closure Liability	<u>\$ 708,226</u>

Component Unit long-term debt:

Notes Payable (DIA) – Direct Borrowings/Placements:

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.

\$ 8,333

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.

222,894

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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.

63,327
\$ 294,554

Current portion	\$ 48,330
Non-current portion	<u>246,224</u>
Total Notes Payable (Direct Borrowings/Placements)	<u>\$ 294,554</u>

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.

\$ 36,187

Current portion	\$ 36,187
Non-current portion	<u>-</u>
Total Notes Payable (Direct Borrowing/Placement)	<u>\$ 36,187</u>

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.

\$ 735,000

Current portion	\$ 735,000
Non-current portion	<u>-</u>
Total Revenue Bonds Payable	<u>\$ 735,000</u>

Long-term debt service requirements to maturity:

<u>Governmental Activities</u>						
<u>Year Ending June 30,</u>	<u>Notes Payable - Direct Borrowings/Placements</u>		<u>Lease Obligations</u>		<u>Subscription Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 362,354	\$ 66,137	\$ 56,719	\$ 1,100	\$ 98,982	\$ 2,187
2026	377,731	51,631	38,348	705	-	-
2027	297,412	36,588	38,694	317	-	-
2028	310,223	23,776	14,281	6	-	-
2029	234,865	11,193	-	-	-	-
2030	153,182	4,936	-	-	-	-
2031	70,898	606	-	-	-	-
Total	<u>\$ 1,806,665</u>	<u>\$ 194,867</u>	<u>\$148,042</u>	<u>\$ 2,128</u>	<u>\$ 98,982</u>	<u>\$ 2,187</u>

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Business-Type Activities				
<u>Year Ending June 30,</u>	<u>Notes Payable - Direct Borrowings/Placements</u>		<u>Lease Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 2,243,274	\$ 890,008	\$ 15,061	\$ 712
2026	2,311,281	804,418	4,723	439
2027	2,367,000	719,182	4,766	183
2028	2,377,000	630,988	798	6
2029	2,247,000	549,288	-	-
2030-2034	11,388,025	1,747,316	-	-
2035-2039	10,203,500	573,023	-	-
2040-2044	7,733,000	78,529	-	-
2045-2056	14,811,500	-	-	-
Subtotal	\$ 55,681,580	\$ 5,992,752	\$ 25,348	\$ 1,340
Less: Amount not yet drawn	(35,205,300)			
Total	\$ 20,476,280			

Component Units		
<u>Durant Industrial Authority</u>		
<u>Year Ending June 30,</u>	<u>Notes Payable-Direct Borrowings/Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 48,330	\$ -
2026	39,998	-
2027	39,998	-
2028	23,334	-
2029	20,000	-
2030-2034	100,000	-
2035	22,894	-
Total	\$ 294,554	\$ -

<u>Durant Community Facilities Authority</u>				
<u>Year Ending June 30,</u>	<u>Notes Payable-Direct Borrowings/Placements</u>		<u>Revenue Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 36,187	\$ 450	\$ 735,000	\$ 11,392
Total	\$ 36,187	\$ 450	\$ 735,000	\$ 11,392

Component Unit – Conduit Debt:

<u>Original Debt</u>	<u>Project</u>	<u>Remaining Principal</u>
Durant Tax Increment Finance Authority:		
Durant TIF Authority Rev Bonds 2017A		
\$ 20,433,380	(1) Commercial Metals Co mill site	\$ 9,239,437
Durant TIF Authority Rev Bonds 2017B		
\$ 3,100,000	(1) Commercial Metals Co mill site	3,100,000

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(1) Commercial Metals Co mill site Tax Apportionment Bonds

The Tax Apportionment Bonds were issued to fund the 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 will 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 \$708,226 reported as accrued landfill closure cost liability at June 30, 2024, represents the cumulative amount of such costs reported to date based on the use of 91.35% 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 \$67,074 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 2024.

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, \$4,000,000 of the 2019 OWRB ORF Note, \$12,935,000 of the 2020 OWRB ORF Note, \$13,280,000 of the 2020 Sales Tax & Utility Revenue Note and \$23,000,000 2023 Sales Tax and Utility Revenue Note.

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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, 2040, 2041, 2035, and 2056 respectively. The total principal and interest, including amounts not yet drawn as of June 30, 2024, payable for the remainder of the life of these notes are \$37,768,724. Pledged sales taxes in the current year were \$14,947,335 and net utility revenues and interest were \$3,341,170. Maximum annual debt service payments of \$4,230,480 for the applicable debt were 23.13% 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 \$783,225. Pledged sales taxes received in the current year were \$2,500,946. Current annual debt service payments of \$783,225 for the applicable debt were 31.3% of pledged and transferred sales taxes.

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.

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- 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	\$ -	\$ 4,954,768	\$ -	\$ 1,895,853	\$ -	\$ -	\$ -	\$ 6,850,621
Education	-	-	458,104	-	-	-	-	458,104
Capital improvements and debt service	-	-	-	-	-	630,142	-	630,142
Cemetery	-	-	-	-	-	-	130,799	130,799
Multi-sports complex	-	-	-	-	-	-	157,955	157,955
SOSU capital projects	-	-	-	-	-	-	157,955	157,955
Community center & library	-	-	-	-	-	-	113,227	113,227
Library	-	-	-	-	-	-	45,853	45,853
Sub-total Restricted	-	4,954,768	458,104	1,895,853	-	630,142	605,789	8,544,656
Assigned to:								
Economic development	-	1,802,896	-	-	-	-	-	1,802,896
Capital improvements and debt service	-	-	-	-	3,987,367	1,681	-	3,989,048
Public safety	-	-	-	-	-	-	17,769	17,769
Community center & library	-	-	-	-	-	-	828,388	828,388
Library	-	-	-	-	-	-	2,859	2,859
Insurance	114,397	-	-	-	-	-	-	114,397
Christmas lighting	1,044	-	-	-	-	-	-	1,044
Beautification	133,440	-	-	-	-	-	-	133,440
Cemetery	94,745	-	-	-	-	-	24,281	119,026
Recreation	733,607	-	-	-	-	-	-	733,607
E911 services	-	-	-	-	-	-	1,499,993	1,499,993
Budget balancing purposes	2,500,000	-	-	-	-	-	-	2,500,000
Sub-total Assigned	3,577,233	1,802,896	-	-	3,987,367	1,681	2,373,290	11,742,467
Unassigned (deficit)	11,533,844	-	-	-	-	-	(108,105)	11,425,739
Total Fund Balance	\$ 15,111,077	\$ 6,757,664	\$ 458,104	\$ 1,895,853	\$ 3,987,367	\$ 631,823	\$ 2,870,974	\$ 31,712,862

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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:

<u>Fund</u>	<u>Restricted By</u>	<u>Amount</u>
1/4% Economic Development Fund	Enabling legislation	\$ 4,954,699
5/8% Sales Tax Education Fund	Enabling legislation	458,104
1% Sales Tax Revenue Fund	Enabling legislation	630,142
1/4% Sales Tax M.S. Fund	Enabling legislation	157,955
1/4% Sales Tax SOSU Fund	Enabling legislation	157,955
DWRF Community Center & Library Fund	External parties	113,227
R.L. Williams Library Fund	External parties	45,853
Cemetery Care Fund	State statutes and/or debt indentures	130,799
		<u>\$ 6,648,734</u>

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, 2024 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Nature of Transfer</u>
General Fund	Capital Improvement	\$28,436	Capital purchases
General Fund	Special 911 Tax Fund	400,000	Operational subsidy
General Fund	Durant City Utilities Authority	600,000	health insurance reimbursement
5/8% Sales Tax Education Fund	Durant Development Authority	3,621,532	Sales and use tax transfer
1% Sales Tax Revenue Fund	Capital Improvement	2,448,067	Capital projects/debt service
1% Sales Tax Revenue Fund	Durant City Utilities Authority	2,553,823	Sales tax transfer
Drug Enforcement Fund	Capital Improvement	1,379	Capital purchase
Special 911 Tax Fund	General Fund	5,189	Reimbursement of expenses
Cemetery Care Fund	Cemetery Operations	600	Cemetery annual interest
Durant Airport Authority Fund	General Fund	13,280	Reimbursement of expenses
Durant Airport Authority Fund	Durant City Utilities Authority	160,500	Debt payments
Durant Airport Authority Fund	Capital Improvement	199,763	Capital purchase
Durant City Utilities Authority	General Fund	2,300,000	Sales tax transfer
Durant City Utilities Authority	Capital Improvement	4,950,040	Reimbursement of Note financing
Durant City Utilities Authority	Capital Improvement	1,500,000	Capital purchases
Durant City Utilities Authority	Capital Improvement	157,030	Debt payments
Durant City Utilities Authority	Durant Airport Authority Fund	160,500	Debt payments
Durant City Utilities Authority	General Fund	194,562	Reimbursement of expenses
		<u>\$ 19,294,701</u>	
Reconciliation to fund financial statements:			
	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Funds	\$ 15,819,878	\$ (9,659,026)	\$ 6,160,852
Enterprise Funds	3,474,823	(9,635,675)	(6,160,852)
Total	<u>\$ 19,294,701</u>	<u>\$ (19,294,701)</u>	<u>\$ -</u>
Reconciliation to statement of activities:			
	<u>Governmental</u>	<u>Business-Type</u>	
Net transfers	\$ 6,160,852	\$ (6,160,852)	
Reclassification of capital asset activity	(4,547,931)	4,547,931	
Reclassification of activities at the govt-wide statements	473,624	(473,624)	
Total Transfers - Internal Activity	<u>\$ 2,086,545</u>	<u>\$ (2,086,545)</u>	

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Interfund Balances:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Nature of Balance</u>
General Fund	E911 Fund	\$ 498	Service fees initially posted to wrong account
Tourism Tax Fund	Durant Tourism Authority	34,214	Tourism tax payable to Tourism Authority
Total		<u>\$ 34,712</u>	

Reconciliation to Fund Financial Statements:

	<u>Due From</u>	<u>Due To</u>	<u>Internal Service Funds Reconciliation</u>	<u>Lease Payable Allocation Activity</u>	<u>Net Internal Balances</u>
Governmental Funds	\$ 34,712	\$ (34,712)	\$ (1,139,433)	\$ -	\$ (1,139,433)
Proprietary Funds	-	-	1,139,433	-	1,139,433
Total	<u>\$ 34,712</u>	<u>\$ (34,712)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 Durant Development Authority and used for 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.

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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, 2020, to June 30, 2024, are as follows:

	Employee Health	Worker's Compensation	Total Internal Service
Claims liability, June 30, 2020	\$ -	\$ 679,111	\$ 679,111
Claims incurred and changes in estimates	2,539,632	199,714	2,739,346
Claims paid	(2,539,632)	(252,822)	(2,792,454)
Claims liability, June 30, 2021	-	626,003	626,003
Claims incurred and changes in estimates	2,550,077	484,232	3,034,309
Claims paid	(2,550,077)	(603,193)	(3,153,270)
Claims liability, June 30, 2022	-	507,042	507,042
Claims incurred and changes in estimates	2,506,712	397,673	2,904,385
Claims paid	(2,506,712)	(372,514)	(2,879,226)
Claims liability, June 30, 2023	\$ -	\$ 532,201	\$ 532,201
Claims incurred and changes in estimates	2,522,025	269,891	2,791,916
Claims paid	(2,522,025)	(253,758)	(2,775,783)
Claims liability, June 30, 2024	\$ -	\$ 548,334	\$ 548,334
Assets available to pay claims at June 30, 2024	\$ 2,431,059	\$ 716,588	\$ 3,147,647

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. 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.

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12. Outstanding Notes Receivable – City and Component Units

The component units have five outstanding notes receivable as of June 30, 2024.

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	\$12,359
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	63,324
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 prior years, it was determined that this note receivable meets the definition of uncollectible; therefore, an allowance was recorded in the DIA to offset this receivable.	283,417
The Durant Industrial Authority executed a \$1,000,000 forgivable note receivable in June 2023 with Allied Stone, Inc. at a zero percent (0%) interest rate, forgivable in 3 annual amounts of \$333,333, beginning December 31, 2031 and maturing on December 31, 2033	1,000,000
The Durant Industrial Authority executed a \$750,000 note receivable (w/\$225,000 forgivable Portion) in October 2021 with SG Echo, LLC at a zero percent (0%) interest rate, due in 90 monthly installments of \$8,333, 27 months forgivable if full compliance with terms of agreement, maturity date April 2029	<u>750,000</u>
Total Notes Receivable – DIA	2,109,100
Less: Allowance for Uncollectible	<u>(283,417)</u>
Notes Receivable – DIA, net	<u>\$1,825,683</u>

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

	Beginning Balance	Additions	Deletions	Ending Balance
DIA:				
Cardinal FG Company	32,359	-	20,000	12,359
Eagle Suspension	83,322	-	19,998	63,324
Earth Biofuels	283,417	-	-	283,417
Earth Biofuels-Allowance	(283,417)	-	-	(283,417)
SG Echo, LLC	750,000	-	-	750,000
Bruce Packing Company dba BrucePac	233,333	-	233,333	-
Allied Stone Inc (Forgiveable Loan)	1,000,000	-	-	1,000,000
Total	<u>\$ 2,099,015</u>	<u>\$ -</u>	<u>\$ 273,331</u>	<u>\$ 1,825,683</u>

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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

	Governmental Activities	Business-type Activities	Plan Totals
Net Pension Asset:			
Police	\$ 206,579	\$ -	\$ 206,579
OkMRF	889,263	602,773	1,492,036
Total	\$ 1,095,842	\$ 602,733	\$ 1,698,615
Net Pension Liability:			
Firefighters	\$ 7,519,442	\$ -	\$ 7,519,442
Total	\$ 7,519,442	\$ -	\$ 7,519,442
Deferred Outflows of Resources:			
OkMRF	\$ 1,240,637	\$ 829,325	\$ 2,069,962
Police	2,049,498	-	2,049,498
Firefighters	1,830,579	-	1,830,579
Total	\$ 5,120,714	\$ 829,325	\$ 5,950,039
Deferred Inflows of Resources:			
OkMRF	\$ 373,135	\$ 282,579	\$ 655,714
Police	430,761	-	430,761
Firefighters	595,572	-	595,572
Total	\$ 1,399,468	\$ 282,579	\$ 1,682,047
Pension Expense (Benefit):			
OkMRF	\$ (257,934)	\$ -	\$ (257,934)
Police	569,133	-	569,133
Firefighters	1,128,239	-	1,128,239
Total	\$ 1,439,438	\$ -	\$ 1,439,438

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. The retirement provisions are as follows:

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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 the 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 \$370,027. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$819,257 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 \$666,079. 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, 2024, the City reported a liability of \$7,519,442 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. 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, 2023. Based upon this information, the City's proportion was .5828%.

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For the year ended June 30, 2024, the City recognized pension expense \$1,128,239. At June 30, 2024, 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	\$ 894,270	\$ 9,546
Changes of assumptions	-	12,056
Net difference between projected and actual earnings on pension plan investments	496,050	-
Changes in proportion and differences between City contributions and proportionate share of contributions	62,771	557,124
City contributions during measurement date	7,461	16,846
City contributions subsequent to the measurement date	370,027	-
Total	<u>\$ 1,830,579</u>	<u>\$ 595,572</u>

\$370,027 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 year ended June 30, 2025. 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:

2025	\$ 247,193
2026	(36,883)
2027	709,612
2028	(54,942)
	<u>\$ 864,980</u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	2.75% to 10.5% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates were based on the Pub-2010 Public Safety Table, with adjustments for generational mortality improvement using scale MP-2018 for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2023, valuation was based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

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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, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	5.80%
Domestic equity	47%	9.49%
International equity	15%	11.55%
Real estate	10%	8.48%
Other assets	8%	6.47%

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:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability	\$ 9,798,158	\$ 7,519,442	\$ 5,613,833

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.

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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 determined 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 \$379,928. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$399,289 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 \$300,709. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the City reported an asset of \$206,579 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2023. 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, 2023. Based upon this information, the City's proportion was .6764%.

For the year ended June 30, 2024, the City recognized pension expense of \$569,133. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 565,509	\$ 31,859
Changes of assumptions	-	385,600
Net difference between projected and actual earnings on pension plan investments	1,023,514	-
Changes in proportion and differences between City contributions and proportionate share of contributions	77,254	7,545
City contributions during measurement date	3,293	5,757
City contributions subsequent to the measurement date	379,928	-
Total	<u>\$ 2,049,498</u>	<u>\$ 430,761</u>

\$379,928 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 or addition to the net pension liability (asset) in the year ended June 30, 2025. 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:		
2025	\$	208,618
2026		16,985
2027		815,572
2028		196,758
2029		876
	<u>\$</u>	<u>1,238,809</u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	3.5% to 12% 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 and inactive vested members: PubS-2010 Employee (Below Median) Mortality Table with rates set forward 2 years and projected generationally using SOA Scale MP-2021.

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Healthy retirees: PubS-2010 Healthy Retiree (Below Median) Mortality Table with rates set forward 2 years and projected generationally using SOA scale MP-2021.

Beneficiaries: Pub-2010 Contingent Survivor (Below Median) Mortality Table with rates set forward 2 years and projected generationally using SOA Scale MP-2021.

Disabled retirees: PubS-2010 Disabled Retiree Mortality Table with rates projected to 2023 using SOA Scale MP-2021.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2017, to June 30, 2022.

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, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	5.78%
Domestic equity	7.73%
International equity	11.55%
Real estate	7.66%
Private Equity	11.64%

The current allocation policy is that approximately 65% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 20% 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

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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)	\$ 1,950,444	\$ (206,579)	\$ (2,032,899)

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

As of 07/01/23

<u>Provision</u>	<u>OkMRF Plan</u>
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

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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 month certain and life thereafter basis. Employees may elect, with City consent, option form based on actuarial equivalent.

B. Employees Covered by Benefit Terms

	<u>City</u>	<u>DIA</u>	<u>Total</u>
Active Employees	137	0	145
Deferred Vested Former Employees	40	0	40
Disabled Participants	7	0	7
Survivors in Payment Status	6	0	6
Retirees or Retiree Beneficiaries	<u>63</u>	<u>0</u>	<u>73</u>
Total	<u>253</u>	<u>0</u>	<u>253</u>

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 2.08% of the covered payroll as of 7-1-24 and 2.95% of the covered payroll as of 7-1-23. For the year ended June 30, 2024, the City recognized \$534,153 of employer contributions to the plan which is more than the actuarially determined amount based on covered payroll of \$6,990,006.

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Actuarial Assumptions

Date of Last Actuarial Valuation	July 1, 2023
a. Actuarial cost method	Entry age normal
b. Rate of Return on Investments and Discount Rate	7.25%
c. Projected Salary Increase	Varies between 7.5% and 4.5% 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 1 st 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	PubG-2010 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.

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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, 2023, are summarized in the following table:

	<u>Target Allocation</u>	<u>Real Return</u>	<u>Weighted Return</u>
Large cap stocks S&P 500	25%	4.55%	114.00%
US Small/mid cap stocks Russell 2500	10%	5.00%	0.50%
Int'l developed mkts equity MSCI EAFE	20%	6.20%	1.24%
Int'l emerging mkts equity MSCI EM net div	5%	6.40%	0.32%
Private equity MSCI ACWI net div	5%	6.05%	30.00%
US fixed income bonds Barclay's US	20%	2.55%	51.00%
Real estate NCFEIF	15%	4.95%	0.74%
Cash equivalents 3 month Treasury	0%	15.00%	0.00%
TOTAL	<u>100%</u>		
Average Real Return			4.75%

Changes in Net Pension Liability – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2023, 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, 2023, and the City's report ending date of June 30, 2024, that would have had a significant impact on the net pension liability. The following table reports the components of changes in net pension liability:

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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	<u>\$ 26,137,012</u>	<u>\$ 26,500,840</u>	<u>\$ (363,828)</u>
Changes for the Year:			
Service cost	634,670	-	634,670
Interest expense	1,908,935	-	1,908,935
Changes of assumptions	(498,993)		(498,993)
Differences between expected and actual experience	-	-	-
Contributions--City	-	505,886	(505,886)
Contributions--members	-	332,328	(332,328)
Net investment income	-	2,393,141	(2,393,141)
Benefits paid	(1,394,298)	(1,394,298)	-
Plan administrative expenses	-	(58,535)	58,535
Net Changes	<u>650,314</u>	<u>1,778,522</u>	<u>(1,128,208)</u>
Balances End of Year	<u>\$ 26,787,326</u>	<u>\$ 28,279,362</u>	<u>\$ (1,492,036)</u>

Sensitivity of the net pension liability (asset) 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)	\$ 1,654,460	\$ (1,492,036)	\$ (4,124,685)

The City reported (\$257,934) in pension expense (benefit) for the year ended June 30, 2024. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Primary Government	Deferred Inflows Primary Government
Differences between expected and actual experience	\$ -	\$ 383,951
Changes of assumptions	-	237,958
Net difference between projected and actual earnings on pension plan investments	1,498,948	-
Changes in proportion and differences between City contributions and proportionate share of contributions	26,421	16,084
City contributions during measurement date	10,440	17,721
City contributions subsequent to the measurement date	534,153	-
Total	<u>\$ 2,069,962</u>	<u>\$ 655,714</u>

The \$534,153 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 or addition to the net pension liability (asset) in the year ended June 30, 2025.

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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:

	<u>Primary Government</u>
Year ended June 30:	
2025	\$ (67,421)
2026	16,512
2027	1,016,645
2028	<u>(85,641)</u>
	<u>\$ 880,095</u>

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 the 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, 2024, the City contributed \$5,691 to the plan, while the employee contributions totaled \$1,806.

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

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REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedule (Budgetary Basis) – Year Ended June 30, 2024

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	<u>\$ 2,499,402</u>	<u>\$ 3,101,545</u>	<u>\$ 14,361,439</u>	<u>\$ 11,259,894</u>
Resources (Inflows):				
Taxes	13,826,523	13,826,523	14,330,003	503,480
Intergovernmental	660,153	676,146	577,965	(98,181)
Charges for services	102,500	102,500	170,363	67,863
Fines and forfeitures	581,400	581,400	715,511	134,111
Licenses and permits	363,000	363,000	402,198	39,198
Investment income	35,000	35,000	288,926	253,926
Miscellaneous	69,350	213,186	170,380	(42,806)
Other financing sources	2,300,000	2,300,000	2,300,000	-
Total Resources	<u>17,937,926</u>	<u>18,097,755</u>	<u>18,955,346</u>	<u>857,591</u>
Amounts available for appropriation	<u>20,437,328</u>	<u>21,199,300</u>	<u>33,316,785</u>	<u>12,117,485</u>
Charges to Appropriations (Outflows):				
City Administration	752,426	895,426	879,893	15,533
City Clerk	106,086	102,086	91,760	10,326
City Treasurer	403,007	406,007	377,471	28,536
City Attorney	100,000	130,000	74,270	55,730
General Government	962,821	1,232,353	630,012	602,341
Neighborhood Services	559,238	569,238	358,026	211,212
Police	5,938,744	6,188,230	5,513,292	674,938
Fire	4,220,829	4,424,079	4,351,385	72,694
Municipal Court	188,523	194,523	175,551	18,972
Civil Emergency Management	557,287	560,300	490,006	70,294
Community Development	525,068	525,068	377,179	147,889
Economic Development	182,897	192,197	136,954	55,243
Streets	1,756,826	1,848,047	1,407,400	440,647
City Garage	335,336	335,336	296,466	38,870
Parks, Recreation and General Services	955,983	956,891	800,054	156,837
Swimming Pool	221,619	221,619	156,530	65,089
Public Library	811,566	813,193	773,722	39,471
Senior Citizens Center	137,193	154,392	131,530	22,862
Other Financing Uses - Transfers Out	1,721,879	1,450,315	1,450,315	-
Total Charges to Appropriations	<u>20,437,328</u>	<u>21,199,300</u>	<u>18,471,816</u>	<u>2,727,484</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,844,969</u>	<u>\$ 14,844,969</u>

Unaudited

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Budgetary Comparison Schedule (Budgetary Basis) – Year Ended June 30, 2024, Continued

SPECIAL REVENUE - 1/4% ECONOMIC DEVELOPMENT FUND				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 3,243,900	\$ 2,614,000	\$ 5,535,677	\$ 2,921,677
Resources (Inflows):				
Taxes	1,138,455	1,138,455	1,245,612	107,157
Investment income	12,000	12,000	44,493	32,493
Miscellaneous income	-	-	3,542	3,542
Amounts available for appropriation	<u>4,394,355</u>	<u>3,764,455</u>	<u>6,829,324</u>	<u>3,064,869</u>
Charges to appropriations (outflows):				
Economic development	4,357,690	2,799,040	-	2,799,040
Transfers out - component unit	<u>36,665</u>	<u>965,415</u>	<u>71,660</u>	<u>893,755</u>
Total Charges to Appropriations	<u>4,394,355</u>	<u>3,764,455</u>	<u>71,660</u>	<u>3,692,795</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,757,664</u>	<u>\$ 6,757,664</u>

SPECIAL REVENUE - 5/8% SALES TAX EDUCATION FUND				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 467,967	\$ 467,967
Resources (Inflows):				
Taxes	3,185,619	3,185,619	3,611,669	426,050
Amounts available for appropriation	<u>3,185,619</u>	<u>3,185,619</u>	<u>4,079,636</u>	<u>894,017</u>
Charges to appropriations (outflows):				
General government-transfers out	<u>3,185,619</u>	<u>3,185,619</u>	<u>3,621,532</u>	<u>(435,913)</u>
Total Charges to Appropriations	<u>3,185,619</u>	<u>3,185,619</u>	<u>3,621,532</u>	<u>(435,913)</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 458,104</u>	<u>\$ 458,104</u>

Unaudited

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SPECIAL REVENUE - DURANT DEVELOPMENT AUTHORITY				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance, Restated	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Transfers in	3,185,619	3,185,619	3,621,532	435,913
Amounts available for appropriation	<u>3,185,619</u>	<u>3,185,619</u>	<u>3,621,532</u>	<u>435,913</u>
Charges to appropriations (outflows):				
Economic development	<u>3,185,619</u>	<u>3,185,619</u>	<u>3,621,532</u>	<u>(435,913)</u>
Total Charges to Appropriations	<u>3,185,619</u>	<u>3,185,619</u>	<u>3,621,532</u>	<u>(435,913)</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPECIAL REVENUE - DURANT TAX INCREMENT FINANCE AUTHORITY				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance, Restated	\$ 7,271	\$ 7,271	\$ 1,279,909	\$ 1,272,638
Resources (Inflows):				
Taxes	2,367,406	2,367,406	2,881,443	514,037
Investment income	-	-	108,298	108,298
Amounts available for appropriation	<u>2,374,677</u>	<u>2,374,677</u>	<u>4,269,650</u>	<u>1,894,973</u>
Charges to appropriations (outflows):				
Economic development	<u>2,374,677</u>	<u>2,374,677</u>	<u>2,373,797</u>	<u>880</u>
Total Charges to Appropriations	<u>2,374,677</u>	<u>2,374,677</u>	<u>2,373,797</u>	<u>880</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,895,853</u>	<u>\$ 1,895,853</u>

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.

Unaudited

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

	<u>General Fund</u>
Total budgetary amounts available for appropriation	\$33,316,785
Current year on behalf payments made by state	1,218,546
Less: Other financing sources	(2,300,000)
Beginning budgetary fund balance	<u>(14,361,439)</u>
Actual revenues per Statement of Revenues and Expenditures and Changes in Fund Balance	<u>\$17,873,892</u>
 Total budgetary charges to appropriations	 \$18,471,816
Net difference in prior year and current year payroll accruals	154,493
Less: Other financing uses	(1,450,315)
Current year on behalf payments made by state	<u>1,218,546</u>
Actual expenditures and transfers per Statement of Revenues and Expenditures and Changes in Fund Balance	<u>\$18,394,540</u>

4. The City had negative variances in the following funds and departments for the following amounts:

5/8% Sales Tax Education Fund - General Government	(\$435,913)
Durant Development Authority - General Government-Transfers Out	(\$435,913)

Unaudited

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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	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.688374%	0.685132%	0.650685%	0.662943%	0.643774%	0.676549%	0.656971%	0.669146%	0.608551%	0.582789%
City's proportionate share of the net pension liability	\$ 7,078,874	\$ 7,272,054	\$ 7,949,524	\$ 8,337,995	\$ 7,246,617	\$ 7,148,870	\$ 8,093,308	\$ 4,406,774	\$ 7,958,227	\$ 7,519,442
City's covered-employee payroll	\$ 1,788,012	\$ 1,868,206	\$ 1,900,625	\$ 1,951,518	\$ 1,914,700	\$ 2,097,823	\$ 2,106,650	\$ 2,105,993	\$ 2,079,143	\$ 2,643,199
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	396%	389%	418%	427%	378%	341%	384%	209%	383%	284%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	84.24%	69.49%	68.12%

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

Notes to Schedule:

Current measurement date is June 30, 2023

SCHEDULE OF CITY CONTRIBUTIONS

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorially required contribution	\$ 262,072	\$ 266,089	\$ 273,213	\$ 268,059	\$ 293,695	\$ 294,930	\$ 294,192	\$ 292,878	\$ 293,053	\$ 370,027
Contributions in relation to the statutorially required contribution	262,072	266,089	273,213	268,059	293,695	294,930	294,192	292,878	293,053	370,027
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,868,206	\$ 1,900,625	\$ 1,951,518	\$ 1,914,700	\$ 2,097,823	\$ 2,106,650	\$ 2,105,993	\$ 2,079,143	\$ 2,093,237	\$ 2,643,199
Contributions as a percentage of covered-employee payroll	14.03%	14.00%	14.00%	14.00%	14.00%	14.00%	13.97%	14.09%	14.00%	14.00%

CITY OF DURANT, OKLAHOMA
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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	2020	2021	2022	2023	2024
City's proportion of the net pension liability (asset)	0.8113%	0.8804%	0.8469%	0.8646%	0.7956%	0.7485%	0.7924%	0.7469%	0.6973%	0.6764%
City's proportionate share of the net pension liability (asset)	\$ (273,169)	\$ 35,899	\$ 1,296,951	\$ 66,503	\$ (378,977)	\$ (47,783)	\$ 910,053	\$ (3,582,947)	\$ (559,193)	\$ (206,579)
City's covered-employee payroll	\$ 2,191,728	\$ 2,395,574	\$ 2,498,075	\$ 2,674,985	\$ 2,393,906	\$ 2,447,776	\$ 2,660,910	\$ 2,463,796	\$ 2,483,593	\$ 2,901,352
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%	1.95%	34.20%	145.42%	22.52%	7.12%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%	101.02%

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

Notes to Schedule:

Current year measurement date is June 30, 2023.

SCHEDULE OF CITY CONTRIBUTIONS

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	\$ 312,317	\$ 324,679	\$ 347,748	\$ 313,991	\$ 317,698	\$ 345,918	\$ 322,718	\$ 326,228	\$ 332,087	\$ 379,928
Contributions in relation to the statutorily required contribution	312,317	324,679	347,748	313,991	317,698	345,918	322,718	326,228	332,087	379,928
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$2,395,574	\$2,498,075	\$2,674,985	\$2,393,906	\$2,447,776	\$2,660,910	\$2,463,796	\$2,483,593	\$2,531,819	\$2,901,352
Contributions as a percentage of covered-employee payroll	13.04%	13.00%	13.00%	13.12%	12.98%	13.00%	13.10%	13.14%	13.12%	13.09%

CITY OF DURANT, OKLAHOMA
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Required Supplementary Information
Oklahoma Municipal Retirement Fund

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Service cost	\$ 474,442	\$ 504,423	\$ 535,334	\$ 520,170	\$ 567,186	\$ 498,246	\$ 586,155	\$ 592,412	\$ 620,167	\$ 634,670
Interest	1,339,625	1,397,991	1,511,043	1,524,210	1,617,469	1,670,475	1,802,092	1,848,312	1,890,531	1,908,935
Changes of benefit terms	-	-	-	-	-	-	10,144	-	-	-
Differences between expected and actual experience	-	224,049	(1,156,893)	73,474	(557,229)	13,151	(630,750)	(609,076)	(45,676)	(498,993)
Changes of assumptions	-	-	-	577,148	-	598,473	-	-	(864,167)	-
Benefit payments, including refunds of member contributions	(555,849)	(618,337)	(719,024)	(720,157)	(874,167)	(968,910)	(1,084,067)	(1,221,164)	(1,318,029)	(1,394,298)
Net change in total pension liability	1,258,218	1,508,126	170,460	1,974,845	753,259	1,811,435	683,574	610,484	282,826	650,314
Total pension liability - beginning	17,083,785	18,342,003	19,850,129	20,020,589	21,995,434	22,748,693	24,560,128	25,243,702	25,854,186	26,137,012
Total pension liability - ending (a)	\$ 18,342,003	\$ 19,850,129	\$ 20,020,589	\$ 21,995,434	\$ 22,748,693	\$ 24,560,128	\$ 25,243,702	\$ 25,854,186	\$ 26,137,012	\$ 26,787,326
Plan fiduciary net position										
Contributions - employer	\$ 493,430	\$ 461,861	\$ 442,455	\$ 467,299	\$ 358,545	\$ 386,867	\$ 407,750	\$ 440,305	\$ 456,723	\$ 505,886
Contributions - member	174,621	177,044	179,833	186,706	178,254	182,243	245,863	289,293	300,086	332,328
Net investment income	2,676,643	532,000	176,438	2,411,380	1,609,044	1,571,394	988,086	6,774,152	(3,799,438)	2,393,141
Benefit payments, including refunds of member contributions	(555,849)	(618,337)	(719,024)	(720,157)	(874,167)	(968,910)	(1,084,067)	(1,221,164)	(1,318,029)	(1,394,298)
Administrative expense	(39,638)	(39,943)	(38,554)	(42,698)	(46,535)	(48,991)	(49,785)	(50,213)	(52,832)	(58,535)
Net change in plan fiduciary net position	2,749,207	512,625	41,148	2,302,530	1,225,141	1,122,603	507,847	6,232,373	(4,413,490)	1,778,522
Plan fiduciary net position - beginning	16,220,856	18,970,063	19,482,688	19,523,836	21,826,366	23,051,507	24,174,110	24,681,957	30,914,330	26,500,840
Plan fiduciary net position - ending (b)	\$ 18,970,063	\$ 19,482,688	\$ 19,523,836	\$ 21,826,366	\$ 23,051,507	\$ 24,174,110	\$ 24,681,957	\$ 30,914,330	\$ 26,500,840	\$ 28,279,362
Net pension liability (asset) - ending (a) - (b)	\$ (628,060)	\$ 367,441	\$ 496,753	\$ 169,068	\$ (302,814)	\$ 386,018	\$ 561,745	\$ (5,060,144)	\$ (363,828)	\$ (1,492,036)
Plan fiduciary net position as a percentage of the total pension liability	103.42%	98.15%	97.52%	99.23%	101.33%	98.43%	97.77%	119.57%	101.39%	105.57%
Covered employee payroll	\$ 4,936,396	\$ 5,050,820	\$ 5,146,282	\$ 5,529,720	\$ 5,092,952	\$ 5,208,258	\$ 5,487,903	\$ 5,785,855	\$ 6,247,240	\$ 6,406,134
Net pension liability (asset) as a percentage of covered-employee payroll	12.72%	7.27%	9.65%	3.06%	5.95%	7.41%	10.24%	-87.46%	-5.82%	-23.29%

Notes to Schedule:

This information includes activity for the City

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Required Supplementary Information
Oklahoma Municipal Retirement Fund

Schedule of Employer Contributions

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 462,585	\$ 443,916	\$ 483,908	\$ 358,544	\$ 386,867	\$ 399,519	\$ 527,094	\$ 451,675	\$ 336,322	\$ 555,705
Contributions in relation to the actuarially determined contribution	462,585	443,916	483,908	358,544	386,867	407,750	440,305	475,415	503,077	534,153
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,231)</u>	<u>\$ 86,789</u>	<u>\$ (23,740)</u>	<u>\$ (166,755)</u>	<u>\$ 21,552</u>
Covered employee payroll	\$5,050,820	\$5,146,282	\$5,529,720	\$5,092,952	\$5,208,258	\$5,487,903	\$5,785,855	\$6,247,240	\$6,406,134	\$6,990,006
Contributions as a percentage of covered-employee payroll	9.16%	8.63%	8.75%	7.04%	7.43%	7.43%	7.61%	7.61%	7.85%	7.64%

Notes to Schedule:

1. Latest Valuation Date: July 1, 2023
2. Actuarially determined contribution rate is calculated as of July 1, 2014, July 1, 2015, July 1, 2016, July 1, 2017, July 1, 2018, July 1, 2019 and July 1, 2020
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%.
Fiscal year 2019-2020 contributions are set at a rate of 7.28%.
Fiscal year 2020-2021 contributions are set at a rate of 9.11%. City decided to have employees pay 1.5% of this instead of the City, therefore, the true city contribution rate is 7.61%.
Fiscal year 2021-2022 contributions are set at a rate of 7.23%. City decided to continue paying the prior year percentage rate of 7.61%.
Fiscal year 2022-2023 contributions are set at a rate of 5.25%. City decided to continue paying a higher percentage rate of 7.85%.
Fiscal year 2023-2024 contributions are set at a rate of 7.95%. City decided to continue paying a higher percentage rate of 7.64%
3. Methods and assumptions used to determine contribution rates:
Actuarial cost method - Entry age normal
Amortization method - Level percent of payroll, closed
Remaining amortization period - 21 years
Asset valuation method - Actuarial:
Smoothing period - 4 years
Recognition method - Non-asymptotic
Corridor - 70% - 130%
Salary increases - 4.50% to 7.50% (varies by attained age)
Investment rate of return - 7.50%
4. This information includes activity for the City

CITY OF DURANT, OKLAHOMA
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SUPPLEMENTARY INFORMATION

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Combining Balance Sheet – General Fund Accounts – June 30, 2024

	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	\$ 8,377,509	\$ 112,520	\$ 133,708	\$ 1,044	\$ 115,952	\$ 882,195	\$ 9,622,928
Investments	5,142,852	-	-	-	-	-	5,142,852
Due from other governments	1,725,449	-	-	-	-	-	1,725,449
Miscellaneous taxes receivable	114,350	-	-	-	-	-	114,350
Court fines receivable, net	79,154	-	-	-	-	-	79,154
Other receivables	56,895	3,320	-	-	-	-	60,215
Lease receivables	144,865	27,822	17,465	-	-	-	190,152
Total assets	<u>\$ 15,641,074</u>	<u>\$ 143,662</u>	<u>\$ 151,173</u>	<u>\$ 1,044</u>	<u>\$ 115,952</u>	<u>\$ 882,195</u>	<u>\$ 16,935,100</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 205,446	\$ 21,379	\$ -	\$ -	\$ 1,555	\$ 122,828	\$ 351,208
Accrued payroll liabilities	656,632	-	-	-	-	25,760	682,392
Due to other funds	498	-	-	-	-	-	498
Due to bondholders	723	-	-	-	-	-	723
Unearned revenue	580,399	-	-	-	-	-	580,399
Total liabilities	<u>1,443,698</u>	<u>21,379</u>	<u>-</u>	<u>-</u>	<u>1,555</u>	<u>148,588</u>	<u>1,615,220</u>
Deferred Inflows of Resources:							
Deferred inflows-leases	144,377	27,538	17,733	-	-	-	189,648
Unavailable revenue	19,155	-	-	-	-	-	19,155
Total deferred inflows of resources	<u>163,532</u>	<u>27,538</u>	<u>17,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>208,803</u>
Fund balances:							
Assigned	2,500,000	94,745	133,440	1,044	114,397	733,607	3,577,233
Unassigned	11,533,844	-	-	-	-	-	11,533,844
Total fund balances	<u>14,033,844</u>	<u>94,745</u>	<u>133,440</u>	<u>1,044</u>	<u>114,397</u>	<u>733,607</u>	<u>15,111,077</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 15,641,074</u>	<u>\$ 143,662</u>	<u>\$ 151,173</u>	<u>\$ 1,044</u>	<u>\$ 115,952</u>	<u>\$ 882,195</u>	<u>\$ 16,935,100</u>

CITY OF DURANT, OKLAHOMA
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Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund
Accounts – Year Ended June 30, 2024

	<u>General Fund</u>	<u>Cemetery Operations Account</u>	<u>Beautification Account</u>	<u>Christmas Lighting Account</u>	<u>Insurance Cash Account</u>	<u>Multi-Sports Complex Account</u>	<u>Total</u>
REVENUES							
Taxes	\$ 14,330,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,330,003
Intergovernmental	1,796,511	-	-	-	-	-	1,796,511
Charges for services	170,363	29,584	-	-	-	100,372	300,319
Licenses and permits	402,198	-	-	-	-	-	402,198
Fines and forfeitures	715,511	-	-	-	-	-	715,511
Investment income	288,926	1,724	1,792	14	-	7,280	299,736
Miscellaneous	170,380	11,843	17,732	-	-	3,838	203,793
Total revenues	<u>17,873,892</u>	<u>43,151</u>	<u>19,524</u>	<u>14</u>	<u>-</u>	<u>111,490</u>	<u>18,048,071</u>
EXPENDITURES							
Current:							
General government	2,425,900	-	702	-	471,423	-	2,898,025
Public safety	11,848,133	-	-	-	-	-	11,848,133
Public works	2,096,595	-	-	-	-	-	2,096,595
Culture, tourism and recreation	1,886,463	-	-	-	-	642,856	2,529,319
Cemetery	-	120,460	-	-	-	-	120,460
Economic development	137,449	-	-	-	-	-	137,449
Capital Outlay	-	-	-	-	-	364,745	364,745
Debt Service:							
Principal	-	-	-	-	-	14,472	14,472
Interest and other charges	-	-	-	-	-	528	528
Total expenditures	<u>18,394,540</u>	<u>120,460</u>	<u>702</u>	<u>-</u>	<u>471,423</u>	<u>1,022,601</u>	<u>20,009,726</u>
Excess (deficiency) of revenues over expenditures	(520,648)	(77,309)	18,822	14	(471,423)	(911,111)	(1,961,655)
OTHER FINANCING SOURCES (USES)							
Interaccount transfers	(421,879)	90,000	-	-	137,987	193,892	-
Transfers in	2,300,000	600	-	-	213,031	-	2,513,631
Transfers out	(1,028,436)	-	-	-	-	-	(1,028,436)
Transfer from component unit	-	-	-	-	20,482	951,790	972,272
Total other financing sources and uses	<u>849,685</u>	<u>90,600</u>	<u>-</u>	<u>-</u>	<u>371,500</u>	<u>1,145,682</u>	<u>2,457,467</u>
SPECIAL ITEM							
Net change in fund balances	329,037	13,291	18,822	14	(99,923)	234,571	495,812
Fund balances - beginning	13,704,807	81,454	114,618	1,030	214,320	499,036	14,615,265
Fund balances - ending	<u>\$ 14,033,844</u>	<u>\$ 94,745</u>	<u>\$ 133,440</u>	<u>\$ 1,044</u>	<u>\$ 114,397</u>	<u>\$ 733,607</u>	<u>\$ 15,111,077</u>

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2024

	SPECIAL REVENUE FUNDS				
	Special 911 Tax Fund	R.L. Williams Library Fund	Drug Enforcement Fund	1/4% Sales Tax M.S. Fund	1/4% Sales Tax SOSU Fund
ASSETS					
Cash and cash equivalents	\$ 1,443,242	\$ 7,085	\$ 17,829	\$ -	\$ -
Investments	-	41,627	-	-	-
Miscellaneous taxes receivable	-	-	-	-	-
Due from other funds	498	-	-	-	-
Due from other governments	-	-	-	157,955	157,955
Other receivables	102,644	-	-	-	-
Total assets	<u>\$ 1,546,384</u>	<u>\$ 48,712</u>	<u>\$ 17,829</u>	<u>\$ 157,955</u>	<u>\$ 157,955</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,511	\$ -	\$ 60	\$ -	\$ -
Accrued payroll liabilities	43,880	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other component unit	-	-	-	-	-
Total liabilities	<u>46,391</u>	<u>-</u>	<u>60</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Restricted	-	45,853	-	157,955	157,955
Assigned	1,499,993	2,859	17,769	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>1,499,993</u>	<u>48,712</u>	<u>17,769</u>	<u>157,955</u>	<u>157,955</u>
Total liabilities and fund balances	<u>\$ 1,546,384</u>	<u>\$ 48,712</u>	<u>\$ 17,829</u>	<u>\$ 157,955</u>	<u>\$ 157,955</u>

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2024, (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	\$ -	\$ 547,680	\$ 155,080	\$ (108,105)	\$ 2,062,811
Investments	-	421,060	-	-	462,687
Miscellaneous taxes receivable	34,214	-	-	-	34,214
Due from other funds	-	-	-	-	498
Due from other governments	-	-	-	146,558	462,468
Other receivables	-	-	-	-	102,644
Total assets	<u>\$ 34,214</u>	<u>\$ 968,740</u>	<u>\$ 155,080</u>	<u>\$ 38,453</u>	<u>\$ 3,125,322</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 27,125	\$ -	\$ -	\$ 29,696
Accrued payroll liabilities	-	-	-	-	43,880
Due to other funds	-	-	-	-	-
Due to other component unit	34,214	-	-	-	34,214
Total liabilities	<u>34,214</u>	<u>27,125</u>	<u>-</u>	<u>-</u>	<u>107,790</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	146,558	146,558
Fund balances:					
Restricted	-	113,227	130,799	-	605,789
Assigned	-	828,388	24,281	-	2,373,290
Unassigned (deficit)	-	-	-	(108,105)	(108,105)
Total fund balances	<u>-</u>	<u>941,615</u>	<u>155,080</u>	<u>(108,105)</u>	<u>2,870,974</u>
Total liabilities and fund balances	<u>\$ 34,214</u>	<u>\$ 968,740</u>	<u>\$ 155,080</u>	<u>\$ 38,453</u>	<u>\$ 3,125,322</u>

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Year Ended June 30, 2024

	SPECIAL REVENUE FUNDS				
	Special 911 Tax Fund	R.L. Williams Library Fund	Drug Enforcement Fund	1/4% Sales Tax M.S. Fund	1/4% Sales Tax SOSU Fund
REVENUES					
Taxes	\$ 591,604	\$ -	\$ -	\$ 1,245,612	\$ 1,245,612
Intergovernmental	2,993	-	-	-	-
Charges for services	111,398	-	-	-	-
Investment earnings	17,226	108	-	-	-
Miscellaneous	13	-	-	-	-
Total revenues	723,234	108	-	1,245,612	1,245,612
EXPENDITURES					
Current:					
Public safety	660,344	-	10,450	-	-
Debt Service:					
Principal	39,698	-	-	-	-
Interest and other charges	5,753	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	705,795	-	10,450	-	-
Excess (deficiency) of revenues over expenditures	17,439	108	(10,450)	1,245,612	1,245,612
OTHER FINANCING SOURCES (USES)					
Transfers in	400,000	-	-	-	-
Transfers out	(5,189)	-	(1,379)	-	-
Transfer to component unit	-	-	-	(1,250,473)	(1,250,473)
Net change in fund balances	412,250	108	(11,829)	(4,861)	(4,861)
Fund balances - beginning	1,087,743	48,604	29,598	162,816	162,816
Fund balances - ending	\$ 1,499,993	\$ 48,712	\$ 17,769	\$ 157,955	\$ 157,955

(Continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Year Ended June 30, 2024, (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	\$ 440,966	\$ -	\$ -	\$ -	\$ 3,523,794
Intergovernmental	-	-	-	304,073	307,066
Charges for services	-	-	3,241	-	114,639
Investment earnings	-	22,061	2,050	-	41,445
Miscellaneous	-	66,182	-	-	66,195
Total revenues	440,966	88,243	5,291	304,073	4,053,139
EXPENDITURES					
Current:					
Public safety	-	-	-	-	670,794
Debt Service:					
Principal	-	-	-	-	39,698
Interest and other charges	-	-	-	-	5,753
Capital outlay	-	68,204	-	307,956	376,160
Total expenditures	-	68,204	-	307,956	1,092,405
Excess (deficiency) of revenues over expenditures	440,966	20,039	5,291	(3,883)	2,960,734
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	400,000
Transfers out	-	-	(600)	-	(7,168)
Transfer to component unit	(440,966)	-	-	-	(2,941,912)
Net change in fund balances	-	20,039	4,691	(3,883)	411,654
Fund balances - beginning	-	921,576	150,389	(104,222)	2,459,320
Fund balances - ending	\$ -	\$ 941,615	\$ 155,080	\$ (108,105)	\$ 2,870,974

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
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Combining Statement of Net Position – Internal Service Funds – June 30, 2024

	<u>Employee Health Fund</u>	<u>Worker's Compensation Fund</u>	<u>Info Tech Service Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,514,349	\$ 877,713	\$ 889,623	\$ 4,281,685
Total current assets	<u>2,514,349</u>	<u>877,713</u>	<u>889,623</u>	<u>4,281,685</u>
Non-current assets:				
Capital Assets:				
Other capital assets, net of depreciation	-	-	287,304	287,304
Total non-current assets	<u>-</u>	<u>-</u>	<u>287,304</u>	<u>287,304</u>
Total assets	<u>2,514,349</u>	<u>877,713</u>	<u>1,176,927</u>	<u>4,568,989</u>
LIABILITIES				
Current liabilities:				
Accounts payable	-	-	6,222	6,222
Accrued payroll liabilities	-	-	19,852	19,852
Estimated liability for claims	-	548,334	-	548,334
Lease payable - current	-	-	28,083	28,083
Subscription obligations - current	-	-	98,982	98,982
Accrued compensated absences - current	-	-	3,872	3,872
Total current liabilities	<u>-</u>	<u>548,334</u>	<u>157,011</u>	<u>705,345</u>
Non-current liabilities:				
Lease payable - noncurrent	-	-	61,722	61,722
Accrued compensated absences - noncurrent	-	-	34,845	34,845
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>96,567</u>	<u>96,567</u>
Total liabilities	<u>-</u>	<u>548,334</u>	<u>253,578</u>	<u>801,912</u>
NET POSITION				
Net investment in capital assets	-	-	98,517	98,517
Unrestricted	2,514,349	329,379	824,832	3,668,560
Total net position	<u>\$ 2,514,349</u>	<u>\$ 329,379</u>	<u>\$ 923,349</u>	<u>\$ 3,767,077</u>

Combining Statement of Changes in Net Position—Internal Service Funds—Year Ended June 30, 2024

	<u>Employee Health Fund</u>	<u>Worker's Compensation Fund</u>	<u>Info Tech Service Fund</u>	<u>Total</u>
REVENUES				
Charges for services:				
Self insurance charges	\$ 2,508,901	\$ 404,550	\$ -	\$ 2,913,451
Miscellaneous	96,356	-	973,341	1,069,697
Total operating revenues	<u>2,605,257</u>	<u>404,550</u>	<u>973,341</u>	<u>3,983,148</u>
OPERATING EXPENSES				
Claims expense	2,522,025	269,891	-	2,791,916
Info tech services	-	-	609,637	609,637
Depreciation and amortization expense	-	-	151,626	151,626
Total operating expenses	<u>2,522,025</u>	<u>269,891</u>	<u>761,263</u>	<u>3,553,179</u>
Operating income	<u>83,232</u>	<u>134,659</u>	<u>212,078</u>	<u>429,969</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	58	10,333	10,804	21,195
Interest expense	-	-	(5,272)	(5,272)
Total non-operating revenue (expenses)	<u>58</u>	<u>10,333</u>	<u>5,532</u>	<u>15,923</u>
Change in net position	83,290	144,992	217,610	445,892
Total net position - beginning	2,431,059	184,387	705,739	3,321,185
Total net position - ending	<u>\$ 2,514,349</u>	<u>\$ 329,379</u>	<u>\$ 923,349</u>	<u>\$ 3,767,077</u>

CITY OF DURANT, OKLAHOMA
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As of and for the Year Ended June 30, 2024

Combining Schedule of Net Position – DCUA Accounts – June 30, 2024

City of Durant
Combining Statement of Net Assets
Other Enterprise Funds
June 30, 2024

	Utilities Authority Fund Accounts		
	Utilities Authority Account	UA Bonds Sinking Account	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,621,524	\$ 1,067,256	\$ 7,688,780
Restricted cash and cash equivalents	777,689	6,392,447	7,170,136
Investments	1,030,364	-	1,030,364
Advance to other funds	255,795	-	255,795
Accounts receivable, net of allowance	2,271,525	-	2,271,525
Total current assets	<u>10,956,897</u>	<u>7,459,703</u>	<u>18,416,600</u>
Non-current assets:			
Lease receivable	632,348	-	632,348
Net pension asset	553,536	-	553,536
Capital Assets:			
Land and other non-depreciable assets	5,531,780	-	5,531,780
Other capital assets, net of depreciation	37,219,769	-	37,219,769
Total noncurrent assets	<u>43,937,433</u>	<u>-</u>	<u>43,937,433</u>
Total assets	<u>54,894,330</u>	<u>7,459,703</u>	<u>62,354,033</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts related to pensions	<u>762,231</u>	<u>-</u>	<u>762,231</u>
LIABILITIES			
Current liabilities:			
Accounts payable	249,040	-	249,040
Accrued payroll liabilities	200,571	-	200,571
Accrued interest payable	212,816	-	212,816
Current portion of:			
Meter deposit liability	123,715	-	123,715
Notes payable	2,192,000	-	2,192,000
Landfill closure liability	35,411	-	35,411
Accrued compensated absences	33,673	-	33,673
Total current liabilities	<u>3,047,226</u>	<u>-</u>	<u>3,047,226</u>
Non-current liabilities:			
Meter deposit liability	494,862	-	494,862
Notes payable	18,188,725	-	18,188,725
Landfill closure liability	672,815	-	672,815
Accrued compensated absences	303,056	-	303,056
Total noncurrent liabilities	<u>19,659,458</u>	<u>-</u>	<u>19,659,458</u>
Total liabilities	<u>22,706,684</u>	<u>-</u>	<u>22,706,684</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows-leases	592,832	-	592,832
Deferred amounts related to pensions	248,756	-	248,756
Total current liabilities	<u>841,588</u>	<u>-</u>	<u>841,588</u>
NET POSITION			
Net investment in capital assets	22,370,907	5,640,501	28,011,408
Restricted for debt service	(53,787)	751,946	698,159
Unrestricted	9,791,169	1,067,256	10,858,425
Total net position	<u>\$ 32,108,289</u>	<u>\$ 7,459,703</u>	<u>\$ 39,567,992</u>

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Combining Schedule of Revenues, Expenses, and Changes in Net Position – DCUA Accounts – Year Ended June 30, 2024

	Utilities Authority Fund Accounts		
	Utilities Authority Account	UA Bonds Sinking Account	Total
REVENUES			
Charges for services:			
Water charges	\$ 4,813,331	\$ -	\$ 4,813,331
Sewer charges	3,278,934	-	3,278,934
Water and sewer taps	252,705	-	252,705
Penalties	111,494	-	111,494
Non-payment fees	124,203	-	124,203
Sanitation charges	4,932,687	-	4,932,687
Landfill gate fees	190,251	-	190,251
Lab tests	19,906	-	19,906
Rentals	74,659	-	74,659
Transfer station fees	172,612	-	172,612
Recyclable products	7,199	-	7,199
Miscellaneous	139,641	-	139,641
Total operating revenues	14,117,622	-	14,117,622
OPERATING EXPENSES			
Public works administration	213,834	-	213,834
Utility billing	567,864	-	567,864
Water/sewer line maintenance	1,029,892	-	1,029,892
Water treatment plant	1,403,575	-	1,403,575
Wastewater treatment	1,120,523	-	1,120,523
Collection - solid waste	1,126,845	-	1,126,845
General government	176,362	-	176,362
Lake Durant	58,962	-	58,962
Disposal - solid waste	1,963,680	-	1,963,680
Debt issuance costs	465,500	-	465,500
Depreciation and amortization expense	2,979,978	-	2,979,978
Total operating expenses	11,107,015	-	11,107,015
Operating income	3,010,607	-	3,010,607
NON-OPERATING REVENUES (EXPENSES)			
Investment income	137,212	193,351	330,563
Interest expense and fiscal changes	(733,104)	-	(733,104)
Total non-operating revenue (expenses)	(595,892)	193,351	(402,541)
Income before contributions and transfers	2,414,715	193,351	2,608,066
Capital contributions	4,167,500	-	4,167,500
Interaccount transfers	2,615,120	(2,615,120)	-
Transfers in	600,000	2,714,323	3,314,323
Transfers out	(4,312,092)	(4,950,040)	(9,262,132)
Change in net position	5,485,243	(4,657,486)	827,757
Total net position - beginning	26,623,046	12,117,189	38,740,235
Total net position - ending	\$ 32,108,289	\$ 7,459,703	\$ 39,567,992

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

INTERNAL CONTROL AND COMPLIANCE INFORMATION

CITY OF DURANT, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

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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 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, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Durant, Oklahoma's basic financial statements, and have issued our report thereon dated July 29, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Durant, Oklahoma'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Durant, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Durant, Oklahoma'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Durant, Oklahoma'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "HBC CPA & Advisors". The signature is stylized and appears to be written with a pen.

Oklahoma City, Oklahoma
July 29, 2025



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: An chen Lai, Finance Director/Treasurer
Re: Consider Approval of Professional Services Agreement with Crawford and Associates (C-2025-58)

Council Information / Action Requested

Approval of Professional Services Agreement with Crawford and Associates (C-2025-58)

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

ATTACHMENTS:

1. C-2025-58 Professional Services Agreement with Crawford and Associates UNSIGNED

April 15, 2025

Honorable Mayor and Members of the City Council
City of Durant
P.O. Box 578
Durant, OK 74702-0578

To the Honorable Mayor and Members of the City Council:

Crawford & Associates, P.C. is pleased that the City of Durant (the City) continues to express its confidence in our firm and our state and local government expertise. We look forward to a continued long and successful relationship as an integral financial management resource to the City of Durant management and governing body.

We are prepared to provide a full range of accounting and consulting services to the City of Durant contingent upon approval of your management and/or governing body. The purpose of this engagement letter is to identify the scope of available services from Crawford & Associates, the specific initial services requested at this time, and to confirm the terms, objectives, and limitations of our engagement services.

Scope of Services

The scope of professional services that are available and can be provided to the City of Durant are outlined below under the heading *Scope of Available Services*. While this listing includes a range of services available from Crawford & Associates, the specific initial services requested to be provided at the current time are separately identified under the heading *Initial Services Requested*. Any additional services that are available from Crawford & Associates beyond these initially requested services can be provided upon subsequent specific request and agreement.

Scope of Available Services

- Preparation of Annual Financial Statements
- General Accounting and Advisory Assistance
- Budget Preparation and Amendment Assistance
- Capital Asset Records and Accounting Assistance
- Information Technology System Assistance
- Internal Control Policies and Procedures Assistance
- Labor Relations Consulting
- Laws and Regulations Compliance Assistance
- Investigation of Allegations or Concerns
- Tax and Other Regulatory Report Assistance

Initial Services Requested

- Preparation of Annual Financial Statements
- General Accounting and Advisory Assistance
- Assistance with year-end adjustments and entries in preparation for financial statement audit

Services Related to the Preparation of Annual Financial Statements

You have requested that we prepare the annual financial statements of the financial reporting entity of the City of Durant, Oklahoma as of and for the year ended June 30, 2025. Such financial statements will include:

- a. Basic Financial Statements, including notes to the financial statements
- b. Required Supplementary Information
- c. Supplementary Information (to the extent management elects to include)
- d. Other Information (to the extent management elects to include)

Crawford & Associates' Responsibilities

The objective of our engagement is to prepare the annual financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARSs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

Management Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARSs:

- a. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements
- b. The prevention and detection of fraud
- c. To ensure that the entity complies with the laws and regulations applicable to its activities
- d. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements

e. To provide us with:

- i. Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,
- ii. Additional information that may be requested for the purpose of the preparation of the financial statements, and
- iii. Unrestricted access to persons within the City of Durant, Oklahoma, of whom we determine necessary to communicate.

The financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them.

Other Requested and Available Services

In conjunction with the other requested and available services (other than the preparation of the annual financial statements) as identified in the Scope of Services section of this letter, Crawford & Associates will be responsible for providing such services upon request in accordance with the applicable professional standards of the AICPA. It is anticipated that most if not all of these other services will be performed in accordance with the standards applicable to consulting services as prescribed by the AICPA.

Crawford & Associates, is not obligated to, but may report or otherwise communicate to management any recommendations, it determines necessary, resulting from the professional services provided.

Management and the governing body will be responsible for establishing the scope of our other professional services to be provided and for providing the necessary resources allocated to the work; such responsibility includes determining the nature, scope, and extent of the services to be performed, providing sufficient appropriation for the estimated cost of these services, providing overall direction and oversight for each service, and reviewing and accepting the results of the work.

Access to Working Papers and Reports

Any working papers prepared by Crawford & Associates in connection with performing the financial statement preparation and other professional services are the property of Crawford & Associates. Upon request, copies of any or all working papers and reports that we consider to be nonproprietary will be provided to management. Management may make such copies available to its external auditors and to certain regulators in the exercise of their statutory oversight responsibilities. Such copies may not be made available to any other third party without the prior written consent from Crawford & Associates.

Fees and Costs

Fees and out-of-pocket expenses for this engagement will be billed as the work progresses and payable upon receipt of our invoices. Out-of-pocket expenses include such costs incurred by Crawford & Associates in providing the services including travel, lodging, telecommunications, printing, document reproduction, and the like. Our fees for these services will be billed at our standard hourly rates, as follows, for the individual performing such services based on the actual number of hours of work, including travel time, performed by that individual.

Standard Hourly Rates:

- Firm President \$275
- Shareholders \$190
- Senior Managers \$170
- Managers \$150
- Senior Professional Staff \$130
- Professional Staff \$90
- Clerical Staff \$60

Because Crawford & Associates has no direct control over the type and amount of services requested by the management or the governing body during the term of this engagement, nor does Crawford & Associates have direct control over the quality of your accounting system or records, potential turnover of your staff, or your staffing levels, resources, or capabilities, it is impractical for us to provide an accurate amount of hours that will be required for the services requested or a not-to-exceed limit on fees and expenses charged. We will rely on you to provide us with a copy of approved purchase orders, containing estimated fees and expenses, monitor the cumulative fees and expenses charged, and notify us if and when the cumulative amount approaches the total appropriated level estimated. You also agree to provide sufficient appropriation for all services requested prior to the services being performed. For your purchase order preparation purposes, we estimate that the fees for the services anticipated at this time, as defined in the Scope of Services section of this letter, will approximate \$65,000, unless the City requests additional services outside the scope of this agreement, or substantial changes are made to the City's reporting entity or annual activity, or turnover of key staff at the City occurs, at which we will approach management and possibly the governing body at that time about possible adjustments to our fee range. In the event we complete FY 2025 prior to the end of FY 2026, we may begin interim preparations in the spring of 2026 to facilitate a more timely issuance of FY 2026's financial statements.

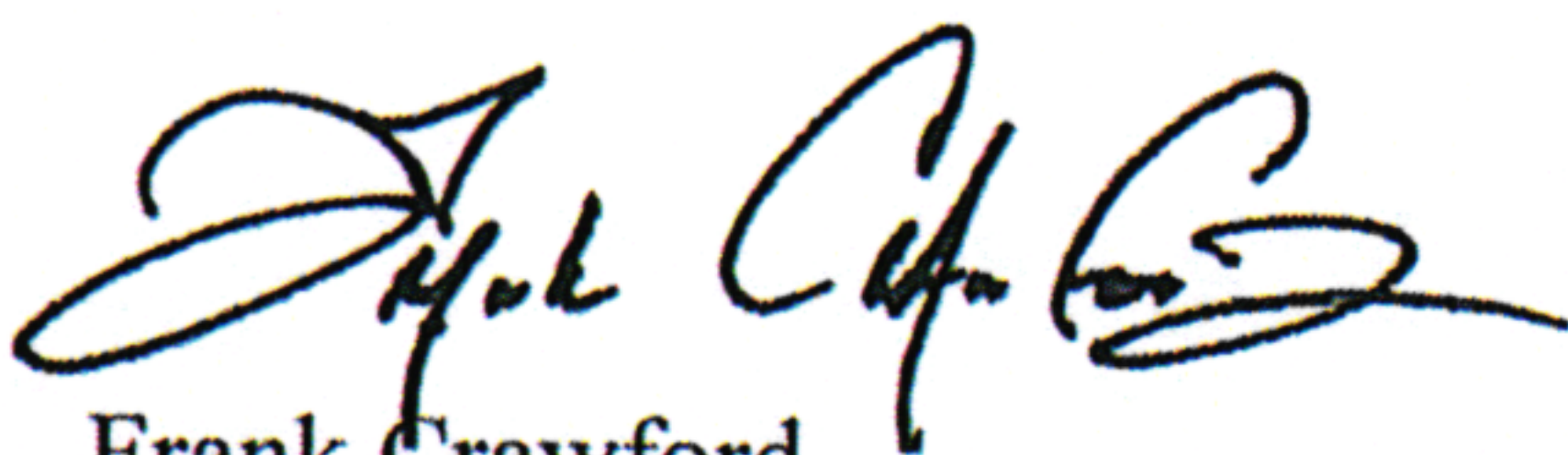
The term of this engagement is a period from July 1, 2025 through June 30, 2026. Crawford & Associates may perform additional services upon receipt of a formal request from management or the governing body with terms and conditions that are acceptable to both parties.

The agreements and undertakings contained in this engagement letter, shall survive the completion or termination of this engagement.

Acceptance

Please indicate your acceptance of this agreement by signing in the space provided below and returning this engagement letter to us. A duplicate copy of this engagement letter is provided for your records. We look forward to continuing our professional relationship with the City of Durant.

Respectfully submitted and agreed to by,



Frank Crawford
Crawford and Associates, P.C.



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: An chen Lai, Finance Director/Treasurer
Re: Consider Approval of Professional Services Agreement with HBC CPAs & Advisors for the Fiscal Year Ending June 30, 2025 (C-2025-62)

Council Information / Action Requested

Approval of Professional Services Agreement with HBC CPAs & Advisors for the Fiscal Year Ending June 30, 2025 (C-2025-62)

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

ATTACHMENTS:

1. C-2025-62 HBC CPAs & Advisors Professional Services Agreement for FY2024-2025 UNSIGNED



August 8, 2025

Mayor and City Council
City of Durant, Oklahoma

We are pleased to confirm our understanding of the services we are to provide City of Durant, Oklahoma for the year ended June 30, 2025.

Audit Scope and Objectives

We will audit 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, including the related disclosures to the financial statements, which collectively comprise the basic financial statements of City of Durant, Oklahoma as of and for the year ended June 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Durant, Oklahoma's 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. As part of our engagement, we will apply certain limited procedures to City of Durant, Oklahoma's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedules and Notes
- 3) Schedules of Required Supplementary Information – Oklahoma Police Pension Retirement Plan
- 4) Schedules of Required Supplementary Information – Oklahoma Fire Pension Retirement Plan
- 5) Schedules of Required Supplementary Information – Oklahoma Municipal Retirement System

We have also been engaged to report on supplementary information other than RSI that accompanies City of Durant, Oklahoma's financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Expenditures of Federal Awards and Related Notes
- 2) Combining and Individual Fund Financial Statements and Schedules

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of *Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of the accounting records, a determination of major programs in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste and abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We also will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risks of material misstatement as part of our audit planning: revenue recognition and management override of controls

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Durant, Oklahoma's compliance with the provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of City of Durant, Oklahoma's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on City of Durant, Oklahoma's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers) and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that

we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Other Services

We will apply the agreed-upon procedures which the City of Durant, Oklahoma and the Oklahoma Department of Environmental Quality ("DEQ") has designed and specified on the closure and post-closure costs associated with the City's landfill for the year ended June 30, 2025. The agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contain in *Government Auditing Standards* issued by the Comptroller General of the United States.

We may also assist in preparing the Annual Survey of Cities and Towns for the State Auditor's office (Form 2643) based on information provided by you.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of HBC CPAs & Advisors and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to your cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of HBC CPAs & Advisors personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by your cognizant or oversight agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Chris Heim is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fees for these services will be as follows:

- Our fees for the audit of your financial statements will be \$28,750.
- Our fee for the OMB Uniform Guidance audit will be an additional \$4,900 per the first two major funds audited. Each additional major fund will be an additional \$2,000 with a not to exceed price of \$12,000 for the total Uniform Guidance Audit.
- Our fee for the Agreed Upon Procedures will be \$4,450.
- Travel is estimated to be \$925.

If additional services are necessary, our billing rates for each staff level are as follows:

Partner-\$190 per hour
Manager-\$110 per hour
Staff associates-\$90 per hour
Support staff-\$55 per hour

In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. The professional fees above are only for audit services, the City or its consultants would be responsible for the preparation of compiled GASB No. 34 financial statements, preparing the necessary government wide conversion entries and the capital asset recordkeeping. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Our audit programs, forms and schedules are web based. We must have internet access for at least two computers during our fieldwork so that we may work as efficiently as possible. We prefer that such access is wireless, however, a direct connection to the internet through an ethernet port is acceptable. We do not need access to your electronic accounting records, accounting software or your server unless you prefer to grant such access to accommodate our audit searches and testing.

Reporting

We will issue a written report upon completion of our audit of City of Durant, Oklahoma's financial statements and Single Audit. Our report will be addressed to the City Council of City of Durant, Oklahoma. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

August 8, 2025
City of Durant, Oklahoma
Page | 8

We appreciate the opportunity to be of service to City of Durant, Oklahoma and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,
HBC CPAs & Advisors
HBC CPAs & Advisors

RESPONSE:
This letter correctly sets forth the understanding of City of Durant, Oklahoma.

By: _____

Title: _____

Date: _____



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: Richard Ezell, Director
Re: Consider Approval of Mutual Aid Agreement between the City of Durant and Durant Independent School District C-2025-57

This is a MOU between the City of Durant and Durant Independent School District. There has been no written agreement in the past for the City of Durant to utilize DISD's buses in the event an evacuation was needed to move residents from a location.

Council Information / Action Requested

Consider, Discuss, Approve and Mayor's signature

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

Keep a copy of the document

ATTACHMENTS:

1. Memo - City of Durant and DISD MOU
2. C-2025-57 Transportation MOU - City of Durant and DISD



The City of Durant

Office of Emergency Management

5861 Cessna Dr.
Durant, OK 74701
(580) 924-3661

Memorandum

Date: July 25, 2025
To: Mayor and City Council
From: Richard Ezell, Emergency Management Director
Re: Acceptance of a Mutual Aid Agreement with the Durant Independent School District

Council Information / Action Requested

- Request the Mayor and Council accept a Mutual Aid Agreement with the Durant Independent School District.
- All actions should take no longer than five minutes.

City Staff Information / Action Follow-up

- I, Richard Ezell, have provided all documentation needed for the agreement with the Durant Independent School District.
- I, Richard Ezell, will act as the point of contact for the agreement.
- I, Richard Ezell, will submit a signed agreement to the city clerk staff for filing.
- I, Richard Ezell, will coordinate the distribution of the signed copies of the agreement.
- I, Richard Ezell, will retain an original signed agreement at the EOC.

Mutual Aid Agreement

Between the City of Durant, Oklahoma and Durant Independent School District

Agreement Title: Emergency Transportation Assistance Agreement

Effective Date: August 12, 2025

Duration: This agreement shall remain in effect until terminated by either party with 30 days' written notice.

I. Purpose

This Mutual Aid Agreement is entered into by and between the **City of Durant** ("City") and **Durant Independent School District** ("DISD") for the purpose of establishing a cooperative framework for the use of DISD-owned school buses and transportation personnel in the event of an emergency that requires mass transportation of individuals within or outside the city limits.

II. Authority

This agreement is authorized under applicable Oklahoma statutes and local ordinances allowing intergovernmental cooperation in emergency response and disaster preparedness.

III. Scope

This agreement allows the City of Durant to request the use of school buses, bus drivers, and necessary support personnel from Durant Independent School District for the purpose of:

- Evacuating residents from at-risk or disaster-affected areas
- Transporting residents to emergency shelters
- Assisting in medical or special-needs transport, as needed
- Supporting other public safety missions that involve mass transportation

IV. Responsibilities

City of Durant

- Will coordinate all emergency operations through the **Durant Emergency Operations Center (EOC)**
- Will identify and request specific transportation needs in a timely manner
- Will provide security (police/fire) to assist with loading/unloading operations
- Will assume liability for passengers once aboard buses during City-requested operations
- Will reimburse DISD for fuel, maintenance, and other operational costs, as agreed upon

Durant Independent School District

- Will provide buses and certified school bus drivers to assist with evacuation and transport efforts, subject to availability
 - Will ensure that all vehicles used are roadworthy, insured, and compliant with state transportation regulations
 - Will coordinate directly with the City's designated emergency transportation coordinator for deployment
 - Will maintain records of usage, fuel, hours, and costs for reimbursement
-

V. Activation

This agreement may be activated by:

- A formal **request from the City Manager, Emergency Management Director**, or their designee, and
- **Approval by the Superintendent** of Durant Independent School District or their designee

Requests may be verbal in urgent situations but must be followed by written documentation within 48 hours.

VI. Reimbursement

The City of Durant agrees to reimburse DISD for the following expenses incurred during the use of buses under this agreement:

- Fuel and maintenance costs
- Driver wages and overtime, if applicable
- Damages or losses not covered by DISD insurance

A detailed invoice will be submitted by DISD to the City within 30 days following the conclusion of the emergency response.

VII. Insurance and Liability

Each party shall maintain its own liability insurance as required by Oklahoma law. DISD remains responsible for its employees and vehicles unless otherwise agreed. The City assumes liability for passengers during emergency transportation initiated by the City.

VIII. Termination

Either party may terminate this agreement with **30 days written notice**. This agreement may also be suspended temporarily by mutual consent during non-school operating periods or in the event of driver unavailability.

IX. Points of Contact

City of Durant

- Emergency Management Director, Richard Ezell
Phone: (580) 924-3737 (O), (580) 775-5888 (C)
Email: rezell@durant.org

Durant Independent School District

- Superintendent, Mark Moring
Phone: (580) 924-1276 (O), (405) 659-0968 (C)
Email: mark.moring@durantisd.org
-

X. Signatures

City of Durant, Oklahoma

Signature: _____

Name: Martin Tucker

Title: Mayor, City of Durant

Date: _____

Durant Independent School District

Signature:  _____

Name: Mark Moring

Title: Superintendent, Durant Independent School District

Date: 7-28-25



The City of Durant

[AGENDA_ITEM_DEPARTMENT]

Memorandum

Date: 8/12/2025
To: Mayor and City Council
From: Pam Polk, City Manager
Re: Consider Approval of Resolution Supporting Continued Participation in Main Street Programs (R-2025-05)

Council Information / Action Requested

Approval of Resolution Supporting Continued Participation in Main Street Programs (R-2025-05)

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

ATTACHMENTS:

1. R-2025-05 Supporting Continued Participation in Main Street Programs UNSIGNED

Resolution R-2025-05

Supporting Continued Participation in Main Street Programs

WHEREAS, the Oklahoma Main Street Center has been established in the Oklahoma Department of Commerce to assist small towns and cities to develop a public/ private effort to revitalize their “Main Street” areas, and

WHEREAS, the City of Durant desires to continue participating in the Oklahoma Main Street Center,

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DURANT:

SECTION 1. That the City of Durant supports the participation in the 2025 / 2026 Oklahoma Main Street Center with the specific goal of revitalizing the historic central business district using the Main Street 4-Point Approach™ to economic revitalization.

Section 2. That the City of Durant understands that the Main Street Approach is a long-term process that results in a continual effort to maintain and enhance downtown/historic commercial districts.

ADOPTED THIS 12th DAY OF AUGUST, 2025.

Mayor Martin Tucker

Attest

City Secretary