

City of McLoud Financial Audits (2011-2023)

Integrity of the Game vs Economic Impact (Politics); The Oklahoma Business Plan

This briefing document summarizes the main themes, important ideas, and financial data points identified in the State Audit reports for the City of McLoud, Oklahoma, spanning fiscal years 2011 to 2023. These reports, titled "ANNUAL SURVEY OF CITY AND TOWN FINANCES," provide a consistent framework for tracking the city's revenues, expenditures, debt, and cash holdings over time.

Overall Structure and Content of the Audit Reports:

The audit reports follow a standardized format prescribed by the Oklahoma State Auditor and Inspector. Key sections consistently present information on:

Tax Revenues: Details all city-imposed taxes, excluding service charges and special assessments.

Intergovernmental Revenue: Reports grants and payments received from federal, state, and county governments.

Other Revenues: Includes utility sales and charges, other sales and service revenue, and miscellaneous income.

Direct Expenditures by Purpose and Type: Categorizes spending across various governmental functions (administration, judicial, public safety, utilities, etc.), breaking it down by personal services, operations and maintenance, construction, and capital outlay.

Intergovernmental Expenditures: Details payments made to other governmental entities for services.

Salaries, Wages, and Force Account: Reports total expenditures for salaries and wages.

Debt Outstanding and Retired: Tracks long-term and short-term debt, including sewer and water supply system debt.

Cash and Investments Held at End of Fiscal Year: Summarizes cash on hand and investments across different fund types (sinking funds, bond funds, all other funds, retirement systems).

Supplementary Instructions: Clarifies which entities and activities should be included in the report (e.g., public trusts, utility authorities).

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Key Themes and Observations Across the Audit Reports:

Water and Sewer Infrastructure:

The City of McLoud consistently reports significant activity related to its water supply and sewer systems. This is evident in the dedicated sections for revenue (sewerage charges, water supply system), expenditures (water supply system, sewers and storm sewers), and long-term debt (sewer debt, water supply system debt).

Revenue Examples: In FY 2011, sewerage charges were reported at \$304,046 and water supply system revenue at \$463,948. By FY 2023, these figures were \$359,486 and \$592,703, respectively, showing a general upward trend.

Expenditure Examples: In FY 2012, water supply system expenditures were \$95,782 (personal services & operations) and sewers and storm sewers were \$51,575. In FY 2023, these increased to \$156,461 and \$187,455, respectively, indicating potential investments and operational changes.

Debt: The city consistently carries long-term debt associated with its water supply system. For example, the outstanding water supply system debt at the beginning of FY 2012 was \$4,708,270, which decreased to \$3,295,393 by the beginning of FY 2018, then slightly increased to \$3,385,801 by the beginning of FY 2023. Sewer debt also appears, though often with a zero balance outstanding.

Quote (FY 2011): The report details revenue from "Sewerage charges 304,046 A92" and "Water supply system 463,948 A81." It also shows expenditures for "a. Water supply system 113,072 192,579 - -" and "e. Sewers and storm sewers - Construction, maintenance and operation and sanitary and storm sewer systems and sewage disposal plants 75,381 60,141 - -".

Public Safety Focus:

Expenditures related to police and fire services consistently represent a significant portion of the city's budget.

Expenditure Examples: Police expenditures in FY 2011 were \$378,958 (personal services) and \$133,053 (operations). By FY 2023, these had risen to \$622,304 and \$171,681, respectively. Similar trends can be observed for fire services.

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Grants: The city periodically receives grants designated for public safety purposes. For instance, FY 2012 shows "Public safety - - - C89 D89 B89" under grants received.

Quote (FY 2012): The report includes "13. Police - Include municipal police agencies... 378,958 133,053 - -" and "13. Fire - All costs incurred for firefighting and fire prevention... E24 E24 F24 G24".

Intergovernmental Revenue as a Significant Source:

Grants and payments from state and federal governments are a recurring and often substantial component of the City of McLoud's revenue.

Grant Categories: These grants cover various areas, including housing, economic and community development, transportation, water and wastewater utilities, parks and recreation, public safety, and more.

Fluctuations: The specific amounts and categories of grants received can vary significantly from year to year, reflecting changing priorities and availability of funding.

Examples: FY 2012 shows \$42,673 in grants for housing, economic, and community development, while FY 2017 shows \$39,250 for the same category. FY 2015 reports \$235,000 in streets grants. FY 2022 shows "Payments in lieu of taxes \$260,211" as intergovernmental revenue.

Quote (FY 2015): The report lists "6. Grants received for housing, economic, and community development" and "c. Public safety - \$32,305" under intergovernmental revenue.

Economic and Community Development Activities:

The city reports expenditures related to economic and community development, though the amounts can fluctuate.

Expenditure Examples: FY 2011 shows \$69,385 in economic development expenditures. This figure decreased to \$49,429 in FY 2012 and then to \$5,133 in FY 2018 before increasing to \$8,627 in FY 2023.

Quote (FY 2011): Under "Other Expenditures," the report details "b. Economic development - 69,385 - -".

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Long-Term Debt Management:

The reports consistently track the outstanding and retired amounts of long-term debt, primarily related to the water supply system.

The "Outstanding total" for water supply system debt generally shows a decreasing trend over the period, indicating active debt management or repayments exceeding new issuances in many years.

Quote (FY 2012): The detail of long-term debt shows "b. Water supply system debt 4,708,270 - 212,981 4,495,289 - -".

Cash and Investment Holdings:

The reports provide a snapshot of the city's cash and investment balances at the end of each fiscal year, categorized by fund type (sinking funds, bond funds, all other funds, retirement systems).

The "All other funds except employee retirement funds" category typically holds the largest balance.

Example: In FY 2015, "All other funds except employee retirement funds" held \$1,113,034. In FY 2022, this balance was \$1,485,776.

Consistency in Reporting Structure:

The consistent format of the reports across all the reviewed years allows for longitudinal analysis of the city's financial activities and trends. The categorization of revenues and expenditures remains largely the same, facilitating comparisons over time.

Quote (FY 2014): The introduction states, "This report details the funds available to the municipality and the use of those funds including information relating to the duly constituted authorities of the municipality (public trusts, etc.) for the fiscal year ending _____ 2014." This same introductory language, with the year updated, appears in subsequent reports, highlighting the consistent reporting requirements.

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Important Considerations:

These reports are compilations based on the city's financial statements and are not full audits providing opinions on the fairness of the presentation.

The level of detail in the provided excerpts is limited to specific line items. A comprehensive understanding would require reviewing the complete reports.

Economic conditions, changes in state and federal funding, and local policy decisions can all influence the financial data presented in these reports.

This briefing document provides a high-level overview of the financial activities of the City of McLoud as reflected in the State Audit reports. Further detailed analysis of specific areas of interest can be conducted by examining the individual reports more closely.