



FY19

A collage of four photographs. The top-left photo shows a man in a dark hoodie and a beanie standing on a metal ramp. The top-right photo is a solid blue background with the white text "FY19". The bottom-left photo shows a person in camouflage clothing performing a trick on a bicycle on a ramp. The bottom-right photo shows a person in a white hoodie and a beanie standing on a metal ramp.

CITY OF STILLWATER

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019



STRICKLAND PARK SKATE PARK

Cover photo and photo above: The City of Stillwater celebrated the opening of Strickland Park Skate Park on Saturday, March 30, 2019, with a ribbon cutting. The skate park was funded with a Community Development Block Grant Project.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

And Accompanying Independent Auditor's Report
Fiscal Year Ended June 30, 2019

Prepared by
Department of Finance
Finance Director Christy Cluck

Melissa Reames
Deputy City Manager/Chief Financial Officer

Reference Copy





STILLWATER SISTER CITIES

The Stillwater Sister Cities Council celebrated the 22-anniversary of the installation of the International Friendship Garden at the Stillwater Community Center with a visit from the Kameoka Japanese Gardener Association.

CITY OF STILLWATER, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2019

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(continued...)

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INTRODUCTORY SECTION

Reference Copy





POP UP CITY HALL

Look for a bright blue and white umbrella at public events, and you will see a pop up city hall, which means you'll be able to talk with city management and elected officials about topics you are interested in.

LETTER OF TRANSMITTAL

Date: December 12, 2019

To the Honorable Mayor William H. Joyce, members of the City Council, and the Citizens of the City of Stillwater, Oklahoma:

The comprehensive annual financial report of the City of Stillwater (the "City"), for the fiscal year ended June 30, 2019, is submitted herewith. This report was prepared by the City's Department of Finance. Management assumes full responsibility for the completeness and reliability of the information contained in this report based on a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Management believes the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City in accordance with accounting principles generally accepted in the United States of America and, accordingly, all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The Oklahoma State Statutes, 11 O.S. § 17-105 (A) and City Charter require an annual audit by certified public accountants or qualified independent public accountants. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984, as amended in 1996, and related OMB circular A-133 and Government Auditing Standards issued by the Comptroller General of the United States. The independent certified public accountants that performed the audit were selected by the City Council upon recommendation from the City's Audit Committee.

The City's Audit Committee is a five-member advisory committee provided for under City Ordinance No. 1929. Under the provisions of the ordinance, the City Council appoints the committee. The purpose of the Audit Committee is to maintain independence between the outside auditors and city management. The primary responsibilities of the Audit Committee are to review and evaluate the year-end financial statements and independent auditors' report, review and report deficiencies in internal control, oversee the audit function, and to report to the City Council as required.

The independent audit firm, Berberich Trahan & Co., P.A. (Berberich), was selected by the City Council upon recommendation from the City's Audit Committee to perform the fiscal year 2019 audit. Berberich issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2019. The independent auditors' report is located at the front of the financial section of this report. The independent auditors' reports related specifically to the Single Audit are included in a separately bound Single Audit supplement.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Following the MD&A are the basic financial statements, including the government-wide financial statements, the fund financial statements, and the notes to the financial statements. The required supplementary information, combining financial statements, individual fund schedules, and the statistical section complete the CAFR.

PROFILE OF THE CITY OF STILLWATER

The City of Stillwater, located in north central Oklahoma, is a municipal corporation organized in 1891 under a Municipal Charter pursuant to Article XVIII of the Constitution and laws of the State of Oklahoma. The City currently has a land area of 28 square miles and a population of over 48,000. Located in Payne County, the City serves as a regional center for shopping, entertainment, health care, and education. Stillwater is home to Oklahoma State University.

GOVERNMENTAL STRUCTURE

The City is governed under the council-manager form of government according to its charter adopted in 1960 and provides such services as are authorized by its Charter to promote the public health, safety, and general welfare of the City and its citizens. Policymaking and legislative authority are vested in the governing body, which consists of a five-member council. The five councilors, including the mayor, are elected at-large on a non-partisan basis. Councilors may serve for a maximum of twelve years. The mayor is elected at-large by the citizenry while the vice-mayor is elected by the council from its membership. The council holds regular meetings on the first and third Monday evenings each month. The Stillwater City Council hires the city manager, who in turn appoints its department heads.

TYPES OF SERVICES PROVIDED AND REPORTING ENTITY

The City's financial reporting entity includes all the funds of the primary government (i.e., the City of Stillwater as legally defined) as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The City provides the full range of municipal services contemplated by the City Charter. These include public safety (police, fire and emergency management), general government functions, recreation and culture, streets and sewers, human services, waste management, airport and public improvement.

Blended component units, although legally separate entities, are in substance part of the primary government's operations and are included as part of the primary government. Accordingly, the Stillwater Utilities Authority (SUA), Stillwater Economic Development Authority (SEDA), Stillwater Block 34 Trust (Block 34) and Stillwater Public Works Authority (SPWA) are reported as three enterprise funds and an internal service fund, respectively, of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government. The Stillwater Medical Center Authority is reported as a discretely presented proprietary component unit. The reporting entity is described in Note I to the combined financial statements in the financial section of this report.

THE BUDGET CYCLE

The City prepares its budget based on the guidelines found in O.S. 11 Section 17-201 – 17-216 (Municipal Budget Act). The fund types that are legally required to be appropriated by this Act are listed below:

- General Fund
- Special Revenue Funds
- Debt Service Fund
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds

The following process is required to adopt the annual budget.

- Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1.
- A public hearing shall be held no later than fifteen days (June 15) prior to July 1.
- Notice of the public hearing with the proposed budget summary shall be published in a newspaper not less than five days before the date of the hearing.
- After the public hearing and at least seven days (June 23) prior to July 1, City Council shall adopt the budget by resolution.

- The adopted budget shall be filed with the Office of State Auditor and Inspector within thirty days after the beginning of the fiscal year.

The City operates under conservative budgetary practices. Revenue is estimated using historical data and is adjusted based on current trends and economic performance. Only revenues expected to be received in cash during the year or soon thereafter are included in revenue estimates along with unreserved fund balance expected to be available during the coming year. It is the City's policy to appropriate no more than the current year estimated revenues, including beginning unreserved fund balance and inter-fund transfers for each fund.

The administrative level of budgetary control is maintained at the character classification level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. The legal level of control at which expenditures and encumbrances may not exceed appropriations is at the department level within each fund. The method of budget adoption and amendment process is described in the Notes to RSI in the financial section of this report.

STILLWATER'S ECONOMY AND REVENUE OUTLOOK

The City has a diverse economy with a high degree of stability. Stillwater is the county seat for Payne County and houses other governmental entities and educational centers that provide a stable labor force. Oklahoma State University is the City's largest employer and the City is also the headquarters for the Oklahoma Department of Career and Technology Education and the Meridian Technology Center. Employment in the state and local government sectors account for approximately 40% of local wage and salary jobs. In addition, manufacturing and advanced technology companies cover a large share of the local economic base. Stillwater's cost of living remains well below the state and U. S. average.

Major commercial construction projects completed in Fiscal Year 2019 included high rise apartment complexes geared toward students and certain upgrades to the Stillwater Regional Airport in support of commercial air service from Dallas-Ft Worth to Stillwater. The performing arts center housed on the Oklahoma State University campus and expansion of the health care sector in the form of a heart and vascular institute are scheduled for completion during Fiscal Year 2020.

As with all Oklahoma municipalities, sales tax is the primary source of revenue to the general fund. Stillwater's current local sales tax rate is 3.5% with 0.5% dedicated to transportation, 1.0% dedicated to the Stillwater Utilities Authority, and 2.0% undedicated to the general fund. Over the last five fiscal years, sales and use taxes combined have averaged \$30,148,668. This average includes the dedicated sales tax of 1.5%. The City has experienced enhanced collections of sales and use taxes as a result of the Supreme Court decision in *South Dakota v. Wayfair* which requires the collection of sales tax by internet retailers; however, the process of enrolling and collecting from these retailers will take time. Recognizing that our revenue stream remains fairly flat, the City Council and staff undertook initiatives to develop other revenue streams that would finance economic growth and revitalization within Stillwater through direct and indirect growth of businesses and to reduce City operating expenses through proper alignment of budgets and strategic use of all resources.

MAJOR INITIATIVES

Strategic Plan: The City Council adopted Stillwater's Strategic Plan in January 2019 in conjunction with the FY2020 budget. The strategic plan serves as a road map to guide our community forward. It was inspired by and developed from city documents, budgets, financial plans, strategic planning sessions, and input from city staff and with strong leadership and direction from the City Council. Additional data from the 2010 US Census, the 2017 Citizen Satisfaction Survey, and a community branding audit provided insight as the plan was developed. The plan establishes broad community priorities coupled with specific performance objectives and outlines strategies that will help the City achieve those objectives. The plan will be reviewed at least annually as part of the budget process. The City is determined to make significant and measurable improvements in each priority area.

Late in Fiscal Year 2019 the City Council formed the Key Performance Indicator Task Force (Task Force). This task force is comprised of 9 citizens and 8 city staff and received the charge from City Council to develop key performance indicators to measure the benchmarks and improvements in each area of priority.

Alignment of Revenues and Expenditures: The City has experienced turn over in key positions since July 2015. These positions included the chief financial officer, city manager, transportation director, finance operations manager, deputy city manager/SUA director, and airport director. In response to these changes in leadership, City staff and Council began the process of systems evaluation. In December 2016, management and Council approved an \$8 million expenditure budget reduction coupled with a sales tax revenue budget reduction of \$1.7 million. Budgets for FY18 were created using the zero based budgeting methodology. Zero-based budgeting starts from a "zero base" and every function within an organization is analyzed for its needs and costs. Using this approach, an additional \$5 million reduction of expenditures was reached. The FY19 budget was created using the same zero based approach paired with a three year average of actual expenditures as a benchmark. This approach has been successful in right sizing expenditure budgets to align with City revenue streams while continuing to provide quality programing and services to our citizens. This process is aligned with Council's strategic priorities of effective services and accountable government and inspired management.

Tax Increment District #3: In an effort to increase sales and use tax revenue and provide financing assistance for economic development and revitalization of the Stillwater downtown campus corridor, management and City Council began formulating strategies that would accomplish these goals. In October 2017, Mayor Joyce along with a citizen plan review committee undertook the development and review of the (Re) Investment Plan (A Stillwater Downtown/Campus Link Project Plan) in accordance with the Oklahoma Local Development Act, 62 O.S. §850, et seq. The City Council passed Ordinance 3407 in June 2018 creating Increment District No. 3, City of Stillwater. Increment District No. 3 joins Districts No. 1 and 2 with one major distinction. District No. 3 is an ad valorem and sales tax funded increment district while Districts No. 1 and 2 are funded only by the undesignated portion of Stillwater sales tax. District No. 3 became effective on July 18, 2018. Council has formed a citizen review committee to evaluate proposed projects within District No. 3 and determine the funding to be awarded to each project. As of the end of FY19 the City had not received any applications for assistance through District No. 3. This plan is aligned with Council's strategic priorities of effective services and accountable government, inspired management, place and mobility, quality of life, and civic engagement.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

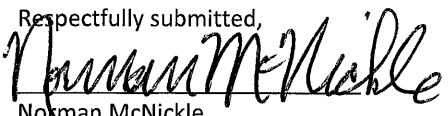
A Certificate of Achievement is valid for a period of one year. The City has received a Certificate of Achievement for the last thirty-seven consecutive years. We believe that our current report continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the dedicated services of the Finance Department with special thanks to Christy Cluck and the professional assistance of Crawford and Associates, P.C. and the City's independent auditors, Berberich Trahan & Co., P. A. In addition, thanks are extended to the members of the Audit Committee for their review and oversight of the audit process and to the members of the City Council for their interest and support in strengthening and improving the fiscal policies of the City.

The City will strive to continue to provide its citizens with quality services, management, and financial reporting.

Respectfully submitted,



Norman McNickle

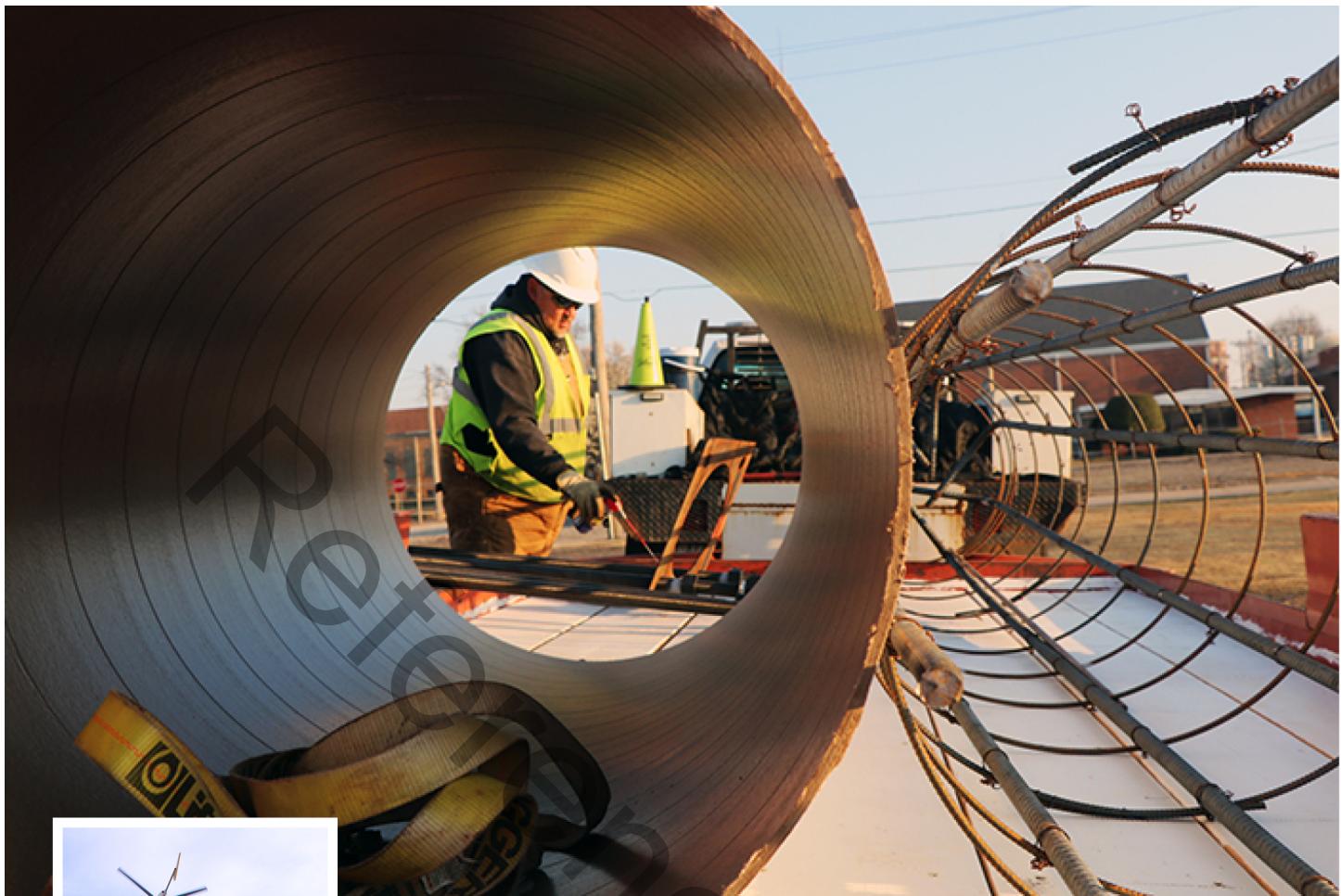
City Manager



Melissa Reames

Deputy City Manager/Chief Financial Officer

Reference Copy



BLOCK 34

Block 34 in Downtown Stillwater received a colorful wind turbine that was designed by Oklahoma State University College of Engineering, Architecture and Technology senior design students.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Stillwater
Oklahoma**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morris

Executive Director/CEO

CITY OFFICIALS AND AUDIT COMMITTEE

As of June 30, 2019

Mayor and City Council



Audit Committee

KELLY COX Committee Chair	JOHN KILLAM Member	WILLIAM HINTON Member	ANGELA SPENCER Member	AUSTIN POLLARD Member	JOHN WEDLAKE Ex-Officio Council Member
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City Administration

NORMAN McNICKLE City Manager	MELISSA REAMES Deputy City Manager/ Chief Financial Officer	PAULA DENNISON Assistant City Manager	JOHN DORMAN City Attorney
PATTI OSMUS Assistant to City Manager	JOHN McCLENNY Director of Special Projects	SHERRY FLETCHER Director of Marketing and Civic Engagement	TERESA KADAVY City Clerk

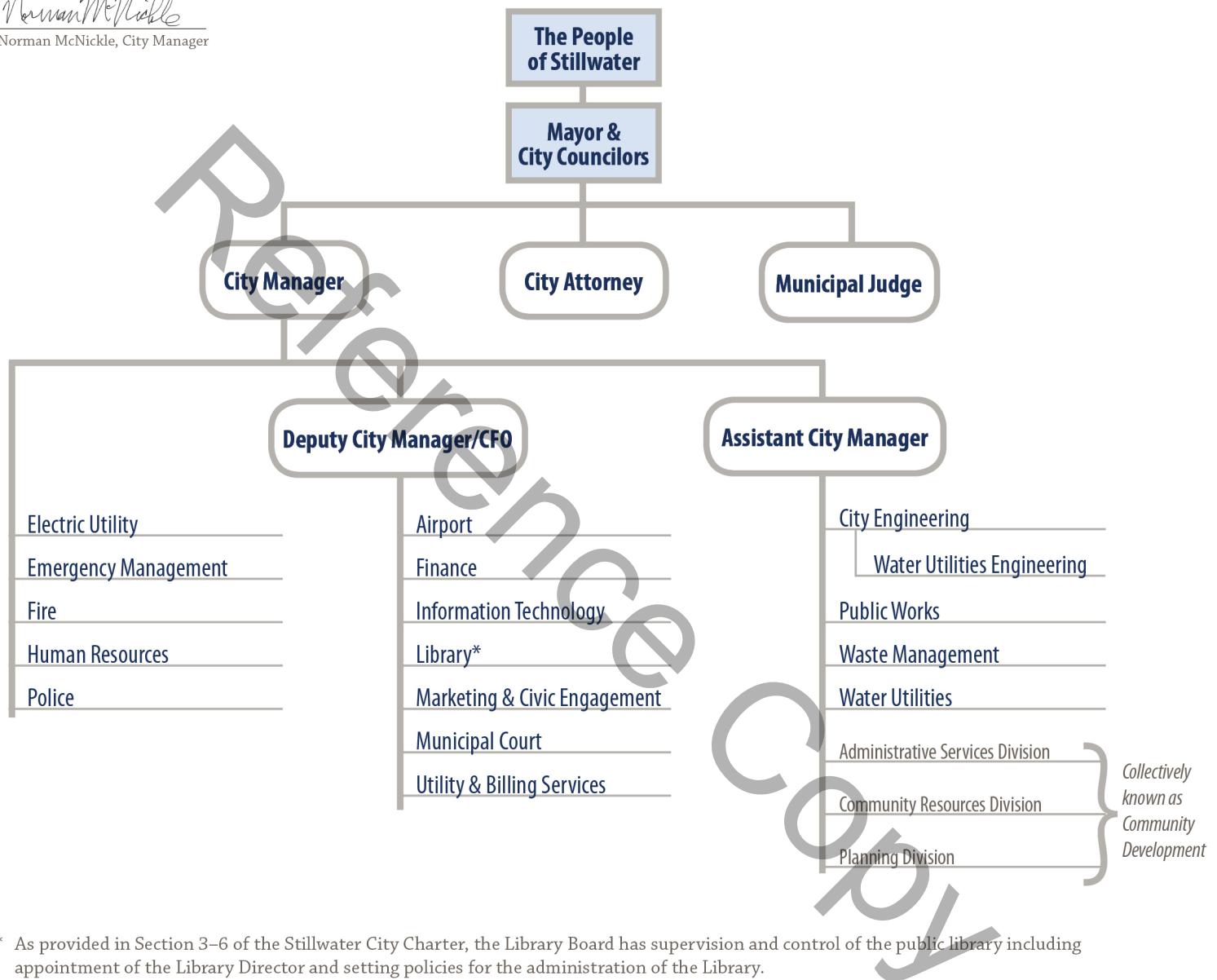
Department of Finance

CHRISTY CLUCK Director of Finance	KAMI KOONTZ Finance Operations Manager	DANIELLE EIKENBARY Accountant	RYAN HUNT Accountant
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Organization Chart—General Government

As of November 19, 2019

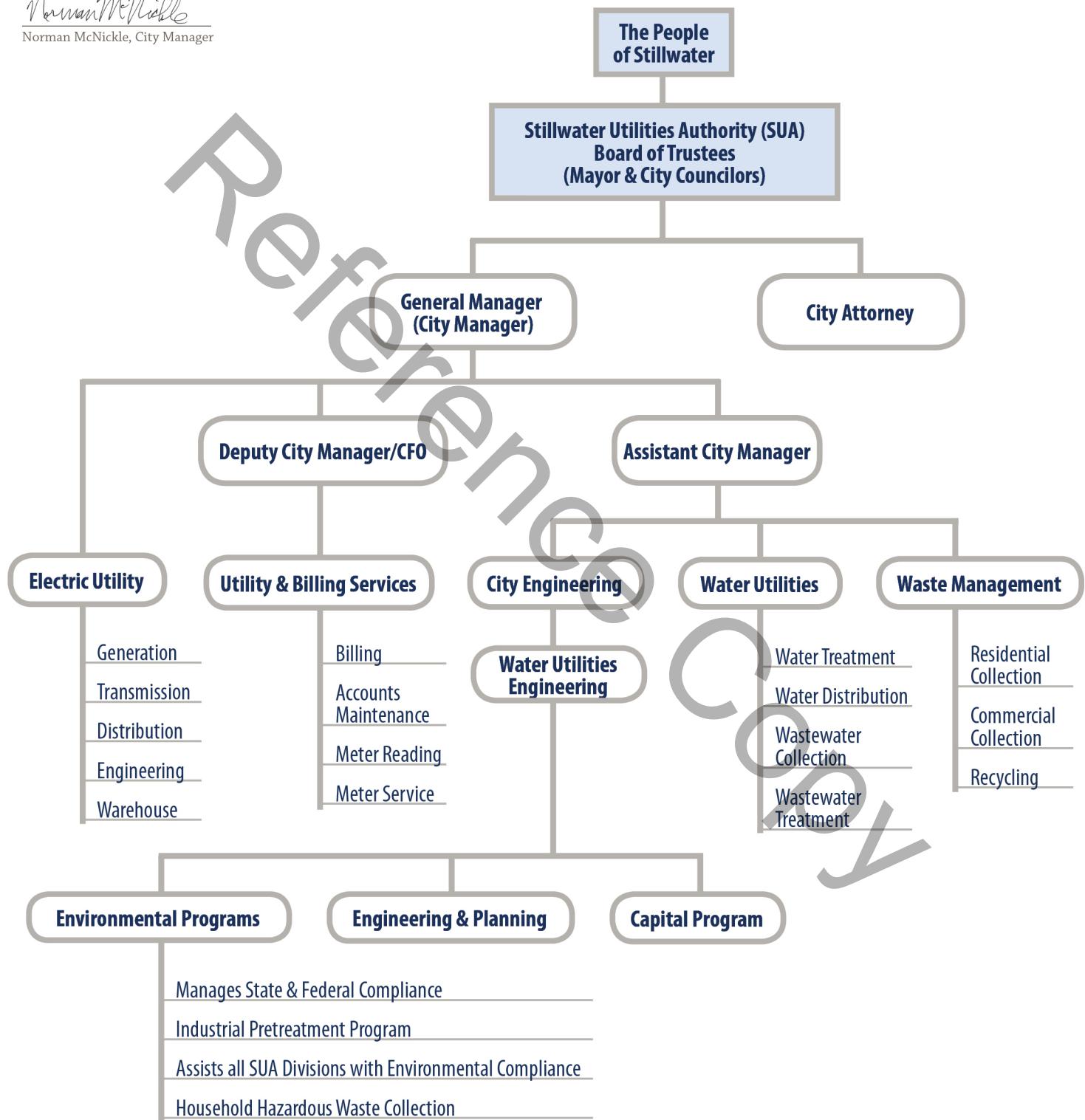
Norman McNickle
Norman McNickle, City Manager



Organization Chart—Stillwater Utilities Authority (SUA)

As of November 19, 2019

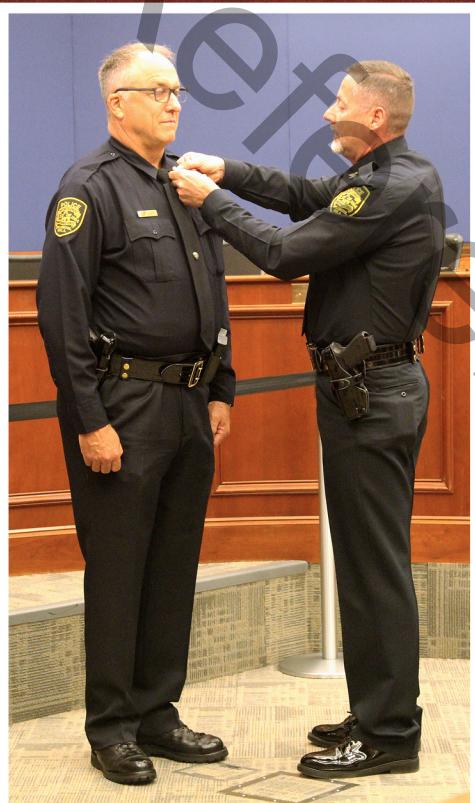
Norman McNickle
Norman McNickle, City Manager



FINANCIAL SECTION

Reference Copy





PINNING CEREMONIES

The Stillwater Police Department began holding pinning ceremonies for new officers and promotions. Three ceremonies were held in 2019.



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the
City Council
City of Stillwater, Oklahoma

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Stillwater Medical Center Authority, the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Stillwater Medical Center Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements and schedules, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 the City'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 the City's internal control over financial reporting and compliance.

Berwick Trahan + Co., P.A.

December 12, 2019
Topeka, Kansas



ADA-COMPLIANT SIDEWALKS

The City wrapped up the 2016 CDBG project that added ADA-compliant sidewalks along Airport Road from Wings of Hope toward the public bus stop.

CITY OF STILLWATER, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2019

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

As management of the City of Stillwater, we offer readers this narrative overview and analysis of the financial activities of the City of Stillwater for the fiscal year ended June 30, 2019. Please consider the information presented here in conjunction with the letter of transmittal in the Introductory Section of this report and the financial statements, which follow this management's discussion and analysis.

Overview of the Financial Statements in this Annual Report

This discussion and analysis is intended to serve as an introduction to the City of Stillwater's basic financial statements, comprising the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

The financial statements presented herein include all of the activities of the City of Stillwater (the "City"), the Stillwater Utilities Authority (the "SUA") and other component units.

Government-wide Financial Statements

The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in the City's net position are indicators of whether its financial health is improving, deteriorating or remaining steady. However, non-financial factors, such as changes in the City's tax base, the condition of the City's roads and the quality of services, must be considered to assess the overall health of the City.

The Statement of Activities presents information showing how the City's net position changed during the year. All revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid.

The government-wide statements of the City are divided into three categories:

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

Business-type 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 electric, water, wastewater, and waste management utilities are reported here, along with the airport.

Discretely-presented component units – The City's report has one discretely presented component unit, the Stillwater Medical Center Authority. Although a legally separate entity, this "component unit" is important because the City is financially accountable for them in some way. The Stillwater Medical Center Authority is a public trust of the City and the City is the beneficiary of the trust.

CITY OF STILLWATER, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2019

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Stillwater, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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. All of the funds of the City of Stillwater can be divided into three categories:

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 the modified accrual basis of accounting, which recognizes revenues when "measurable and available." The governmental fund statements provide a detailed, short-term view of the City's general government operations and the basic services 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 fund – 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 Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position. In fact, the City's proprietary funds are the same as the business-type activities reported in the government-wide statements, but the fund financial statements provide more detail and additional information, such as cash flows.

Fiduciary fund – The City is the trustee, or fiduciary, for other assets that are held for the benefit of third parties. All of the City's fiduciary activities are reported in the Statement of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in this fund are used for their intended purposes.

Notes to the Financial Statements

The notes provide additional information that is essential to gain understanding of the data provided in the government-wide and fund financial statements. The notes to the Financial Statements can be found following the Statement of Fiduciary Net Position.

The City as a Whole

For the year ended June 30, 2019, the net position for the governmental activities and business-type activities changed as follows:

The City of Stillwater's Net Position

(expressed in \$ 000s)

	Governmental	Business-type	
	Activities	Activities	Total
Beginning net position	\$ 82,695	\$ 227,823	\$ 310,518
Increase/(decrease)	11,720	3,591	15,311
Ending net position	<u>\$ 94,415</u>	<u>\$ 231,414</u>	<u>\$ 325,829</u>

CITY OF STILLWATER, OKLAHOMA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal Year Ended June 30, 2019

The above numbers reflect an increase of 14.2% in net position for governmental activities and an increase of 1.6% in net position for business-type activities. Overall, the net position for both governmental and business-type activities increased 4.9% for this fiscal year.

The following is a summary comparison of the change in net position from last year for the City of Stillwater:

The City of Stillwater's Net Position (expressed in \$ 000s)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$ 40,312	\$ 28,695	\$ 118,824	\$ 117,638	\$ 159,136	\$ 146,333
Capital assets	81,971	84,722	227,231	224,931	309,202	309,653
Total assets	122,283	113,417	346,055	342,569	468,338	455,986
Deferred Outflows	7,116	10,547	80	33	7,196	10,580
Liabilities:						
Long-term liabilities	27,281	31,621	107,201	98,055	134,482	129,676
Other liabilities	3,770	3,665	7,323	16,593	11,093	20,258
Total liabilities	31,051	35,286	114,524	114,648	145,575	149,934
Deferred Inflows	3,933	5,984	197	131	4,130	6,115
Net position:						
Net investment in capital assets	80,700	82,592	129,045	129,491	209,745	212,083
Restricted	21,520	18,658	2,818	2,918	24,338	21,576
Unrestricted	(7,805)	(18,556)	99,551	95,414	91,746	76,858
Total net position	\$ 94,415	\$ 82,694	\$ 231,414	\$ 227,823	\$ 325,829	\$ 310,517

At the end of the current fiscal year, the City of Stillwater is able to report positive balances in net position for the governmental activities and business-type activities as well as for the City as a whole.

The largest portion of the City's net position, 64.4%, reflects its investment in capital assets, less any related debt used to acquire those assets. Capital assets are items such as land, buildings, machinery and equipment, and infrastructure. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 7.5%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

Governmental Activities

Governmental activities increased the City of Stillwater's net position by \$1.1 million which contributed to a 1.4% increase of the net position of the City of Stillwater. The following provides details of the increase:

CITY OF STILLWATER, OKLAHOMA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal Year Ended June 30, 2019

The City of Stillwater's Changes in Net Position
 (expressed in \$ 000s)

	Governmental		Business-type			
	Activities		Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 6,072	\$ 6,429	\$ 80,867	\$ 83,451	\$ 86,939	\$ 89,880
Operating grants and contributions	525	199	61	-	586	199
Capital grants and contributions	1,149	1,233	2,404	2,246	3,553	3,479
General revenues:						
Sales and use taxes	30,792	31,288	-	-	30,792	31,288
Other taxes	3,819	3,616	-	-	3,819	3,616
Other general revenues	234	103	1,437	(297)	1,671	(194)
Total revenues	42,591	42,868	84,769	85,400	127,360	128,268
Program expenses:						
General government	6,051	5,546	-	-	6,051	5,546
Financial administration	480	622	-	-	480	622
Public safety	20,284	23,165	-	-	20,284	23,165
Streets and sewers	9,937	10,247	-	-	9,937	10,247
Recreation and culture	3,595	4,210	15	-	3,610	4,210
Economic development	25	25	-	-	25	25
Health and welfare	1,029	1,024	-	-	1,029	1,024
Interest on long-term debt	12	44	-	-	12	44
Stillwater Utilities Authority	-	-	65,533	63,234	65,533	63,234
Business area development	-	-	1,467	1,831	1,467	1,831
Airport operations	-	-	3,620	3,573	3,620	3,573
Total expenses	41,413	44,883	70,635	68,638	112,048	113,521
Increase/(decrease) in net position before transfers						
	1,178	(2,015)	14,134	16,762	15,312	14,747
Net transfers	10,543	2,218	(10,543)	(2,218)	-	-
Increase/(decrease) in net position	11,721	203	3,591	14,544	15,312	14,747
Net position - beginning of year, as previously stated	82,694	82,889	227,823	213,629	310,517	296,518
Cumulative effect of a change in accounting principle	-	(398)	-	(350)	-	(748)
Net position-begaining of year, as restated	82,694	82,491	227,823	213,279	310,517	295,770
Net position - end of year	\$ 94,415	\$ 82,694	\$ 231,414	\$ 227,823	\$ 325,829	\$ 310,517

Sales and use tax received in Fiscal Year 2019 resulted in a decrease from the prior year of \$0.5 million. Transfers from the SUA to the General Fund and City Capital Fund increased by \$8.3 million which was the main contributor to the increase of net position for governmental activities. These transfers were made in accordance with the SUA Trust Indenture and were used to fund capital projects. The other contributing factor to the increased net position for governmental activities was a decrease in public safety expenditures of \$3.1 million due mainly to a decrease in pension expense of \$2.9 million.

CITY OF STILLWATER, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2019

Business-type Activities

Business-type activities increased the City of Stillwater's net position by \$3.6 million which contributed a 1.2% increase in the net position of the City of Stillwater. Details are presented in the preceding chart.

Fund Financial Highlights

The General Fund's fund balance increased from Fiscal Year 2018 by \$5.5 million due to an increase in transfers from the SUA in Fiscal Year 2019 to fund capital projects and a decrease in transfers to other funds from Fiscal Year 2018 to Fiscal Year 2019.

The Transportation Fund received a transfer from the General Fund of a ½ percent sales tax dedicated for transportation improvements. The Transportation Fund's fund balance increased from Fiscal Year 2018 by \$1.7 million due to this transfer.

The net position of the Stillwater Utilities Authority (SUA) has increased by \$2.1 million or 1% as the result of Fiscal Year 2019 operations.

General Fund Budgetary Highlights

The City's adopted budgeted revenues in the General Fund totaled \$36.7 million in Fiscal Year 2019, which is relatively unchanged from budgeted revenues in Fiscal Year 2018. Fiscal Year 2019 budgeted expenditures were approached in a conservative manner, with adopted expenditures less than the amounts approved in the previous year by \$1.4 million but still remained focused on the delivery of core service operations. These core services are concentrated in the areas of public safety, street maintenance and recreation and culture. The differences between the original expenditure budget and the final amended expenditure budget amounted to \$8.6 million due to budget carryovers from Fiscal Year 2017 and transfers from the SUA in the amount of \$4.4 million to fund capital projects.

The differences between the final budgeted revenue and actual revenue collections for Fiscal Year 2019 amounted to \$1.4 million over budget. This variance is attributable to the positive budget to actual variance in sales tax revenue, other taxes, and fines. This variance was reviewed by the finance department and explained as a normal variance.

Capital Assets

At the end of June 30, 2019, the City had \$309 million invested in capital assets including police and fire equipment, buildings, park facilities, water and wastewater lines, electric systems, and roads. The following is a summary of changes in capital assets and debt administration for Fiscal Year 2019. More detailed information on the City's capital asset activity can be found in Note I and Note III.

CITY OF STILLWATER, OKLAHOMA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 Fiscal Year Ended June 30, 2019

The City of Stillwater's Capital Assets
 (expressed in \$ 000s)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 12,961	\$ 12,588	\$ 2,047	\$ 2,047	\$ 15,008	\$ 14,635
Buildings	24,110	24,110	94,158	94,158	118,268	118,268
Other improvements	13,696	13,425	32,194	31,599	45,890	45,024
Equipment	26,246	25,454	78,244	78,525	104,490	103,979
Infrastructure	165,487	162,865	183,008	162,273	348,495	325,138
Intangible assets	-	-	1,604	1,604	1,604	1,604
Construction-in-progress	4,279	5,449	24,662	32,752	28,941	38,201
	246,779	243,891	415,917	402,958	662,696	646,849
Less depreciation	164,807	159,169	188,686	178,027	353,493	337,196
Totals	\$ 81,972	\$ 84,722	\$ 227,231	\$ 224,931	\$ 309,203	\$ 309,653

Debt Administration

At year-end, the City had \$104 million in long term debt. These debts are further detailed in the chart below. More detailed information on the City's long-term debt activity can be found in Note III.

The City of Stillwater's Long-term Debt
 (expressed in \$000s)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 1,272	\$ 2,130	\$ -	\$ -	\$ 1,272	\$ 2,130
Capital lease obligations	-	-	2,356	3,213	2,356	3,213
Notes and bonds payable	-	-	100,181	96,324	100,181	96,324
Refundable grant obligations	65	85	-	-	65	85
Totals	\$ 1,337	\$ 2,215	\$ 102,537	\$ 99,537	\$ 103,874	\$ 101,752

Economic Factors and Next Year's Budget and Rates

The City and its public trusts operate under conservative budgetary practices. Revenue is estimated using historical data and is adjusted based on current trends and economic performance. The City's budget for sales and use tax for Fiscal Year 2019 was increased by \$450,000 to reflect higher collections trends in use tax during Fiscal Years 2016-2018. The sales and use tax budget for Fiscal Year 2020 remains at the Fiscal Year 2019 level. Sales and use tax collected in Fiscal Year 2020 through November 2019 appear to be slightly higher, \$82,033 or 0.62%, from the same months in Fiscal Year 2019.

Trends in rising operational costs for the utility authority led to the adoption of a resolution in June 2007 providing for annual rate increases for the electric utility effective January 1 of each year and equal to 3% or the most recent annual consumer price index for the south urban region as determined by the U.S. Bureau of Labor Statistics,

CITY OF STILLWATER, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2019

whichever is less. Effective January 1, 2019, this automatic rate escalator was suspended pending completion of a cost of service study. The anticipated completion date of the cost for service study is December 2019.

A water and wastewater cost of service and rate design study was completed in FY2015 which led to the adoption of a resolution establishing new water and wastewater rate structures for our retail, wholesale, and raw water customers. The resolution sets the rates for Fiscal Years 2016, 2017, and 2018. Beginning July 1, 2019 and in the absence of action by the Trustees, the resolution provides for an annual increase to rates in an amount equal to 3% or the most recent annual consumer price index for the south urban region as determined by the U.S. Bureau of Labor Statistics, whichever is less. Effective July 1, 2019, this automatic rate escalator was suspended pending completion of a cost of service study. The anticipated completion date of the cost for service study is December 2019.

The City has adopted the zero-based budgeting philosophy in the preparation of the annual expenditure budget. Department directors are charged with developing annual action plans to achieve departmental strategies. Budgets are built around the tactics used to complete the departmental strategies. Each department's budget submission is measured for reasonableness against a rolling three-year average of actual expenditures. Large increases must be justified and relate back to tactics used to achieve departmental strategies.

The budget includes a reserve for emergencies and capital projects in the electric, water, and wastewater utilities.

Contacting the City'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, contact the Finance Department at 723 S. Lewis, P.O. Box 1449, Stillwater, Oklahoma 74076 or by telephone at (405) 372-0025.



FLY SWO

In June, the FAANews announced it awarded the Stillwater Regional Airport—Oklahoma's fourth largest airport – a \$5.2M grant to fund phase one of a multi-year apron reconstruction and expansion project.

CITY OF STILLWATER, OKLAHOMA
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Statement of Net Position
June 30, 2019

	PRIMARY GOVERNMENT			COMPONENT UNIT
			Total	Stillwater Medical Center Authority
	Governmental Activities	Business-type Activities		
ASSETS				
Cash and cash equivalents	\$ 24,881,428	\$ 82,296,855	\$ 107,178,283	\$ 23,973,994
Investments	-	9,995,035	9,995,035	49,243,364
Accounts receivable, net of allowance	1,115,065	10,879,994	11,995,059	25,861,089
Internal Balances	(1,591,279)	1,591,279	-	-
Interest receivable	8,648	30,537	39,185	-
Installment loans receivable		19,018	19,018	-
Leasehold receivable		64,999	64,999	-
Inventory	38,909	4,603,033	4,641,942	5,389,683
Intergovernmental receivable	5,518,330	603,264	6,121,594	-
Other assets	-	-	-	14,820,810
Restricted cash and cash equivalents	-	4,388,550	4,388,550	33,397,458
Restricted investments	-	4,351,315	4,351,315	-
Capital Assets:				
Non-depreciable	17,239,980	28,239,549	45,479,529	22,052,273
Depreciable, net of depreciation	64,731,537	198,991,646	263,723,183	83,088,667
Investment in joint ventures		-	-	8,827,421
Net pension asset	10,340,531	-	10,340,531	-
Total Assets	<u>122,283,149</u>	<u>346,055,074</u>	<u>468,338,223</u>	<u>266,654,759</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	6,953,905	-	6,953,905	-
Other postemployment benefits	162,371	79,974	242,345	-
Business acquisition	-	-	-	4,971,371
Total deferred outflows of resources	<u>7,116,276</u>	<u>79,974</u>	<u>7,196,250</u>	<u>4,971,371</u>
LIABILITIES				
Accounts payable and other accrued expenses	814,649	6,005,765	6,820,414	7,069,563
Accrued liabilities	2,951,910	362,873	3,314,783	10,370,880
Accrued interest payable	3,817	954,571	958,388	-
Long-term liabilities:				
Due within one year	1,207,172	5,936,937	7,144,109	9,537,269
Due in more than one year	3,093,971	99,301,183	102,395,154	38,002,302
Other postemployment benefits	3,985,500	1,963,007	5,948,507	-
Net pension liabilities	18,994,082	-	18,994,082	-
Total Current Liabilities	<u>31,051,101</u>	<u>114,524,336</u>	<u>145,575,437</u>	<u>64,980,014</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	3,532,920	-	3,532,920	-
Other postemployment benefits	400,213	197,120	597,333	-
Total deferred inflows of resources	<u>3,933,133</u>	<u>197,120</u>	<u>4,130,253</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	80,699,900	129,044,368	209,744,268	86,620,153
Restricted for:				
Debt service	152,309	1,932,356	2,084,665	1,596,263
Capital projects	374,262	886,016	1,260,278	-
Pensions	9,478,658	-	9,478,658	-
Street improvements	10,841,975	-	10,841,975	-
Specific activities	673,213	-	673,213	300,000
Unrestricted (deficit)	(7,805,126)	99,550,852	91,745,726	118,129,700
Total Net Position	<u>\$ 94,415,191</u>	<u>\$ 231,413,592</u>	<u>\$ 325,828,783</u>	<u>\$ 206,646,116</u>

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
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Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Program Revenue						Net (Expense) Revenue and Changes in Net Position			Component Unit Stillwater Medical Center Authority
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total		
			Operating Grants	Contributions						
Primary government										
Governmental Activities										
Public safety	\$ 20,283,955	\$ 2,743,417	\$ 106,860	\$ -	\$ (17,433,678)	\$ -	\$ (17,433,678)	\$ -		
Cultural, parks and recreation	3,594,568	274,101	213,821	153,127	(2,953,519)	-	(2,953,519)	-		
General government	6,051,174	1,099,376	204,155	355,946	(4,391,697)	-	(4,391,697)	-		
Financial administration	480,187	1,136,937	-	-	656,750	-	656,750	-		
Streets and highways	9,937,457	392,285	-	640,279	(8,904,893)	-	(8,904,893)	-		
Economic development	24,562	-	-	-	(24,562)	-	(24,562)	-		
Health and welfare	1,028,832	426,387	-	-	(602,445)	-	(602,445)	-		
Interest on long-term debt	12,129	-	-	-	(12,129)	-	(12,129)	-		
Total governmental activities	<u>41,412,864</u>	<u>6,072,503</u>	<u>524,836</u>	<u>1,149,352</u>	<u>(33,666,173)</u>	<u>-</u>	<u>(33,666,173)</u>	<u>-</u>		
Business-type activities										
Electric, utilities, waste utilities and waste management operations	65,532,689	79,224,262	-	308,127	-	13,999,700	13,999,700	-		
Business area development	1,467,073	848	-	-	-	(1,466,225)	(1,466,225)	-		
Cultural, parks and recreation	15,000	-	15,010	-	-	10	10	-		
Airport operations	3,620,279	1,641,714	46,382	2,095,428	-	163,245	163,245	-		
Total business-type activities	<u>70,635,041</u>	<u>80,866,824</u>	<u>61,392</u>	<u>2,403,555</u>	<u>-</u>	<u>12,696,730</u>	<u>12,696,730</u>	<u>-</u>		
Total primary government	<u>\$ 112,047,905</u>	<u>\$ 86,939,327</u>	<u>\$ 586,228</u>	<u>\$ 3,552,907</u>	<u>(33,666,173)</u>	<u>12,696,730</u>	<u>(20,969,443)</u>	<u>-</u>		
Component Unit										
Medical Center	<u>\$ 190,801,635</u>	<u>\$ 206,955,644</u>	<u>\$ 333,284</u>	<u>\$ 1,515,451</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 18,002,744</u>		
General revenues:										
Taxes:										
Sales and use taxes	30,791,644	-	-	-	30,791,644	-	-	-		
Property tax	927,799	-	-	-	927,799	-	-	-		
Franchise and public service tax	2,049,701	-	-	-	2,049,701	-	-	-		
E911 tax	62,591	-	-	-	62,591	-	-	-		
Lodging tax	777,659	-	-	-	777,659	-	-	-		
Unrestricted investment earnings	234,296	-	-	1,385,880	-	1,620,176	-	206,787		
Miscellaneous	-	-	-	51,627	-	51,627	-	-		
Transfers										
Total general revenues and transfers	10,543,181	-	(10,543,181)	-	-	-	-	-		
Change in net position	45,386,871	-	(9,105,674)	-	36,281,197	-	206,787	-		
Net position - beginning	11,720,698	-	3,591,056	-	15,311,754	-	18,209,531	-		
Net position - ending	82,694,493	-	227,822,536	-	310,517,029	-	188,436,585	-		
	<u>\$ 94,415,191</u>	<u>\$ 231,413,592</u>	<u>\$ 325,828,783</u>	<u>\$ 206,646,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
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 As of and for the Year Ended June 30, 2019

Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Transportation Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 10,969,001	\$ 10,544,998	\$ 3,262,294	\$ 24,776,293
Accounts receivable, net	1,115,065	-	-	1,115,065
Due from other funds	-	674,192	-	674,192
Due from other governments	5,478,167	-	40,163	5,518,330
Accrued interest receivable	3,761	4,508	379	8,648
Inventories	38,909	-	-	38,909
Total assets	\$ 17,604,903	\$ 11,223,698	\$ 3,302,836	\$ 32,131,437
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 434,708	\$ 379,941	\$ -	\$ 814,649
Accrued liabilities	1,557,447	1,782	-	1,559,229
Due to other funds	2,330,470	-	-	2,330,470
Total liabilities	4,322,625	381,723	-	4,704,348
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	-		37,910	37,910
Unavailable revenue-court fines	88,902		-	88,902
Unavailable revenue-grant proceeds	1,490	-	-	1,490
Total deferred inflows of resources	90,392	-	37,910	128,302
Fund balances:				
Nonspendable: inventories	38,909	-	-	38,909
Restricted				
Debt service	-	-	152,309	152,309
Police equipment	49,144	-	-	49,144
Police undercover operations	43,469	-	-	43,469
Capital improvements	241,369	10,841,975	132,893	11,216,237
Visitor and event recruitment	580,600	-	-	580,600
Committed				
Capital improvements	486,577	-	-	486,577
Stormwater	477,583	-	-	477,583
Assigned				
Self insurance	758,544	-	-	758,544
Parks and recreation	66,039	-	-	66,039
Special event	128,533	-	-	128,533
Capital improvements	-	-	2,979,724	2,979,724
Fire equipment	510,676	-	-	510,676
Police equipment	6,945	-	-	6,945
Community rehabilitation	17,893	-	-	17,893
Stillwater Utilities Authority by resolution	2,918,978	-	-	2,918,978
Budget appropriation	6,866,627	-	-	6,866,627
Total fund balances	13,191,886	10,841,975	3,264,926	27,298,787
Total liabilities, deferred inflows and fund balances	\$ 17,604,903	\$ 11,223,698	\$ 3,302,836	\$ 32,131,437

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2019

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019**

Total fund balance, governmental funds	\$ 27,298,787
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$164,806,470	81,526,017
Certain other long-term assets are not available to pay for current liabilities, and, therefore, they, along with certain pension and OPEB related deferrals, are deferred in the funds:	
Accounts receivable	128,302
Pension related deferred outflows	6,953,905
OPEB related deferred outflows	162,371
Net pension asset	10,340,531
Internal service fund assets and liabilities are reported in the proprietary fund in the fund financial statements but are included in government activities in the Statement of Net Position	550,635
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:	
General obligation bonds payable	(1,271,617)
Accrued compensated absences	(2,964,527)
Net pension liability	(18,994,082)
Pension related deferred inflows	(3,532,920)
Total OPEB liability	(3,985,500)
OPEB related deferred inflows	(400,213)
Accrued interest payable	(3,817)
Accrued workers compensation claims	(1,392,681)
Net Position of Governmental Activities in the Statement of Net Position	<hr/> <u>\$ 94,415,191</u>

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
 ANNUAL FINANCIAL REPORT
 As of and for the Year Ended June 30, 2019

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Transportation Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES				
Sales and use taxes	\$ 30,791,644	\$ -	\$ -	\$ 30,791,644
Other taxes	2,889,951	-	959,768	3,849,719
Intergovernmental	483,482	-	153,127	636,609
Charges for services	529,946	-	-	529,946
Fines and forfeitures	1,084,493	-	-	1,084,493
Fees and rentals	497,038	-	-	497,038
Licenses and permits	278,769	-	-	278,769
Investment income	112,931	111,486	9,355	233,772
Miscellaneous	1,345,334	-	-	1,345,334
Total revenues	<u>38,013,588</u>	<u>111,486</u>	<u>1,122,250</u>	<u>39,247,324</u>
EXPENDITURES				
Current:				
Public safety	20,174,962	-	-	20,174,962
Recreation and culture	2,968,130	-	-	2,968,130
General government	5,976,425	-	-	5,976,425
Financial administration	473,228	-	-	473,228
Streets and sewers	3,692,650	80,757	-	3,773,407
Economic development	24,562	-	-	24,562
Health and welfare	1,020,186	-	-	1,020,186
Debt Service:				
Principal	-	-	795,000	795,000
Interest and other charges	-	-	78,000	78,000
Capital Outlay	1,035,850	2,405,931	303,191	3,744,972
Total Expenditures	<u>35,365,993</u>	<u>2,486,688</u>	<u>1,176,191</u>	<u>39,028,872</u>
Excess (deficiency) of revenues over expenditures	<u>2,647,595</u>	<u>(2,375,202)</u>	<u>(53,941)</u>	<u>218,452</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	16,900,378	4,048,232	3,000,000	23,948,610
Transfers out	(14,039,723)	-	(78,822)	(14,118,545)
Total other financing sources and uses	<u>2,860,655</u>	<u>4,048,232</u>	<u>2,921,178</u>	<u>9,830,065</u>
Net change in fund balances	<u>5,508,250</u>	<u>1,673,030</u>	<u>2,867,237</u>	<u>10,048,517</u>
Fund balances - beginning	7,683,636	9,168,945	397,689	17,250,270
Fund balances - ending	<u>\$ 13,191,886</u>	<u>\$ 10,841,975</u>	<u>\$ 3,264,926</u>	<u>\$ 27,298,787</u>

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2019

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities**
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds: \$ 10,048,517

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	2,614,481
Capital assets donated	355,946
Depreciation expense	(5,721,193)

In the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as expenditures. 4,034,743

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

Unavailable revenue	(96,876)
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Bond 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:

Revenue bond principal payment	795,000
Amortization of bond premium	63,221

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Accrued interest payable	2,650
Accrued compensated absences change	(205,237)
Total OPEB liability change	(193,268)
Workers comp liability change	22,180

Internal service fund activity is reported as a proprietary fund in the fund financial statements, but the net revenues are reported in governmental activities on the Statement of Activities:

Total change in net position for internal service funds	534
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Change in net position of governmental activities	\$ 11,720,698
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See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
 ANNUAL FINANCIAL REPORT
 As of and for the Year Ended June 30, 2019

Statement of Net Position
Proprietary Funds
June 30, 2019

	Enterprise Funds			Governmental Activities: Internal Service Funds
	Stillwater Utilities Authority	Other Non Major Enterprise Funds	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 81,330,551	\$ 966,304	\$ 82,296,855	\$ 105,135
Restricted cash and cash equivalents	2,880,251	-	2,880,251	-
Accounts receivables, net of allowance	10,877,805	2,189	10,879,994	-
Intergovernmental receivable	-	603,264	603,264	-
Installment loans receivable	-	19,018	19,018	-
Leasehold receivable	-	20,000	20,000	-
Due from other funds	1,773,945	-	1,773,945	-
Interest receivable	30,458	79	30,537	-
Inventories	4,552,750	50,283	4,603,033	-
Total current assets	<u>101,445,760</u>	<u>1,661,137</u>	<u>103,106,897</u>	<u>105,135</u>
Noncurrent assets:				
Restricted cash and cash equivalents	1,508,299	-	1,508,299	-
Investments	9,995,035	-	9,995,035	-
Restricted investments	4,351,315	-	4,351,315	-
Advanced to other funds	-	-	-	64,999
Leasehold receivable	-	44,999	44,999	-
Capital assets, nondepreciable	22,889,888	5,349,661	28,239,549	445,500
Capital assets, net of accumulated depreciation	186,729,774	12,261,872	198,991,646	-
Total noncurrent assets	<u>225,474,311</u>	<u>17,656,532</u>	<u>243,130,843</u>	<u>510,499</u>
Total assets	<u>326,920,071</u>	<u>19,317,669</u>	<u>346,237,740</u>	<u>615,634</u>
DEFERRED OUTFLOWS OF RESOURCES				
Other postemployment benefits	79,974	-	79,974	-
LIABILITIES				
Current liabilities:				
Accounts payable	5,564,480	441,285	6,005,765	-
Accrued liabilities	344,671	18,202	362,873	-
Current portion of compensated absences	47,345	22,189	69,534	-
Due to other funds	-	117,667	117,667	-
Accrued interest payable	954,571	-	954,571	-
Current portion of customer deposits payable	869,568	973	870,541	-
Advances from other funds	-	20,000	20,000	-
Current portion of long-term debt obligations	4,834,410	-	4,834,410	20,000
Current portion of refundable grant obligations	-	162,452	162,452	-
Total current liabilities	<u>12,615,045</u>	<u>782,768</u>	<u>13,397,813</u>	<u>20,000</u>
Noncurrent liabilities:				
Noncurrent portion of compensated absences	953,501	22,140	975,641	-
Capital lease obligation	-	-	-	-
Noncurrent portion of customer deposits payable	622,283	-	622,283	-
Long term debt obligations	-	-	-	-
Noncurrent portion of long-term debt obligations	97,703,259	-	97,703,259	44,999
Other postemployment benefits liability	1,963,007	-	1,963,007	-
Net pension liability	-	-	-	-
Noncurrent portion of advances from other funds	-	44,999	44,999	-
Notes payable	-	-	-	-
Total noncurrent liabilities	<u>101,242,050</u>	<u>67,139</u>	<u>101,309,189</u>	<u>44,999</u>
Total liabilities	<u>113,857,095</u>	<u>849,907</u>	<u>114,707,002</u>	<u>64,999</u>
DEFERRED INFLOW OF RESOURCES				
Other postemployment benefits	197,120	-	197,120	-
NET POSITION				
Net investment in capital assets	111,432,835	17,611,533	129,044,368	445,500
Restricted for debt service	1,932,356	-	1,932,356	-
Restricted for capital projects	886,016	-	886,016	-
Unrestricted	98,694,623	856,229	99,550,852	105,135
Total net position	<u>\$ 212,945,830</u>	<u>\$ 18,467,762</u>	<u>\$ 231,413,592</u>	<u>\$ 550,635</u>

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
 ANNUAL FINANCIAL REPORT
 As of and for the Year Ended June 30, 2019

**Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2019**

	Enterprise Funds			Governmental Activities: Internal Service Funds
	Stillwater Utilities Authority	Other Non Major Enterprise Funds	Total	
OPERATING REVENUES				
Charges for services, net of bad debt expense	\$ 70,522,489	\$ 1,295,252	\$ 71,817,741	\$ -
Operating grants and contributions	-	46,382	46,382	-
Other	8,701,773	362,320	9,064,093	10
Total operating revenues	<u>79,224,262</u>	<u>1,703,954</u>	<u>80,928,216</u>	<u>10</u>
OPERATING EXPENSES				
Operations and maintenance	51,795,757	3,968,146	55,763,903	-
Depreciation	10,308,646	1,134,206	11,442,852	-
Total Operating Expenses	<u>62,104,403</u>	<u>5,102,352</u>	<u>67,206,755</u>	<u>-</u>
Operating income (loss)	<u>17,119,859</u>	<u>(3,398,398)</u>	<u>13,721,461</u>	<u>10</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	1,383,911	1,969	1,385,880	524
Miscellaneous revenue	51,627	-	51,627	-
Miscellaneous expense	(713,116)	-	(713,116)	-
Interest expense	(3,428,286)	-	(3,428,286)	-
Total non-operating revenue (expenses)	<u>(2,705,864)</u>	<u>1,969</u>	<u>(2,703,895)</u>	<u>524</u>
Income (loss) before contributions and transfers	14,413,995	(3,396,429)	11,017,566	534
Capital contributions	308,127	2,095,428	2,403,555	-
Transfers in	8,096,465	2,830,026	10,926,491	-
Transfers out	(20,726,556)	(30,000)	(20,756,556)	-
Change in net position	<u>2,092,031</u>	<u>1,499,025</u>	<u>3,591,056</u>	<u>534</u>
Total net position - beginning	<u>210,853,799</u>	<u>16,968,737</u>	<u>227,822,536</u>	<u>550,101</u>
Total net position - ending	<u>\$ 212,945,830</u>	<u>\$ 18,467,762</u>	<u>\$ 231,413,592</u>	<u>\$ 550,635</u>

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
 ANNUAL FINANCIAL REPORT
 As of and for the Year Ended June 30, 2019

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

	Stillwater Utilities Authority	Other Non Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers, including deposits	\$ 72,831,690	\$ 1,168,689	\$ 74,000,379	\$ -
Payments to suppliers	(39,463,479)	(2,617,732)	(42,081,211)	-
Payments to employees	(14,087,899)	(741,629)	(14,829,528)	-
Payments of business development incentives	-	(407,756)	(407,756)	-
Collection of business development incentive loan principal	-	27,206	27,206	-
Payments from (to) other funds	(1,210,803)	69,217	(1,141,586)	-
Other receipts	8,701,773	15,858	8,717,631	10
Net cash provided by/(used in) operating activities	<u>26,771,282</u>	<u>(2,486,147)</u>	<u>24,285,135</u>	<u>10</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	8,153,535	2,830,026	10,983,561	-
Operating subsidies and transfers to other funds	(23,137,412)	(30,000)	(23,167,412)	-
Net cash provided by (used in) noncapital financing activities	<u>(14,983,877)</u>	<u>2,800,026</u>	<u>(12,183,851)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	7,787,144	20,000	7,807,144	-
Capital contributions	-	2,092,174	2,092,174	-
Purchase of capital assets	(11,553,547)	(2,516,942)	(14,070,489)	-
Principal paid on capital debt	(4,552,374)	-	(4,552,374)	-
Interest paid on capital debt	(3,639,948)	-	(3,639,948)	-
Net cash provided by (used in) capital and related financing activities	<u>(11,958,725)</u>	<u>(404,768)</u>	<u>(12,363,493)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (Purchase) of investments	(22,867)	-	(22,867)	-
Interest received	888,482	2,042	890,524	524
Net cash provided by investing activities	<u>865,615</u>	<u>2,042</u>	<u>867,657</u>	<u>524</u>
Net increase (decrease) in cash and cash equivalents	694,295	(88,847)	605,448	534
Balances-beginning of year	<u>85,024,806</u>	<u>1,055,151</u>	<u>86,079,957</u>	<u>104,591</u>
Balances-end of year	<u>\$ 85,719,101</u>	<u>\$ 966,304</u>	<u>\$ 86,685,405</u>	<u>\$ 105,125</u>
Reconciliation to Combining Statement of Net Position:				
Cash and cash equivalents	\$ 81,330,551	\$ 966,304	\$ 82,296,855	\$ 105,135
Restricted cash and cash equivalents	2,880,251	-	2,880,251	-
Restricted cash and cash equivalents, non-current	1,508,299	-	1,508,299	-
Total cash and cash equivalents, end of year	<u>\$ 85,719,101</u>	<u>\$ 966,304</u>	<u>\$ 86,685,405</u>	<u>\$ 105,135</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 17,119,859	\$ (3,398,398)	\$ 13,721,461	\$ 10
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	10,308,646	1,134,206	11,442,852	-
Change in assets and liabilities:				
Receivables, net	2,269,855	66,363	2,336,218	-
Inventories	325,854	64,235	390,089	-
Accounts and other payables	(3,497,712)	113,352	(3,384,360)	-
Accrued liabilities	149,590	4,489	154,079	-
Due from other governments	-	(546,729)	(546,729)	-
Other postemployment benefits-liabilities	75,841	-	75,841	-
Other postemployment benefits-deferred outflows	(46,915)	-	(46,915)	-
Other postemployment benefits-deferred inflows	66,264	-	66,264	-
Due to other funds	-	89,217	89,217	-
Accrued compensated absences	-	(12,882)	(12,882)	-
Net cash provided by (used in) operating activities	<u>\$ 26,771,282</u>	<u>\$ (2,486,147)</u>	<u>\$ 24,285,135</u>	<u>\$ 10</u>
Non-cash Activities:				
Contributed capital assets	\$ 308,127	\$ 3,254	\$ 311,381	\$ -
Capital assets transferred to other funds	713,116	-	713,116	-
Premium amortization	233,962	-	233,962	-
Change in fair value of investments	383,190	-	383,190	-
Total Non-cash Activities	<u>\$ 1,638,395</u>	<u>\$ 3,254</u>	<u>\$ 1,641,649</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
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Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2019

	Agency Fund
ASSETS	
Cash and cash equivalents	\$ 202,872
Certificates of deposit	108,081
Common stock mutual funds	222,161
Assessment receivable	10,694
Interest receivable	100
Total assets	<u><u>\$ 543,908</u></u>
LIABILITIES	
Amounts held in escrow	\$ 543,908
Total liabilities	<u><u>\$ 543,908</u></u>

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2019

Notes to the Basic Financial Statements:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The financial statements of the City of Stillwater, Oklahoma (the "City") are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The more significant accounting policies of the City are described below.

B. Reporting Entity

The City is a municipal corporation operating under the authority of Oklahoma State Statute. The City operates under a city manager form of government. Four elected members of the city council and the mayor set policy. The city council employs the city manager. The basic financial statements of the funds and fiduciary funds of the City include those of separately administered organizations that are controlled by or dependent on the legislative or executive branches, the city council, and the city manager, respectively. In accordance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units," and as amended by GASB Statement No. 61, "The Financial Reporting Entity: Omnibus," the City has presented the entities which comprise the primary government along with its discretely presented component units in the basic financial statements. As required by accounting principles generally accepted in the United States of America, the basic financial statements present the reporting entity which consists of the primary government and organizations for which the primary government is financially accountable.

Based on the foregoing criteria, the accounts of the following organizations are included in the City's reporting entity as described below:

- Blended Component Units:** Organizations are presented as blended component units when the governing body is substantially the same as the governing body of the City or provides services entirely to the City.

Stillwater Utilities Authority: The Stillwater Utilities Authority (the "SUA") was created by a trust indenture dated April 1, 1979, pursuant to Title 60, Oklahoma Statutes 1971, Section 176 to 180.4 and the Oklahoma Trust Act, and amended by an Amendment to Trust Indenture dated November 1, 1980, and further amended by a Second Amendment to Trust Indenture dated March 24, 2014. The city council is designated as trustee for the benefit of the City in respect to water, wastewater, and electric service. The SUA leases, operates, and maintains the electric, water, and wastewater utility systems pursuant to a renewable lease agreement and an operation and maintenance contract with the City. The operation, maintenance, and debt of the SUA are funded from service charges and a one cent sales tax levied by the City and transferred to the SUA as the SUA has no taxing authority. The operations of SUA are reported in the accompanying basic financial statements as an enterprise fund.

Stillwater Public Works Authority: The Stillwater Public Works Authority (the "SPWA") was created by a Declaration of Trust dated January 21, 1963, pursuant to Title 60, Oklahoma Statutes 1961 and the Oklahoma Trust Act, designating the city council as trustee to enter into contractual arrangements to provide services and physical facilities to departments of the City and, on behalf of the City, to other governments and residential and commercial residents within the corporate boundaries of the City. There are both formal and informal leasing arrangements between the SPWA and the City. The SPWA operations are reported in the accompanying basic financial statements as the internal service fund.

Stillwater Economic Development Authority: The Stillwater Economic Development Authority (the "SEDA") was established by resolution of the city council on February 19, 1990 as the Stillwater Industrial Redevelopment Authority, pursuant to Title 60, Oklahoma Statutes 1981, Sections 176-180.4,

CITY OF STILLWATER, OKLAHOMA
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inclusive as amended and supplemented (The “Public Trust Act”), Title 11, Oklahoma Statutes 1981, Sections 40-101 through 40-115, inclusive, as amended and supplemented (the “Central Business District Redevelopment Act”). The authority was renamed via an amendment to the trust on November 5, 2012 as the Stillwater Economic Development Authority. The SEDA is a public trust with the City as beneficiary and the city councilors designated as trustees. The main purpose is the improvement of the economic climate of the trust beneficiary. Methods of improving the economic climate may include, but are not limited to, assisting in acquisition of financial resources to improve availability of housing, redevelopment of blighted areas, and other economic activities. The operations of the SEDA are reported in the accompanying basic financial statements as an enterprise fund.

Stillwater Block 34 Trust: The Stillwater Block 34 Trust (“Block 34”) was established by a trust indenture dated April 9, 2018, pursuant to Title 60, Oklahoma Statutes 1961, Sections 176 to 180.4, and the Oklahoma Trust Act. Block 34 is a public trust with the City as beneficiary. The city councilors appoint all trustees which must be residents of Stillwater, but cannot be an elected official or city employee. The trustees may be removed at will by the city council. Block 34 has as its main purpose to recommend a plan of action to the City Council for the development of Block 34 as a community space. Block 34 provides services entirely to the city and is reported in the accompanying basic financial statements as a blended nonmajor enterprise fund.

2. **Discretely Presented Component Units:** Organizations are presented as discretely presented component units when the governing body (in majority) is appointed by the mayor or city council, but is not substantially the same as the city council nor is the organization established to provide services primarily to the primary government. Discretely presented component units are presented in a column on the government-wide statements labeled “Component Unit”.

Stillwater Medical Center Authority: The Stillwater Medical Center Authority (the “Hospital”) was created by a trust indenture dated December 14, 1971, pursuant to Title 60, Oklahoma Statutes 1961, Sections 176 to 180.4, and the Oklahoma Trust Act, to construct, maintain, and operate facilities for various types of health care delivery, for use by the State or any political subdivision or municipality of the State, and to lease properties from the City. The Hospital is administered by a seven-member board of trustees consisting of the mayor, or one other city councilor, and six other individuals appointed by the city council. Although the Hospital Board of Trustees hires hospital management, monitors the activities of the Hospital, and establishes the rates and charges of the Hospital, the City may remove the Hospital Trustees at will. The Hospital’s operating and capital expenditures, including debt service, are financed entirely by the Hospital’s operating income. All indebtedness of the Hospital is the obligation of the Hospital Trustees, payable solely from the Hospital’s assets. However, approval from the City is required for debt issues in excess of 5% of the then outstanding Hospital debt. The City leases land to the Hospital and is the beneficiary of the trust estate but has no responsibility to fund deficits or subsidize operations. The Hospital has a December 31 year-end. To obtain separate financial statements for the Hospital, contact the Chief Financial Officer, Stillwater Medical Center, 1323 West Sixth Street, Stillwater, Oklahoma 74074.

C. Basis of Presentation

1. **Government-wide Financial Statements:** The statement of net position and statement of activities display information about the City as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.
2. **Fund Financial Statements:** The reporting entity is organized into funds, each of which is considered a separate accounting entity. Separate financial statements are provided for the three fund categories which are governmental, proprietary, and fiduciary. For the governmental and proprietary fund categories, an emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

CITY OF STILLWATER, OKLAHOMA
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- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10% of the corresponding fund category total, and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental funds and enterprise funds combined.

The funds of the City are described below:

- a. **General Fund:** The general fund is the primary operating fund of the City government and will always be classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special Revenue Fund:** Special revenue funds are used to account for the proceeds of specific revenue sources, other than capital projects, that are legally restricted to expenditures for specified purposes or otherwise segregated for accounting purposes. The Community Development Block Grant Fund is the only special revenue fund active during the fiscal year ending June 30, 2019.
- c. **Debt Service Fund:** The debt service fund is used to account for the accumulation of ad-valorem taxes levied by the City for the payment of long-term debt principal, interest, and related costs.
- d. **Capital Projects Fund:** A capital projects fund is used to account for the resources restricted for the acquisition or construction of specific capital projects or items. The Transportation Improvement Fund and the City Capital Fund are the only capital projects funds active during the fiscal year ending June 30, 2019.
- e. **Enterprise Fund:** An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, management control, accountability, or other purpose. The reporting entity includes the following enterprise funds:
 - Stillwater Utilities Authority
 - Airport
 - Stillwater Economic Development Authority
 - Stillwater Block 34 Trust
- f. **Internal Service Fund:** The internal service fund is the SPWA and accounts for acquisition and financing of physical facilities. Debt service requirements are provided from charges billed to the benefited fund.
- g. **Fiduciary Fund:** The fiduciary fund is used to account for assets held in a trustee or agency capacity for others and cannot be used to support the City's programs. The City has the following fiduciary or agency accounts:
 - Business Improvement District Assessment
 - Public Library Donations

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 As of and for the Year Ended June 30, 2019

Governmental Funds	Description
Major:	
General Fund	Accounts for all financial resources except those required to be accounted for in another fund.
Transportation Improvement Fund	Accounts for the expenditures for street and other transportation projects as approved by the voters in 2001, 2006 and 2016. Financing is provided by the 1/2 cent sales tax also approved by the voters.
Non-Major:	
Community Development Block Grant Fund	Accounts for funds used for improvements in the community. Funding is provided by the Community Development Block Grant Small Cities Set Aside program and local matching funds.
City Capital Fund	Accounts for funds assigned for the purchase of capital assets.
Debt Service Fund	Accounts for the accumulation of ad-valorem taxes levied by the City for the payment of general long-term debt principal, interest, and related costs.
Enterprise Funds	
Major:	
Stillwater Utilities Authority	Accounts for the operation of the electric, water, wastewater, and solid waste systems.
Non-Major:	
Airport	Accounts for the operation of the Stillwater Regional Airport including capital additions and improvements financed through federal and state grants and City contributions.
Stillwater Economic Development Authority	Accounts for expenses for economic development. Financing provided from federal grants, federal loans, City contributions, and citizen participation.
Stillwater Block 34 Trust	Accounts for expenses for development of Block 34. Funding provided by donations and grants.
Internal Service Funds	
Stillwater Public Works Authority	Accounts for the acquisition and financing of physical facilities. Debt service requirements are provided from charges billed to the benefited fund.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

The government-wide statement of net position and statement of activities are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Agency funds do not have a measurement focus and use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The governmental funds financial statements are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when

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measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means revenues are collectible within the current period or within 60 days of the end of the fiscal year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest and accrued compensated absences which are recorded when due.

E. Assets, Liabilities, and Net Position or Equity

1. Cash and Cash Equivalents: Cash in bank, cash on hand, and short-term investments with original maturities of ninety days or less are reported as cash and cash equivalents. The resources of the individual funds are general in purpose and combined to form a pool of investments which is managed by the Director of Finance. These pooled assets are stated at amortized cost if the investment had a maturity of one year or less at the time of purchase. All investments held are authorized under Oklahoma State Statutes. Permissible investments include direct obligations of the U. S. government and agency securities, certificates of deposit, and savings accounts or savings certificates of savings and loan associations. Each fund's equity in the pooled investments account is reported in the basic financial statements as cash and cash equivalents.

Earnings on investments are allocated to the individual funds by a formula based on each fund's month-end equity in the pooled investments account (See Note II).

2. Assets Internally Designated: Assets internally designated consist of cash and cash equivalents set aside by the SUA Board of Trustees for the following purposes:

- Operation, maintenance, and upgrade of the water system
- Operation, maintenance, and upgrade of the wastewater system
- Operation, maintenance, and upgrade of the solid waste collection service
- Offset future potential operating cost increases and/or future substantial capital expenditure requirements

At the Board's discretion the assets may be used for other purposes. As of June 30, 2019, cash and cash equivalents in the amount of \$81,811,422 have been internally designated by the SUA trustees for this purpose.

3. Investments: Money market investments with an original maturity of one year or less are recorded at amortized cost. Long term investments are recorded at fair value.

4. Accounts Receivable/Due from Other Governments: In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable of \$565,093 in the governmental activities are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, and court fines.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues, since they are both measurable and available. Non-exchange revenues collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Proprietary fund receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable of \$205,445 in the proprietary funds are based upon historical trends and the periodic aging of accounts receivable.

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Receivables of the Hospital consist of patient accounts receivable for services rendered. The Hospital provides an allowance of \$4,702,000 for uncollectible accounts receivable based upon historical trends and the existing economic conditions.

5. **Restricted Assets:** Proceeds from debt and related sinking fund accounts and contributions from governmental grantors to the Enterprise Funds are classified as restricted assets, since their use is restricted by applicable bond indentures and grant agreements. Customer utilities deposits held by the City are classified as restricted assets.
6. **Inventories:** Inventories consist primarily of materials and supplies and are stated at weighted average cost. The consumption method of accounting is used by the governmental funds; therefore, inventory purchases are recorded in these funds as expenditures as they are used. Inventories are adjusted to annual physical counts. Inventories of proprietary funds consist primarily of materials, supplies, and fuel oil and are reported at the lower of average cost or market.
7. **Bond Premiums/Discounts:** Debt discount and premium are amortized using the straight-line method, which approximates the effective interest method, over the life of the applicable debt. Amortized debt discount and premium are reported as a component of interest expense.
8. **Capital Assets:** The accounting treatment for property, plant, and equipment depends on whether the assets are used in governmental fund operations and similar discretely presented component unit operations or proprietary fund operations and similar discretely presented component unit operations and whether they are reported in the government-wide or fund financial statements.
 - a. **Government-wide Financial Statements:** In the government-wide financial statements, property, plant, and equipment are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, donated works of art and similar assets, and capital assets received in a service concession arrangement. These three groups of assets are reported at acquisition value rather than fair value. The threshold for capitalization of assets is \$5,000. All land acquired by the city is capitalized.

Prior to July 1, 2002, governmental activities' infrastructure assets were not capitalized. These assets (dating back to July 1, 1980) have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method.
 - b. **Fund Financial Statements:** In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

The City has early implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred Before End of Construction*. GASB 89 eliminates the requirement to capitalize interest for business-type activities. Therefore, interest expense has not been capitalized for interest incurred during the construction phase of business-type capital assets during the current fiscal year.

The City acquired water storage space in 1981 for \$1,530,403 which is reported in the SUA fund and business-type activities column in the government-wide financial statements as a capital asset. The water storage space acquired is considered to have an indefinite life. As a result, no amortization will be taken on the space rights.

The range of estimated useful lives by type of asset is as follows:

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Class of Asset	Estimated Useful Life
Buildings	5 to 70 years
Other improvements	3 to 50 years
Equipment and vehicles	1 to 50 years
Infrastructure	20 to 50 years

9. Long-term Debt: Accounting treatment of long-term debt varies depending upon the source of repayment and whether the debt is reported in the government-wide or fund financial statements.

- a. **Government-wide Financial Statements:** All long-term debt to be repaid from governmental and similar discretely presented component unit resources and business-type and similar discretely presented component unit resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of accrued compensated absences, general obligation bonds payable, capital leases payable, notes payable, other post-employment benefits, and revenue bonds payable.
- b. **Fund Financial Statements:** Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. Payment of principal and interest is reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

10. Compensated Absences: The liability for compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absences to the extent they have matured. The proprietary funds report the liability as it is incurred. As of year-end, there is no liability reported in the governmental fund financial statements. Compensated absences are paid as they are incurred by the applicable fund charged with the employee's compensation.

- a. **Sick Leave:** Employees may accrue a maximum of 1,000 hours of sick leave plus hours over 1,000 accrue in the catastrophic leave bank. Catastrophic leave hours are available for use only after all other sick and annual leave has been exhausted. An employee with five or more years of service who retires or resigns shall receive a bonus credit of 10% of the accumulated unused sick leave to be computed at the rate of pay being received by the employee at retirement or resignation date. Employees with ten to thirty-five years of service receive a bonus credit ranging from 12.5% to 35%. Hours in an employee's catastrophic leave bank are not eligible for payout.
- b. **Vacation Leave:** Employees are credited with vacation at various rates depending on length of employment. Non-uniformed employees may accumulate and carry over to subsequent years up to 200.16 hours of vacation. Police officers can carry over to subsequent years up to 275 hours of vacation. Firefighters can carry over to subsequent years up to 381.96 hours of vacation. Upon termination, employees are paid for unused vacation.

11. Deferred Outflows/Inflows of Resources: Accounting treatment of deferred outflows and inflows varies depending on whether it is reported in the government-wide or fund financial statements.

- a. **Government-wide Financial Statements:** Deferred outflows of resources represent a consumption of net position that applies to a future period so will not be recognized as an expense until that future period. Deferred inflows of resources are resources that are not available in the current period to pay liabilities of the current period. In the government-wide statements, the City has deferred outflows and inflows related to pensions (see Note IV) and

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other postemployment benefits (see Note V). The Hospital has deferred outflows of resources related to business acquisitions (see Note X).

b. **Fund Financial Statements:** The deferred inflows of resources arise in governmental funds using the modified accrual basis of accounting to indicate that, although an enforceable legal claim to resources exists, those resources are not available within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City's General Fund has deferred inflows related to grant proceeds and municipal court fines receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. The Debt Service Fund has deferred inflows related to property taxes receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. Both types of deferred inflows will be recognized as revenue in the next fiscal year when they are available. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

12. Pensions: Information related to the City's net pension liability, deferred outflows of resources, and deferred inflows of resources has been determined on the same basis that is used for the underlying plans. Therefore, expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investments are stated at fair value based on published market prices.

13. Equity Classifications

a. **Government-wide Financial Statements:** Equity is classified as net position and is displayed in three components:

- Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of bonds, notes, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted – This component of net position consists of constraints placed on net position use by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through ordinance or other enabling legislation. For the year ended June 30, 2019, the statement of net position reports restricted net position in the amount of \$24,338,789, of which \$831,260 is restricted by enabling legislation.
- Unrestricted – This component of net position consists of net positions that do not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted net positions are available for use, it is the City's policy to use restricted resources first.

b. **Fund Financial Statements:** As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2019, fund balances for governmental funds are made up of the following:

- Nonspendable fund balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to remain intact. The "not in spendable for" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

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- Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. These restrictions arise from bond indentures, City Charter, and votes of the citizens of Stillwater. Restrictions may effectively be changed or lifted only with the consent of the applicable resource providers.
- Committed fund balance – includes amounts that can only be used for specific purposes determined by a formal action (resolution) of the City's highest level of decision-making authority, the city council. Commitments may be changed or lifted only by the City taking the same formal action (resolution) that imposed the constraint originally.
- Assigned fund balance – comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City's Council or (2) a body or official to whom the City's Council has delegated the authority to assign amounts to be used for specific purposes. Such delegation is made to the city manager, CFO, or applicable department manager at a city council meeting and is recorded in the meeting minutes.
- Unassigned fund balance – the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount; however, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Additionally, although the city council has not adopted a formal fund balance policy, the City considers committed, then assigned, then unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

F. Adoption of New Accounting Standards

During the year, the City or its Component Unit adopted the following accounting standards:

GASB Statement No. 83, "Certain Asset Retirement Obligations" — This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. Implementation of this Statement only required a note disclosure for possible ARO obligation related to the wastewater system. See Note VII.

GASB Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements" — The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Implementation of this Statement affects only note disclosures for these specific types of debt. These disclosures can be found in Note III.H.

GASB Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period" — The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement resulted in the discontinuance of capitalizing interest for business-type assets. In accordance with the standard, prior periods were not restated to remove interest previously capitalized in prior years.

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G. Revenues, Expenditures, and Expenses

1. **Sales Tax:** The City levies a three and one-half cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The Tax Commission receives the sales tax approximately one month after collection by vendors. The entire sales tax is recorded as revenue within the General Fund. Upon receipt, the General Fund distributes the dedicated portion of the sales tax as follows:
 - Two cents retained by the General Fund for operations.
 - One cent transferred to the SUA as required by revenue bond indentures. The proceeds are used in accordance with the trust indenture and current bond indentures.
 - Half cent transferred to the Transportation Fund to be used for the projects approved by the voters in September 2001, other transportation projects and, as approved by voters in May 2007, debt service related to transportation projects.
2. **Property Tax:** Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonds and court-assessed judgments. Property taxes attach an enforceable lien on property as of January 1. Taxes are levied annually on November 1 and are due one-half by December 31 and one-half by March 31. The Tax Assessor's office bills and collects the property taxes and remits to the City its portion. Property taxes not paid prior to April are considered delinquent.

Property tax levied during the fiscal year ended June 30, 2019 was used to fund the annual debt service requirements of the 2010 General Obligation Refunding bonds and court ordered judgments.

3. **Program Revenues:** In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

Activity	Program Revenue
Public safety	Fire and police fines assessed for training, rural fire run fees, on-behalf payments made for police and fire pension plans by the State of Oklahoma, operating and capital grants from the Department of Homeland Security, the Oklahoma Highway Safety Office, Oklahoma State Bureau of Investigation and donations
Recreation and culture	Park and recreation fees, operating grants from the Oklahoma Department of Libraries and Children's Reading Charitable Trust, capital grants from the Oklahoma Department of Commerce (ODOC), Oklahoma Department of Libraries, and donations
General government	Operating grant from the Federal Aviation Administration, fiber network fees, property rentals, reimbursements of commercial air service revenue guarantees, and capital contributions
Financial administration	Business licenses and municipal court fines
Streets and sewers	Gasoline tax, auto tag tax, stormwater fees, transportation fees, and capital contributions
Health and welfare	Trade licenses and permits

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

4. **Operating Revenues and Expenses:** Operating revenues and expenses for proprietary funds and similar discretely presented component units are those that result from providing services and producing and

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delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

5. Expenditures/Expenses

a. **Government-wide Financial Statements:** In the government-wide financial statements, expenses are reported on the accrual basis and are classified by function for both governmental and business-type activities.

b. **Fund Financial Statements:** In the fund financial statements, governmental funds report expenditures of financial resources which are classified as follows:

- Current (further classified by function)
- Debt service
- Capital outlay

Proprietary funds report expenses relating to use of economic resources.

H. Internal and Interfund Balances and Activities

1. **Government-wide Financial Statements:** In the process of aggregating the financial information for the government-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified. The eliminations or reclassifications, if any, in the government-wide statements are as follows:

- Internal balances – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
- Internal activities – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities.

2. **Fund Financial Statements:** Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

- Interfund loans – amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- Interfund services – sales or purchases of goods and services between funds are reported as revenue and expenditures/expenses
- Interfund reimbursements – repayments from funds responsible for certain expenditures or expenses to the funds that initially paid for them are not reported as reimbursements. Rather, the reimbursements are reported as adjustments to expenditures/expenses in the respective funds.
- Interfund transfers – flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component unit are subject to various federal, state and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources is detailed below.

A. Fund Accounting Requirements

The City complies, in all material respects, with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include the following:

Fund	Required By
Debt Service Fund	State Law
Stillwater Utilities Authority	Trust Indenture
Stillwater Economic Development Authority	Trust Indenture
Stillwater Public Works Authority	Trust Indenture
Stillwater Block 34 Trust	Trust Indenture

B. Deposit and Investment Laws and Regulations

The City maintains a cash pool that is available for use by most funds, as discussed in Note I. In addition, cash and investments are separately held by several of the City's funds.

It is the City's policy to use state statutes (as they relate to municipal deposits and investments) as the City's deposit and investment guide. Therefore, the City collateralizes 100% of all deposit amounts, including interest, not covered by federal deposit insurance. Obligations that may be pledged as collateral include U.S. government issues, U.S. government insured securities, State of Oklahoma bonds, and bonds of any Oklahoma county or school district. The City prefers and requests U.S. governmental securities as collateral.

Public trusts created under O.S. Title 60, are not subject to the statutory investment limitations and are primarily governed by any restrictions in their trust or bond indentures. For the year ended June 30, 2019, the City and its public trusts complied, in all material respects, with these investment restrictions.

C. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

Revenue Source	Legal Restrictions of Use
Sales tax	See Note I
Gasoline excise and commercial vehicle tax	Street and alley purposes
E911 revenue	E911 emergency service purposes
Ad valorem tax	Debt service on bonds and judgements
Grants revenue	Per individual grant agreements
Lodging tax	Economic development
Stormwater fee	Stormwater management purposes
Police training fee	Training of police department employees

For the year ended June 30, 2019, the City complied, in all material respects, with these revenue restrictions.

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D. Debt Restrictions and Covenants

- 1. Long-term Debt:** As required by the Oklahoma State Constitution, the City (excluding public trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without obtaining voter approval. For the year ended June 30, 2019, no such debt was incurred by the City.
- 2. Revenue Bond Debt:** The bond indenture relating to the revenue bond issue of the SUA contains a number of financial related restrictions or covenants. These include covenants such as a required flow of funds through special accounts, required reserve account balances, and revenue bond debt service coverage requirements. The following schedule presents a brief summary of the most significant requirements and the SUA's level of compliance thereon as of June 30, 2019.

Requirement	Level of Compliance
Flow of funds through sales tax account and other bond accounts	All required accounts have been established and are used per bond indenture requirements.
Reserve account	The bonds are secured by a Bond Fund Reserve Account held by the SUA's trustee bank.
Revenue Bond and Oklahoma Water Resources Board Notes	For the year ended June 30, 2019, available sales tax and revenues, as defined by the bond indenture, was \$83,405,419; the bond coverage requirement is operating and maintenance excluding depreciation or \$48,521,996 plus 125% of primary principal and interest plus 100% of subordinate principal and interest or \$8,236,025. Excess coverage was \$26,647,398 or over 4 times the required principal and interest coverage.

E. Fund Equity/Net Position Restrictions

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund. For the year ended June 30, 2019, the City did not incur any fund balance deficits.

III. DETAILED NOTES-TRANSACTION CLASSES/ACCOUNTS

The following notes present detailed information to support the amounts reported in the basic financial statements for various assets, deferred outflows, liabilities, deferred inflows, equities, revenues, and expenditures/expenses.

A. Deposits and Investments

- 1. Deposits:** Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The deposit policy of the City and the Hospital for custodial credit risk requires compliance with the provisions of state law. State law requires collateralization of all deposits with federal depository insurance, U.S. government issues, U.S. government insured securities, State of Oklahoma bonds, or bonds of any county or school district of the State of Oklahoma.

At June 30, 2019 the City's bank balance of \$109,447,741 was not exposed to custodial credit risk. At December 31, 2018, \$4,861,000 of the Hospital's bank balance of \$16,754,000 was uninsured and uncollateralized.

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2. Investments: The City may legally invest in direct obligations of the U.S. government and agency securities, certificates of deposit and savings accounts, or savings certificates of savings and loan associations. The Hospital may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest, to a limited extent, in corporate bonds and equity securities.

- Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The City's investment policy does not address interest rate risk. The Hospital's investment policy limits its investment portfolio to an average overall portfolio duration no greater than 7.5 years.
- Credit Risk – Investment credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy does not address credit risk. The Hospital's policy is to limit its investments to a credit rating of no less than investment grade and an overall weighted-average rating of A by Standard and Poor's, Moody's or Fitch.
- Concentration of Credit Risk - The City places no limit on the amount that may be invested in any one issuer. The Hospital's investment policy limits equity investments in any one issuer, other than the U.S. government or its agencies, to 10% of the market value of the fixed income portfolio and to 5% of the market value of the equity portfolio. At December 31, 2018, no investments exceeded 5% of the total value of all Hospital investments.
- Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial risk. However, the City's investments are in the City's name, thus the City had no custodial risk at June 30, 2019. The Hospital's investment policy does not address how these securities are to be held.
- Fair Value Measurement – Fair value measurements are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets that the government can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means. Level 3 inputs are significant, unobservable inputs.

Where quoted market prices are available in an active market, investments of the City and Hospital are classified as Level 1 within the hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such investments are classified as Level 2 within the hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. For the year ended June 30, 2019, The City and Hospital had only Level 1 and Level 2 investments which are summarized below:

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Type	Fair Value	Fair Value Measurement Basis		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
City:				
Certificates of deposit	\$ 6,342,718	\$ -	\$ 6,342,718	\$ -
Money market mutual funds	220,840	220,840	-	-
Mutual funds	222,161	222,161	-	-
U.S. agency obligations	10,993,619	-	10,993,619	-
Hospital:				
Money market mutual funds	\$ 41,939,747	\$ 41,939,747	\$ -	\$ -
Mutual funds - fixed income	24,214,227	24,214,227	-	-
Mutual funds - domestic equities	18,561,691	18,561,691	-	-
Mutual funds - international equities	6,207,583	6,207,583	-	-
U.S. Treasury obligations	69,687	69,687	-	-

The City had the following investments at June 30, 2019:

Type	Credit Rating	Fair Value	Less than 1	1-5	6-10
Certificates of deposit	(1)	\$ 6,342,718	\$ -	\$ 3,202,516	\$ 3,140,202
Money market mutual funds	AAAm (2)	220,840	220,840	-	-
Mutual funds	(1)	222,161	222,161	-	-
U.S. agency obligations	AA+ (2)	10,993,619	-	10,993,619	-
		\$ 17,779,338	\$ 443,001	\$ 14,196,135	\$ 3,140,202

(1) not subject to rating

(2) Standard and Poor's

The Hospital had the following investments at December 31, 2018:

Type	Credit Rating	Fair Value	Less than 1	1-5	6-10
U.S. Treasury obligations	(1)	\$ 69,687	\$ 69,687	\$ -	\$ -
Money market mutual funds	AAAm (2)	41,939,747	41,939,747	-	-
Mutual funds-fixed income	(1)	24,214,227	-	16,365,689	7,848,538
Mutual funds-domestic equities	(1)	18,561,691	18,561,691	-	-
Mutual funds-international equities	(1)	6,207,583	6,207,583	-	-
		\$ 90,992,935	\$ 66,778,708	\$ 16,365,689	\$ 7,848,538

(1) not subject to rating

(2) Standard and Poor's

A summary of the carrying values of the City's deposits and investments as well as a reconciliation to the presentation in the Government-wide Statement of Net Position as of June 30, 2019 is below:

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	Primary Government	Component Unit	Total
Carrying Values:			
Deposits	\$ 108,666,959	\$ 15,621,881	\$ 124,288,840
Investments	17,779,338	90,992,935	108,772,273
Total	\$ 126,446,297	\$ 106,614,816	\$ 233,061,113
Reconciliation to the Government-Wide Statement of Net Position:			
Cash and cash equivalents:			
Unrestricted	\$ 107,178,283	\$ 23,973,994	\$ 131,152,277
Restricted	4,388,550	33,397,458	37,786,008
Investments:			
Unrestricted	9,995,035	49,243,364	59,238,399
Restricted	4,351,315	-	4,351,315
Fiduciary funds	533,114	-	533,114
Total	\$ 126,446,297	\$ 106,614,816	\$ 233,061,113

B. Accounts Receivable

The accounts receivable of the governmental activities consist of Reimbursements of revenue guarantees for commercial air service, police fines, franchise taxes, and stormwater fee receivables. Reimbursements of revenue guarantees are 45%, police fines are 13%, cable franchise taxes are 8%, natural gas franchise taxes are 5%, and stormwater fees are 4% of the total accounts receivable. The remaining receivables are intergovernmental and/or due from various customers. The accounts receivable of the business-type activities are amounts due from utility customers. All receivables are expected to be collected within one year.

C. Accounts Payable

Accounts payable balances are payables to vendors. Accrued liabilities are salaries and wages payable.

D. Restricted Assets

Certain assets of the SUA are restricted in their use by bond and note indentures. Cash and cash equivalents, classified as current, in the amount of \$1,932,356 at June 30, 2019 have been restricted in use to the service of debt. Investments, classified as noncurrent, in the amount \$4,351,315 at June 30, 2019 have been restricted for this purpose.

Certain cash and cash equivalents of the SUA are restricted by agreement for the purpose of acquiring necessary easements related to water line upgrades for an area of service purchased from a rural water district. As of June 30, 2019 cash and cash equivalents, classified as non-current, in the amount of \$54,756 were restricted for this purpose.

Cash and cash equivalents received from customers as a water tie-on charge for new connections to the water distribution system are restricted by an ordinance of the City for the purpose of financing future construction of extensions and improvements to the water distribution system of the City. Cash and cash equivalents, classified as non-current, in the amount of \$831,260 at June, 30 2019 were restricted for this purpose.

Cash and cash equivalents received from utility customers for payment of the Western Payne County Ambulance Trust Authority (WPCATA) Subscription Fee are restricted in their use. Per agreement, the Authority remits to the WPCATA on a monthly basis all money collected from said charge. As of June 30, 2019 cash and cash equivalents, classified as current, in the amount of \$78,328 were restricted for this purpose.

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Cash and cash equivalents received from utility customers to prepay electric service not yet delivered are restricted in their use. As of June 30, 2019 cash and cash equivalents, classified as non-current, in the amount of \$98,477 were restricted for this purpose.

Customer deposits received for water or electric service are restricted in their use toward the customer's final bill. As of June 30, 2019 cash and cash equivalents in the amount of \$1,393,373, of which \$869,568 is classified as current and \$523,805 is classified as non-current, have been restricted for customer deposits.

E. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance at June				Balance at June 30, 2019
	30, 2018	Additions	Deletions	Transfers	
PRIMARY GOVERNMENT:					
<u>Governmental Activities</u>					
Capital assets not being depreciated:					
Land	\$ 12,587,600	\$ 372,952	\$ -	\$ -	\$ 12,960,552
Construction work in progress	5,449,201	1,097,446	-	(2,267,219)	4,279,428
Total capital assets not being depreciated	<u>18,036,801</u>	<u>1,470,398</u>	<u>-</u>	<u>(2,267,219)</u>	<u>17,239,980</u>
Other capital assets:					
Buildings	24,109,499	-	-	-	24,109,499
Improvements other than buildings	13,425,231	23,883	-	246,574	13,695,688
Machinery and equipment	25,454,073	835,866	(83,275)	39,162	26,245,826
Infrastructure	162,865,231	640,280	-	1,981,483	165,486,994
Total other capital assets at historical cost	<u>225,854,034</u>	<u>1,500,029</u>	<u>(83,275)</u>	<u>2,267,219</u>	<u>229,538,007</u>
Less accumulated depreciation for:					
Buildings	11,221,484	517,052	-	-	11,738,536
Improvements other than buildings	9,860,359	334,229	-	-	10,194,588
Machinery and equipment	19,720,711	938,174	(83,275)	-	20,575,610
Infrastructure	118,365,998	3,931,738	-	-	122,297,736
Total accumulated depreciation	<u>159,168,552</u>	<u>5,721,193</u>	<u>(83,275)</u>	<u>-</u>	<u>164,806,470</u>
Other capital assets, net	<u>66,685,482</u>	<u>(4,221,164)</u>	<u>-</u>	<u>2,267,219</u>	<u>64,731,537</u>
Total capital assets, net	<u>\$ 84,722,283</u>	<u>\$ (2,750,766)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,971,517</u>
<u>Business-type Activities</u>					
Capital assets not being depreciated:					
Land	\$ 2,046,621	\$ -	\$ -	\$ -	\$ 2,046,621
Intangible assets	1,530,403	-	-	-	1,530,403
Construction work in progress	32,752,057	12,505,395	-	(20,594,927)	24,662,525
Total capital assets not being depreciated	<u>36,329,081</u>	<u>12,505,395</u>	<u>-</u>	<u>(20,594,927)</u>	<u>28,239,549</u>
Other capital assets:					
Buildings	94,157,633	-	-	-	94,157,633
Improvements other than buildings	31,598,914	-	-	594,893	32,193,807
Machinery and equipment	78,524,569	507,222	(787,845)	-	78,243,946
Intangible assets	74,054	-	-	-	74,054
Infrastructure	162,273,472	972,485	(237,499)	20,000,034	183,008,492
Total other capital assets at historical cost	<u>366,628,642</u>	<u>1,479,707</u>	<u>(1,025,344)</u>	<u>20,594,927</u>	<u>387,677,932</u>
Less accumulated depreciation for:					
Buildings	51,230,110	2,298,894	-	-	53,529,004
Improvements other than buildings	20,034,683	1,022,831	-	-	21,057,514
Machinery and equipment	21,053,185	3,039,775	(545,991)	-	23,546,969
Infrastructure	85,634,892	5,081,352	(237,499)	-	90,478,745
Amortization for intangible assets	74,054	-	-	-	74,054
Total accumulated depreciation	<u>178,026,924</u>	<u>11,442,852</u>	<u>(783,490)</u>	<u>-</u>	<u>188,686,286</u>
Other capital assets, net	<u>188,601,718</u>	<u>(9,963,145)</u>	<u>(241,854)</u>	<u>20,594,927</u>	<u>198,991,646</u>
Total capital assets, net	<u>\$ 224,930,799</u>	<u>\$ 2,542,250</u>	<u>\$ (241,854)</u>	<u>\$ -</u>	<u>\$ 227,231,195</u>

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COMPONENT UNITS:	Balance at December				Balance at December 31, 2018
	31, 2017	Additions	Deletions	Transfers	
Stillwater Medical Center Authority					
Capital assets not being depreciated:					
Land	\$ 4,470,073	\$ -	\$ -	\$ -	\$ 4,470,073
Construction work in progress	11,951,228	14,916,904	-	(9,285,932)	17,582,200
Total capital assets not being depreciated	16,421,301	14,916,904	-	(9,285,932)	22,052,273
Other capital assets:					
Land improvements	3,389,240	-	-	655,087	4,044,327
Building, improvements and fixed equipment	95,158,690	252,023	(523,361)	8,630,845	103,518,197
Major moveable equipment	79,088,150	7,268,838	(639,119)	-	85,717,869
Total other capital assets at historical cost	177,636,080	7,520,861	(1,162,480)	9,285,932	193,280,393
Less accumulated depreciation for:					
Land improvements	1,462,385	103,713	-	-	1,566,098
Building, improvements and fixed equipment	40,248,572	3,614,210	(333,723)	-	43,529,059
Major moveable equipment	59,935,717	5,721,579	(560,727)	-	65,096,569
Total accumulated depreciation	101,646,674	9,439,502	(894,450)	-	110,191,726
Other capital assets, net	75,989,406	(1,918,641)	(268,030)	9,285,932	83,088,667
Total capital assets, net	\$ 92,410,707	\$ 12,998,263	\$ (268,030)	\$ -	\$ 105,140,940

Depreciation expense was charged to functions in the statement of activities as follows:

Primary Government:

Governmental Activities

Public safety	\$ 621,921
Recreation and culture	533,544
General government	514,383
Financial administration	144
Streets and sewers	4,051,201
Total depreciation expense for governmental activities	<u>\$ 5,721,193</u>

Business-type Activities

Stillwater Utilities Authority	\$ 10,308,646
Airport (includes amortization of intangible assets)	1,131,310
Stillwater Economic Development Authority	2,896
Total depreciation expense for business-type activities	<u>\$ 11,442,852</u>

Component Units:

Stillwater Medical Center Authority	<u>\$ 9,439,502</u>
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F. Interfund Receivables and Payables

Interfund balances result from the normal operations of the various funds of the primary government. Other funds routinely make payments to the General Fund to cover payroll, vendor payments, health insurance costs, workers compensation costs, and other operating costs. Generally these charges are paid within a month of their incurrence. Interfund receivables and payables at June 30, 2019 are as follows:

Due From	Due To			
	Transportation		Stillwater	
	Improvement Fund	Utilities Authority	Total	
General Fund	\$ 674,192	\$ 1,656,278	\$ 2,330,470	
Nonmajor Proprietary Funds	-	117,667	117,667	
	<u>\$ 674,192</u>	<u>\$ 1,773,945</u>	<u>\$ 2,448,137</u>	

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The Stillwater Public Works Authority made an advance to the Stillwater Economic Development Authority as a requirement under a grant/loan received by the Oklahoma Department of Commerce. The balance of this advance at June 30, 2019 was \$64,999 and will not be paid within one year.

G. Interfund Transfers

Interfund transfers were made to comply with tax collection provisions and agreements and to fund cash shortages in various funds as needed. These shortages occurred due to operating expenditures exceeding fund revenues. Interfund transfers reported in the fund financial statements for the year ended June 30, 2019, consisted of the following:

	Transfers In		Transfers Out				Stillwater Utilities Authority	Total
	General Fund	Nonmajor Governmental Funds	Nonmajor Proprietary Funds					
General Fund	\$ 65,000	\$ 78,822	\$ 30,000	\$ 16,726,556	\$ 16,900,378			
Transportation Improvement Fund	4,048,232	-	-	-	-			4,048,232
Nonmajor Governmental Funds	-	-	-	-	3,000,000			3,000,000
Nonmajor Proprietary Funds	1,830,026	-	-	-	1,000,000			2,830,026
Stillwater Utilities Authority	8,096,465	-	-	-	-			8,096,465
	<u>\$ 14,039,723</u>	<u>\$ 78,822</u>	<u>\$ 30,000</u>	<u>\$ 20,726,556</u>	<u>\$ 34,875,101</u>			

H. Long-term Liabilities

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities, amounts to be repaid from business-type activities, and amounts to be repaid from component units.

1. Governmental Activities: As of June 30, 2019, the governmental activities long-term debt consisted of the following:

General Obligation Bonds

2010 Refunding Bonds dated April 8, 2010, original issue amount of \$8,390,000, interest rate of 4%, semiannual interest and annual principal installments commencing June 1, 2011 through June 1, 2021
 Plus: unamortized debt premium
 Total general obligation bonds payable

\$ 1,145,000
 126,617
\$ 1,271,617

Current portion
 Noncurrent portion
 Total general obligation bonds payable

\$ 795,000
 476,617
\$ 1,271,617

Accrued Compensated Absences

Current portion
 Noncurrent portion
 Total accrued compensated absences

\$ 392,172
 2,572,355
\$ 2,964,527

Refundable Grant Obligations - SPWA - Direct Borrowing

Grant from Oklahoma Department of Commerce, original issue amount of \$400,000, interest rate of 0%, monthly principal installments commencing October 1, 2002 through September 1, 2022, collateralized by a lease between SEDA and Nomadics, Inc. Default provisions include 1) unpaid balance of note becomes immediately due and payable; and 2) the interest rate will be increased to the lesser of 6% or maximum rate permitted by law.

\$ 64,999
\$ 64,999

Total refundable grant obligations
 Current portion
 Noncurrent portion
 Total refundable grant obligations

\$ 20,000
 44,999
\$ 64,999

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2. Business-type Activities: As of June 30, 2019, the long-term liabilities payable from business-type activities consisted of the following:

Revenue Bonds Payable

Series 2014A Revenue Bonds dated August 14, 2014, original issue amount of \$61,830,000, secured by utility revenues, interest rates range from 3% to 5%, semiannual interest and annual principal installments commencing October 1, 2014 through October 1, 2042	\$59,205,000
Plus: unamortized debt premium	5,445,240
Total revenue bonds payable	<u>\$64,650,240</u>

Current portion	\$ 1,618,963
Noncurrent portion	63,031,277
Total revenue bonds payable	<u>\$64,650,240</u>

Notes Payable

2002 Oklahoma Water Resources Board (OWRB) SRF Note Payable dated February 28, 2002, original amount of \$3,413,483, secured by utility revenues, no interest plus an administrative fee of 0.5%, semiannual installments of principal commencing March 15, 2002 through September 15, 2021	\$ 426,685
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2002 OWRB SRF Note Payable dated December 19, 2002, original amount of \$4,876,086, secured by utility revenues, no interest plus an administrative fee of 0.5%, semiannual installments of principal commencing March 15, 2003 through September 15, 2022	853,315
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2005 OWRB Fixed Rate Note Payable dated June 29, 2005, original amount of \$7,620,000, secured by utility revenues, 2.6% interest plus an administrative fee of 0.5%, semiannual installments of principal and interest commencing September 15, 2005 through March 15, 2025	2,802,438
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2009 OWRB DWSRF Note Payable dated November 24, 2009, original amount of \$11,645,000, \$2,000,000 in principal forgiveness from American Recovery and Reinvestment Act grant funds, secured by utility revenues, 2.84% interest plus an administrative fee of 0.5%, semiannual principal installments commencing March 15, 2013 through September 15, 2032	6,963,030
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2009 OWRB CWSRF Note Payable dated November 24, 2009, original amount of \$1,875,000, \$578,999 in principal forgiveness from American Recovery and Reinvestment Act grant funds, secured by utility revenues, 2.34% interest plus an administrative fee of 0.5%, semiannual principal installments commencing March 15, 2011 through September 15, 2030	789,009
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2016 Oklahoma Water Resources Board (OWRB) SRF Note Payable dated June 27, 2016, not to exceed \$29,900,000, secured by utility revenues, 1.82% interest plus an administrative fee of 0.5%, semiannual principal installments commence the earlier of March 15, 2017 or construction completion	22,953,247
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United States Army Corps of Engineers Note dated September 26, 1980, original amount of \$1,530,403, 3.222% interest, annual interest and principal installments commencing August 27, 1984 through August 27, 2034	743,626
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Total notes payable	<u>\$35,531,350</u>
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Current portion	\$ 2,394,715
Noncurrent portion	33,136,635
Total notes payable	<u>\$35,531,350</u>

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Captial Lease Obligations

Borrowings have been advanced pursuant to a credit agreement with Bank of America, N.A. that provides for the purchase of equipment. Total borrowings are limited to \$10.8 million with a fixed interest rate determined at the time of funding. Total borrowings under this credit agreement at June 30, 2019 amounted to \$10.8 million. The collateral for this debt are the equipment assets purchased. Default provisions include 1) declaring all rental payments immediately due and payable; 2) take possession of the collateralized equipment, sell or lease such equipment, require SUA to pay difference, if any, between the lease payments and proceeds of sale or new lease; and 3) any action at law necessary to enforce lessor's rights.

Total cost of capital assets financed by outstanding lease obligations	\$4,196,818
Less: accumulated depreciation	(859,752)
Net capital assets financed by lease obligations	<u>\$3,337,066</u>
\$99,988 capital lease with Bank of America for equipment, fixed interest rate of 1.5800%, monthly installments commencing March 13, 2015 through February 13, 2020	13,791
\$95,660 capital lease with Bank of America for equipment, fixed interest rate of 1.5036%, monthly installments commencing April 16, 2015 through March 16, 2020	14,811
\$180,966 capital lease with Bank of America for equipment, fixed interest rate of 1.4588%, monthly installments commencing July 9, 2015 through June 9, 2020	37,256
\$190,579 capital lease with Bank of America for equipment, fixed interest rate of 1.4780%, monthly installments commencing August 24, 2015 through July 24, 2020	42,495
\$339,721 capital lease with Bank of America for equipment, fixed interest rate of 1.2729%, monthly installments commencing March 11, 2016 through February 11, 2021	115,650
\$288,385 capital lease with Bank of America for equipment, fixed interest rate of 1.2985%, monthly installments commencing April 10, 2016 through March 10, 2021	103,070
\$116,059 capital lease with Bank of America for equipment, fixed interest rate of 1.2537%, monthly installments commencing June 18, 2016 through May 18, 2021	45,351
\$772,460 capital lease with Bank of America for equipment, fixed interest rate of 1.7008%, monthly installments commencing January 22, 2017 through December 22, 2021	394,434
\$355,000 capital lease with Bank of America for equipment, fixed interest rate of 1.7970%, monthly installments commencing February 13, 2017 through January 13, 2022	187,394
\$1,730,500 capital lease with Bank of America for equipment, fixed interest rate of 2.5534%, monthly installments commencing July 13, 2018 through June 13, 2023	<u>1,401,827</u>
Total capital leases	<u>\$2,356,079</u>
Current portion	\$ 820,732
Noncurrent portion	<u>1,535,347</u>
Total capital leases	<u>\$2,356,079</u>

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Current portion	\$ 69,534
Noncurrent portion	<u>975,641</u>
Total accrued compensated absences	<u><u>\$1,045,175</u></u>

Deposits Subject to Refund

Current portion	\$ 870,541
Noncurrent portion	<u>622,283</u>
Total deposits subject to refund	<u><u>\$1,492,824</u></u>

Refundable Grant Obligations

Current portion	\$ 162,452
Noncurrent portion	<u>-</u>
Total refundable grant obligations	<u><u>\$ 162,452</u></u>

3. Component Unit: As of June 30, 2019, the long-term debt of the component unit, Stillwater Medical Center Authority, consisted of the following:

Revenue Bonds

2014 Series Revenue Bonds dated March 28, 2014, original issue amount of \$15,570,000, secured by gross revenue, certain property, and trustee-held assets, interest rate of 1.69%, semiannual interest and annual principal installments through May 15, 2019

\$ 3,205,000

2017 Series Revenue Bonds dated January 26, 2017, original issue amount of \$35,000,000, secured by gross revenue, interest rate of 2.16%, semiannual interest and annual principal installments through February 15, 2024

25,833,334

Total revenue bonds payable

\$ 29,038,334

Current portion

\$ 8,205,000

Noncurrent portion

20,833,334

Total revenue bonds payable

\$ 29,038,334

Notes Payable

SMC Equipment promissory notes payable to MMOK Sub VII, dated August 3, 2018, original issue amount of \$16,000,000, secured by the assets purchased with the note proceeds; interest rate of 1.67%; payable in quarterly interest installments through September 1, 2025; commencing December 1, 2025, equal installments of principal and interest in amounts sufficient to fully amortize principal balance as of the maturity date of August 3, 2030.

\$ 16,000,000

Noncurrent portion

\$ 16,000,000

Capital Lease Obligations

Total cost of capital assets financed by outstanding lease obligations

\$ 6,631,688

Less: accumulated depreciation

(3,622,813)

Net capital assets financed by lease obligations

\$ 3,008,875

Capital leases issued for equipment, interest rates from 1.69% to 2.16% installments payable through 2022

\$ 2,501,237

Current portion

\$ 1,332,269

Noncurrent portion

1,168,968

Total capital leases

\$ 2,501,237

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I. Applicability of Federal Arbitrage Regulations

Certain debt issuances of the City and SUA issued after the Tax Reform Act of 1986 are subject to the federal arbitrage regulations. The arbitrage rebate regulations require that all earnings from the investment of gross proceeds of an issue in excess of the amount that could have been earned had the yield on the investment been equal to the yield on the bonds be remitted to the federal government. These carry strict penalties for noncompliance including taxability of interest retroactive to the date of the issue. The City's management believes it is in compliance with these rules and regulations.

J. Changes in Long-Term Liabilities

Changes in the long-term liabilities for the year ended June 30, 2019 are summarized below:

	Balance at June 30,			Balance at June 30,		Amounts Due Within One Year
	2018	Additions	Reductions	2019		
PRIMARY GOVERNMENT:						
<u>Governmental Activities</u>						
General obligations bonds	\$ 2,129,838	\$ -	\$ 858,221	\$ 1,271,617	\$ 795,000	
Refundable grant obligations-direct borrowing	84,999	-	20,000	64,999	20,000	
Accrued compensated absences	2,759,289	597,410	392,172	2,964,527	392,172	
Total governmental activities	\$ 4,974,126	\$ 597,410	\$ 1,270,393	\$ 4,301,143	\$ 1,207,172	
<u>Business-type Activities</u>						
Notes payable	\$ 30,109,922	\$ 7,787,144	\$ 2,365,716	\$ 35,531,350	\$ 2,394,715	
Revenue bonds payable, net	66,214,202	-	1,563,962	64,650,240	1,618,963	
Capital lease obligations-direct borrowing	3,212,738	-	856,659	2,356,079	820,732	
Refundable grant obligations-direct borrowing	197,810	372,398	407,756	162,452	162,452	
Accrued compensated absences	926,423	188,286	69,534	1,045,175	69,534	
Deposits subject to refund	1,465,314	1,249,302	1,221,792	1,492,824	870,541	
Total business-type activities	\$ 102,126,409	\$ 9,597,130	\$ 6,485,419	\$ 105,238,120	\$ 5,936,937	
COMPONENT UNIT:						
<u>Stillwater Medical Center Authority</u>						
Revenue bonds payable, net	\$ 37,188,334	\$ -	\$ 8,150,000	\$ 29,038,334	\$ 8,205,000	
Notes payable	-	16,000,000	-	16,000,000	-	
Capital lease obligations	3,462,766	973,709	1,935,238	2,501,237	1,332,269	
Total component unit	\$ 40,651,100	\$ 16,973,709	\$ 10,085,238	\$ 47,539,571	\$ 9,537,269	

For governmental activities, compensated absences are generally liquidated by the general fund.

K. Maturities of Long-term Debt

The debt service maturities for long-term indebtedness in the coming years are as follows:

PRIMARY GOVERNMENT:

Governmental Activities

Year ending June 30,	General			Direct Borrowing -		
	Obligation Bonds Payable			Refundable Grant Obligation		
	Principal	Interest		Principal	Interest	
2020	\$ 795,000	\$ 45,800		\$ 20,000	\$ -	
2021	350,000	14,000		20,000	-	
2022	-	-		20,000	-	
2023	-	-		4,999	-	
2024	-	-		-	-	
Total	\$ 1,145,000	\$ 59,800		\$ 64,999	\$ -	

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<u>Business-type Activities:</u>				<u>Direct Borrowings - Capital Leases</u>			
<u>Year ending June 30,</u>	<u>Revenue Bonds Payable</u>		<u>Notes Payable</u>		<u>Principal</u>	<u>Interest</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>			
2020	\$ 1,385,000	\$ 2,723,300	\$ 2,394,715	\$ 840,391	\$ 820,732	\$ 43,472	
2021	1,440,000	2,659,600	2,426,498	783,243	693,249	28,073	
2022	1,510,000	2,585,850	2,373,066	725,954	478,122	14,877	
2023	1,590,000	2,508,350	2,208,419	658,614	363,976	5,054	
2024	1,665,000	2,435,300	2,112,023	609,457	-	-	
2025-2029	9,535,000	10,920,525	8,911,371	2,367,445	-	-	
2030-2034	11,950,000	8,447,875	7,043,671	1,322,662	-	-	
2035-2039	15,160,000	5,137,750	5,041,660	670,127	-	-	
2040-2043	14,970,000	1,246,300	3,019,927	123,824	-	-	
Total	\$ 59,205,000	\$ 38,664,850	\$ 35,531,350	\$ 8,101,717	\$ 2,356,079	\$ 91,476	

COMPONENT UNIT:

Stillwater Medical Center Authority

<u>Year ending December 31,</u>	<u>Revenue Bonds/Notes Payable</u>		<u>Capital Leases</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
2019	\$ 8,205,000	\$ 803,429	\$ 1,352,749
2020	5,000,000	668,196	978,057
2021	5,000,000	560,196	183,988
2022	5,000,000	452,196	15,979
2023-2027	12,868,296	1,300,347	-
2028-2030	8,965,038	226,556	-
Total	\$ 45,038,334	\$ 4,010,920	\$ 2,530,773
Less amount representing interest			(29,536)
Present value of future minimum lease payments			\$ 2,501,237

IV. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

A. Non-uniformed Employees

1. Defined Contribution Plan: All full-time, non-uniformed City employees are provided pension benefits through a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). The employee begins participation on the date of employment. Employees are required to contribute a minimum of 3% of their salary with an optional maximum of up to 100% of their salary, subject to Internal Revenue Service limitations. The City's contribution is determined by the city council each year, based on a minimum of 6% of employee salaries. The City's contribution for each employee begins vesting after 5 years and is fully vested after 10 years. If an employee terminates before becoming fully vested, the employer's contributions that are forfeited may be used to reduce the City's current-period contributions requirement.

Salary deferred under the plan is not available to employees until termination, death, retirement, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with these amounts, and all income attributable to these amounts remain the property of the City without being restricted to the provisions of benefits under the plan until such amounts are paid or made available to the employees, subject only to the claims of the City's general creditors.

The plan is administered by the Oklahoma Municipal Retirement Fund. Neither the Oklahoma Municipal Retirement Fund nor the City have a liability for losses under the plan, but have the duty of due care that would be required of an ordinary prudent investor.

The total contribution, net of forfeitures, for the year ended June 30, 2019, was \$1,982,531 which consisted of \$949,034 (net of \$240,975 in forfeitures) from the City and \$1,033,497 from employees.

The Hospital contributes to a defined contribution pension plan covering substantially all employees. Pension expense is recorded for the amount of the Hospital's required contributions, determined in

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accordance with the terms of the plan. The plan is administered by the Hospital's Board of Trustees. The plan provides retirement and death benefits to plan members and their beneficiaries. Benefit provisions are contained in the plan document and were established and can be amended by action of the Hospital's governing body. Contribution rates for plan members and the Hospital, expressed as a percentage of covered payroll, were 3% for 2018. Contributions actually made by plan members and the Hospital aggregated approximately \$1,755,000 and \$3,298,000, respectively, during 2018.

2. **Defined Contribution Plan – City Manager Plan:** The City provides a defined contribution plan available to any person who is in the position of City Manager. Employees are eligible on the employee's employment commencement date. The City has elected the variable funding option. The City intends to make a contribution to the Plan for the benefit of the participants on a monthly basis. The contribution may be varied from year to year by the City. The City's contributions for each employee (and interest allocated to the employee's account) are vested at 100% immediately upon the participation date. Benefits depend solely on amounts contributed to the plan plus investment earnings. The authority to establish and amend the provisions of the plan rests with the city council. For the year ended June 30, 2019 the City contributed 6% to the plan and the enrolled employee contributed 3% to the plan. The total contributions for the year ended June 30, 2019 was \$14,400 which consisted of \$9,600 from the City and \$4,800 from employee.
3. **Defined Benefit (Retiree) Plan:** Plan Description — In 1985, the City replaced a defined benefit plan with the current defined contribution 401(a) plan. The assets of the defined benefit plan were apportioned to all eligible participants in the plan as of June 30, 1985, except those assets attributable to retired participants as of June 30, 1985, which were used to fund the future retirement benefits of such retired participants. This plan is closed to new entrants. The plan is administered and reported by the Oklahoma Municipal Retirement Fund (OMRF) as an agent multiple-employer plan. There has been no required employer contribution associated with this plan for the last ten years. No additional employee contributions are required or allowed. Although this plan is considerably overfunded, the plan assets are not available for City operations until such time as the obligation to pay the two remaining retirees is exhausted.

- Benefits provided — The plan retirement benefit is equal to an elected percentage of final compensation for each year of credited service. Final compensation is defined as the average salary for the highest 60 consecutive months out of the last 10 years of the participant's employment. Benefits in payment status are adjusted each July 1st based on the percentage change in the Consumer Price Index. The maximum increase or decrease in any year is 3%.

The administrator's investment policy limits the concentration of each portfolio manager. No direct investment in any one organization represents 5% or more of the net assets held in trust for pension benefits.

Net Pension Asset: The net pension asset of the Defined Benefit (Retiree) Plan for the year ended June 30, 2019 was measured as of July 1, 2018 based on an actuarial valuation that determined the total pension liability as of that date.

Actuarial Assumptions: The actuarial valuation that provided the total pension liability as of July 1, 2018 used the following assumptions:

Assumption	Rate
Inflation	2.75%
Salary increase	N/A
Investment rate of return*	7.50%

*Net of pension plan investment expense; includes inflation

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Mortality rates use the UP 1994 mortality tables with adjustments for mortality improvements based on the Society of Actuaries' table AA based on the employee's year of birth.

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 rate of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2018 are summarized in the following table:

Asset Class	Target Allocation	Real Return	Weighted Return
Large cap stock	25%	5.8%	1.45%
Small/mid cap stock	10%	6.4%	0.64%
Long/short equity	10%	5.0%	0.50%
International stock	20%	6.2%	1.24%
Fixed income bonds	30%	2.3%	0.69%
Real estate	5%	4.6%	0.23%
Cash equivalents	0%	0.0%	0.00%

Calculated Long-term Expected Return	
Average real return	4.75%
Inflation	2.75%
Long-term expected return	7.50%

Discount Rate: The discount rate used to measure the total pension liability was 7.5 percent. Because the pension plan's fiduciary net position is projected to easily meet all projected future benefit payments, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments in the determination of pension liability.

Change in Net Pension Asset: A summary of the change in net pension asset for the Defined Benefit (Retiree) Plan for the year ended June 30, 2019 is below:

	Total Pension Liability	Plan Net Fiduciary Position	Net Pension Liability (Asset)
Balance at 7/1/17	\$ 24,094	\$ 8,810,445	\$ (8,786,351)
Changes during year:			
Interest cost	1,657	-	1,657
Difference between expected and actual experience	(7,313)	-	(7,313)
Assumption change	-		
Net investment income	-	651,258	(651,258)
Benefit payments	(4,073)	(4,073)	-
Administrative expense	-	(18,319)	18,319
Net changes during year	(9,729)	628,866	(638,595)
Balance at 7/1/18	\$ 14,365	\$ 9,439,311	\$ (9,424,946)

Sensitivity of Net Pension Asset to Changes in Discount Rate: The following shows the effect of a 1% increase or decrease from the 7.5% discount rate that was used to calculate the net pension asset.

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	1% Decrease to 6.5%	Current Discount Rate of 7.5%	1% Increase to 8.5%
Total pension liability	\$ 15,003	\$ 14,365	\$ 13,777
Plan net fiduciary position	<u>9,439,311</u>	<u>9,439,311</u>	<u>9,439,311</u>
Net pension asset	<u><u>\$ (9,424,308)</u></u>	<u><u>\$ (9,424,946)</u></u>	<u><u>\$ (9,425,534)</u></u>

Pension Plan Fiduciary Net Position: Detailed information about the City of Stillwater, Oklahoma Retiree Only Defined Benefit Plan's fiduciary net position is available in a separately issued financial report available at: OMRF, 525 Central Park Drive, Suite 320, Oklahoma City, OK 73105.

Pension Expense and Deferred Inflows of Resources Related to Pensions: Pension expense was reduced by \$665,104 in fiscal year 2019. The following shows what makes up the pension expense reduction:

Interest cost	\$ 1,657
Expected return on plan investments	(659,959)
Administrative expenses	18,319
Amortization of deferred (inflows) and outflows:	
Actuarial (gains) and losses	(7,313)
Changes in assumptions	-
Investment (gains) and losses	<u>(17,808)</u>
Pension expense	<u><u>\$ (665,104)</u></u>

Deferred inflows and outflows are the result of investment gains or losses. The total ending deferred outflows associated with the difference between projected and actual earnings on pension plan investments is \$63,389. Deferred outflows will be recognized in pension expense as follows:

Fiscal Year	Amount
2020	\$ 101,610
2021	31,405
2022	(71,366)
2023	<u>1,740</u>
	<u><u>\$ 63,389</u></u>

B. Uniformed Employees

Oklahoma Police and Firefighter's Pension and Retirement Systems: The City of Stillwater, as the employer, participates in two statewide, cost-sharing, multiple employer defined benefit pension plans on behalf of the police officers and firefighters. The systems are funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary. The following is a summary of eligibility factors, contribution methods, and benefit provisions:

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	Oklahoma Police Pension and Retirement System	Oklahoma Firefighter's Pension and Retirement System
Obtaining separately issued financial statements	Police Pension and Retirement 1001 N.W. 63rd St., Suite 305 Oklahoma City, OK 73116-7335	Firefighter's Pension & Retirement 4545 N. Lincoln Blvd., Suite 265 Oklahoma City, OK 73105-3414
Authority establishing contribution obligations and benefits	State statute	State statute
Eligibility to participate	All full-time officers, employed by a participating municipality, not less than 21 years of age or more than 45 years of age when hired	All full-time or voluntary firefighters of a participating municipality hired before age 45
Employee's required contribution rate (percent of covered payroll)	8%	9%
City's required contribution rate (percent of covered payroll)	13%	14%
State obligation	State appropriation to fund the unfunded actuarial accrued liability	State appropriation to fund the unfunded actuarial accrued liability
Periods required to vest	10 years	10 years
Eligibility and benefits for distribution (full-time)	20 years credited service, 2.5% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; reduced benefits if vested at or after age 50 or after 10 but before 20 years of credited service	20 years credited service, 2.5% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; reduced benefits if vested at or after age 50 or after 10 but before 20 years of credited service
Deferred retirement option	Yes. 20 years credited service with additional option to participate in deferred compensation plan (Louisiana Plan)	Yes. 20 years credited service with continued service for a maximum of 30 years
Provisions for:		
Cost of living adjustments (normal retirement)	Yes	Yes
Death (duty, non-duty, post-retirement)	Yes	Yes
Disability (duty, non-duty)	Yes	Yes
Cost of living allowances	Yes	Yes

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Contributions required by state statute:

Fiscal Year	Oklahoma Police Pension & Retirement System		Oklahoma Firefighter's Pension & Retirement System	
	City's Required Contribution	Percent Contributed	City's Required Contribution	Percent Contributed
2019	\$ 795,457	100%	\$ 733,622	100%
2018	756,167	100%	694,101	100%
2017	726,443	100%	710,808	100%
2016	763,592	100%	708,897	100%
2015	705,649	100%	663,084	100%

Pension Liability, Expense, and Deferred Inflows and Outflows of Resources: At June 30, 2019, the City reported an asset of \$915,585 for its proportionate share of the collective net pension asset of the Oklahoma Police Pension and Retirement System and a liability of \$18,994,082 for its proportionate share of the collective net pension liability of the Oklahoma Firefighter's Pension and Retirement System. For both cost-sharing plans of the City, the net pension liability(asset) was measured as of June 30, 2018 using an actuarial valuation to calculate the total pension liability as of that date. The City's proportion of the net pension liability (asset) represents the City's actual cash basis contributions for the fiscal year divided by the total of all employer cash basis contributions for the fiscal year. The City's proportion of the Police Pension plan increased from 1.905% to 1.922% during the fiscal year and resulted in a deferred inflow of \$478. The City's proportion of the Fire Pension plan decreased from 1.802% to 1.687% during the fiscal year and resulted in a deferred outflow of \$1,056,545.

For the year ended June 30, 2019, the City recognized pension expense of \$680,875 for the police pension plan and \$(78,261) for the firefighter's pension plan. The City reported deferred outflows of resources and deferred inflows of resources related to the cost-sharing pension plans due to the following factors:

	Oklahoma Police Pension & Retirement System		Oklahoma Firefighter's Pension & Retirement System	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	\$ 5,407	\$ 857,904	\$ 3,967,329	\$ -
Change in assumptions	399,870	-	-	-
Net difference between projected and actual earnings on pension plan investments	476,780	-	-	1,578,255
Effect of City's proportion of plan	42,966	3,969	469,085	1,092,792
City contributions made subsequent to the measurement date	795,457	-	733,622	-
Total	\$ 1,720,480	\$ 861,873	\$ 5,170,036	\$ 2,671,047

Deferred outflows resulting from City contributions to the plans subsequent to the measurement date will be recognized as a reduction of pension expense in the fiscal year ending June 30, 2020. Other deferred inflows and deferred outflows related to pensions will be recognized in pension expense as shown in the following chart:

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Fiscal Year	Oklahoma Police Pension & Retirement System	Oklahoma Firefighter's Pension & Retirement System
2020	\$ 503,691	\$ 725,428
2021	206,802	518,193
2022	(507,736)	(26,345)
2023	(165,312)	355,258
2024	25,705	192,833
Total	<u>\$ 63,150</u>	<u>\$ 1,765,367</u>

Actuarial Assumptions: The actuarial valuation that provided the total pension liability as of June 30, 2018 used the following assumptions:

Assumption	Oklahoma Police Pension & Retirement System	Oklahoma Firefighter's Pension & Retirement System
Inflation	2.75%	3.0%
Salary increases*	3.5%-10.0%	3.5%-9.0%
Investment rate of return	7.5%	7.5%

*Based on years of service; includes inflation

For both plans, mortality rates use the RP-2000 Blue Collar Healthy Combined mortality tables with adjustments for mortality improvements based on the Society of Actuaries' table AA based on the beneficiary's year of birth.

The actuarial assumptions used for the police pension plan's June 30, 2018 valuations were based on actuarial experience studies for a 5 year period of July 1, 2012, to June 30, 2017. The actuarial assumptions used for the fire pension plan's June 30, 2018 valuation were based on actuarial experience studies for a 5 year period of July 1, 2007 through June 30, 2012.

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

Asset Class	Oklahoma Police Pension & Retirement System	Oklahoma Firefighter's Pension & Retirement System
	Long-term Expected	
	Real Rate of Return	Real Rate of Return
Fixed income	4.53%	4.37%
Domestic equity	5.86%	7.01%
International equity	8.83%	8.83%
Real estate	6.58%	6.58%
Private equity	9.21%	0.00%
Commodities	5.06%	0.00%
Other assets	0.00%	5.70%

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Discount Rate: For both cost sharing plans the discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rates 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 for the Police plan and 36% of the insurance premium for the Fire plan, as established by statute. Based on these assumptions, both of the pension plans' 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 Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease to 6.5%	Current Discount Rate of 7.5%	1% Increase Rate of 8.5%
City's share of police plan net pension liability (asset)	\$ 4,247,113	\$ (915,585)	\$ (5,280,060)
City's share of fire plan net pension liability	24,878,487	18,994,082	14,052,094

Non-employer Contributing Entity: For the City's police and firefighters pension plans, the State of Oklahoma is considered to be a non-employer contributing entity. The State contributes 14% of the insurance premium tax collected through its taxing authority to the police pension plan and 36% of the insurance premium tax collected to the firefighter's pension plan. The City is required to recognize revenue for its share of the support provided by the State by multiplying the State's total contribution to each pension plan by the City's calculated proportionate share of the collective net pension liability or asset for each pension plan. For the year ended June 30, 2019, the City recorded revenues of \$750,157 for the police pension plan and \$1,693,017 for the firefighter's pension plan.

V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description: The City sponsors and administers a self-funded, single-employer defined benefit plan providing postemployment healthcare benefits. All employees who retire from the City on or after attaining age 55 with at least 10 years of service are eligible to participate in the plan. Police and fire personnel are eligible based on the retirement requirements for their pension plans. The election to participate must be made at the time of separation from service. The City requires a monthly premium contribution from the retiree based on City-wide claim trends of the previous fiscal year. Upon payment of this premium, the City covers all medical expenses just as for active employees on a pay-as-you-go basis. Coverage is available until the first day of the month in which the retiree reaches Medicare eligibility age (currently 65). If the spouse of a retiree is covered at the time the retiree becomes ineligible for the plan at age 65, the spouse becomes COBRA-eligible until age 65 or for 36 months, whichever is less. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a stand-alone report.

Funding Policy: The City funds healthcare benefits on a pay-as-you-go basis utilizing a third party administrator, Blue Cross Blue Shield of Oklahoma. Eligible employees are required to pay set premiums for a portion of the cost, with the City subsidizing the remaining costs. Contribution requirements of active employees are established and amended as needed by the city council. Premium rates for retirees and COBRA participants are set by City management upon recommendations provided by the third party administrator and the City's re-insurance agent. The required monthly contribution rates for plan members for fiscal year 2019 range from \$49

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to \$412 for active employees, \$493 to \$1,824 for retired participants, and \$503 to \$1,860 for COBRA participants.

Employees Covered by Benefit Terms: At June 30, 2019, the following employees were covered by the benefit terms.

Active plan members	503
Inactive employees or beneficiaries currently receiving benefit payments	33
Total plan members	<u>536</u>

Total OPEB Liability: The City's total OPEB liability of \$5,948,507 was measured as of June 30, 2019 and was determined by an actuarial valuation performed as of June 30, 2018.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Discount rate	3.87 percent based on the yield for 20-year municipal bonds on the measurement date (Bond Buyers' index)
Pay increases	3.00 percent (the inflation component of pay increases used to determine the EAN actuarial liability and service cost of the OPEB plan)
Mortality	PubG-2010 for non-public safety; PubS-2010 for police and fire
Retirement rates	OkMRF 2017 experience study
Turnover	OkMRF 2017 experience study
Healthcare cost trend	Plan year dependent rates graded from 6.05% in 2018 to 4.87% in 2060. The same trend is applied to retiree contributions. Healthcare trend was developed using the Society of Actuaries Getzen healthcare economics model.
Participation	50% of currently covered employees are assumed to elect retiree medical coverage if they meet eligibility requirements (50% for police and firefighters). The acceptance rate for spouses of covered retirees is assumed to be 50%. The acceptance rate for life insurance is assumed to be 31%.
Actuarial cost method	Entry age normal
Cost method application	Level percentage of pay
Asset valuation method	Market value

The discount rate used to value benefits was the municipal bond yield on the measurement date as specified by GASB Statement 75. Over the twelve-month measurement period ending June 30, 2018, the 20-year bond rates increased from 3.58% to 3.87%.

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Changes in the Total OPEB Liability:

Balance at June 30, 2018	\$ 5,718,685
Changes for the year:	
Service cost	289,621
Interest	204,729
Changes of benefit terms	-
Differences between expected and actual experience	140,297
Change of assumptions	(304,645)
Expected net benefit payments	<u>(100,180)</u>
Net changes	<u>229,822</u>
Balance at June 30, 2019	<u>\$ 5,948,507</u>

The change of assumptions were related to: 1) change in the discount rate from the beginning of the measurement period to the end of the measurement period (an increase from 3.58% to 3.87% from June 30, 2017 to June 30, 2018); 2) healthcare age claim curve adjusted for change in demographics of participants; 3) healthcare trend changed to reflect actual change in budgeted medical premiums for the year; and 4) mortality assumption changed to new mortality tables for public employees.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 7,163,495	\$ 5,948,507	\$ 5,005,625

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (5.09% Grading to 3.87%)	Healthcare Cost Trend Rates (6.09% Grading to 4.87%)	1% Increase (7.09% Grading to 5.87%)
Total OPEB liability	\$ 5,034,049	\$ 5,948,507	\$ 7,096,623

OPEB Expense and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2019, the City recognized OPEB expense of \$409,389. At June 30, 2019, the City reported deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ (597,333)
Differences between expected and actual experience	121,414	-
Contributions subsequent to the measurement date	120,931	-
Total Deferrals	<u>\$ 242,345</u>	<u>\$ (597,333)</u>

The \$120,931 reported as deferred outflows of resources related to OPEB resulting from city contributions subsequent to the measurement date will be recognized as an increase/decrease of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Amount
2020	\$ (84,961)
2021	(84,961)
2022	(84,961)
2023	(84,961)
2024	(84,961)
Thereafter	<u>(51,114)</u>
	<u><u>\$ (475,919)</u></u>

Reconciliation to Deferral Schedule:

Deferred Inflow - Assumption changes	\$ (597,333)
Deferred Outflow - Experience	121,414
	<u><u>\$ (475,919)</u></u>

VI. RISK MANAGEMENT

As of June 30, 2019, claims outstanding against the City and its public authorities were \$1,999,451 and are accrued under the heading "Accrued Liabilities" in the accompanying financial statements. Liabilities were accrued for workers' compensation claims and employee health insurance claims. The City is self-insured for group medical, general liability, workers' compensation, unemployment, and property damage. The City has a reinsurance policy which limits the City's liability for major medical to \$120,000 per individual. The City purchases conventional insurance for excess losses for general liability and property damage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The claims liability for health claims incurred but not reported is estimated by management using a five-month claims lag analysis. The claims liability for workers' compensation claims and judgments is estimated using information provided by a third party administrator based on their opinion of probable outcome of litigation. The balance of the claim liability is expected to be paid within the next year and is included in accrued liabilities on the statement of net position. All claims are paid from the consolidated cash account, funded by the General Fund. Changes in the balances of claims liabilities for the years ended June 30 2019, and 2018 were as follows:

	Beginning Liability Balance	Current Year Claims & Changes in Estimate	Claims Payments	Ending Liability Balance
2019	\$ 2,608,868	\$ 6,435,776	\$ 6,809,250	\$ 2,235,394
2018	1,579,083	7,021,552	5,991,767	2,608,868

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The Hospital is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to workers' compensation and employee health claims. Settled claims have not exceeded any commercial insurance coverage in any three preceding years.

The Hospital is self-insured for health claims of participating employees and dependents up to an annual aggregate amount of approximately \$175,000. The Hospital purchases annual stop-loss insurance coverage for claims in excess of \$175,000.

The Hospital is self-insured for risks related to workers' compensation claims up to \$550,000 per occurrence with an annual liability of \$1,000,000 in the aggregate. In connection with the self-insured workers' compensation policy, the Hospital had a \$300,000 certificate of deposit held in escrow at a local bank as of December 31, 2018.

A provision is accrued for self-insured employee health claims and workers' compensation claims, including other claims reported and claims incurred but not yet reported. The accruals are estimated based on consideration of prior claims experience, recently settled claims, frequency of claims, and other economic and social factors. It is reasonably possible that the estimates will change by a material amount in the near term.

Activity in the Hospital's accrued employee health and workers' compensation claims liability for years ended December 31, 2018 and 2017 is summarized as follows:

	Beginning Liability Balance	Current Year Claims & Changes in Estimate	Claims Payments	Ending Liability Balance
2018	\$ 1,363,465	\$ 8,893,057	\$ 9,001,948	\$ 1,254,574
2017	2,014,049	8,848,741	9,499,325	1,363,465

VII. CONTINGENT LIABILITIES, LITIGATION, AND COMMITMENTS

Under the terms of federal and state grants, periodic audits are required, and certain costs and revenues may be questioned as to how they have been reported to the grantor agency. Such audits could lead to reimbursement to the grantor agency. The City's management believes disallowances, if any, will be immaterial to the accompanying basic financial statements.

Various claims and lawsuits are pending against the City. In the opinion of management, some of these may result in monetary judgments against the City. The claims result from property damage and other claims seeking declaratory/injunctive relief. Although the outcome of these claims and lawsuits is not presently determinable, the amount of judgments could range from under \$25,000 to in excess of \$100,000. The City has not recorded any accrual for these claims.

In July 2006, SUA and Rural Water Corporation No. 3 entered into a purchase agreement in which the Authority agreed to consolidate the two water distribution systems. In September 2010, the Rural Water Advisory Board, the Rural Water Corporation No. 3 Board, and the Authority's Trustees approved amendment of the initial July 2006 purchase agreement. The amended agreement identifies specific improvements and upgrades to be made to the system and provides a timeline for completion. Many of the improvements have been completed or are being addressed as part of the Water 2040 Program funded by debt issuance with the Oklahoma Water Resources Board. All remaining improvements and upgrades are subject to funding availability.

The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system cannot be reasonably estimated as of June 30, 2019, since the specific legally required costs of retirement have not yet been identified. The City anticipates identifying those specific legally required costs and obtaining an estimate of those costs in the subsequent fiscal year.

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The Hospital has commitments for non-cancellable operating leases for equipment and building space which expire in various years through December 2027. These leases generally contain renewal options for periods ranging from five to ten years and require the Hospital to pay all executory costs (property taxes, maintenance, and insurance). Future minimum lease payments at December 31, 2018, were approximately:

Fiscal Year	Amount
2019	\$ 733,000
2020	746,000
2021	759,000
2022	773,000
2023	378,000
2024-2027	1,569,000
Total	\$ 4,958,000

VIII. REVENUES PLEDGED

Ad valorem revenue can only be collected to pay principal and interest on general obligation bonds or court assessed judgments. Levying of an ad valorem tax requires a vote of the citizens. The City has pledged future ad valorem taxes to repay the \$8,500,000 2000 General Obligation bonds and the \$6,470,000 2001 General Obligation bonds used to provide financing for the construction and remodel of the City Hall/Police building. These bonds were refunded during the fiscal year ended June 30, 2010. The refunding bonds of \$8,390,000 are due in payments commencing June 2011 through June 2021. The total principal and interest payable for the remainder of the life of these bonds is \$1,204,800. Ad valorem taxes received in the current year were \$959,768. Debt service payments of \$872,600 in the current fiscal year were 91% of the total ad valorem taxes received.

The SUA has pledged future sales tax revenues and future utility revenues, net of operating and maintenance expenses, to repay debt obligations. Proceeds from the debt issues financed electric construction projects, water and wastewater construction projects, and refinanced outstanding balances of notes to the OWRB. The debt obligations are payable from the one cent sales tax revenue dedicated to the Authority by City Ordinance No. 1835 and from net revenues derived from the existence and operation of the utility system. Pledged revenues are projected to produce 125 percent of the debt service requirements over the life of the debt. For the year ended June 30, 2019, sales tax revenues were \$8,096,465, and net revenues were \$26,747,939. The following is a summary of the debt issues included in this pledge of revenues as of June 30, 2019:

Debt Issue	Issue Amount	Issue Date	Maturity Date	Remaining Principal and Interest	Current Year Principal and Interest
2002 OWRB SRF Note	\$ 3,413,483	Feb 2002	Sept 2021	\$ 429,940	\$ 173,488
2002 OWRB SRF Note	4,876,086	Dec 2002	Sept 2022	861,987	249,060
2005 OWRB Fixed Rate Note	7,620,000	Jun 2005	Mar 2025	2,968,370	494,651
2009 OWRB DWSRF Note	11,645,000	Nov 2009	Sept 2032	8,258,312	655,483
2009 OWRB CWSRF Note	1,875,000	Nov 2009	Sept 2030	932,638	81,099
Series 2014A Revenue Bonds	61,830,000	Aug 2014	Oct 2042	97,869,850	4,107,600
2016 OWRB DWSRF Note	29,900,000	Jun 2016	Sept 2046	29,218,461	1,447,745

IX. COMPONENT UNIT BUSINESS ACQUISITIONS AND ASSOCIATED DEFERRED OUTFLOW OF RESOURCES

The Hospital has acquired multiple service lines since 2009 for which the consideration provided exceeded the net position acquired as of the date of acquisition. These service lines were acquired as they were considered strategic additions to the services already provided by the Hospital. Prior to 2016, these deferred outflows of resources were classified as goodwill. In 2016, the Hospital changed its method of accounting for the excess of consideration provided over the net position acquired in acquisitions of other entities (goodwill) as a result of

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early adopting GASB Statement No. 85, Omnibus 2017. The impact of the change in accounting principle was to reclassify reported amounts previously recorded as goodwill to deferred outflows of resources. This change had no impact on the Hospital's previously reported net position or change in net position. Details of the business acquisitions are below:

In 2009, the Hospital acquired 100% of the assets of Stillwater Surgery Center, LLC., an outpatient ambulatory surgery center providing surgery services to patients of the surrounding geographic area. The excess of the purchase price of the Stillwater Surgery Center, LLC over the fair value of the assets and liabilities is reported as a deferred outflow of resources and will be amortized on the straight-line basis over 15 years. Amortization expense is estimated to be approximately \$388,000 each year through 2024.

In 2016, the Hospital acquired the assets and oncology practice of Oklahoma Oncology and Hematology, Inc., and Oklahoma Cancer Specialists and Research Institute, LLC. The excess of the purchase price over the fair value of the assets and liabilities is reported as a deferred outflow of resources and will be amortized on the straight-line basis over ten years. Amortization expense is estimated to be approximately \$300,000 each year through 2026.

In 2017, the Hospital acquired the remaining 50% equity in Bristol Hospice and Homecare – Stillwater, LLC (BHHC) for a total purchase price of \$445,602. No contingent consideration was included in the transaction. The excess of the purchase price over the fair value of the assets and liabilities is reported as a deferred outflow of resources and will be amortized on the straight-line basis over five years. Amortization expense is estimated to be approximately \$90,000 each year through 2021 and approximately \$45,000 in 2022.

The carrying basis and accumulated amortization of recognized deferred outflows of resources related to government acquisitions at December 31, 2018 were as follows:

Deferred outflows of resources	\$ 13,204,573
Accumulated amortization	(8,233,202)
	<u>\$ 4,971,371</u>

X. COMPONENT UNIT INVESTMENTS IN JOINT VENTURES

The Hospital's investments in joint ventures relate to a 100% ownership in Stillwater Medical Center Imaging, LLC; a 4% ownership in Tecumseh Health Reciprocal Risk Retention Group; a 9% ownership in Fresenius Medical Care-Stillwater, LLC; a 50% ownership in Bushwood, LLC; a 1% ownership in Upper Midwest Consolidated Services Center, LLC; and a 10% ownership in LifeCare Health Services, LLC.

Tecumseh Health Reciprocal Risk Retention Group (Tecumseh) provides insurance coverage. The Hospital paid approximately \$303,000 to purchase its professional liability (medical malpractice) and general liability insurance from Tecumseh during the year ended December 31, 2018. The Hospital's investment in Tecumseh was \$1,348,139 at December 31, 2018.

Stillwater Medical Imaging, LLC (SMI) owns and operates MRI, CT, and other imaging equipment. The Hospital utilizes SMI to provide imaging services for its patients. During the year ended December 31, 2018, the Hospital earned approximately \$904,000 in fees from billing and collection services related to SMI. During 2018, the Authority purchased the remaining shares of SMI for \$1,365,200 and is treating its ongoing operations as a department of the Authority.

LifeCare is a joint venture between certain hospitals in Oklahoma organized to collaborate and share expenses and expertise to expand or enhance health care services in the communities served by each participating hospital in furtherance of their independent missions. The Hospital's investment in LifeCare was \$643,706 as of December 31, 2018.

Effective August 15, 2018, the Hospital acquired a 50% equity interest in Bushwood, LLC (Bushwood) for \$6,285,000. Bushwood owns two buildings in Stillwater, Oklahoma, an ambulatory surgery center and a medical

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office building, that are 100% leased by the Hospital. For the year ended December 31, 2018, the Hospital paid approximately \$721,000 in rent for the right to utilize the building space. The Hospital's investment in Bushwood was \$6,339,664 at December 31, 2018.

Fresenius Medical Care-Stillwater, LLC provides dialysis services to residents of Stillwater and the surrounding area. The Hospital's investment in Fresenius was \$261,775 at December 31, 2018.

Upper Midwest Consolidated Services Center, LLC (UMCSC) is a health care supply purchasing and management organization. The Hospital's investment in UMCSC was \$75,000 at December 31, 2018.

Complete financial statements of these joint venture entities may be obtained by contacting the Hospital's management.

XI. TAX ABATEMENTS

The Stillwater Economic Development Authority (SEDA) negotiates sales tax abatement agreements on an individual basis. The agreements result in an abatement of 50% of the City's unrestricted sales tax collected and remitted to the Oklahoma Tax Commission by the business for an agreed upon period of time or until total abatements equal an agreed upon dollar amount. For the fiscal year ended June 30, 2019, the SEDA abated sales tax totaling \$400,098 to 10 entities for the purposes described below:

Purpose	Percentage of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Economic revitalization and new development within the boundaries of the Business Improvement District #1	9.0%	\$36,163
Commercial development which generates tax and other revenue to fund government services	13.2%	\$52,950
Development of a retail center in undeveloped parts of the City	77.7%	\$310,985

In accordance with Title 68, Section 205 of the Oklahoma Constitution, individual sales tax data has been omitted.

XII. SUBSEQUENT EVENTS

Subsequent to year-end, the Hospital entered into a purchase agreement with Hightower & Grellner, LLC d/b/a Pipeline Crossroads Clinic (Pipeline) to purchase all of its assets and operations effective January 1, 2019, for a purchase price of \$3,261,984. Pipeline primarily earns revenues by providing urgent care services to the Payne and Creek County areas.

Also subsequent to year-end, the Hospital entered into two debt agreements:

The Series 2019A note payable was issued in the original amount of \$4,500,000 dated February 14, 2019, which bears interest annually at 3.5%. The 2019A Note is payable in monthly principal and interest installments through February 1, 2022.

The Series 2019B revenue bond payable was issued in the original amount of \$12,000,000 dated April 2, 2019, which bears interest annually at 3.18%. The 2019B bond is payable in monthly principal and interest installments through May 1, 2029.

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With respect to both the 2019A Note and the 2019B Bond, the indenture agreements require the Hospital to comply with certain restrictive covenants, including minimum insurance coverage, maintaining a historical debt service coverage ratio of at least 1.2 to 1.0, maintaining at least 75 days cash on hand and restrictions on incurrence of additional debt.

XIII. RECENTLY ISSUED ACCOUNTING STANDARDS

The following accounting standards have been recently issued and will be adopted as applicable by the City and its Component Units. Unless otherwise noted below, management has not yet determined the impact of these Statements on the City's financial statements.

GASB Statement No. 84 "Fiduciary Activities" — The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will become effective for the City in the fiscal year ended June 30, 2020.

GASB Statement No. 87 "Leases" — This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement will become effective for the City in the fiscal year ended June 30, 2021.

GASB Statement No. 90 "Majority Equity Interests" — an amendment of GASB Statements No. 14 and No. 61" — This statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This statement will become effective for the City in the fiscal year ended June 30, 2020.

GASB Statement No. 91, "Conduit Debt Obligations" — This statement provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement will become effective for the City in the fiscal year ended June 30, 2022.



HOLIDAYS ON BLOCK 34

REQUIRED SUPPLEMENTARY INFORMATION

Reference Copy





EMPLOYEE RECOGNITION

The City annually celebrates milestones of employees at an employee recognition luncheon. Picture above are staff who have served the City 25 or more years.

Left to right: Bruce McDougal, Neal Moore, Lisa Murrell, Steve Sylvester, Joey McEntire, Chris Knight, Don Dominick

CITY OF STILLWATER, OKLAHOMA
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Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT BUDGETARY BASIS	Budget to GAAP Difference	Actual Amount GAAP Basis
REVENUES					
Sales and use tax	\$ 30,022,000	\$ 30,022,000	\$ 30,791,644	\$ -	\$ 30,791,644
Other taxes	2,690,000	2,690,000	2,889,951	-	2,889,951
Intergovernmental	30,000	516,180	483,482	-	483,482
Charges for services	525,000	525,000	529,946	-	529,946
Fines and forfeits	806,250	806,250	1,084,493	-	1,084,493
Fees and rentals	433,650	433,650	497,038	-	497,038
Investment income	3,800	3,800	112,931	-	112,931
Licenses and permits	175,650	175,650	278,769	-	278,769
Other miscellaneous revenue	2,025,155	2,234,479	2,175,781	(830,447)	1,345,334
Total revenues	<u>36,711,505</u>	<u>37,407,009</u>	<u>38,844,035</u>	<u>(830,447)</u>	<u>38,013,588</u>
EXPENDITURES					
Public Safety:					
Police:					
Personal services	10,024,300	10,156,541	10,010,267	1,476,849	11,487,116
Materials and supplies	493,958	526,022	502,074	-	502,074
Contract services	625,398	582,088	559,091	-	559,091
Fire:					
Personal services	6,479,585	6,550,185	6,340,722	933,938	7,274,660
Materials and supplies	227,900	250,100	196,481	-	196,481
Other services and charges	226,804	162,842	155,540	-	155,540
Total public safety	<u>18,077,945</u>	<u>18,227,778</u>	<u>17,764,175</u>	<u>2,410,787</u>	<u>20,174,962</u>
Recreation and culture:					
Parks and recreation:					
Personal services	574,968	528,915	518,629	87,738	606,367
Materials and supplies	76,154	55,988	51,745	-	51,745
Contract services	789,479	820,807	757,225	-	757,225
Library:					
Personal services	1,022,884	969,509	969,422	161,868	1,131,290
Materials and supplies	99,290	108,526	108,091	-	108,091
Contract services	132,990	314,128	313,412	-	313,412
Total recreation and culture	<u>2,695,765</u>	<u>2,797,873</u>	<u>2,718,524</u>	<u>249,606</u>	<u>2,968,130</u>
General government:					
Personal services	7,519,996	8,696,948	8,605,213	(6,038,498)	2,566,715
Materials and supplies	111,958	915,549	897,240	-	897,240
Contract services	4,774,859	3,961,993	3,668,346	(1,155,876)	2,512,470
Total general government	<u>12,406,813</u>	<u>13,574,490</u>	<u>13,170,799</u>	<u>(7,194,374)</u>	<u>5,976,425</u>
Financial administration:					
Personal services	544,991	303,683	287,730	150,407	438,137
Materials and supplies	31,500	31,500	25,842	-	25,842
Contract services	29,734	34,234	9,249	-	9,249
Total financial administration	<u>606,225</u>	<u>369,417</u>	<u>322,821</u>	<u>150,407</u>	<u>473,228</u>
(continued...)					

CITY OF STILLWATER, OKLAHOMA
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Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended June 30, 2019
 (...continued)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT BUDGETARY BASIS	Budget to GAAP Difference	Actual Amount GAAP Basis
Streets and sewers:					
Personal services	2,320,625	2,272,725	2,158,909	477,359	2,636,268
Materials and supplies	938,780	952,612	529,397	-	529,397
Contract services	692,720	672,905	526,985	-	526,985
Total streets and sewers	<u>3,952,125</u>	<u>3,898,242</u>	<u>3,215,291</u>	<u>477,359</u>	<u>3,692,650</u>
Health and welfare:					
Health:					
Personal services	-	-	-	-	-
Materials and supplies	16,000	17,000	15,200	-	15,200
Contract services	30,000	22,500	22,869	-	22,869
Community development:					
Personal services	737,561	757,441	748,396	124,266	872,662
Materials and supplies	12,710	17,060	14,633	-	14,633
Contract services	168,629	170,829	94,822	-	94,822
Total health and welfare	<u>964,900</u>	<u>984,830</u>	<u>895,920</u>	<u>124,266</u>	<u>1,020,186</u>
Economic development:					
Personal services	-	-	-	-	-
Materials and supplies	-	-	-	-	-
Contract services	-	<u>44,100</u>	<u>24,562</u>	-	<u>24,562</u>
Total economic development	<u>-</u>	<u>44,100</u>	<u>24,562</u>	<u>-</u>	<u>24,562</u>
Capital outlay:					
Police	392,000	641,838	486,057	-	486,057
Fire	-	197,962	191,153	-	191,153
Recreation and culture	-	218,491	90,489	-	90,489
General government	6,000	52,560	52,475	-	52,475
Financial administration	-	6,600	4,726	-	4,726
Streets and sewers	15,000	6,431,216	210,950	-	210,950
Health and welfare	-	248,369	-	-	-
Total capital outlay	<u>413,000</u>	<u>7,797,036</u>	<u>1,035,850</u>	<u>-</u>	<u>1,035,850</u>
Total expenditures	<u>39,116,773</u>	<u>47,693,766</u>	<u>39,147,942</u>	<u>(3,781,949)</u>	<u>35,365,993</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,405,268)</u>	<u>(10,286,757)</u>	<u>(303,907)</u>	<u>2,951,502</u>	<u>2,647,595</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	18,580,378	23,152,434	23,025,378	(6,125,000)	16,900,378
Transfers out	(17,969,450)	(18,054,450)	(17,891,527)	3,851,804	(14,039,723)
Total other financing sources (uses)	<u>610,928</u>	<u>5,097,984</u>	<u>5,133,851</u>	<u>(2,273,196)</u>	<u>2,860,655</u>
Net change in fund balance	<u>(1,794,340)</u>	<u>(5,188,773)</u>	<u>4,829,944</u>	<u>678,306</u>	<u>5,508,250</u>
FUND BALANCE, beginning of year	\$ 4,229,804	\$ 7,683,636	\$ 7,683,636	\$ -	\$ 7,683,636
FUND BALANCE, end of year	\$ 2,435,464	\$ 2,494,863	\$ 12,513,580	\$ 678,306	\$ 13,191,886

CITY OF STILLWATER, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

Notes to Budgetary Comparison Schedules

Budget Law

The City operates under the Oklahoma Municipal Budget Act of 1979 (the "Budget Act"). The budget, as adopted by the city council, is filed with the State of Oklahoma Office of the Auditor and Inspector. Budget amendments or supplements made during the year are recommended by the city manager and must be approved by the city council. An amended budget is filed before year-end with the agency mentioned above. The budget and actual comparisons presented in the budgetary comparison schedules include the legally amended budgets for the respective funds.

The City uses the following procedures to establish the budgetary data reflected in the accompanying general purpose financial statements:

- Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments. Public hearings are held no later than 15 days prior to the beginning of the budget year.
- Prior to July 1, the budget is legally enacted through the passage of a motion by the City Council.

The Budget Act specifies that the governing body may grant authorization to the city manager to transfer budgeted amounts between departments within any fund; however, any revision that alters the total expenditures of any fund must be approved by the city council.

Budgets are legally adopted and formally integrated as a management control device for all funds of the primary government.

Budgets as adopted by the city council are prepared on a modified accrual basis where revenues are recognized when measurable and available and expenses are recognized when incurred.

Budgetary control is maintained by department and by the following category of expenditures: personnel services, materials and supplies, other services and charges, capital outlay, and debt service. Expenditures and encumbrances may not legally exceed appropriations at the department level. All transfers of appropriations between funds and supplemental appropriations require city council approval. The city manager may transfer appropriations between object categories within a fund. Supplemental appropriations must also be filed with the Office of State Auditor and Inspector.

All encumbered appropriations lapse at year end and are re-budgeted in the following budget year where appropriate. Unencumbered appropriations lapse at year end.

In accordance with Title 60 of the Oklahoma State Statutes, the Stillwater Medical Center Authority is required to prepare an annual budget and submit a copy to the city as beneficiary. However, there are no further requirements such as form of budget, approval of the budget or definition of a legal level of control.

Budgetary Compliance

For the year ended June 30, 2019 the City complied, in all material respects, with the applicable budget laws.

CITY OF STILLWATER, OKLAHOMA
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2019

**Schedule of Changes in the City's Net Pension Liability (Asset)
 Defined Benefit (Retiree) Plan
 Last 10 Fiscal Years***

	2019	2018	2017	2016	2015
Total pension liability					
Interest cost	\$ 1,657	\$ 1,704	\$ 1,801	\$ 1,899	\$ 2,202
Difference between expected and actual experience	(7,313)	3,464	2,897	2,754	-
Assumption change	-	(17)	-	-	-
Benefit payments, including refunds of member contributions	(4,073)	(5,976)	(5,934)	(5,887)	(5,800)
Net change in total pension liability	(9,729)	(825)	(1,236)	(1,234)	(3,598)
Total pension liability-beginning	24,094	24,919	26,155	27,389	31,265
Total pension liability-ending (a)	<u>\$ 14,365</u>	<u>\$ 24,094</u>	<u>\$ 24,919</u>	<u>\$ 26,155</u>	<u>\$ 27,667</u>
Plan fiduciary net position					
Net investment income	\$ 651,258	\$ 973,787	\$ 71,097	\$ 214,331	\$ 1,082,842
Benefit payments, including refunds of member contributions	(4,073)	(5,976)	(5,934)	(5,887)	(5,800)
Administrative expense	(18,319)	(17,052)	(15,531)	(15,903)	(16,023)
Net change in plan fiduciary net position	628,866	950,759	49,632	192,541	1,061,019
Plan fiduciary net position-beginning	<u>8,810,445</u>	<u>7,859,686</u>	<u>7,810,054</u>	<u>7,617,513</u>	<u>6,556,494</u>
Plan fiduciary net position-ending (b)	<u>\$ 9,439,311</u>	<u>\$ 8,810,445</u>	<u>\$ 7,859,686</u>	<u>\$ 7,810,054</u>	<u>\$ 7,617,513</u>
City's net pension liability (asset) - ending (a)-(b)	<u><u>\$ (9,424,946)</u></u>	<u><u>\$ (8,786,351)</u></u>	<u><u>\$ (7,834,767)</u></u>	<u><u>\$ (7,783,899)</u></u>	<u><u>\$ (7,589,846)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	65710.48%	36566.97%	31540.94%	29860.65%	27532.85%
Covered payroll	N/A	N/A	N/A	N/A	N/A
City's net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CITY OF STILLWATER, OKLAHOMA
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2019

**Schedule of City's Proportionate Share of the Net Pension Liability (Asset)
 Oklahoma Police Pension & Retirement System
 Last 10 Fiscal Years***

<u>For the year June 30,</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	1.922%	1.905%	1.929%	1.927%	1.788%
City's proportionate share of the net pension liability (asset)	\$ (915,585)	\$ 146,562	\$ 2,954,182	\$ 78,571	\$ (601,984)
City's covered payroll	\$ 5,816,669	\$ 5,588,023	\$ 5,873,785	\$ 5,428,069	\$ 5,001,962
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	15.74%	0.461%	9.423%	0.241%	1.957%
Plan fiduciary net position as a percentage of the total pension liability	101.89%	99.68%	93.50%	99.82%	101.53%

Notes to Schedule:

*This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
 For the period that ends on the measurement date of the pension liability.

**Schedule of City Contributions
 Oklahoma Police Pension & Retirement System
 Last 10 Fiscal Years***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 795,457	\$ 756,167	\$ 726,443	\$ 763,592	\$ 705,649
Contributions in relation to the statutorily required contribution	<u>(795,457)</u>	<u>(756,167)</u>	<u>(726,443)</u>	<u>(763,592)</u>	<u>(705,649)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
City's covered payroll	\$ 6,118,891	\$ 5,816,669	\$ 5,588,023	\$ 5,873,785	\$ 5,428,069
Contributions as a percentage of covered payroll	13%	13%	13%	13%	13%

Notes to Schedule:

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CITY OF STILLWATER, OKLAHOMA
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2019

Schedule of City's Proportionate Share of the Net Pension Liability
Oklahoma Firefighters Pension & Retirement System
Last 10 Fiscal Years*

<u>For the year June 30,</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	1.687%	1.802%	1.763%	1.733%	1.742%
City's proportionate share of the net pension liability	\$ 18,994,082	\$ 22,668,491	\$ 21,542,978	\$ 18,399,430	\$ 17,914,151
City's covered payroll	\$ 4,957,864	\$ 5,077,200	\$ 5,063,550	\$ 4,667,564	\$ 4,650,593
City's proportionate share of the net pension liability as a percentage of its covered payroll	383.11%	446.48%	425.45%	394.20%	385.20%
Plan fiduciary net position as a percentage of the total pension liability	70.73%	66.61%	64.87%	68.27%	68.12%

Notes to Schedule:

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Schedule of City Contributions
Oklahoma Firefighters Pension & Retirement System
Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 733,622	\$ 694,101	\$ 710,808	\$ 708,897	\$ 653,459
Contributions in relation to the statutorily required contribution	<u>(733,622)</u>	<u>(694,101)</u>	<u>(710,808)</u>	<u>(708,897)</u>	<u>(653,459)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
City's covered payroll	\$ 5,240,149	\$ 4,957,864	\$ 5,077,200	\$ 5,063,550	\$ 4,667,564
Contributions as a percentage of covered payroll	14%	14%	14%	14%	14%

Notes to Schedule:

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CITY OF STILLWATER, OKLAHOMA
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2019

**Schedule of Changes in Total OPEB Liability and Related Ratios
 Last 10 Fiscal Years**

	2019	2018
Total OPEB Liability		
Service cost	\$ 289,621	\$ 326,718
Interest	204,729	160,852
Experience Gain/(Loss)	140,297	-
Changes of assumptions	(304,645)	(459,374)
Expected net benefit payments	(100,180)	(91,192)
Net change in total OPEB liability	229,822	(62,996)
Balances at Beginning of Year	5,718,685	5,781,681
Balances End of Year	\$ 5,948,507	\$ 5,718,685
 Covered payroll	 \$ 28,460,000	 \$ 28,450,000
Total OPEB liability as a percentage of covered payroll	20.90%	20.10%

Notes to Schedule:

GASB 75 requires the presentation of ten years of data. Data was not available prior to fiscal year 2018. Additional years' data will be displayed as it becomes available.

Changes of assumptions in fiscal year 2018 relates to the discount rate which changed from 2.85% to 3.58%.

Changes of assumptions in fiscal year 2019 relates mainly to the following:

Discount rate changed from 3.58% to 3.87%

Mortality table was changed from RP 2000 projected using scale AA to Pub2010 Gen or
 Public Safety projected

Healthcare age claim curve was adjusted for change in demographics of covered participant group

Healthcare trend changed to reflect actual change in budgeted medical premiums for the year



CITIZEN TASK FORCE ON RECYCLING

Civic Engagement is the #6 Strategic Priority in the Council's Strategic Plan. Several task forces have been created to look at issues important to the community.

OTHER SUPPLEMENTARY INFORMATION

Reference Copy





TOUCH-A-TRUCK DAY AT SKYLINE ELEMENTARY SCHOOL

CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2019

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Transportation Improvement Fund
For the Year Ended June 30, 2019

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNT</u>	<u>Variance from Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 111,486	\$ 111,486
Other miscellaneous revenue	-	-	-	-
Total revenues	-	-	111,486	111,486
EXPENDITURES				
Streets and sewers:				
Personal services	67,187	67,187	77,700	(10,513)
Materials and supplies	2,550	3,150	3,057	93
Contract services	600	-	-	-
Capital outlay	-	11,491,049	2,405,931	9,085,118
Total expenditures	70,337	11,561,386	2,486,688	9,074,698
Excess (deficiency) of revenues over (under) expenditures	(70,337)	(11,561,386)	(2,375,202)	9,186,184
OTHER FINANCING SOURCES (USES)				
Transfers in	4,057,143	4,057,143	4,048,232	(8,911)
Transfers out	(12,629)	(12,629)	-	12,629
Total other financing sources (uses)	4,044,514	4,044,514	4,048,232	3,718
Net change in fund balance	3,974,177	(7,516,872)	1,673,030	9,189,902
FUND BALANCE, beginning of year	9,168,945	9,168,945	9,168,945	-
FUND BALANCE, end of year	\$ 13,143,122	\$ 1,652,073	\$ 10,841,975	\$ 9,189,902

Nonmajor Governmental Funds

Community Development Block Grant – to account for funds used for the improvements in low-income portions of the community. Funding is provided by the Community Development Block Grant Small Cities Set Aside program and local matching funds.

City Capital Fund – to account for funds transferred from other funds to be used for capital asset purchases.

Debt Service – to account for the accumulation of ad valorem taxes levied by the City for the payment of general long-term principal, interest and related costs.

Reference Copy

CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2019

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Fund Community Development Block Grant	Capital Project Fund City Capital Fund	Debt Service Fund Sinking Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 132,893	\$ 2,979,540	\$ 149,861	\$ 3,262,294
Due from other governments	-	-	40,163	40,163
Accrued interest receivable	-	184	195	379
Total assets	<u>\$ 132,893</u>	<u>\$ 2,979,724</u>	<u>\$ 190,219</u>	<u>\$ 3,302,836</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	-	-	37,910	37,910
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>37,910</u>	<u>37,910</u>
Fund Balances:				
Restricted:				
Debt service	-	-	152,309	152,309
Capital improvements	132,893	-	-	132,893
Assigned	-	2,979,724	-	2,979,724
Total fund balances	<u>132,893</u>	<u>2,979,724</u>	<u>152,309</u>	<u>3,264,926</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 132,893</u>	<u>\$ 2,979,724</u>	<u>\$ 190,219</u>	<u>\$ 3,302,836</u>

CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2019

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special	Capital Project	Debt Service	Total-Other Governmental Funds
	Revenue Fund	Fund	Fund	
	Community Development Block Grant	City Capital Fund	Sinking Fund	
REVENUES				
Taxes	\$ -	\$ -	\$ 959,768	\$ 959,768
Intergovernmental	153,127	-	-	153,127
Investment income	-	4,544	4,811	9,355
Total revenues	<u>153,127</u>	<u>4,544</u>	<u>964,579</u>	<u>1,122,250</u>
EXPENDITURES				
Debt Service:				
Principal	-	-	795,000	795,000
Interest and other charges	-	-	78,000	78,000
Capital Outlay	278,371	24,820	-	303,191
Total Expenditures	<u>278,371</u>	<u>24,820</u>	<u>873,000</u>	<u>1,176,191</u>
Excess (deficiency) of revenues over expenditures	<u>(125,244)</u>	<u>(20,276)</u>	<u>91,579</u>	<u>(53,941)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,000,000	-	3,000,000
Transfers out	-	-	(78,822)	(78,822)
Total other financing sources and uses	<u>-</u>	<u>3,000,000</u>	<u>(78,822)</u>	<u>2,921,178</u>
Net change in fund balances	<u>(125,244)</u>	<u>2,979,724</u>	<u>12,757</u>	<u>2,867,237</u>
Fund balances - beginning	258,137	-	139,552	397,689
Fund balances - ending	<u>\$ 132,893</u>	<u>\$ 2,979,724</u>	<u>\$ 152,309</u>	<u>\$ 3,264,926</u>

CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2019

**Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual – Nonmajor Governmental Funds
 For the Year Ended June 30, 2019**

	Special Revenue Fund Community Development Block Grant				Capital Project Fund City Capital Fund			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	159,409	153,127	(6,282)	-	-	-	-
Investment income	-	-	-	-	-	-	4,544	4,544
Other miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	-	159,409	153,127	(6,282)	-	-	4,544	4,544
EXPENDITURES								
General government:								
Contract services	-	37,185	-	37,185	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total general government	-	37,185	-	37,185	-	-	-	-
Capital Outlay:								
Recreation and culture	-	380,363	278,371	101,992	-	-	-	-
Streets and sewers	-	-	-	-	3,000,000	24,820	2,975,180	
Total capital outlay	-	380,363	278,371	101,992	-	3,000,000	24,820	2,975,180
Total expenditures	-	417,548	278,371	139,177	-	3,000,000	24,820	2,975,180
Excess (deficiency) of revenues over (under) expenditures	-	(258,139)	(125,244)	132,895	-	(3,000,000)	(20,276)	2,979,724
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	3,000,000	3,000,000	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	3,000,000	3,000,000	-	-
Net change in fund balance	-	(258,139)	(125,244)	132,895	-	-	2,979,724	2,979,724
FUND BALANCE, beginning of year	258,137	258,137	258,137	-	-	-	-	-
FUND BALANCE, end of year	\$ 258,137	\$ (2)	\$ 132,893	\$ 132,895	\$ -	\$ -	\$ 2,979,724	\$ 2,979,724

(Continued)

CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2019

**Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual – Nonmajor Governmental Funds
 For the Year Ended June 30, 2019**

Debt Service Fund Sinking Fund				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES				
Taxes	\$ 1,030,000	\$ 1,030,000	\$ 959,768	\$ (70,232)
Intergovernmental	-	-	-	-
Investment income	-	-	4,811	4,811
Other miscellaneous revenue	-	-	-	-
Total revenues	<u>1,030,000</u>	<u>1,030,000</u>	<u>964,579</u>	<u>(65,421)</u>
EXPENDITURES				
General government:				
Contract services	-	-	-	-
Debt service:				
Principal retirements	800,000	800,000	795,000	5,000
Interest and fiscal charges	107,333	107,333	78,000	29,333
Total general government	<u>907,333</u>	<u>907,333</u>	<u>873,000</u>	<u>34,333</u>
Capital outlay:				
Culture and recreation	-	-	-	-
Streets and sewers	-	-	-	-
Total capital outlay	-	-	-	-
Total expenditures	<u>907,333</u>	<u>907,333</u>	<u>873,000</u>	<u>34,333</u>
Excess (deficiency) of revenues over (under) expenditures	<u>122,667</u>	<u>122,667</u>	<u>91,579</u>	<u>(31,088)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(78,822)	(78,822)	(78,822)	-
Total other financing sources (uses)	<u>(78,822)</u>	<u>(78,822)</u>	<u>(78,822)</u>	<u>-</u>
Net change in fund balance	<u>43,845</u>	<u>43,845</u>	<u>12,757</u>	<u>(31,088)</u>
FUND BALANCE, beginning of year	<u>139,552</u>	<u>139,552</u>	<u>139,552</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 183,397</u>	<u>\$ 183,397</u>	<u>\$ 152,309</u>	<u>\$ (31,088)</u>

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2019

Nonmajor Proprietary Funds

Airport – to account for the operation of the Stillwater Municipal Airport including capital additions and improvements financed through federal and state grant proceeds and City contributions.

Stillwater Economic Development Authority – to account for expenditures for economic development. Financing is provided from federal grants, federal loans, city contributions and citizen participation.

Block 34 Trust Authority – to account for expenditures for the development of Block 34. Funding provided by donations.

Reference Copy

CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2019

Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2019

	Airport Fund	Stillwater Economic Development Authority	Block 34 Trust Authority	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 776,554	\$ 189,740	\$ 10	\$ 966,304
Accounts receivables, net of allowance	2,189	-	-	2,189
Intergovernmental receivable	603,264	-	-	603,264
Installment loans receivable	-	19,018	-	19,018
Leasehold receivable	-	20,000	-	20,000
Interest receivable	27	52	-	79
Inventories	50,283	-	-	50,283
Total current assets	<u>1,432,317</u>	<u>228,810</u>	<u>10</u>	<u>1,661,137</u>
Noncurrent assets:				
Leasehold receivable	-	44,999	-	44,999
Capital assets, non depreciable	5,349,661	-	-	5,349,661
Capital assets, net of accumulated depreciation	12,226,356	35,516	-	12,261,872
Total noncurrent assets	<u>17,576,017</u>	<u>80,515</u>	<u>-</u>	<u>17,656,532</u>
Total assets	<u>19,008,334</u>	<u>309,325</u>	<u>10</u>	<u>19,317,669</u>
LIABILITIES				
Current liabilities:				
Accounts payable	440,485	800	-	441,285
Accrued liabilities	18,202	-	-	18,202
Due to other funds	117,667	-	-	117,667
Current portion of compensated absences	22,189	-	-	22,189
Current portion of customer deposits payable	973	-	-	973
Current portion of advances from other funds	-	20,000	-	20,000
Current portion of refundable grant obligations	-	162,452	-	162,452
Total current liabilities	<u>599,516</u>	<u>183,252</u>	<u>-</u>	<u>782,768</u>
Noncurrent liabilities:				
Noncurrent portion of compensated absences	22,140	-	-	22,140
Noncurrent portion of advances from other funds	-	44,999	-	44,999
Total noncurrent liabilities	<u>22,140</u>	<u>44,999</u>	<u>-</u>	<u>67,139</u>
Total liabilities	<u>621,656</u>	<u>228,251</u>	<u>-</u>	<u>849,907</u>
NET POSITION				
Net investment in capital assets	17,576,017	35,516	-	17,611,533
Unrestricted	810,661	45,558	10	856,229
Total net position	<u>\$ 18,386,678</u>	<u>\$ 81,074</u>	<u>\$ 10</u>	<u>\$ 18,467,762</u>

CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2019

**Combining Statement of Revenues, Expenses and Changes in Net Position
 Nonmajor Proprietary Funds
 For the Year Ended June 30, 2019**

	Airport Fund	Stillwater Economic Development Authority	Block 34 Trust Authority	Total
REVENUES				
Charges for services	\$ 1,295,252	\$ -	\$ -	\$ 1,295,252
Operating grants and contributions	46,382	-	-	46,382
Miscellaneous	346,462	848	15,010	362,320
Total operating revenues	<u>1,688,096</u>	<u>848</u>	<u>15,010</u>	<u>1,703,954</u>
OPERATING EXPENSES				
Airport	2,488,969	-	-	2,488,969
Economic Development	-	1,464,177	-	1,464,177
Culture, parks and recreation	-	-	15,000	15,000
Depreciation	1,131,310	2,896	-	1,134,206
Total Operating Expenses	<u>3,620,279</u>	<u>1,467,073</u>	<u>15,000</u>	<u>5,102,352</u>
Operating income (loss)	<u>(1,932,183)</u>	<u>(1,466,225)</u>	<u>10</u>	<u>(3,398,398)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	672	1,297	-	1,969
Total non-operating revenue (expenses)	<u>672</u>	<u>1,297</u>	<u>-</u>	<u>1,969</u>
Income (loss) before contributions and transfers	(1,931,511)	(1,464,928)	10	(3,396,429)
Capital contributions	2,095,428	-	-	2,095,428
Transfers in	1,463,667	1,366,359	-	2,830,026
Transfers out	(30,000)	-	-	(30,000)
Change in net position	<u>1,597,584</u>	<u>(98,569)</u>	<u>10</u>	<u>1,499,025</u>
Total net position - beginning	<u>16,789,094</u>	<u>179,643</u>	<u>-</u>	<u>16,968,737</u>
Total net position - ending	<u>\$ 18,386,678</u>	<u>\$ 81,074</u>	<u>\$ 10</u>	<u>\$ 18,467,762</u>

CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2019

**Combining Statement of Cash Flows
 Nonmajor Proprietary Funds
 For the Year Ended June 30, 2019**

	Airport Fund	Stillwater Economic Development Authority	Block 34 Trust Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,168,689	\$ -	\$ -	\$ 1,168,689
Payments to suppliers	(1,511,753)	(1,090,979)	(15,000)	(2,617,732)
Payments to employees	(741,629)	-	-	(741,629)
Payments of business development incentives	-	(407,756)	-	(407,756)
Collection of business development incentive loan principal	-	27,206	-	27,206
Payments to other funds	89,217	(20,000)	-	69,217
Other receipts	-	848	15,010	15,858
Net cash provided by (used in) operating activities	<u>(995,476)</u>	<u>(1,490,681)</u>	<u>10</u>	<u>(2,486,147)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	1,463,667	1,366,359	-	2,830,026
Transfer to other funds	(30,000)	-	-	(30,000)
Net cash provided by (used in) noncapital financing activities	<u>1,433,667</u>	<u>1,366,359</u>	<u>-</u>	<u>2,800,026</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(2,516,942)	-	-	(2,516,942)
Proceeds from capital debt	-	20,000	-	20,000
Capital contributions	2,092,174	-	-	2,092,174
Net cash provided by (used in) capital and related financing activities	<u>(424,768)</u>	<u>20,000</u>	<u>-</u>	<u>(404,768)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	678	1,364	-	2,042
Net cash provided by investing activities	<u>678</u>	<u>1,364</u>	<u>-</u>	<u>2,042</u>
Net increase (decrease) in cash and cash equivalents	14,101	(102,958)	10	(88,847)
Balances-beginning of year	762,453	292,698	-	1,055,151
Balances-end of year	<u>\$ 776,554</u>	<u>\$ 189,740</u>	<u>\$ 10</u>	<u>\$ 966,304</u>
Reconciliation to Combining Statement of Net Position:				
Cash and cash equivalents	<u>\$ 776,554</u>	<u>\$ 189,740</u>	<u>\$ 10</u>	<u>\$ 966,304</u>
Total cash and cash equivalents, end of year	<u><u>776,554</u></u>	<u><u>189,740</u></u>	<u><u>10</u></u>	<u><u>966,304</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ (1,932,183)	\$ (1,466,225)	\$ 10	\$ (3,398,398)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	1,131,310	2,896	-	1,134,206
Change in assets and liabilities:				
Receivables, net	39,157	27,206	-	66,363
Inventories	64,235	-	-	64,235
Due from other governments	(546,729)	-	-	(546,729)
Accounts and other payables	167,910	(54,558)	-	113,352
Accrued liabilities	4,489	-	-	4,489
Due to other funds	89,217	-	-	89,217
Accrued compensated absences	(12,882)	-	-	(12,882)
Net cash provided by (used in) operating activities	<u><u>\$ (995,476)</u></u>	<u><u>\$ (1,490,681)</u></u>	<u><u>\$ 10</u></u>	<u><u>(2,486,147)</u></u>
Non-cash Activities:				
Capital contributions	\$ 3,254	\$ -	\$ -	\$ 3,254
Total Non-cash Activities	<u><u>\$ 3,254</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,254</u></u>

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2019

Statement of Changes in Assets and Liabilities

Agency Fund

For the Year Ended June 30, 2019

	BALANCE JUNE 30, 2018	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2019
ASSETS				
Cash and cash equivalents	\$ 210,194	\$ 4,528	\$ (11,850)	\$ 202,872
Other investments	308,510	86,532	(64,800)	330,242
Assessment receivable	11,048	19	(373)	10,694
Interest receivable	169	100	(169)	100
Total assets	\$ 529,921	\$ 91,179	\$ (77,192)	\$ 543,908
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Amounts held in escrow	529,921	91,179	(77,192)	543,908
Total liabilities	\$ 529,921	\$ 91,179	\$ (77,192)	\$ 543,908



STILLWATER ENERGY CENTER

The City hosted OSU Institute of Technology Power Plant Technology seniors on a tour of the Stillwater Energy Center.

Reference Copy

STATISTICAL SECTION

The City of
Stillwater[®]
OKLAHOMA

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Statistical Section

This section of the City's Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

- **Financial Trends** – These schedules contain trend information to help the reader understand how the City's financial performance and well-being changed over time. *See pages 103-107.*
- **Revenue Capacity** – These schedules contain information to help the reader assess the City's significant local revenue sources, the sales tax, and the property tax, as well as other revenue sources. *See pages 108-115.*
- **Debt Capacity** – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. *See pages 116-119.*
- **Operating Information** – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. *See pages 120-123.*
- **Economic and Demographic Information** – These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments. *See pages 124-125.*

Sources: Unless otherwise noted, the information in these schedules is derived from the City's comprehensive annual financial report for the relevant year.

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 87,623,606	\$ 84,399,362	\$ 85,208,395	\$ 87,319,852	\$ 86,794,143	\$ 82,961,714	\$ 85,669,817	\$ 86,929,623	\$ 82,592,444	\$ 80,699,900
Restricted for capital projects	703,907	6,633,915	578,769	37,603	63,053	62,758	62,633	62,415	323,382	374,262
Restricted for pensions	-	-	-	-	-	7,112,182	7,706,462	7,834,767	8,374,505	9,478,658
Restricted for debt service	245,659	384,409	320,160	327,051	316,318	230,786	209,523	188,857	139,552	152,309
Restricted for street improvements	3,382,031	5,964,692	6,003,859	3,262,729	2,804,030	3,776,439	341,711	5,099,248	9,168,945	10,841,975
Restricted for specific operating activities	876,105	1,022,401	1,228,415	1,263,008	3,189,626	2,968,212	2,497,975	2,392,909	651,332	673,213
Unrestricted	3,537,015	(1,655,568)	5,857,898	9,068,213	7,485,506	(15,893,431)	(16,308,980)	(19,618,348)	(18,555,667)	(7,805,126)
Total governmental activities net position	\$ 96,368,323	\$ 96,749,211	\$ 99,197,496	\$ 101,278,456	\$ 100,652,676	\$ 81,218,660	\$ 80,179,141	\$ 82,889,471	\$ 82,694,493	\$ 94,415,191
Business-type activities:										
Net investment in capital assets	\$ 92,324,322	\$ 92,794,475	\$ 95,439,173	\$ 100,709,423	\$ 100,788,701	\$ 109,014,991	\$ 126,387,848	\$ 125,458,599	\$ 129,490,943	\$ 129,044,368
Restricted for capital projects	1,827,220	5,017,007	741,699	601,298	637,596	2,282,192	1,655,304	808,415	862,552	886,016
Restricted for debt service	2,440,346	2,609,803	1,366,601	159,714	344,724	1,056,953	1,057,398	1,542,846	2,055,472	1,932,356
Restricted for specific operating activities	2,712,00	2,712	2,712	2,712	2,712	2,712	2,712	2,460	-	-
Unrestricted	23,198,816	28,632,774	39,359,091	50,165,806	66,683,251	71,072,050	70,145,589	85,816,412	95,413,569	99,550,852
Total business-type activities net position	\$ 119,793,416	\$ 129,056,771	\$ 136,909,276	\$ 151,638,953	\$ 168,456,984	\$ 183,428,898	\$ 199,248,851	\$ 213,628,732	\$ 227,822,536	\$ 231,413,592
Primary government:										
Net investment in capital assets	\$ 179,947,928	\$ 177,193,837	\$ 180,647,568	\$ 188,029,275	\$ 187,582,844	\$ 191,976,705	\$ 212,057,665	\$ 212,388,222	\$ 212,083,387	\$ 209,744,268
Restricted for capital projects	2,531,127	11,650,922	1,320,468	638,901	700,649	2,344,950	1,717,937	870,830	1,185,934	1,260,278
Restricted for pensions	-	-	-	-	-	7,112,182	7,706,462	7,834,767	8,374,505	9,478,658
Restricted for debt service	2,686,005	2,994,212	1,686,761	486,765	661,042	1,287,739	1,266,921	1,731,703	2,195,024	2,084,665
Restricted for street improvements	3,382,031	5,964,692	6,003,859	3,262,729	2,804,030	3,776,439	341,711	5,099,248	9,168,945	10,841,975
Restricted for specific operating activities	876,105	1,025,113	1,231,127	1,265,720	3,192,338	2,970,924	2,500,687	2,395,369	651,332	673,213
Unrestricted	26,735,831	26,977,206	45,216,989	59,234,019	74,168,757	55,178,619	53,836,609	66,198,064	76,857,902	91,745,726
Total primary government net position	\$ 216,159,027	\$ 225,805,982	\$ 236,106,772	\$ 252,917,409	\$ 269,109,660	\$ 264,647,558	\$ 279,427,992	\$ 296,518,203	\$ 310,517,029	\$ 325,828,783

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Changes In Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses										
Governmental activities:										
Public safety	\$ 17,560,992	\$ 16,700,682	\$ 18,235,770	\$ 17,133,051	\$ 18,468,117	\$ 20,409,139	\$ 20,487,015	\$ 22,567,312	\$ 23,165,578	\$ 20,283,955
Recreation and culture	5,989,071	6,134,272	5,850,043	5,505,481	5,927,464	4,441,026	4,642,710	4,461,890	4,209,854	3,594,568
General government	4,289,502	3,750,252	4,067,084	5,047,562	4,661,263	4,263,765	4,446,150	5,328,156	5,545,663	6,051,174
Financial administration	732,379	627,877	619,486	621,148	609,518	714,638	732,799	747,028	621,538	480,187
Streets and sewers	6,779,917	7,484,979	8,444,721	7,334,958	9,463,507	13,933,432	15,088,869	12,932,517	10,246,691	9,937,457
Engineering and public works administration	554,088	569,523	479,849	475,008	493,598	594,723	-	-	-	-
Economic development	481,197	422,624	577,816	621,820	739,409	14,916	27,903	13,316	25,381	24,562
Health and welfare	1,793,027	1,534,775	1,885,038	1,298,401	2,192,472	1,642,867	1,157,110	960,396	1,023,771	1,028,832
Interest on long-term debt	463,252	271,253	238,855	206,045	173,262	140,679	108,120	76,111	44,113	12,129
Total governmental activities expenses	38,643,425	37,496,237	40,398,662	38,243,474	42,728,610	46,155,185	46,690,676	47,086,726	44,882,589	41,412,864
Business-type activities:										
Electric, water, wastewater, and sanitation operations	45,446,929	49,122,135	52,823,732	50,680,617	53,624,597	58,016,108	53,378,815	61,965,058	63,234,363	65,532,689
Stillwater Public Golf Authority	399,188	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-	-	15,000
Business area development	203,470	240,027	173,476	494,190	772,631	1,970,265	1,979,446	1,909,145	1,831,101	1,467,073
Airport operations	1,884,854	2,132,392	2,695,168	2,749,481	2,714,304	2,676,008	2,625,889	2,875,967	3,572,997	3,620,279
Total business-type activities expenses	47,934,941	51,494,554	55,692,376	53,924,288	57,111,532	62,662,381	57,984,150	66,750,170	68,638,461	70,635,041
Total primary government expenses	\$ 86,577,866	\$ 88,990,791	\$ 96,091,038	\$ 92,167,762	\$ 99,840,142	\$ 108,817,566	\$ 104,674,826	\$ 113,836,896	\$ 113,521,050	\$ 112,047,905
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety	\$ 416,131	\$ 282,866	\$ 261,900	\$ 447,420	\$ 354,296	\$ 2,290,884	\$ 2,622,099	\$ 2,679,216	\$ 2,619,775	\$ 2,743,417
Recreation and culture	1,170,983	1,433,340	1,397,513	1,284,758	1,218,766	1,121,462	1,064,755	914,995	712,549	274,101
General government	419,156	323,591	387,053	815,659	638,624	934,955	554,497	1,362,082	1,296,850	1,099,376
Financial administration	1,162,439	829,461	1,182,234	1,058,148	1,026,063	1,207,448	1,132,852	1,036,065	1,131,545	1,136,937
Streets and sewers	920,188	561,452	698,777	674,190	437,901	483,411	555,381	1,107,030	405,717	392,285
Health and welfare	891,780	693,700	29,551	163,907	282,297	227,846	302,888	430,744	262,807	426,387
Operating grants and contributions	129,901	178,380	310,693	177,373	1,075,844	571,493	526,732	79,813	198,989	524,836
Capital grants and contributions	1,171,658	784,756	805,756	927,215	660,101	600,714	2,327,602	5,599,043	1,232,531	1,149,352
Total governmental activities program revenues	6,282,236	5,087,546	5,073,477	5,548,670	5,693,892	7,438,213	9,086,806	13,208,988	7,860,763	7,746,691

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Changes in Net Position

Last Ten Fiscal Years (1)

(accrual basis of accounting)

(continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services:										
Electric, water, wastewater, and sanitation operations	\$ 56,340,873	\$ 61,199,054	\$ 65,532,650	\$ 65,531,694	\$ 72,927,436	\$ 75,491,830	\$ 73,148,660	\$ 80,475,384	\$ 81,778,637	\$ 79,224,262
Stillwater Public Golf Authority	280,237	-	-	-	-	-	-	-	-	-
Business area development	22,766	15,671	23,328	23,207	28,130	29,303	17,844	204,548	14,783	848
Airport operations	1,180,915	1,429,150	1,637,831	1,623,080	1,582,906	1,410,731	1,132,097	1,363,750	1,657,585	1,641,714
Operating grants and contributions	-	-	-	-	-	-	-	-	-	61,392
Capital grants and contributions	7,884,246	2,507,495	3,407,199	3,932,591	296,813	764,017	1,266,941	1,845,117	2,246,048	2,403,555
Total business-type activities program revenues	65,709,037	65,151,370	70,601,008	71,110,572	74,835,285	77,695,881	75,565,542	83,888,799	85,697,053	83,331,771
Total primary government program revenues	\$ 70,796,583	\$ 70,224,847	\$ 76,149,678	\$ 76,804,464	\$ 82,273,498	\$ 86,782,687	\$ 88,774,530	\$ 91,749,562	\$ 93,557,816	\$ 91,078,462
Net (Expense)/Revenue										
Governmental activities	\$ (32,408,691)	\$ (35,325,185)	\$ (32,694,804)	\$ (37,034,718)	\$ (38,716,972)	\$ (37,603,870)	\$ (33,877,738)	\$ (37,021,826)	\$ (37,021,826)	\$ (33,666,173)
Business-type activities	14,214,483	9,458,994	16,676,720	13,999,040	17,723,753	19,711,731	8,815,372	15,250,338	17,058,592	12,696,730
Total primary government net expense	\$ (18,194,208)	\$ (25,866,191)	\$ (16,018,084)	\$ (23,035,678)	\$ (20,993,219)	\$ (17,892,139)	\$ (25,062,366)	\$ (21,771,488)	\$ (19,963,234)	\$ (20,969,443)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 23,410,504	\$ 24,389,442	\$ 25,787,401	\$ 28,249,872	\$ 31,096,996	\$ 29,926,023	\$ 30,250,927	\$ 29,800,331	\$ 31,288,009	\$ 30,791,644
Property taxes	1,377,028	1,448,266	1,343,480	1,310,488	1,296,462	1,196,973	1,170,237	987,082	978,693	927,799
Franchise and public service taxes	1,595,344	1,548,118	1,544,506	1,564,301	1,729,912	1,710,990	1,663,781	1,719,692	1,728,885	2,049,701
E911 taxes	81,621	66,529	63,870	60,338	64,278	90,535	76,503	48,274	65,245	62,591
Hotel/motel taxes	494,145	560,749	615,997	805,941	970,100	787,488	736,485	819,592	842,623	777,659
Investment income	29,969	104,666	78,162	74,677	(99,634)	168,627	186,077	58,500	103,431	234,296
Transfers-internal activity	11,634,966	4,671,809	8,217,054	2,710,147	1,452,784	939,980	2,480,341	3,154,597	2,218,075	10,543,181
Total governmental activities	\$ 38,623,577	\$ 32,789,579	\$ 37,650,470	\$ 34,775,764	\$ 36,510,898	\$ 34,820,616	\$ 36,564,351	\$ 36,588,068	\$ 37,224,961	\$ 45,386,871
Business-type activities:										
Investment income	144,148	114,643	275,937	(167,141)	181,875	375,015	715,402	171,150	334,844	1,385,880
Miscellaneous	31,263	163,705	350,312	420,681	584,669	503,379	3,500	224,699	(631,707)	51,627
Transfers-internal activity	(11,634,966)	(4,671,809)	(8,217,054)	(2,710,147)	(1,452,784)	(939,980)	(2,480,341)	(3,154,597)	(2,218,075)	(10,543,181)
Total business-type activities	\$ (11,459,555)	\$ (4,393,461)	\$ (7,590,805)	\$ (2,456,607)	\$ (61,586)	\$ (1,761,439)	\$ (2,758,748)	\$ (2,514,938)	\$ (9,105,674)	
Total primary government	\$ 27,164,022	\$ 28,396,118	\$ 30,059,665	\$ 32,319,157	\$ 35,824,658	\$ 34,759,030	\$ 34,802,912	\$ 33,829,320	\$ 34,710,023	\$ 36,281,197
Change in Net Position										
Governmental activities	\$ 6,214,886	\$ (2,535,606)	\$ 4,955,666	\$ (2,258,954)	\$ (2,206,074)	\$ (2,783,254)	\$ 2,686,613	\$ (433,758)	\$ 203,135	\$ 11,720,698
Business-type activities	2,754,928	5,065,533	9,085,915	11,542,433	17,037,513	19,650,145	7,053,933	12,491,590	14,543,654	3,591,056
Total primary government	\$ 8,969,814	\$ 2,529,927	\$ 14,041,581	\$ 9,283,479	\$ 14,831,439	\$ 16,866,891	\$ 9,740,546	\$ 12,057,832	\$ 14,746,789	\$ 15,311,754

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund										
Non-spendable: inventories	\$ 332,316	\$ 163,741	\$ 178,437	\$ 142,282	\$ 127,598	\$ 113,209	\$ 110,496	\$ 116,940	\$ 61,077	\$ 38,909
Restricted for public safety	104,082	100,713	107,914	114,724	98,393	100,321	95,790	72,571	95,185	92,613
Restricted for economic development	60,059	235,673	386,097	668,398	936,095	788,185	360,813	299,183	556,147	580,600
Restricted for sales tax transfer	1,647,181	1,654,153	1,654,153	2,070,451	2,155,138	2,079,706	2,041,372	1,955,910	-	-
Restricted for capital improvements	-	-	-	-	-	-	-	65,245	65,245	241,369
Committed to public safety	379,648	522,274	555,967	283,254	458,395	509,846	567,333	612,968	-	-
Committed to capital improvements	-	-	-	-	-	-	-	-	-	486,577
Committed to stormwater	-	-	-	-	-	-	-	-	-	477,583
Assigned to self insurance	606,958	828,670	280,841	1,233,143	1,898,069	1,492,683	1,679,512	1,790,911	1,177,988	758,544
Assigned to recreation and culture	125,484	150,445	167,036	172,350	176,613	158,969	144,517	118,186	64,567	66,039
Assigned to special event	-	-	-	-	-	-	-	-	-	128,533
Assigned to public safety	-	-	-	-	-	-	-	-	-	517,621
Assigned to budget appropriation	-	-	-	-	-	-	-	-	-	6,866,627
Unassigned	3,730,961	5,806,453	8,518,485	10,848,896	10,814,025	8,940,922	6,442,469	2,478,143	5,663,427	2,936,871
Total general fund	\$ 6,986,689	\$ 9,462,122	\$ 11,848,930	\$ 15,533,498	\$ 16,664,326	\$ 14,183,841	\$ 11,442,302	\$ 7,510,057	\$ 7,683,636	\$ 13,191,886
All other governmental funds										
Restricted for debt service	\$ 245,659	\$ 384,409	\$ 320,160	\$ 327,051	\$ 316,318	\$ 230,786	\$ 209,523	\$ 188,857	\$ 139,552	\$ 152,309
Restricted for capital improvements	703,907	6,633,915	6,582,628	3,300,332	2,867,083	3,839,197	404,344	5,161,663	9,427,082	10,974,868
Assigned for capital improvements	-	-	-	-	-	-	-	-	-	2,979,724
Unassigned	4,369,761	101,368	(57,525)	54,350	-	-	-	-	-	-
Total all other governmental funds	\$ 5,319,327	\$ 7,119,692	\$ 6,845,263	\$ 3,681,733	\$ 3,183,401	\$ 4,069,983	\$ 613,867	\$ 5,350,520	\$ 9,566,634	\$ 14,106,901

(1) GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented in FY2011. The objective of this Statement is to improve the usefulness, including understandability, of governmental fund balance information. This Statement provides more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balance more transparent.

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Changes In Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues										
Taxes	\$ 26,963,407	\$ 28,024,398	\$ 29,371,854	\$ 31,991,402	\$ 35,156,665	\$ 33,690,619	\$ 33,867,464	\$ 33,417,379	\$ 34,864,045	\$ 34,641,363
Intergovernmental	493,720	963,136	533,384	408,338	1,222,484	715,097	524,126	541,595	439,114	636,609
Charges for service	1,343,284	1,449,277	650,145	802,270	584,908	614,263	671,485	799,313	566,985	529,946
Fines and forfeits	786,164	656,201	776,389	793,076	742,037	881,790	1,162,590	1,045,956	1,123,676	1,084,493
Fees and rentals	1,220,295	1,466,352	1,438,373	1,357,756	1,197,563	1,123,113	1,087,411	1,051,225	806,716	497,038
Investment income	29,323	104,175	77,854	74,525	(99,686)	168,575	186,025	58,378	102,982	233,772
Licenses and permits	207,401	187,563	268,209	319,497	311,218	264,840	377,683	383,629	243,017	278,769
Other miscellaneous revenues	1,392,714	726,410	880,825	1,219,642	1,113,058	1,091,427	692,754	1,743,092	1,499,104	1,345,334
Total revenues	32,436,308	33,577,512	33,997,033	36,966,506	40,228,247	38,549,724	38,569,538	39,040,567	39,645,639	39,247,324
Expenditures										
Current:										
Public safety	16,547,892	16,420,643	17,649,898	16,537,022	17,685,468	19,004,743	19,387,415	19,848,498	19,932,996	20,174,962
Recreation and culture	5,386,147	5,462,498	5,062,437	4,858,451	5,252,317	3,814,270	4,062,328	3,878,892	3,498,288	2,968,130
General government	3,027,262	2,837,873	3,330,545	3,670,808	3,643,832	3,727,050	4,001,412	4,509,539	5,268,836	5,976,425
Financial administration	703,529	600,203	591,712	602,812	600,062	735,423	844,480	688,490	641,620	473,228
Streets and sewers	2,663,639	2,380,470	2,670,103	2,415,451	2,535,981	4,233,578	4,507,411	3,889,539	3,723,263	3,773,407
Operations	553,600	589,376	478,606	471,523	492,586	594,143	-	-	-	-
Economic development	481,197	422,624	527,896	562,422	755,344	14,916	27,903	13,316	25,381	24,562
Human services	1,402,018	1,436,499	1,455,121	1,255,899	1,803,795	1,637,285	1,118,418	966,336	1,014,849	1,020,186
Debt service:										
Principal retirements	790,000	775,000	825,000	820,000	815,000	810,000	805,000	800,000	800,000	795,000
Interest and fiscal charges	432,225	385,408	305,000	272,000	239,200	206,600	174,200	142,000	110,000	78,000
Capital outlay	9,269,917	3,397,358	7,210,392	7,689,227	7,189,350	6,305,599	11,182,912	5,713,051	1,445,208	3,744,972
Total expenditures	41,257,426	34,707,952	40,106,710	39,155,615	41,012,935	41,083,607	46,111,479	40,449,661	36,460,441	39,028,872
Excess of revenues over (under) expenditures	(8,821,118)	(1,130,440)	(6,109,677)	(2,189,109)	(784,688)	(2,533,883)	(7,541,941)	(1,409,094)	3,185,198	218,452
Other Financing Sources (Uses)										
Proceeds of refunding bonds and other debt	9,105,336	53,488	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(8,392,089)	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	575,655	-	-	-	-	-	-	-	-
Transfers in	17,361,233	16,802,447	20,810,346	16,838,631	18,020,242	19,047,247	18,999,377	19,339,107	19,316,085	23,948,610
Transfers out	(12,495,991)	(12,025,352)	(12,588,290)	(14,128,484)	(16,603,058)	(18,107,267)	(17,655,091)	(17,125,605)	(18,111,590)	(14,118,545)
Total other financing sources (uses)	5,578,489	5,406,238	8,222,056	2,710,147	1,417,184	939,980	1,344,286	2,213,502	1,204,495	9,830,065
Net change in fund balances	\$ (3,242,629)	\$ 4,275,798	\$ 2,112,379	\$ 521,038	\$ 632,496	\$ (1,593,903)	\$ (6,197,655)	\$ 804,408	\$ 4,389,693	\$ 10,048,517
Debt service as a percentage of noncapital expenditures	3.88%	3.71%	3.32%	3.42%	2.70%	2.84%	2.44%	2.48%	2.56%	2.40%

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Tax Revenues By Source, Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Sales & Use Taxes		Property Taxes		Franchise and Public		Hotel/Motel		Sales Tax as Percentage of	
					Service Taxes	E911 Taxes	Taxes	Total Taxes	Total Taxes	
2010	\$ 23,410,504	\$ 1,377,028	\$ 1,595,344	\$ 81,621	\$ 494,145	\$ 26,958,642				86.84%
2011	24,389,442	1,448,266	1,548,118	66,529	560,749	28,013,104				87.06%
2012	25,787,401	1,343,480	1,544,506	63,870	615,997	29,355,254				87.85%
2013	28,249,872	1,310,488	1,564,301	60,338	805,941	31,990,940				88.31%
2014	31,096,996	1,296,462	1,729,912	64,278	970,100	35,157,748				88.45%
2015	29,926,023	1,196,973	1,710,990	90,535	787,488	33,712,009				88.77%
2016	30,250,927	1,170,237	1,663,781	76,503	736,485	33,897,933				89.24%
2017	29,800,331	987,082	1,719,692	48,274	819,592	33,374,971				89.29%
2018	31,288,009	978,693	1,728,885	65,245	842,623	34,903,455				89.64%
2019	30,791,644	927,799	2,049,701	62,591	777,659	34,609,394				88.97%

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Assessed Value and Actual Value of Taxable Property (1)
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Real Property		Personal Property		Public Service Property		Homestead		Other		Net Total Valuation	Total Direct Tax Rate	Estimated	Ratio of Total Assessed to Actual Value
					Total Valuation	Exemption		Exemptions (2)						
2010	\$ 220,793	\$ 40,426	\$ 9,324	\$ 270,543	\$ 5,322	\$ -	\$ 265,221	5.24	\$ 2,373,184	11.18%				
2011	233,860	40,031	9,692	283,583	5,334	0	278,249	5.23	2,487,570	11.19%				
2012	237,228	28,578	9,444	275,250	5,199	0	270,051	4.95	2,414,474	11.18%				
2013	242,749	22,543	8,953	274,245	5,173	0	269,072	4.90	2,405,658	11.18%				
2014	252,163	23,619	6,481	282,263	5,054	1,033	276,176	4.69	2,475,991	11.15%				
2015	261,644	27,453	5,718	294,815	4,925	1,156	288,734	4.16	2,586,096	11.16%				
2016	271,254	31,739	7,588	310,581	4,838	1,288	304,455	3.78	2,724,395	11.18%				
2017	286,207	32,288	7,158	325,653	4,777	1,287	319,589	3.25	2,856,605	11.19%				
2018	304,725	33,681	7,326	345,732	4,719	1,223	339,790	2.75	3,032,737	11.20%				
2019	318,548	33,965	7,626	360,139	4,686	1,450	354,005	2.72	3,159,114	11.21%				

The assessed value of the taxable property as certified by the Payne County Assessor to be used for the 2020 fiscal year is as follows:

	Real Property		Personal Property		Public Service Property		Homestead		Other		Net Total Valuation	Total Direct Tax Rate	Estimated	Total
					Total Valuation	Exemption		Exemptions (2)						
2020	\$ 339,463	\$ 34,915	\$ 7,470	\$ 381,848	\$ 4,574	\$ 1,710	\$ 375,564	2.73	\$ 3,349,544					

(1) Source: Payne County Assessor

(2) Prior to Fiscal Year 2013, "Other Exemptions" were included in "Total Valuation" by the Payne County Assessor.

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Direct and Overlapping Property Tax Rates (1)

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

Fiscal Year	City of Stillwater Debt Service Fund	Independent School District No. 16	Meridian Technology Center	Payne County	Total
2010	5.24	63.20	15.00	16.00	99.44
2011	5.23	64.82	15.00	16.00	101.05
2012	4.95	68.96	15.47	16.43	105.81
2013	4.90	64.53	15.47	16.43	101.33
2014	4.69	68.92	15.47	16.43	105.51
2015	4.16	68.54	15.47	16.43	104.60
2016	3.78	68.95	15.47	16.43	104.63
2017	3.25	68.01	15.47	16.43	103.16
2018	2.75	66.37	15.47	16.43	101.02
2019	2.72	66.55	15.47	16.43	101.17

The direct and overlapping tax rates for FY 2020 are as follows:

Fiscal Year	City of Stillwater Debt Service Fund	Independent School District No. 16	Meridian Technology Center	Payne County	Total
2020	2.73	66.69	15.47	16.43	101.32

(1) Source: Payne County Assessor

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Principal Property Tax Payers (1)
Current Year and Nine Years Ago

Taxpayer	Type of Business	2019			2010		
		Percentage of		Rank	Percentage of		Rank
		2019 Assessed Valuation	Total Assessed Valuation		2010 Assessed Valuation	Total Assessed Valuation	
ASCO Aerospace USA, LLC	Aerospace	\$ 9,370,732	2.74%	1			
Links at Stillwater	Apartments/golf/fitness development	4,443,150	1.30%	2	\$ 3,703,151	1.33%	2
Wal-Mart Real Estate	Discount supercenter	2,973,642	0.87%	3	4,214,533	1.51%	1
Lakeview Pointe	Shopping center	2,739,961	0.80%	4	2,149,364	0.77%	9
Breckenridge Group Stillwater OK LLC	Off campus student housing	2,719,701	0.79%	5			
Fifty One at Tradan Heights	Apartments	2,450,281	0.72%	6			
Avenue East Apartments, LLC	Apartments	1,815,815	0.53%	7			
Flir Detection, Inc	Manufacturer of thermal imaging	1,748,499	0.51%	8			
Castlerock Stillwater	Apartments	1,726,861	0.50%	9			
Oklahoma Natural Gas	Gas utility	1,719,795	0.50%	10			
Chickasaw Telecom Services, Inc.	Telephone utility				3,087,356	1.11%	3
Wells, Henry	Real estate developer				2,942,698	1.06%	4
Armstrong World Industries, Inc.	Manufacturer of floor coverings				2,924,894	1.05%	5
Brunswick Corporation	Manufacturer of stern-drive boat motors				2,817,990	1.01%	6
Southwestern Bell Telephone, LP	Telephone utility				2,406,063	0.86%	7
National Standard Co.	Manufacturer of steel cord for radial tires				2,250,160	0.81%	8
AIG Commercial Equipment Finance	Printing equipment				2,003,784	0.72%	10
		<u>\$ 31,708,437</u>	<u>9.26%</u>		<u>\$28,499,993</u>	<u>10.23%</u>	

(1) Source: Payne County Assessor

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Property Tax Levies and Collections

Last Ten Fiscal Years

(in thousands of dollars)

Fiscal Year	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy			Collected on Prior Years' Levies (1)	
		Amount	Percentage of Levy	Amount	Amount	Amount
2010	\$ 1,389	\$ 1,365	98%	\$ 21		
2011	1,456	1,420	98%	40		
2012	1,337	1,313	98%	47		
2013	1,314	1,294	98%	17		
2014	1,296	1,275	98%	21		
2015	1,202	1,160	97%	16		
2016	1,150	1,078	94%	62		
2017	1,013	992	98%	38		
2018	934	895	96%	44		
2019	962	922	96%	38		

(1) Collections of property taxes in Oklahoma are made at the County level. Information received from Payne County for collected delinquent amounts does not include the original levy year.

Note: Total collections for July through October, 2019 are \$2 thousand in current taxes and \$11 thousand in delinquent taxes.

Taxable Sales By Category (1)
Last Ten Fiscal Years
(in thousands of dollars)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Retail trade*				\$ 445,548	\$ 483,038	\$ 480,420	\$ 480,512	\$ 459,539	\$ 469,452	\$ 467,503
Accommodation and food services*				137,002	148,363	148,904	154,198	154,052	161,040	161,562
Wholesale*				44,145	70,324	51,578	42,187	38,811	44,628	38,728
Utilities*				42,350	44,616	46,131	41,983	43,885	45,169	46,255
Information*				23,014	25,105	25,393	25,041	24,427	23,039	22,658
Education services	\$ 16,804	\$ 17,867	\$ 18,788	\$ 18,567	\$ 18,517	\$ 14,818	\$ 4,801	\$ 11,449	\$ 27,145	\$ 23,582
Manufacturing*				14,419	16,697	14,454	17,096	15,074	15,060	11,880
Unclassified*					8,847	7,592	26,363	15,627	3,107	2,229
Other services (except Public Administration)*				11,425	7,190	7,801	7,847	7,692	7,966	8,661
Real estate, rental, and leasing*				8,911	13,102	12,796	11,966	14,289	13,262	14,454
Arts, entertainment, and recreation*				4,925	3,995	3,955	3,898	4,349	4,061	4,267
Professional, scientific, and technical services*				2,228	3,002	2,800	2,670	2,789	3,034	3,169
Transportation and warehousing*				1,809	2,496	2,435	2,630	2,935	2,887	2,740
Finance and insurance*				1,522	2,349	292	252	356	468	583
Construction*				1,094	1,392	1,609	1,172	2,123	1,469	1,584
Mining, quarrying, and oil and gas extraction*				60	842	755	127	46	3	104
Administrative, support, waste management, and remediation*					261	269	306	382	635	523
Agriculture, forestry, fishing, and hunting*				346	55	70	64	72	82	103
Health care and social assistance*				39	27	17	20	337	615	372
Public administration*				3	5	5	(8)	(2)	0	32
All other outlets	49,662	54,324	57,182	889						
General merchandise stores	163,369	163,683	171,170	-						
Eating and drinking places	95,055	100,179	108,943	-						
Miscellaneous retail	58,989	61,044	65,576	-						
Building material, hardware, garden supply	48,296	44,602	47,178	-						
Food stores	35,101	36,763	39,301	-						
Electric, gas, and sanitary services	39,922	39,611	40,763	-						
Wholesale trade - durable goods	23,481	24,607	24,995	-						
Apparel and accessory stores	33,376	35,328	39,194	-						
Furniture, home furnishings, and equipment	23,240	35,526	35,764	-						
Communications	23,564	20,890	22,985	-						
Automotive dealers and gasoline service	13,765	15,732	16,055	-						
Business services	11,122	14,629	12,360	-						
Total	\$635,746	\$664,785	\$700,255	\$175,742	\$850,221	\$822,094	\$823,125	\$798,232	\$823,122	\$810,989
City general sales tax rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Transferable to SUA	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Dedicated sales tax - transportation projects (2)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Total tax rate	3.5%									

(1) Source: Oklahoma Tax Commission

(2) Dedicated sales tax of 0.5% was effective October 1, 2001. This additional tax was to expire September 30, 2006 but was extended until September 30, 2026.

Note: The State of Oklahoma retains 1% of the sales tax collected as an administrative fee.

Note: Beginning Fiscal Year 2013, collections are reported by NAICS code in place of SIC code. *

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Direct and Overlapping Sales Tax Rates (1)

Last Ten Calendar Years

Fiscal Year	City of Stillwater (2)	State of Oklahoma	Payne County (3)
2010	3.50%	4.50%	0.75%
2011	3.50%	4.50%	0.75%
2012	3.50%	4.50%	0.75%
2013	3.50%	4.50%	0.813%
2014	3.50%	4.50%	0.813%
2015	3.50%	4.50%	0.813%
2016	3.50%	4.50%	0.813%
2017	3.50%	4.50%	0.813%
2018	3.50%	4.50%	0.813%
2019	3.50%	4.50%	0.813%

(1) Sales tax is a major revenue source of the General Fund of the City of Stillwater. Sales tax is collected by local merchants and remitted to the State of Oklahoma Tax Commission by the 15th of the month following its receipt. The Tax Commission returns the City's portion of the sales tax to the city by the 15th of the following month. Beginning in 1979, an additional 1% sales tax was levied by the City for use by the Stillwater Utilities Authority (SUA), i.e., a Public Trust which operates the water, sewer and electric utilities of the City. The sales tax dedicated for the SUA is received by the City's General Fund and is immediately transferred to SUA.

(2) The City portion of sales tax increased to 3.50% effective October 1, 2001. The additional 0.50% is dedicated to fund transportation (street) projects. This additional tax will expire September 30, 2026.

(3) Stillwater is located in Payne County which initiated a 0.5% sales tax effective January 1, 1994. The 0.5% sales tax expired and was replaced with a 0.375% sales tax effective January 1, 1999. The Payne County sales tax was increased to 0.5% effective April 1, 2000. The Payne County sales tax was increased to 0.75% effective April 1, 2006. The Payne County sales tax was increased to 0.813% effective April 1, 2013.

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Electric Utility Customers and Sales By Type
Last Ten Fiscal Years

		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Commercial:	Average monthly customers	2,188	2,203	2,242	2,316	2,336	2,369	2,387	2,430	2,448	2,466
	Annual sales	\$ 14,102,173	\$ 14,451,894	\$ 15,682,222	\$ 15,756,870	\$ 17,063,666	\$ 18,115,939	\$ 17,426,665	\$ 18,255,860	\$ 18,531,334	\$ 18,413,545
	Percentage of total annual sales	36%	36%	36%	39%	39%	39%	39%	40%	40%	39%
Residential:	Average monthly customers	17,280	17,434	17,341	17,549	17,996	18,278	18,576	18,526	18,619	18,853
	Annual sales	\$ 17,710,450	\$ 18,350,527	\$ 20,445,780	\$ 20,035,777	\$ 21,896,747	\$ 22,477,571	\$ 21,431,632	\$ 22,043,277	\$ 22,787,588	\$ 22,873,131
	Percentage of total annual sales	46%	46%	47%	49%	50%	48%	48%	48%	49%	49%
Industrial/Institutional:	Average monthly customers	5	5	5	5	5	5	5	5	5	5
	Annual sales	\$ 7,107,348	\$ 7,422,493	\$ 7,179,718	\$ 4,933,893	\$ 5,086,290	\$ 5,991,449	\$ 5,587,646	\$ 5,435,577	\$ 5,547,897	\$ 5,432,937
	Percentage of total annual sales	18%	18%	17%	12%	12%	13%	13%	12%	12%	12%

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Direct and Overlapping Governmental Activities Debt (1) (2)

As of June 30, 2019

(in thousands of dollars)

<u>Governmental Unit:</u>	<u>Bonds Outstanding</u>	Percentage Applicable to City of Stillwater Property Owners / Patrons	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Stillwater Independent School District #16 (3)	\$ 49,235	83.63%	\$ 41,175
Debt repaid with sales taxes			
Payne County Facilities Authority	\$ 3,670	68.80%	\$ 2,525
City of Stillwater direct debt	\$ 1,272	100.00%	\$ 1,272
Total direct and overlapping debt			\$ 44,972

(1) Stillwater School District and Payne County include all of the City of Stillwater and extend beyond the physical boundaries of the City. This schedule estimates the portion of governmental debt that is borne by the property owners (via property taxes) and patrons (via sales tax) of the City of Stillwater.

(2) Computation assumptions: For debt repaid with property taxes, the percentage of assessed property within the City of Stillwater in relation to the assessed value of the school district (which extends beyond the city limits) was used. For the County debt repaid with sales taxes, the percentage of taxable sales for the City of Stillwater in relation to the taxable sales for the entire county was used.

(3) Sources: Assessed value data, School and County amounts - Payne County Assessor's office

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Ratios of Outstanding Debt By Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Debt as Percentage of Personal Income			
	General				Total Primary Government	(in thousands of dollars)	Personal Income	Population	Total Debt Per Capita			
	Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases								
2010	\$ 9,085,959	\$ 7,989,348	\$ 17,914,992	\$ 1,904,495	\$ 36,894,794	\$ 2,402,414	1.5%	45,688	807.54			
2011	8,247,737	4,877,590	26,066,740	2,127,695	41,319,762	2,523,379	1.6%	46,048	897.32			
2012	7,359,342	1,605,608	27,159,609	2,347,169	38,471,728	2,836,935	1.4%	46,560	826.28			
2013	6,476,120	0	25,779,455	3,233,271	35,488,846	2,878,256	1.2%	47,186	752.11			
2014	5,597,899	0	23,692,419	2,442,643	31,732,962	2,991,209	1.1%	48,406	655.56			
2015	4,724,678	68,211,090	20,666,471	3,257,684	96,859,923	2,912,363	3.3%	48,967	1,978.07			
2016	3,856,281	67,977,127	17,540,437	3,121,682	92,495,527	2,854,057	3.2%	49,504	1,868.45			
2017	2,993,059	67,743,165	26,534,027	3,106,081	100,376,332	2,882,278	3.5%	49,829	2,014.42			
2018	2,129,838	66,214,202	30,109,922	3,212,738	101,666,700	**	**	50,391	2,017.56			
2019	1,271,617	64,650,240	35,531,350	2,356,079	103,809,286	**	**	**	**			

** Data not available at time of publication

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

**Ratio of General Bonded Debt to Assessed Values
And Per Capita Bonded Debt
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds		Accumulated Resources Restricted to Repayment of			Net Bonded Debt per \$1,000 of Assessed Value		
	Governmental Activities	Total Primary Government	General Bonded Debt	Net General Bonded Debt	Population			
2010	\$ 9,085,959	\$ 9,085,959	\$ 245,659	\$ 8,840,300	45,688	\$ 193.49	\$ 2,373,184	3.73
2011	8,247,737	8,247,737	384,409	7,863,328	46,048	170.76	2,487,570	3.16
2012	7,359,342	7,359,342	320,160	7,039,182	46,560	151.19	2,414,474	2.92
2013	6,476,120	6,476,120	327,051	6,149,069	47,186	130.32	2,405,658	2.56
2014	5,597,899	5,597,899	316,318	5,281,581	48,406	109.11	2,475,991	2.13
2015	4,724,678	4,724,678	230,786	4,493,892	48,967	91.77	2,586,096	1.74
2016	3,856,281	3,856,281	209,523	3,646,758	49,504	73.67	2,724,395	1.34
2017	2,993,059	2,993,059	188,857	2,804,202	49,829	56.28	2,856,605	0.98
2018	2,129,838	2,129,838	139,552	1,990,286	50,391	39.50	3,032,737	0.66
2019	1,271,617	1,271,617	152,309	1,119,308	**	**	3,159,123	0.35

** Data not available at time of publication

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Pledged Revenue Coverage (1)

Last Ten Fiscal Years

(dollars in thousands)

Oklahoma Water Resources Board (OWRB) Notes and 2002, 2005, and 2014 Revenue Bonds

2007 and 2010 Revenue Notes (2)

Fiscal Year	Debt Service							Debt Service				
	Utility Operating			Less: Operating		Net Available	Pledged			Transportation		Coverage
	Revenues	Expenses	Revenue	Principal	Interest		Sales Tax	Principal	Interest	Principal	Interest	
2010	\$ 58,601	\$ 37,250	\$ 21,351	\$ 3,660	\$ 666	4.94	\$ 1,576	\$ 645	\$ 197	1.87		
2011	63,906	40,692	23,214	3,808	613	5.25	1,646	1,270	269	1.07		
2012	68,779	42,063	26,716	4,015	582	5.81	1,712	1,615	270	0.91		
2013	68,835	39,663	29,172	2,654	520	9.19	1,876	1,675	223	0.99		
2014	77,396	42,098	35,298	1,190	481	21.12	2,093	1,740	174	1.09		
2015	78,625	45,920	32,705	1,190	2,281	9.42	2,050	1,805	123	1.06		
2016	77,026	43,485	33,541	1,214	3,289	7.45	2,051	1,880	69	1.05		
2017	83,843	47,075	36,768	1,759	3,303	7.26	874	960	14	0.90		
2018	85,941	47,599	38,342	3,598	3,458	5.43	0	0	0	0	0	
2019	83,389	48,522	34,867	3,661	3,549	4.84	0	0	0	0	0	

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) The revenue note is payable solely from sales tax revenue equal to one half of the one-half cent transportation sales tax collected by the City.

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Full-Time Equivalent City Government Employees By Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:										
Public safety	199.0	196.0	194.0	197.0	199.0	202.5	202.0	203.8	196.5	200.5
Recreation and culture (2) (3)	75.5	67.0	56.3	72.3	80.5	67.3	51.5	60.0	35.0	33.5
General government	38.0	33.0	36.5	45.0	56.5	50.3	55.3	51.3	53.5	54.0
Financial administration	15.0	13.0	16.0	18.5	14.8	17.0	17.0	17.0	15.0	15.0
Streets and sewers	37.5	35.0	37.3	26.0	26.0	29.0	42.0	37.0	35.0	34.0
Engineering and public works administration	9.5	6.0	4.0	11.0	6.0	6.0	7.0	6.0	5.0	5.5
Health and welfare	22.0	19.0	18.3	16.5	18.0	20.0	18.0	13.0	13.5	13.5
Business-type activities:										
Electric, water, and wastewater operations	137.3	128.0	136.0	142.3	146.8	158.3	156.8	157.3	145.5	159.5
Sanitation operations	37.5	31.0	29.5	30.0	30.0	29.0	31.0	28.0	27.0	28.0
Stillwater Public Golf Authority (1)	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Airport operations	5.5	5.0	5.0	5.3	5.8	5.8	10.8	11.5	10.5	15.5
Total	596.8	533.0	532.9	563.8	583.3	585.0	591.3	584.8	536.5	559.0

(1) Stillwater Public Golf Authority was dissolved by ordinance in 2010. Beginning in 2011, golf employees are included with recreation and culture.

(2) In March 2018 Henderson Golf assumed management of Lakeside Golf Course.

(3) In April 2018 Stillwater YMCA Center assumed management of the municipal pool.

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

**Capital Asset Statistics By Function/Program
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:										
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
Recreation and culture										
Athletic fields	24	24	24	24	23	23	23	23	23	23
Tennis courts	10	10	10	10	10	7	8	8	8	8
Neighborhood/community parks	22	22	22	22	22	22	22	22	22	22
Lakeside Golf Course - acreage	160	160	160	160	160	160	160	160	160	160
Streets and sewers										
Streets (miles)*	216	216	217	215	215	216	234	234	234	234
Traffic signals	61	60	60	62	64	65	65	67	67	67
Business-type activities:										
Electric, water, wastewater										
Power plants	1	1	1	1	1	1	1	1	1	1
Substations	8	8	8	8	8	8	8	8	8	8
Miles of 69KV line	20.1	20.1	20.1	20.2	20.8	21.3	21.3	21.3	24.1	25.7
Water										
Water plant	1	1	1	1	1	1	1	1	1	1
Water storage towers (away from plant)	5	5	5	5	6	6	13	13	14	12
Wastewater										
Wastewater plant	1	1	1	1	1	1	1	1	1	1
Lift stations	15	15	15	15	15	15	15	16	16	16

Sources: Various City departments

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Operating Indicators By Function/Program

Last Ten Fiscal Years

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:										
Public safety										
Traffic citations	4,018	3,468	2,481	3,065	2,779	2,574	4,719	5,980	5,511	5,668
Parking tickets	16,493	17,076	13,419	16,610	14,709	11,135	12,243	10,565	13,110	9,531
Police calls for service	42,136	44,683	43,518	33,213	31,548	33,241	39,508	38,496	40,573	38,999
Animals handled by Animal Welfare	2,434	2,530	2,387	2,398	2,465	2,081	1,977	2,161	2,088	2,076
Fire calls for service	1,544	1,948	1,927	4,077	4,130	4,453	4,678	5,362	5,859	4,721
Ambulance calls for service (1)	3,939	4,268	0	0	0	0	0	0	0	0
Recreation and culture										
Acres mowed (2)	7,493	5,735	5,735	5,490	5,490	4,829	4,829	16,524	18,103	13,970
Program participants	4,765	5,046	4,987	5,100	2,618	1,990	2,368	2,469	2,048	2,065
Senior Center daily average attendance	34	40	40	22	25	63	65	53	56	50
Multi Arts participants (3)	6,000	6,200	4,700	0	0	0	0	0	0	0
Swimming pool admissions (4)	16,759	12,859	12,356	10,804	10,840	11,431	10,723	10,751	0	0
Lakeside Golf Course - rounds of golf (5)	25,577	29,247	29,764	31,237	29,563	27,651	27,103	26,952	18,824	0
Mini bus rides (6)	516	0	0	0	0	0	0	0	0	0
Volumes in library	97,555	100,119	110,918	110,728	111,072	101,941	98,312	92,134	87,916	100,035
Total circulation of library materials	370,043	369,340	369,191	360,423	353,860	362,895	373,257	368,164	352,953	374,176
Community Center admissions	131,202	118,082	132,251	137,541	159,548	138,807	123,538	125,715	136,735	183,689
General government										
Supported micro-computers by IT	468	511	590	450	450	450	450	450	450	475
Helpdesk/trouble calls by IT	2,429	2,785	3,355	2,500	2,100	2,050	2,800	2,500	2,800	3,200
Ordinances drafted	32	35	37	52	35	35	36	26	31	31
Financial administration										
Computer generated accounts payable checks	3,382	3,945	2,598	2,218	2,399	2,374	2,414	2,876	2,721	2,249
Budget revisions/amendments processed	428	325	274	317	289	271	281	404	361	449
Requisitions reviewed	1,541	1,355	1,231	1,228	1,639	1,515	1,295	1,390	1,119	1,018
Municipal court cases	7,815	8,165	6,880	7,568	7,263	6,532	8,009	6,957	7,346	8,375
Streets and sewers										
Feet of striping (7)	23,940	8,755	25,200	25,200	31,680	54,269	106,305	15,750	30,320	12,364
Signs made	571	251	1,142	814	736	250	451	541	1,095	1,115
Crack sealant (blocks) (8)	117	216	0	49	6,237	16,475	9,090	88	76	16
Slurry sealant (blocks)	39	29	26	40	0	8	0	0	0	0
Concrete replacement (cu. yds.)	1,207	1,714	1,229	1,169	1,252	1,425	516	974	923	1,006
Health and welfare										
Developments reviewed	39	80	52	73	66	66	65	67	74	103
Permits issued	2,963	3,406	4,116	3,285	3,124	2,784	2,760	3,040	2,181	2,064
Code enforcement inspections (9)	4,975	5,574	5,638	7,059	8,114	6,061	5,204	811	2,230	3,334
High grass and weed cases (9)	1,055	1,076	266	40	309	635	699	101	143	279
Trees and shrubs planted	56	0	70	50	42	0	0	501	450	10

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Operating Indicators By Function/Program

Last Ten Fiscal Years

(continued)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Business-type activities:										
Electric, water, and wastewater operations										
Electric connections	20,338	20,208	20,856	21,399	20,336	20,624	20,476	20,921	21,071	21,324
Water connections	16,312	16,218	16,390	16,256	16,607	17,015	17,077	18,695	18,779	18,783
Waterline repairs (10)	85	900	252	349	340	300	189	216	225	225
Water treated (million gallons)	2,338	2,282	2,438	2,407	2,321	2,400	4,472	2,586	2,209	1,849
Sewage treated (million gallons)	2,048	1,648	1,651	1,825	1,905	1,799	1,776	1,671	1,596	1,746
Sanitation operations										
Landfill usage (tons)	18,986	19,713	18,631	18,605	18,602	19,006	19,076	20,200	21,072	21,041
Yard waste hauled (tons)	1,002	1,403	1,021	1,071	1,040	1,424	1,233	992	1,121	1,185
Fleet operations										
Vehicles maintained	271	305	362	494	539	573	575	580	495	507
Fleet job orders completed	3,721	3,754	3,848	4,284	4,540	5,095	3,886	2,256	2,166	2,223
Airport operations										
Air traffic operations (avg month)	4,324	4,994	4,885	4,945	4,911	5,526	5,765	5,899	6,520	6,154

(1) operation of ambulance service assumed by the Western Payne County Ambulance Trust Authority on May 1, 2011

(2) acres mowed times number of times mowed

(3) operation of the Multi Arts programming was assumed by The Friends of the Multi Arts Center, Inc from May 1, 2012 to July 1, 2017; Oklahoma State University was granted operation of the Multi Arts on July 1, 2017.

(4) Stillwater YMCA Center assumed management of the municipal pool in April 2018

(5) 2018 data is for the period of July 1, 2017 through February 28, 2018; Henderson Golf assumed management of golf course on March 1, 2018

(6) mini bus program ended March 2010

(7) 2016 measurement includes contracted longline striping

(8) measured in lbs. in 2014-2016

(9) measured based on number of contacts in 2009-2016 & 2018; 2017 measured per case

(10) 2009-2010 includes water main repairs only; beginning in 2011, both water main and service line repairs are included.

Sources: Various City departments

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Principal Employers (1)
Current Year and Nine Years Ago

<u>Employer</u>	Current Year			Nine Years Ago		
	<u>Employees</u>	<u>Rank</u>	Percentage of Total City Employment	<u>Employees</u>	<u>Rank</u>	Percentage of Total City Employment
Oklahoma State University	5,037	1	21%	7,291	1	35%
Stillwater Medical Center	1,235	2	5%	852	2	4%
Stillwater Public Schools	794	3	3%	750	3	4%
City of Stillwater	559	4	2%	597	6	3%
Wal-Mart (1)	455	5	2%	346	8	2%
ASCO Aerospace USA	214	6	1%			
OK State Dept. of Career Tech	210	7	1%	231	10	1%
Stillwater Designs/Kicker Audio	180	8	1%	183		1%
Oncue Marketing	173	9	1%	167		1%
National Standard	165	10	1%	115		1%
Stan Clark Companies	125			599	5	3%
Mercury MerCruiser				359	7	2%
Keen Energy				682	4	3%
Quebecor World/Quad Graphics				252	9	1%
Others:						
Meridian Technology Center	136			117		
Frontier Electronics	122			151		
Armstrong World Industries	71			152		
Simmons Bank (2)	59			214		

(1) Sources: Human Resource departments of various local employers

(2) Formerly BankSNB

CITY OF STILLWATER, OKLAHOMA
STATISTICAL SECTION

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (in thousands of dollars)	Per Capita Personal Income (2)	Median Age (3)	Education Level in Years of Schooling (3)		K-12 School Enrollment (4)	Post-Secondary Enrollment (4)	Unemployment Rate (5)			
					Percentage							
					Percentage High- School Graduate or Higher	Bachelor's Degree or Higher						
2010	45,688	2,402,414	31,021	23.9	92.5%	46.6%	5,780	24,018	5.8%			
2011	46,048	2,523,379	32,356	24.1	93.3%	47.0%	5,960	24,622	5.9%			
2012	46,560	2,836,935	36,186	23.7	93.4%	49.0%	6,061	25,623	5.1%			
2013	47,186	2,878,256	37,146	23.7	94.0%	48.7%	6,147	26,312	5.5%			
2014	48,406	2,991,209	38,028	23.7	94.5%	48.5%	6,212	27,974	4.8%			
2015	48,967	2,912,363	36,757	23.7	95.2%	48.7%	6,285	28,030	4.2%			
2016	49,504	2,854,057	29,093	23.6	95.1%	48.4%	6,137	27,842	4.2%			
2017	49,829	2,882,278	29,450	23.8	95.2%	48.4%	6,742	28,119	3.5%			
2018	50,391	**	**	**	**	**	6,524	27,557	3.9%			
2019	**	**	**	**	**	**	6,512	30,765	2.9%			

** Data not available at time of publication

(1) Population estimates provided by the City of Stillwater Department of Community Development and the U.S. Census Bureau.

(2) Personal income estimates and Per Capita Personal Income provided by U.S. Department of Commerce.

(3) Median Age and educational attainment provided by U.S. Census Bureau.
Education attainment refers to those persons 25 years or older.

(4) Enrollment figures are for the Fall Semester immediately following the fiscal year indicated and include Pre-k full-time students.
Post-secondary enrollment includes enrollment at Oklahoma State University-Stillwater, Northern Oklahoma College-Stillwater, and full/half-time students at Meridian Technology Center.

(5) Unemployment rate provided by Bureau of Labor Statistics and is for Payne County.



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