

# **CITY OF STILLWATER**

Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2020





## Cover Photo: Block 34 Fence

The fence that encases the wind turbine at Block 34 received a pop of color. Local artists worked with the Block 34 Task Force to develop a mural that represents aspects of Stillwater's culture and history.



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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

And Accompanying Independent Auditors' Report  
Fiscal Year Ended June 30, 2020

*Prepared by:*  
Department of Finance

Christy Cluck,  
Director of Finance

Melissa Reames,  
Deputy City Manager/Chief Financial Officer







## HA5 paving

Stillwater's Pavement Management Program employs High-Density Mineral Bond paving to preserve residential roadways. A variety of Stillwater streets benefited from this method in 2019 and 2020.



CITY OF STILLWATER, OKLAHOMA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Fiscal Year Ended June 30, 2020

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COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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# INTRODUCTORY SECTION





## Azerbaijan

Stillwater City Councilor Amy Dzialowski and Head of Gadabay Executive Authority Ibrahim Mustafayev shake hands after the signing a cooperation document, which marks the beginning of an economic and agricultural partnership between the City of Stillwater and Gadabay, Azerbaijan.





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## LETTER OF TRANSMITTAL

Date: December 7, 2020

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, 2020, 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 Uniform Guidance 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, BT & Co., P.A. (BT&Co), was selected by the City Council upon recommendation from the City's Audit Committee to perform the fiscal year 2020 audit. BT&Co issued unmodified ("clean") opinions on the City's financial statements for the year ended June 30, 2020. 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.

Where the **COLLEGE** atmosphere and **COWBOY** spirit make everything come **ALIVE**.

## **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 50,000. 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 the 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), Stillwater Public Works Authority (SPWA) and Stillwater Public Library Trust (Library Trust) are reported as three enterprise funds, an internal service fund and a governmental 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 unassigned 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, health care services, and retail trade and food service 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 2020 included a 200 unit premier senior living community providing independent living, assisted living and memory care services. Several new residential subdivisions are planned and construction underway in many areas of the Stillwater community. Approximately 700 residential lots make up these subdivision areas.

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 \$30,627,292. This average includes the dedicated sales tax of 1.5%. Sales and use tax collections combined have been stable with an average annual growth of 0.65%.

After the World Health Organization declared the coronavirus outbreak a pandemic on March 11, 2020, the City of Stillwater began taking action immediately to combat the situation and protect the community. The Mayor issued proclamations declaring a state of emergency on March 15, 2020 and a shelter in place order on March 30, 2020. The release of the shelter in place order and the reopening of businesses has occurred in phases. A resolution to suspend customer disconnection for non-payment of utility services provided by the Stillwater Utilities Authority was passed on March 23, 2020, and a resolution reinstating utility disconnects and providing for longer term payment plans was passed on June 1, 2020. To address potential financial impacts due to the pandemic, the City implemented the Budget Reduction Response on April 20, 2020. This response instituted spending reductions in all

departments to hedge against potential future declines in revenues. All non-essential spending was eliminated and essential purchase requests were reviewed and approved by the Finance Department and the City Manager's Office. Although the City has not realized significant loss of revenue related to the pandemic, management continues to exercise caution with regard to managing cash flow amidst the continued unknown effects that the coronavirus pandemic may have on future revenues; therefore, the Budget Reduction Response remains in effect as of the date of this report.

## **MAJOR INITIATIVES**

**Mapping Stillwater's Future:** The world is different today from that of pre-COVID-19. Knowing this, the City brought together a team to assess, evaluate and execute plans of action to keep Stillwater running. This process includes (1) an analysis of known and unknown variables about Stillwater's future, (2) the creation of scenarios based on the known and unknown variables, (3) an analysis of those scenarios to identify strategies to best meet the desired outcomes and (4) the creation of action plans for implementation. As a local government, the City has obligations to provide services to our residents, rate payers and visitors and obligations to keep our employees safe, healthy and working. Through the Mapping Stillwater's Future initiative, the City is positioning itself in a way to be able to meet these obligations amidst the long-term changes that COVID-19 may bring. This plan is aligned with Council's strategic priorities of Effective Services and Accountable Government and Inspired Management.

**Commitment to Capital Investment:** Capital planning is critical to providing essential public services and is important to a community's economic development efforts and citizen satisfaction. Because the City operates under tight budget constraints, capital investment has historically been one of the first things given up when balancing the budget. In Fiscal Year 2020, the City established the City Capital Fund to provide transparency and accountability in the setting aside of dollars for capital purposes. Also, in Fiscal Year 2020, the Capital Improvement Plan Policy was adopted. This is an administrative policy that guides staff on the development of a long-term capital plan, prioritization of capital requests and funding and reporting of capital projects. This plan is aligned with Council's strategic priorities of Effective Services and Accountable Government, Inspired Management, Safe Community, Place and Mobility and Quality of Life.

## **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, 2019. 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 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-eight 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**

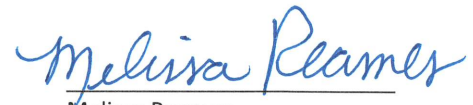
The preparation of this report could not be accomplished without the dedicated services of the Finance Department with special thanks to the Director of Finance, Christy Cluck, and the professional assistance of Crawford and Associates, P.C. and the City's independent auditors, BT & Co., P.A. In addition, 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





## Duck

A key section of Duck Street received a makeover in 2020. The City performed Mill and Overlay Rehabilitation from 6th to 12th streets, enlarged sidewalks and inserted bike lanes for multimodal use.



Government Finance Officers Association

**Certificate of  
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Presented to

**City of Stillwater  
Oklahoma**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



## CITY OFFICIALS AND AUDIT COMMITTEE

As of June 30, 2020

### Mayor and City Council

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**Mayor  
Will Joyce**



**Vice Mayor  
Pat Darlington**



**Councillor  
Amy Dzialowski**



**Councillor  
John Wedlake**



**Councillor  
Alane Zannotti**

### Audit Committee

---

**KELLY COX**  
Committee Chair

**JOHN KILLAM**  
Member

**RANDY MURRAY**  
Member

**ANGELA SPENCER**  
Member

**AUSTIN POLLARD**  
Member

**JOHN WEDLAKE**  
Ex-Officio  
Council Member

### City Administration

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**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

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**CHRISTY CLUCK**  
Director of Finance

**MICHELLE WILHELM**  
Finance Supervisor

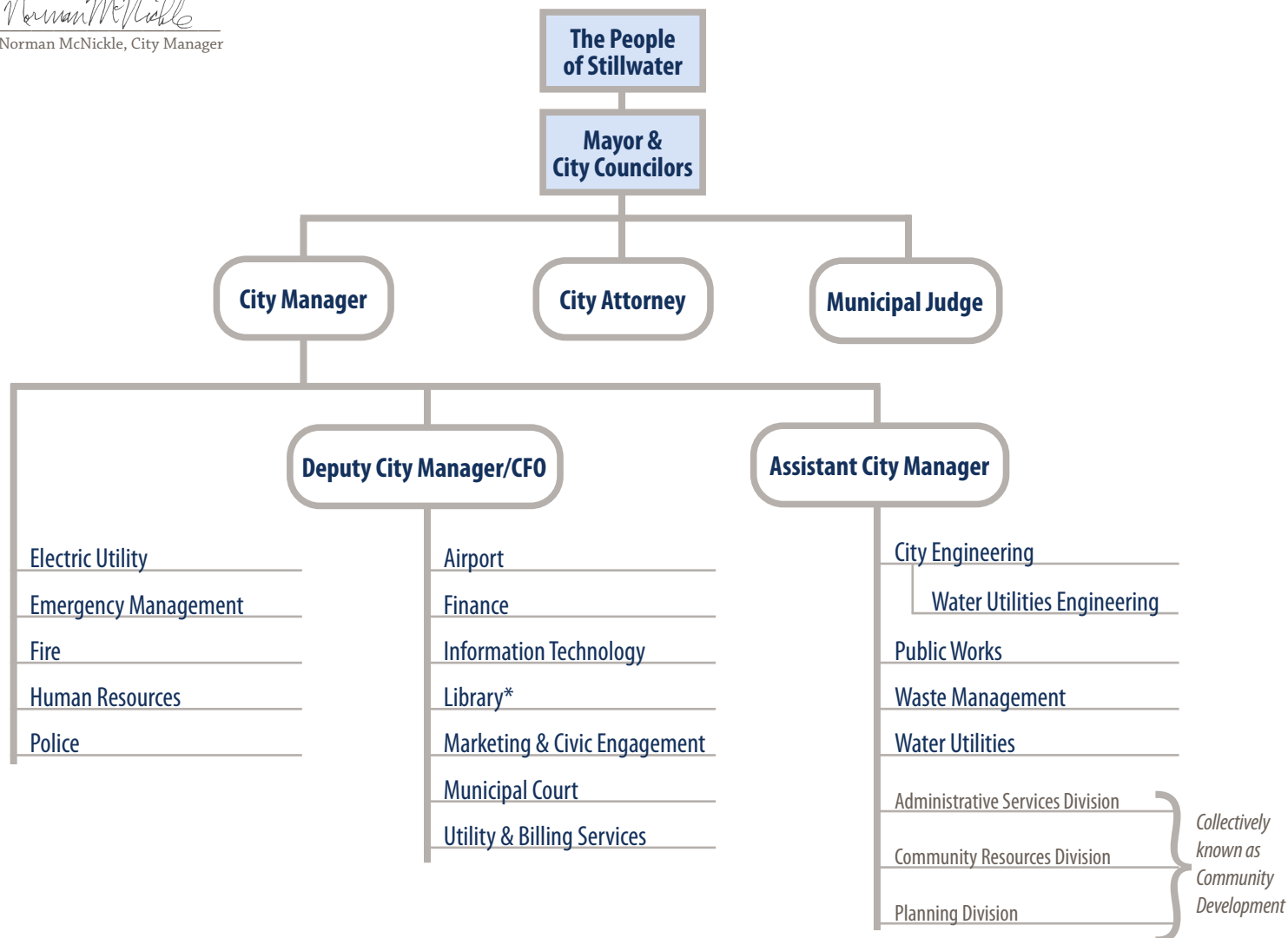
**DANIELLE EIKENBARY**  
Accountant

Phone: (405) 372-0025 | Website: <http://stillwater.org>

## Organization Chart—General Government

As of November 19, 2019

*Norman McNickle*  
Norman McNickle, City Manager

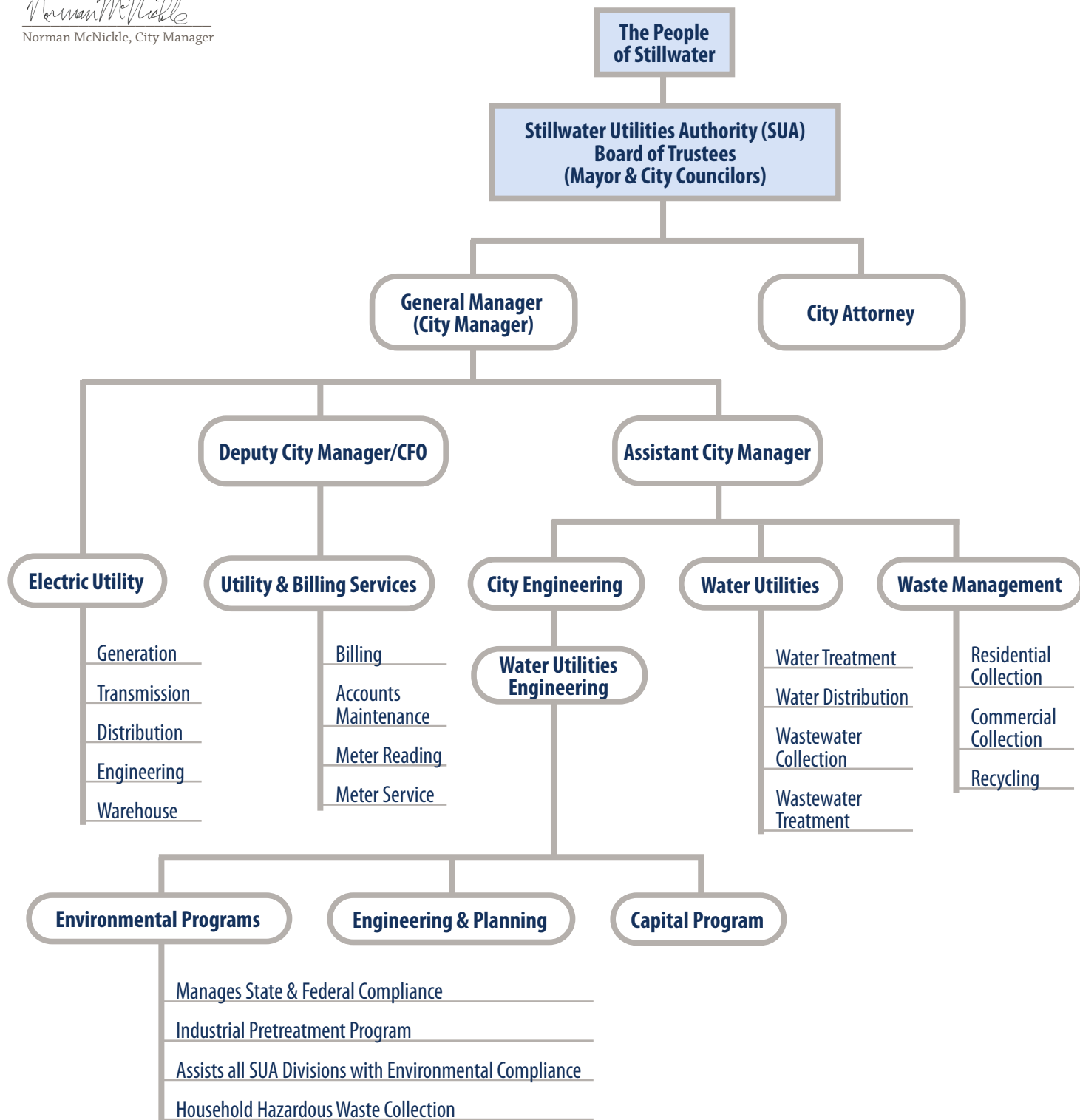


\* As provided in Section 3–6 of the Stillwater City Charter, the Library Board has supervision and control of the public library including appointment of the Library Director and setting policies for the administration of the Library.

## Organization Chart—Stillwater Utilities Authority (SUA)

As of November 19, 2019

*Norman McNickle*  
Norman McNickle, City Manager





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# FINANCIAL SECTION





## Chief & Community

Stillwater Chief of Police Jeff Watts stands among citizens at the Justice for George Floyd peaceful demonstration in front of city hall. The city and the police department continue to work with the community to ensure that everyone is treated equally by police officers and that rogue police officers are held accountable for their actions.



## **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, 2020, 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 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.

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.



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, 2020, 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.

## **Emphasis of Matter**

As discussed in Note I C to the financial statements, the City adopted GASB Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

## **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 7, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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.

BT + Co., P.A.

December 7, 2020  
Topeka, Kansas



## Emergency Upgrades

Stillwater Emergency Management (SEMA) recently completed upgrades to its Radar Room using grants from state and federal funding. This upgrade enhances SEMA's ability to prepare Stillwater residents for emergencies by providing future looks at weather threats, more situational awareness and the opportunity for increasing staff.



## **Management's Discussion and Analysis**

### **Fiscal Year Ended June 30, 2020**

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, 2020. 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 unit – The City's report has one discretely presented component unit, the Stillwater Medical Center Authority. Although this is 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.

## **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 can be divided into two 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.

## 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 Cash Flows for Proprietary Funds.

## Net Position

For the year ended June 30, 2020, the net position for the governmental activities and business-type activities changed as follows:

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Beginning net position	\$ 94,894	\$ 231,414	\$ 326,308
Increase	5,394	7,691	13,085
Ending net position	<u>\$ 100,288</u>	<u>\$ 239,105</u>	<u>\$ 339,393</u>

The above numbers reflect an increase of 5.7% in net position for governmental activities and an increase of 3.3% in net position for business-type activities. Overall, the net position for both governmental and business-type activities increased 4.0% for this fiscal year.

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

CITY OF STILLWATER, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended June 30, 2020

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Assets:						
Current and other assets	\$ 46,748	\$ 40,312	\$120,832	\$118,824	\$167,580	\$159,136
Capital assets	81,770	81,971	236,223	227,231	317,993	309,202
<b>Total assets</b>	<b>128,518</b>	<b>122,283</b>	<b>357,055</b>	<b>346,055</b>	<b>485,573</b>	<b>468,338</b>
Deferred Outflows	7,033	7,116	219	80	7,252	7,196
Liabilities:						
Long-term liabilities	25,952	27,281	109,226	107,201	135,178	134,482
Other liabilities	5,433	3,770	8,754	7,323	14,187	11,093
<b>Total liabilities</b>	<b>31,385</b>	<b>31,051</b>	<b>117,980</b>	<b>114,524</b>	<b>149,365</b>	<b>145,575</b>
Deferred Inflows	3,878	3,933	190	197	4,068	4,130
Net position:						
Net investment in capital assets	81,357	80,700	136,959	129,045	218,316	209,745
Restricted	23,590	21,520	2,854	2,818	26,444	24,338
Unrestricted	(4,659)	(7,805)	99,291	99,551	94,632	91,746
<b>Total net position</b>	<b>\$100,288</b>	<b>\$ 94,415</b>	<b>\$239,104</b>	<b>\$231,414</b>	<b>\$339,392</b>	<b>\$325,829</b>

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, 7.7%, 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.



## Changes in Net Position

Governmental activities increased the City's net position by \$5.3 million which contributed to a 1.6% increase of the net position of the City. Business-type activities increased the City's net position by \$7.7 million which contributed a 2.4% increase in the net position of the City. The following provides details of the increases:

The City of Stillwater's Changes in Net Position (expressed in \$ 000s)						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 5,607	\$ 6,072	\$ 78,392	\$ 80,867	\$ 83,999	\$ 86,939
Operating grants and contributions	3,001	525	324	61	3,325	586
Capital grants and contributions	1,354	1,149	6,384	2,404	7,738	3,553
General revenues:						
Sales and use taxes	31,006	30,792	-	-	31,006	30,792
Other taxes	3,908	3,819	-	-	3,908	3,819
Other general revenues	390	234	1,008	1,437	1,398	1,671
<b>Total revenues</b>	<b>45,266</b>	<b>42,591</b>	<b>86,108</b>	<b>84,769</b>	<b>131,374</b>	<b>127,360</b>
Program expenses:						
General government	5,634	6,051	-	-	5,634	6,051
Financial administration	615	480	-	-	615	480
Public safety	25,233	20,284	-	-	25,233	20,284
Streets and sewers	11,193	9,937	-	-	11,193	9,937
Recreation and culture	3,736	3,595	-	15	3,736	3,610
Economic development	8	25	-	-	8	25
Health and welfare	1,074	1,029	-	-	1,074	1,029
Interest on long-term debt	(20)	12	-	-	(20)	12
Stillwater Utilities Authority	-	-	62,741	65,533	62,741	65,533
Business area development	-	-	1,549	1,467	1,549	1,467
Airport operations	-	-	6,527	3,620	6,527	3,620
<b>Total expenses</b>	<b>47,473</b>	<b>41,413</b>	<b>70,817</b>	<b>70,635</b>	<b>118,290</b>	<b>112,048</b>
Increase/(decrease) in net position before transfers	(2,207)	1,178	15,291	14,134	13,084	15,312
Net transfers	7,601	10,543	(7,601)	(10,543)	-	-
<b>Increase in net position</b>	<b>\$ 5,394</b>	<b>\$ 11,721</b>	<b>\$ 7,690</b>	<b>\$ 3,591</b>	<b>\$ 13,084</b>	<b>\$ 15,312</b>
Net position - beginning of year, as previously stated	94,415	82,694	231,414	227,823	325,829	310,517
Cumulative effect of a change in accounting principle	479	-	-	-	479	-
Net position-beginning of year, as restated	94,894	82,694	231,414	227,823	326,308	310,517
<b>Net position - end of year</b>	<b>\$ 100,288</b>	<b>\$ 94,415</b>	<b>\$ 239,104</b>	<b>\$ 231,414</b>	<b>\$ 339,392</b>	<b>\$ 325,829</b>

Governmental Activities: Sales and use tax received in Fiscal Year 2020 increased from the prior year by \$0.2 million. Transfers from the SUA to the General Fund and City Capital Fund decreased by \$2.9 million. This decrease is one reason for the lower increase in net position from the prior year of \$6.4 million. These transfers were made in accordance with the SUA Trust Indenture. The other contributing factor to the lower increase in net position for governmental activities was an increase in public safety expenditures of \$4.9 million due mainly to an increase in pension expense of \$3.6 million.

Business-type Activities: Operating revenues of the SUA decreased \$2.3 million in Fiscal Year 2020. This is the result of a decrease in the Production Cost Adjustment billed to electric customers (\$1.6 million) and a decrease in energy payments from the Grand River Dam Authority (GRDA) due to a reduction in power generation during the year (\$0.7 million). The \$2.8 million decrease in operating expenses in Fiscal Year 2020 is in large part due to a decrease in purchased power expense driven by a lower Power Cost Adjustment passed on to the SUA by its power provide, GRDA.

### **Fund Financial Highlights**

The General Fund's fund balance increased from Fiscal Year 2019 by \$1.4 million as the result of Fiscal Year 2020 operations.

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 2019 by \$0.9 million due to this transfer.

The net position of the Stillwater Utilities Authority (SUA) has increased by \$4.8 million or 2.3% as the result of Fiscal Year 2020 operations.

### **General Fund Budgetary Highlights**

The City's adopted budget for Fiscal Year 2020 included revenues in the General Fund of \$36.6 million, which is relatively unchanged from budgeted revenues in Fiscal Year 2019. Fiscal Year 2020 budgeted expenditures were more than the amounts approved in the previous year by \$2.2 million and remained focused on the delivery of core services. 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 \$8.0 million due to budget carryovers from Fiscal Year 2019.

The differences between the final budgeted revenue and actual revenue collections for Fiscal Year 2020 amounted to \$2.9 million over budget. This variance is attributable in large part to the positive budget to actual variance in intergovernmental revenue and relates to

the receipt of Coronavirus Aide, Relief and Economic Security (CARES) Act funding for the reimbursement of public safety payroll expense due to the coronavirus pandemic.

The difference between the final budgeted expenditures and actual expenditures for Fiscal Year 2020 amounted to \$9.0 million under budget. This variance is due to incomplete capital projects at the end of the fiscal year that were subsequently reappropriated in Fiscal Year 2021 and spending reductions instituted and vacant positions placed on hold to hedge against the unknown impacts to revenue as a result of the coronavirus pandemic.

## Capital Assets

At June 30, 2020, the City had \$318.0 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 the year ended June 30, 2020. More detailed information on the City's capital asset activity can be found in Note I and Note III of the accompanying notes to the financial statements.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 14,659	\$ 12,961	\$ 2,504	\$ 2,047	\$ 17,163	\$ 15,008
Buildings	24,109	24,110	94,192	94,158	118,301	118,268
Other improvements	13,696	13,696	32,194	32,194	45,890	45,890
Equipment	26,644	26,246	79,309	78,244	105,953	104,490
Infrastructure	168,081	165,487	205,034	183,008	373,115	348,495
Intangible assets	-	-	1,604	1,604	1,604	1,604
Construction-in-progress	3,594	4,279	20,870	24,662	24,464	28,941
	250,783	246,779	435,707	415,917	686,490	662,696
Less depreciation	169,013	164,807	199,484	188,686	368,497	353,493
<b>Totals</b>	<b>\$ 81,770</b>	<b>\$ 81,972</b>	<b>\$ 236,223</b>	<b>\$ 227,231</b>	<b>\$ 317,993</b>	<b>\$ 309,203</b>

## Debt Administration

At June 30, 2020, the City had \$104.4 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 of the notes to the financial statements.

CITY OF STILLWATER, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended June 30, 2020

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
General obligation bonds	\$ 413	\$ 1,272	\$ -	\$ -	\$ 413	\$ 1,272
Capital lease obligations	-	-	2,650	2,356	2,650	2,356
Notes and bonds payable	-	-	101,257	100,181	101,257	100,181
Refundable grant obligations	45	65	-	-	45	65
<b>Totals</b>	<b>\$ 458</b>	<b>\$ 1,337</b>	<b>\$ 103,907</b>	<b>\$ 102,537</b>	<b>\$ 104,365</b>	<b>\$ 103,874</b>

### **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 use tax for Fiscal Year 2020 was increased mid-year by \$900,000 to reflect higher collection during the year. The sales and use tax budget for Fiscal Year 2020 remains at the Fiscal Year 2020 amended level. Sales and use tax collected in Fiscal Year 2021 through November 2021 appear to be slightly lower, \$123,131 or -0.93%, from the same months in Fiscal Year 2020.

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, whichever is less. Effective January 1, 2019, this automatic rate escalator was suspended pending completion of a cost of service study. The cost of service study was completed in the Spring of 2020 and discussion of any rate adjustments is planned for the Winter of 2020.

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 cost of service study was completed in the Spring of 2020 and discussion of any rate adjustments is planned for the Winter of 2020.



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.

After the World Health Organization declared the coronavirus outbreak a pandemic on March 11, 2020, the City began taking action immediately to combat the situation and protect the community. The Mayor issued proclamations declaring a state of emergency on March 15, 2020 and a shelter in place order on March 30, 2020. The release of the shelter in place order and the reopening of businesses has occurred in phases. A resolution to suspend customer disconnection for non-payment of utility services provided by the SUA was passed on March 23, 2020, and a resolution reinstating utility disconnects and providing for longer term payment plans was passed on June 1, 2020. To address potential financial impacts due to the pandemic, the City implemented the Budget Reduction Response on April 20, 2020. This response instituted spending reductions in all departments to hedge against potential future declines in revenues. All non-essential spending was eliminated and essential purchase requests were reviewed and approved by the Finance Department and the City Manager's Office. Although the City has not realized significant loss of revenue related to the pandemic, management continues to exercise caution with regard to managing cash flow amidst the continued unknown effects that the coronavirus pandemic may have on future revenues; therefore, the Budget Reduction Response remains in effect as of the date of this report.

### **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.



## Promoted Officers

Newly promoted Lieutenant Kyle Bruce and Sergeant James Hansen stand with Stillwater's Police Chief Jeff Watts and Assistant Chief Shannon Jordan. These officers were promoted during a pinning ceremony at City Hall.

CITY OF STILLWATER, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2020

**Statement of Net Position  
June 30, 2020**

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-type Activities	Total	Stillwater Medical Center Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 23,793,765	\$ 87,612,028	\$ 111,405,793	\$ 32,634,755
Investments	487,676	10,291,730	10,779,406	64,277,990
Accounts receivable, net of allowance	477,744	10,828,655	11,306,399	29,064,036
Internal Balances	3,524,663	(3,524,663)	-	-
Interest receivable	18,730	33,039	51,769	-
Installment loans receivable	-	8,067	8,067	-
Leasehold receivable	-	44,999	44,999	-
Inventory	45,440	4,810,175	4,855,615	6,519,998
Intergovernmental receivable	8,221,283	1,686,429	9,907,712	-
Other assets	-	-	-	40,909,113
Restricted cash and cash equivalents	-	4,397,770	4,397,770	28,824,797
Restricted investments	-	4,643,519	4,643,519	-
Capital Assets:				
Non-depreciable	18,252,296	24,903,901	43,156,197	33,622,732
Depreciable, net of depreciation	63,517,879	211,319,257	274,837,136	101,984,733
Investment in joint ventures	-	-	-	9,082,433
Net pension asset	10,178,926	-	10,178,926	-
<b>Total Assets</b>	<b>128,518,402</b>	<b>357,054,906</b>	<b>485,573,308</b>	<b>346,920,587</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	6,659,439	-	6,659,439	-
Other postemployment benefits	373,560	219,393	592,953	-
Business acquisition	-	-	-	6,656,630
<b>Total deferred outflow of resources</b>	<b>7,032,999</b>	<b>219,393</b>	<b>7,252,392</b>	<b>6,656,630</b>
<b>LIABILITIES</b>				
Accounts payable and other accrued expenses	2,275,396	6,895,203	9,170,599	11,862,720
Accrued liabilities	3,156,943	467,027	3,623,970	12,465,641
Accrued interest payable	1,167	956,527	957,694	-
Unearned income	-	435,000	435,000	-
Long-term liabilities:				
Due within one year	845,555	6,388,085	7,233,640	9,333,599
Due in more than one year	2,802,319	100,324,087	103,126,406	75,180,655
Other postemployment benefits	4,280,575	2,513,988	6,794,563	-
Net pension liabilities	18,023,156	-	18,023,156	-
<b>Total Liabilities</b>	<b>31,385,111</b>	<b>117,979,917</b>	<b>149,365,028</b>	<b>108,842,615</b>
<b>DEFERRED INFLOWS</b>				
Pension	3,554,468	-	3,554,468	-
Other postemployment benefits	323,607	190,055	513,662	-
<b>Total deferred inflow of resources</b>	<b>3,878,075</b>	<b>190,055</b>	<b>4,068,130</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	81,802,279	136,958,864	218,761,143	78,163,805
Restricted for:				
Debt service	162,401	1,945,838	2,108,239	-
Capital projects	331,935	908,232	1,240,167	-
Pensions	10,056,817	-	10,056,817	-
Street improvements	11,773,957	-	11,773,957	-
Permanent Fund - nonexpendable	50,000	-	50,000	7,769,383
Specific operating activities	1,124,923	-	1,124,923	300,000
Unrestricted (deficit)	(5,014,097)	99,291,393	94,277,296	158,501,414
<b>Total Net Position</b>	<b>\$ 100,288,215</b>	<b>\$ 239,104,327</b>	<b>\$ 339,392,542</b>	<b>\$ 244,734,602</b>

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2020

**Statement of Activities**  
**For the Year Ended June 30, 2020**

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	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental Activities								
Public safety	\$ 25,232,995	\$ 2,841,723	\$ 176,643	\$ 85,339	\$ (22,129,290)	\$ -	\$ (22,129,290)	\$ -
Cultural, parks and recreation	3,735,748	166,543	223,813	90,281	(3,255,111)	-	(3,255,111)	-
General government	5,633,505	1,119,503	2,600,201	554,910	(1,358,891)	-	(1,358,891)	-
Financial administration	614,702	801,154	-	-	186,452	-	186,452	-
Streets and highways	11,192,640	407,476	-	623,355	(10,161,809)	-	(10,161,809)	-
Economic development	7,805	-	-	-	(7,805)	-	(7,805)	-
Health and welfare	1,074,399	270,528	-	-	(803,871)	-	(803,871)	-
Interest on long-term debt	(19,671)	-	-	-	19,671	-	19,671	-
Total governmental activities	47,472,123	5,606,927	3,000,657	1,353,885	(37,510,654)	-	(37,510,654)	-
Business-type activities								
Electric, utilities, waste utilities and waste management operations	62,740,400	76,947,432	-	1,274,996	-	15,482,028	15,482,028	-
Business area development	1,549,034	1,512	-	-	-	(1,547,522)	(1,547,522)	-
Airport operations	6,527,106	1,443,053	323,914	5,108,541	-	348,402	348,402	-
Total business-type activities	70,816,540	78,391,997	323,914	6,383,537	-	14,282,908	14,282,908	-
Total primary government	\$ 118,288,663	\$ 83,998,924	\$ 3,324,571	\$ 7,737,422	(37,510,654)	14,282,908	(23,227,746)	
Component Unit								
Medical Center	\$ 217,223,043	\$ 234,951,112	\$ 20,903	\$ 24,119				17,773,091
General revenues:								
Taxes:								
Sales and use taxes					31,005,552	-	31,005,552	-
Property tax					1,205,509	-	1,205,509	-
Franchise and public service tax					1,999,500	-	1,999,500	-
E911 tax					61,217	-	61,217	-
Lodging tax					641,945	-	641,945	-
Unrestricted investment earnings					345,279	1,508,512	1,853,791	12,758,944
Miscellaneous					44,334	(499,308)	(454,974)	7,556,451
Transfers					7,601,376	(7,601,376)	-	-
Total general revenues and transfers					42,904,712	(6,592,172)	36,312,540	20,315,395
Change in net position					5,394,058	7,690,736	13,084,794	38,088,486
Net position - beginning, reclassified (See Note I.C.2.)					94,894,157	231,413,591	326,307,748	206,646,116
Net position - ending					\$ 100,288,215	\$ 239,104,327	\$ 339,392,542	\$ 244,734,602

See accompanying notes to the basic financial statements.



CITY OF STILLWATER, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2020

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	General Fund	Transportation Improvement	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,621,158	\$ 12,544,006	\$ 5,523,076	\$ 23,688,240
Investments	-	-	487,676	487,676
Accounts receivable, net	477,744	-	-	477,744
Due from other funds	2,815,542	664,122	-	3,479,664
Due from other governments	7,975,817	-	245,466	8,221,283
Accrued interest receivable	7,301	8,237	3,192	18,730
Inventories	45,440	-	-	45,440
Total assets	<u>\$ 16,943,002</u>	<u>\$ 13,216,365</u>	<u>\$ 6,259,410</u>	<u>\$ 36,418,777</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 667,349	\$ 1,440,118	\$ 167,929	\$ 2,275,396
Accrued liabilities	1,549,192	2,290	-	1,551,482
Total liabilities	<u>2,216,541</u>	<u>1,442,408</u>	<u>167,929</u>	<u>3,826,878</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue-property taxes	-	-	238,018	238,018
Unavailable revenue-court fines	52,326	-	-	52,326
Unavailable revenue-grant proceeds	36,849	-	-	36,849
Total deferred inflows of resources	<u>89,175</u>	<u>-</u>	<u>238,018</u>	<u>327,193</u>
<b>Fund balances:</b>				
Nonspendable	45,440	-	50,000	95,440
Restricted				
Debt service	-	-	162,401	162,401
Police equipment	49,692	-	-	49,692
Police undercover operations	50,113	-	-	50,113
Capital improvements	241,369	11,773,957	90,566	12,105,892
Library books	-	-	4,232	4,232
Library purposes	-	-	519,957	519,957
Visitor and event recruitment	500,929	-	-	500,929
Committed				
Capital improvements	587,131	-	-	587,131
Stormwater	505,643	-	-	505,643
Assigned				
Self insurance	1,319,885	-	-	1,319,885
Parks and recreation	65,425	-	-	65,425
Special event	43,253	-	-	43,253
Capital improvements	-	-	5,026,307	5,026,307
Fire equipment	617,997	-	-	617,997
Police equipment	379	-	-	379
Community rehab	18,932	-	-	18,932
Stillwater Utilities Authority by resolution	5,029,679	-	-	5,029,679
Budget appropriation	5,561,419	-	-	5,561,419
Total fund balances	<u>14,637,286</u>	<u>11,773,957</u>	<u>5,853,463</u>	<u>32,264,706</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 16,943,002</u>	<u>\$ 13,216,365</u>	<u>\$ 6,259,410</u>	<u>\$ 36,418,777</u>

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**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2020**

Total fund balance, governmental funds	\$	32,264,706
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$169,012,514		81,324,675
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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 either deferred in the funds or not shown:

Accounts receivable	327,193
Pension related deferred outflows	6,659,439
OPEB related deferred outflows	373,560
Net pension asset	10,178,926

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	551,025
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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	(413,396)
Accrued compensated absences	(3,189,479)
Net pension liability	(18,023,156)
Pension related deferred inflows	(3,554,468)
Total OPEB liability	(4,280,575)
OPEB related deferred inflows	(323,607)
Accrued interest payable	(1,167)
Accrued workers compensation claims	(1,605,461)

Net Position of Governmental Activities in the Statement of Net Position	<u>\$</u>	<u>100,288,215</u>
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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, 2020

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	General Fund	Transportation Improvement	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Sales and use taxes	\$ 31,005,552	\$ -	\$ -	\$ 31,005,552
Other taxes	2,702,662	-	1,005,401	3,708,063
Intergovernmental	2,988,724	-	-	2,988,724
Charges for services	578,575	-	-	578,575
Fines and forfeitures	715,114	-	-	715,114
Fees and rentals	452,428	-	-	452,428
Licenses and permits	328,791	-	-	328,791
Investment income	145,269	129,388	70,242	344,899
Miscellaneous	1,148,029	-	110,543	1,258,572
Total revenues	<u>40,065,144</u>	<u>129,388</u>	<u>1,186,186</u>	<u>41,380,718</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	21,218,588	-	-	21,218,588
Recreation and culture	3,019,193	-	7,405	3,026,598
General government	5,230,872	-	28,655	5,259,527
Financial administration	612,456	-	-	612,456
Streets and sewers	4,124,591	83,103	-	4,207,694
Economic development	9,316	-	-	9,316
Health and welfare	1,089,365	-	-	1,089,365
Debt Service:				
Principal	-	-	795,000	795,000
Interest and other charges	-	-	46,200	46,200
Capital Outlay	1,477,513	3,133,507	3,619,378	8,230,398
Total Expenditures	<u>36,781,894</u>	<u>3,216,610</u>	<u>4,496,638</u>	<u>44,495,142</u>
Excess (deficiency) of revenues over expenditures	<u>3,283,250</u>	<u>(3,087,222)</u>	<u>(3,310,452)</u>	<u>(3,114,424)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	15,874,567	4,019,204	5,589,445	25,483,216
Transfers out	(17,723,113)	-	(158,726)	(17,881,839)
Total other financing sources and uses	<u>(1,848,546)</u>	<u>4,019,204</u>	<u>5,430,719</u>	<u>7,601,377</u>
Net change in fund balances	<u>1,434,704</u>	<u>931,982</u>	<u>2,120,267</u>	<u>4,486,953</u>
Fund balances - beginning, reclassified (See Note I.C.)	13,202,582	10,841,975	3,733,196	27,777,753
Fund balances - ending	<u>\$ 14,637,286</u>	<u>\$ 11,773,957</u>	<u>\$ 5,853,463</u>	<u>\$ 32,264,706</u>

See accompanying notes to the basic financial statements.

**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, 2020**

Net change in fund balances - total governmental funds: \$ 4,486,953

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	3,556,296
Capital assets donated	1,188,328
Depreciation expense	(4,907,869)
Disposal of capital assets	(38,097)

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. 493,307

Revenues in the Statement of Activities that do not provide current financial  
resources are not reported as revenues in the funds:  
Unavailable revenue 198,891

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 (224,952)  
Total OPEB liability change (7,280)  
Workers comp liability change (212,780)

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 390

Change in net position of governmental activities \$ 5,394,058

See accompanying notes to the basic financial statements.



CITY OF STILLWATER, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2020

**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

	Enterprise Funds			Governmental Activities: Internal Service Funds
	Stillwater Utilities Authority	Other Non Major Enterprise Funds	Total	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 85,563,370	\$ 2,048,658	\$ 87,612,028	\$ 105,525
Restricted cash and cash equivalents	2,853,393	-	2,853,393	-
Accounts receivables, net of allowance	10,798,098	30,557	10,828,655	-
Intergovernmental receivable	1,037,915	648,514	1,686,429	-
Installment loans receivable	-	8,067	8,067	-
Interest receivable	32,974	65	33,039	-
Inventories	4,782,264	27,911	4,810,175	-
Total current assets	105,068,014	2,763,772	107,831,786	105,525
Noncurrent assets:				
Restricted cash and cash equivalents	1,544,377	-	1,544,377	-
Investments	10,291,730	-	10,291,730	-
Restricted investments	4,643,519	-	4,643,519	-
Advanced to other funds	-	-	-	44,999
Leasehold receivable	-	44,999	44,999	-
Capital assets, nondepreciable	16,168,227	8,735,674	24,903,901	445,500
Capital assets, net of accumulated depreciation	200,132,854	11,186,403	211,319,257	-
Total noncurrent assets	232,780,707	19,967,076	252,747,783	490,499
Total assets	337,848,721	22,730,848	360,579,569	596,024
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other postemployment benefits	219,393	-	219,393	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	6,366,112	529,091	6,895,203	-
Accrued liabilities	439,753	27,274	467,027	-
Current portion of compensated absences	58,884	3,299	62,183	-
Due to other funds	3,375,010	104,654	3,479,664	-
Accrued interest payable	956,527	-	956,527	-
Unearned revenue	-	435,000	435,000	-
Current portion of customer deposits payable	831,903	2,127	834,030	-
Current portion of long-term debt obligations	5,301,428	-	5,301,428	20,000
Current portion of refundable grant obligations	-	190,444	190,444	-
Total current liabilities	17,329,617	1,291,889	18,621,506	20,000
Noncurrent liabilities:				
Noncurrent portion of compensated absences	1,033,312	48,245	1,081,557	-
Noncurrent portion of customer deposits payable	636,145	-	636,145	-
Noncurrent portion of long-term debt obligations	98,606,385	-	98,606,385	24,999
Other postemployment benefits liability	2,513,988	-	2,513,988	-
Noncurrent portion of advances from other funds	-	44,999	44,999	-
Total noncurrent liabilities	102,789,830	93,244	102,883,074	24,999
Total liabilities	120,119,447	1,385,133	121,504,580	44,999
<b>DEFERRED INFLOW OF RESOURCES</b>				
Other postemployment benefits	190,055	-	190,055	-
<b>NET POSITION</b>				
Net investment in capital assets	117,036,787	19,922,077	136,958,864	445,500
Restricted for debt service	1,945,838	-	1,945,838	-
Restricted for capital projects	908,232	-	908,232	-
Unrestricted	97,867,755	1,423,638	99,291,393	105,525
Total net position	\$ 217,758,612	\$ 21,345,715	\$ 239,104,327	\$ 551,025

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2020

**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	<b>Enterprise Funds</b>			<b>Governmental Activities: Internal Service Funds</b>
	<b>Stillwater Utilities Authority</b>	<b>Other Non Major Enterprise Funds</b>	<b>Total</b>	
<b>OPERATING REVENUES</b>				
Charges for services, net of bad debt expense	\$ 69,655,259	\$ 997,678	\$ 70,652,937	\$ -
Operating grants and contributions	-	323,914	323,914	-
Other	7,292,173	446,887	7,739,060	10
Total operating revenues	<u>76,947,432</u>	<u>1,768,479</u>	<u>78,715,911</u>	<u>10</u>
<b>OPERATING EXPENSES</b>				
Operations and maintenance	48,441,848	6,942,139	55,383,987	-
Depreciation	10,878,450	1,134,001	12,012,451	-
Total Operating Expenses	<u>59,320,298</u>	<u>8,076,140</u>	<u>67,396,438</u>	<u>-</u>
Operating income (loss)	<u>17,627,134</u>	<u>(6,307,661)</u>	<u>11,319,473</u>	<u>10</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest and investment revenue	1,507,496	1,017	1,508,513	380
Miscellaneous revenue (expenses)	(499,308)	-	(499,308)	-
Interest expense	(3,420,102)	-	(3,420,102)	-
Total non-operating revenue (expenses)	<u>(2,411,914)</u>	<u>1,017</u>	<u>(2,410,897)</u>	<u>380</u>
Income (loss) before contributions and transfers	15,215,220	(6,306,644)	8,908,576	390
Capital contributions	1,274,996	5,108,541	6,383,537	-
Transfers in	8,038,407	4,076,057	12,114,464	-
Transfers out	(19,715,841)	-	(19,715,841)	-
Change in net position	<u>4,812,782</u>	<u>2,877,954</u>	<u>7,690,736</u>	<u>390</u>
Total net position - beginning	212,945,830	18,467,761	231,413,591	550,635
Total net position - ending	<u>\$ 217,758,612</u>	<u>\$ 21,345,715</u>	<u>\$ 239,104,327</u>	<u>\$ 551,025</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, 2020

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	Enterprise Funds			
	Stillwater Utilities Authority	Other Non Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers, including deposits	\$ 68,673,248	\$ 2,129,503	\$ 70,802,751	\$ -
Payments to suppliers	(31,282,239)	(5,511,367)	(36,793,606)	-
Payments to employees	(14,785,761)	(913,654)	(15,699,415)	-
Payments of business development incentives	-	(362,661)	(362,661)	-
Collection of business development incentive loan principal	-	10,951	10,951	-
Payments to other funds	(1,210,801)	(33,013)	(1,243,814)	-
Other receipts	7,292,173	1,512	7,293,685	10
Net cash provided by (used in) operating activities	28,686,620	(4,678,729)	24,007,891	10
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	8,056,629	4,076,057	12,132,686	-
Operating subsidies and transfers to other funds	(14,585,108)	-	(14,585,108)	-
Net cash provided by (used in) noncapital financing activities	(6,528,479)	4,076,057	(2,452,422)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from capital debt	5,089,439	20,000	5,109,439	-
Capital contributions	998,691	5,108,541	6,107,232	-
Purchase of capital assets	(16,679,102)	(3,444,546)	(20,123,648)	-
Proceeds from sale of capital assets	554,231	-	554,231	-
Principal paid on capital debt	(5,143,333)	-	(5,143,333)	-
Interest paid on capital debt	(3,652,109)	-	(3,652,109)	-
Net cash provided by (used in) capital and related financing activities	(18,832,183)	1,683,995	(17,148,188)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of investments	(10,000,000)	-	(10,000,000)	-
Proceeds from maturities of investments	10,000,000	-	10,000,000	-
Interest received	916,081	1,031	917,112	380
Net cash provided by investing activities	916,081	1,031	917,112	380
Net increase in cash and cash equivalents	4,242,039	1,082,354	5,324,393	390
Balances-beginning of year	85,719,101	966,304	86,685,405	105,135
Balances-end of year	\$ 89,961,140	\$ 2,048,658	\$ 92,009,798	\$ 105,525
<b>Reconciliation to Statement of Net Position:</b>				
Cash and cash equivalents	\$ 85,563,370	\$ 2,048,658	\$ 87,612,028	\$ 105,525
Restricted cash and cash equivalents	2,853,393	-	2,853,393	-
Restricted cash and cash equivalents, non-current	1,544,377	-	1,544,377	-
<b>Total cash and cash equivalents, end of year</b>	<b>\$ 89,961,140</b>	<b>\$ 2,048,658</b>	<b>\$ 92,009,798</b>	<b>\$ 105,525</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating income (loss)	\$ 17,627,134	\$ (6,307,661)	\$ 11,319,473	\$ 10
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	10,878,450	1,134,001	12,012,451	-
Change in assets and liabilities:				
Receivables, net	(958,208)	(17,417)	(975,625)	-
Inventories	(229,514)	22,372	(207,142)	-
Accounts and other payables	777,829	96,952	874,781	-
Accrued liabilities	186,432	9,072	195,504	-
Due from other governments	-	(45,250)	(45,250)	-
Other postemployment benefits-liabilities	550,981	-	550,981	-
Other postemployment benefits-deferred outflows	(139,419)	-	(139,419)	-
Other postemployment benefits-deferred inflows	(7,065)	-	(7,065)	-
Due to other funds	-	(13,013)	(13,013)	-
Unearned revenue	-	435,000	435,000	-
Accrued compensated absences	-	7,215	7,215	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 28,686,620</b>	<b>\$ (4,678,729)</b>	<b>\$ 24,007,891</b>	<b>\$ 10</b>
<b>Non-cash Activities:</b>				
Contributed capital assets	\$ 237,081	\$ -	\$ 237,081	\$ -
Capital assets transferred to other funds	113,676	-	113,676	-
Borrowings under capital lease	1,658,000	-	1,658,000	-
Premium amortization	233,962	-	233,962	-
Change in fair value of investments	485,736	-	485,736	-
<b>Total Non-cash Activities</b>	<b>\$ 2,728,455</b>	<b>\$ -</b>	<b>\$ 2,728,455</b>	<b>\$ -</b>

See accompanying notes to the basic financial statements.

## Footnotes 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:

- 1. 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 the 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,

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.

Stillwater Public Library Trust: The Stillwater Public Library Trust (the “Library Trust”) was created by a trust agreement dated February 20, 1984, pursuant to Title 60, Oklahoma Statutes Sections 151, 162, 163 and 175.1, et seq., and amended by Amended Trust Agreements dated November 18, 1996, June 15, 1998 and February 16, 2009. The Library Trust was established to serve as a vehicle for the reception and administration of contributions for the benefit of the Stillwater Public Library. The Stillwater Public Library’s operations are included in the City’s General Fund. The Library Trust is administered by a five-member board of trustees consisting of two members appointed by the city council, two members appointed by the Library Board and one member appointed by the Friends of the Library. The City is the beneficiary of the Library Trust. The operations of the Library Trust are reported in the accompanying basic financial statements as a blended nonmajor special revenue fund.

- 2. Discretely Presented Component Unit:** 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. 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 two fund categories which are governmental and proprietary. 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:
  - Total assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10% of the corresponding fund category total, and
  - Total assets plus deferred outflows, liabilities plus deferred inflows, 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, the Tax Increment District #3 Fund and the Stillwater Public Library Trust Fund are the only special revenue funds active during the fiscal year ending June 30, 2020.
- 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 project funds active during the fiscal year ending June 30, 2020.
- e. Permanent Fund: A permanent fund is used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs. The Mabel King Trust is the City's only permanent fund active during the fiscal year ending June 30, 2020.
- f. 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

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- Stillwater Economic Development Authority
- Stillwater Block 34 Trust

g. 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.

h. Fiduciary Fund: The city implemented GASB 84 "Fiduciary Activities" in the current fiscal year. The funds previously classified as fiduciary funds were reclassified as follows:

- Business Improvement District Assessment – included with General Fund
- Mabel King Trust – Permanent Fund
- Stillwater Public Library Trust – Blended Component Unit reported as a nonmajor special revenue fund
- Escrow Deposits – included with General Fund

The following schedule shows fund balance/net position as previously reported with changes resulting from the implementation of GASB 84:

	General Fund	Transportation Improvement	Other Governmental	Total Governmental	Governmental Activities
Fund Balance as previously reported	\$ 13,191,886	\$ 10,841,975	\$ 3,264,926	\$ 27,298,787	\$ 94,415,191
Fiduciary Funds reclassified in accordance with GASB 84:					
Business Improvement District	10,696	-	-	10,696	10,696
Mabel King Trust	-	-	53,632	53,632	53,632
Escrow Deposits	-	-	-	-	-
Stillwater Public Library Trust	-	-	414,638	414,638	414,638
Beginning Fund Balance as reclassified	\$ 13,202,582	\$ 10,841,975	\$ 3,733,196	\$ 27,777,753	\$ 94,894,157

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 2015. 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.
Tax Increment District #3	Accounts for funds used for improvements in the downtown/campus link project area as defined in Ordinance No. 3407. Funding is provided by incremental ad-valorem and sales tax revenue.
Stillwater Public Library Trust	Accounts for funds used for the benefit of the Stillwater Public Library. Funding is provided by contributions.
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.
Mabel King Trust Permanent Fund	Accounts for the Mabel M. King Endowment, of which the net income may be used for the purchase of books for the Stillwater Public Library.

Enterprise Funds	Description
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 expenditures for economic development. Financing provided from federal grants, federal loans, City contributions and citizen participation.
Stillwater Block 34 Trust	Accounts for expenditures 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. 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 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, 2020, cash and cash equivalents in the amount of \$84,528,947 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 \$640,817 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 \$194,895 in the proprietary funds are based upon historical trends and the periodic aging of accounts receivable.

Receivables of the Hospital consist of patient accounts receivable for services rendered. The Hospital provides an allowance of \$3,989,000 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.
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:

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, pension liabilities, 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 other postemployment benefits (see Note V). The Hospital has deferred outflows of resources related to business acquisitions (see Note X).
- b. Fund Financial Statements: 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. The TIF Fund has deferred inflows related to ad valorem tax receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. 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 (asset), 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, 2020, the statement of net position reports restricted net position in the amount of \$26,354,103, of which \$853,476 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, 2020, 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 form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, long-term notes receivable, and permanent fund principal.
- 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 could report a positive unassigned fund balance amount, but currently does not. 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 Units adopted the following accounting standards:

GASB Statement No. 84, “Fiduciary Activities” —This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. See Note I(C)(2).

#### **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 Improvement Fund to be used for transportation improvement projects as approved by the voters in 2001, 2006 and 2015. This tax expires on September 30, 2026.

**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, 2020 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:

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Activity	Program Revenue
Public safety	Fire and police fines assessed for training, rural fire run fees, operating grants from the US Department of Justice, the US Department of Homeland Security, and the Oklahoma Highway Safety Office, and the State of Oklahoma for on-behalf payments made for police and fire pension plans, and donations
Recreation and culture	Park and recreation fees, operating grants 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 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. Interfund services provided and used are not eliminated in the process of consolidation. 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.

### **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:

<b>Fund</b>	<b>Required By</b>
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
Stillwater Public Library Trust	Trust Agreement

#### **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, 2020, 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
Water tie-on charge	Financing future construction of extensions and improvements to the water distribution system

For the year ended June 30, 2020, the City complied, in all material respects, with these revenue restrictions.

### 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, 2020, 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, 2020.

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, 2020, available sales tax and revenues, as defined by the bond indenture, was \$80,607,683; the bond coverage requirement is operating and maintenance excluding depreciation or \$44,821,866 plus 125% of primary principal and interest plus 100% of subordinate principal and interest or \$8,334,829. Excess coverage was \$27,450,988 or over 3 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, 2020, 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, 2020 the City's bank balance of \$113,357,584 was not exposed to custodial credit risk. At December 31, 2019, \$1,391,000 of the Hospital's bank balance of \$8,601,000 was uninsured and uncollateralized.

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, 2019, 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, 2020. 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 significant other observable inputs; and Level 3 inputs are significant unobservable inputs. For the year ended June 30, 2020, the City and Hospital had only Level 1 and Level 2 investments which are summarized in the table below. Investments classified as Level 1 inputs are valued using quoted prices in active markets for identical securities, and investments classified as Level 2 inputs are valued using benchmark curves, benchmarking of like securities, sector groupings and matrix pricing. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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For the year ended June 30, 2020, The City and Hospital had only Level 1 and Level 2 investments which are summarized below:

Type	Fair Value	Fair Value Measurement Basis		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
City:				
Certificates of deposit	\$ 4,823,812	\$ -	\$ 4,823,812	\$ -
Money market mutual funds	2,123,557	2,123,557	-	-
U.S. agency obligations	11,320,903	-	11,320,903	-
Mutual funds	327,294	327,294	-	-
Hospital:				
Money market mutual funds	\$ 51,341,308	\$ 51,341,308	\$ -	\$ -
Mutual funds - fixed income	32,535,028	32,535,028	-	-
Mutual funds - domestic equities	21,547,255	21,547,255	-	-
Mutual funds - international equities	5,641,277	5,641,277	-	-

The City had the following investments at June 30, 2020:

Type	Credit Rating	Fair Value	Maturities in Years			
			Less than 1	1-5	6-10	
Primary Government:						
Certificates of deposit	(1)	\$ 4,823,812	\$ -	\$ 4,823,812	\$ -	
Money market mutual funds	AAAm (2)	2,074,003	2,074,003	-	-	
Money market mutual funds	(1)	49,554	49,554	-	-	
U.S. agency obligations	AA+ (2)	11,320,903	-	-	11,320,903	
Mutual funds	(1)	327,294	327,294	-	-	
		\$ 18,595,566	\$ 2,450,851	\$ 4,823,812	\$ 11,320,903	

(1) not subject to rating

(2) Standard and Poor's

The Hospital had the following investments at December 31, 2019:

Type	Credit Rating	Fair Value	Maturities in Years		
			Less than 1	1-5	6-10
Money market mutual funds	AAAm (2)	\$ 51,341,308	\$ 51,341,308	\$ -	\$ -
Mutual funds-fixed income	(1)	32,535,028	-	25,101,764	7,433,264
Mutual funds-domestic equities	(1)	21,547,255	21,547,255	-	-
Mutual funds-international equities	(1)	5,641,277	5,641,277	-	-
		<u>\$ 111,064,868</u>	<u>\$ 78,529,840</u>	<u>\$ 25,101,764</u>	<u>\$ 7,433,264</u>

(1) not subject to rating

(2) Standard and Poor's

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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, 2020 is below:

	Primary Government	Stillwater Medical Center Authority Component Unit	Total
<b>Carrying Values:</b>			
Deposits	\$ 112,630,922	\$ 14,672,674	\$ 127,303,596
Investments	18,595,566	111,064,868	129,660,434
Total	<u>\$ 131,226,488</u>	<u>\$ 125,737,542</u>	<u>\$ 256,964,030</u>
<b>Reconciliation to the Government-Wide Statement of Net Position:</b>			
Cash and cash equivalents:			
Unrestricted	\$ 111,405,793	\$ 32,634,755	\$ 144,040,548
Restricted	4,397,770	28,824,797	33,222,567
Investments:			
Unrestricted	10,779,406	64,277,990	75,057,396
Restricted	4,643,519	-	4,643,519
Total	<u>\$ 131,226,488</u>	<u>\$ 125,737,542</u>	<u>\$ 256,964,030</u>

#### B. Accounts Receivable

The accounts receivable of the governmental activities consist of police fines, franchise taxes, ad valorem tax under the Tax Increment District #3 (TIF #3) and stormwater fee receivables. Police fines are 9%, cable franchise taxes are 8%, natural gas franchise taxes are 4%, stormwater fees are 4%, rural fire/rescue responses 3%, and TIF #3 taxes are 18% 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 \$1,945,838 at June 30, 2020 have been restricted in use to the service of debt. Investments, classified as noncurrent, in the amount \$4,643,519 at June 30, 2020 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, 2020 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 \$853,476 at June 30, 2020 were restricted for this purpose.

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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, 2020 cash and cash equivalents, classified as current, in the amount of \$75,652 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, 2020 cash and cash equivalents in the amount of \$1,468,048, of which \$831,903 is classified as current and \$636,145 is classified as non-current, have been restricted for customer deposits.

## E. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance at June				Balance at June
	30, 2019	Additions	Deletions	Transfers	30, 2020
<b>PRIMARY GOVERNMENT:</b>					
<u>Governmental Activities</u>					
Capital assets not being depreciated:					
Land	\$ 12,960,552	\$ 1,698,114	\$ -	\$ -	\$ 14,658,666
Construction work in progress	4,279,427	1,248,246	-	(1,934,043)	3,593,630
Total capital assets not being depreciated	17,239,979	2,946,360	-	(1,934,043)	18,252,296
Other capital assets:					
Buildings	24,109,500	-	-	-	24,109,500
Improvements other than buildings	13,695,688	-	-	-	13,695,688
Machinery and equipment	26,245,827	1,138,597	(739,922)	-	26,644,502
Infrastructure	165,486,994	659,666	-	1,934,043	168,080,703
Total other capital assets at historical cost	229,538,009	1,798,263	(739,922)	1,934,043	232,530,393
Less accumulated depreciation for:					
Buildings	11,738,535	517,039	-	-	12,255,574
Improvements other than buildings	10,194,588	328,517	-	-	10,523,105
Machinery and equipment	20,575,610	998,015	(701,825)	-	20,871,800
Infrastructure	122,297,737	3,064,298	-	-	125,362,035
Total accumulated depreciation	164,806,470	4,907,869	(701,825)	-	169,012,514
Other capital assets, net	64,731,539	(3,109,606)	(38,097)	1,934,043	63,517,879
Total capital assets, net	\$ 81,971,518	\$ (163,246)	\$ (38,097)	\$ -	\$ 81,770,175
<u>Business-type Activities</u>					
Capital assets not being depreciated:					
Land	\$ 2,046,620	\$ 456,899	\$ -	\$ -	\$ 2,503,519
Intangible assets	1,530,403	-	-	-	1,530,403
Construction work in progress	24,662,525	18,433,738	(128,953)	(22,097,331)	20,869,979
Total capital assets not being depreciated	28,239,548	18,890,637	(128,953)	(22,097,331)	24,903,901
Other capital assets:					
Buildings	94,157,633	-	-	34,324	94,191,957
Improvements other than buildings	32,193,807	-	-	-	32,193,807
Machinery and equipment	78,243,947	2,538,781	(1,928,710)	455,127	79,309,145
Intangible assets	74,054	-	-	-	74,054
Infrastructure	183,008,491	779,934	(361,825)	21,607,880	205,034,480
Total other capital assets at historical cost	387,677,932	3,318,715	(2,290,535)	22,097,331	410,803,443
Less accumulated depreciation for:					
Buildings	53,529,004	2,296,217	-	-	55,825,221
Improvements other than buildings	21,057,514	1,016,579	-	-	22,074,093
Machinery and equipment	23,546,969	2,977,568	(852,726)	-	25,671,811
Infrastructure	90,478,745	5,722,087	(361,825)	-	95,839,007
Amortization for intangible assets	74,054	-	-	-	74,054
Total accumulated depreciation	188,686,286	12,012,451	(1,214,551)	-	199,484,186
Other capital assets, net	198,991,646	(8,693,736)	(1,075,984)	22,097,331	211,319,257
Total capital assets, net	\$ 227,231,194	\$ 10,196,901	\$ (1,204,937)	\$ -	\$ 236,223,158

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	Balance at				Balance at
COMPONENT UNITS:	December 31, 2018	Additions	Deletions	Transfers	December 31, 2019
<u>Stillwater Medical Center Authority</u>					
Capital assets not being depreciated:					
Land	\$ 4,470,073	\$ -	\$ -	\$ -	\$ 4,470,073
Construction work in progress	17,582,200	15,207,336	-	(3,636,877)	29,152,659
Total capital assets not being depreciated	22,052,273	15,207,336	-	(3,636,877)	33,622,732
Other capital assets:					
Land improvements	4,044,327	30,345	-	-	4,074,672
Building, improvements and fixed equipment	103,518,197	3,985,189	-	2,576,019	110,079,405
Major moveable equipment	85,717,869	21,552,188	(516,708)	1,060,858	107,814,207
Total other capital assets at historical cost	193,280,393	25,567,722	(516,708)	3,636,877	221,968,284
Less accumulated depreciation for:					
Land improvements	1,566,098	115,561	-	-	1,681,659
Building, improvements and fixed equipment	43,529,059	3,144,383	-	-	46,673,442
Major moveable equipment	65,096,569	7,048,589	(516,708)	-	71,628,450
Total accumulated depreciation	110,191,726	10,308,533	(516,708)	-	119,983,551
Other capital assets, net	83,088,667	15,259,189	-	3,636,877	101,984,733
Total capital assets, net	\$ 105,140,940	\$ 30,466,525	\$ -	\$ -	\$ 135,607,465

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

**Primary Government:**

Governmental Activities

Public safety	\$ 604,449
Recreation and culture	526,255
General government	673,401
Financial administration	144
Streets and sewers	3,103,620
Total depreciation expense for governmental activities	<u>\$ 4,907,869</u>

Business-type Activities

Stillwater Utilities Authority	\$ 10,878,450
Airport (includes amortization of intangible assets)	1,131,534
Stillwater Economic Development Authority	2,467
Total depreciation expense for business-type activities	<u>\$ 12,012,451</u>

**Component Units:**

Stillwater Medical Center Authority	<u>\$ 10,308,533</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 for the year ended June 30, 2020 are as follows:

	Due From		Due To	
	Transportation Improvement Fund	General Fund	Total	
General Fund	\$ 664,122	\$ (664,122)	\$ -	
Non major proprietary	-	104,654	104,654	
SUA	-	3,375,010	3,375,010	
	<u>\$ 664,122</u>	<u>\$ 2,815,542</u>	<u>\$ 3,479,664</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, 2020 was \$44,999 and will not be paid within one year.

#### G. Interfund Transfers

Interfund transfers are made on an annual basis to comply with sales tax provisions and contracts and to supplement fund balances as needed. Of the City's three and one-half cent sales tax, one cent is designated for the SUA and one-half cent is designated for the Transportation Improvement Fund (see Note I.G). Both are transferred to their respective funds on a monthly basis upon receipt by the General Fund. The General Fund also transferred \$2.5 million to the Airport Fund to meet capital and operating needs of the fund, \$1.6 million to the SEDA to meet contractual obligations related to economic development initiatives and \$1.6 million to the City Capital Fund to fund capital improvement projects. The SUA transferred \$15.7 million to the General Fund to meet operating needs of the fund and \$4.0 million to the City Capital Fund to fund capital improvement projects. A summary of the interfund transfers reported in the fund financial statements for the year ended June 30, 2020, is summarized in the table below:

Transfer In	Transfer Out			
	General Fund	Stillwater Utilities Authority Fund	Nonmajor Governmental	Total
General Fund	\$ -	\$ 15,715,841	\$ 158,726	\$15,874,567
Stillwater Utilities Authority Fund	8,038,407	-	-	8,038,407
Nonmajor Enterprise Fund	4,076,057	-	-	4,076,057
Transportation Improvement Fund	4,019,204	-	-	4,019,204
Nonmajor Governmental Fund	1,589,445	4,000,000	-	5,589,445
	<u>\$ 17,723,113</u>	<u>\$ 19,715,841</u>	<u>\$ 158,726</u>	<u>\$37,597,680</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, 2020, 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

\$ 350,000

Plus: unamortized debt premium

63,396

Total general obligation bonds payable

\$ 413,396

Current portion

\$ 413,396

Noncurrent portion

-

Total general obligation bonds payable

\$ 413,396

##### *Accrued Compensated Absences*

Current portion

\$ 412,159

Noncurrent portion

2,777,320

Total accrued compensated absences

\$ 3,189,479



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*Refundable Grant Obligations - SPWA*

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.	\$ 44,999
Total refundable grant obligations	<u>\$ 44,999</u>
Current portion	\$ 20,000
Noncurrent portion	<u>24,999</u>
Total refundable grant obligations	<u>\$ 44,999</u>

**2. Business-type Activities:** As of June 30, 2020, 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	\$57,820,000
Plus: unamortized debt premium	<u>5,211,277</u>
Total revenue bonds payable	<u>\$63,031,277</u>
Current portion	\$ 1,673,963
Noncurrent portion	<u>61,357,314</u>
Total revenue bonds payable	<u>\$63,031,277</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	\$ 256,011
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	609,511
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	2,371,182
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	6,505,702
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	730,273
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	24,406,276
2017 Oklahoma Water Resources Board (OWRB) SRF Note Payable dated September 22, 2017, not to exceed \$12,600,000, secured by utility revenues, 2.18% interest plus an administrative fee of 0.5%, semiannual principal installments commence the earlier of March 15, 2019 or construction completion. Construction is ongoing.	2,639,744

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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	707,375
Total notes payable	<u>\$38,226,074</u>
Current portion	\$ 2,846,498
Noncurrent portion	<u>35,379,576</u>
Total notes payable	<u>\$38,226,074</u>

**Capital Lease Obligations SUA:**

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 \$12.4 million with a fixed interest rate determined at the time of funding. Total borrowings under this credit agreement at June 30, 2020 amounted to \$12.4 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 of law necessary to enforce lessor's rights.

*Capital Lease Obligations*

Total cost of capital assets financed by outstanding lease obligations	\$4,426,779
Less: accumulated depreciation	<u>(888,217)</u>
Net capital assets financed by lease obligations	<u>\$3,538,562</u>

\$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	\$ 46,554
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\$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	44,460
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\$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	21,825
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\$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	1,064,663
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\$1,658,000 capital lease with Bank of America for equipment, fixed interest rate of 1.9920%, monthly installments commencing December 26, 2019 through November 26, 2024	<u>1,472,960</u>
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Total capital leases	<u>\$2,650,462</u>
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Current portion	\$ 780,967
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Noncurrent portion	<u>1,869,495</u>
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Total capital leases	<u>\$2,650,462</u>
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*Accrued Compensated Absences*

Current portion	\$ 62,183
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Noncurrent portion	<u>1,081,557</u>
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Total accrued compensated absences	<u>\$1,143,740</u>
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*Deposits Subject to Refund*

Current portion	\$ 834,030
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Noncurrent portion	<u>636,145</u>
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Total deposits subject to refund	<u>\$1,470,175</u>
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*Refundable Grant Obligations*

Current portion	\$ 190,444
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Noncurrent portion	<u>-</u>
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Total refundable grant obligations	<u>\$ 190,444</u>
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**3. Component Unit:** As of June 30, 2020, the long-term debt of the component unit, Stillwater Medical Center Authority, consisted of the following:

*Revenue Bonds*

2019A Series Revenue Bonds dated February 14, 2019, original issue amount of \$4,500,000, secured by gross revenue, interest rate of 3.5%, monthly interest and principal installments through February 1, 2022

\$ 3,250,000

2019B Series Revenue Bonds dated April 2, 2019, original issue amount of \$12,000,000, secured by gross revenue and the assets held by the trustee and used for capital asset acquisitions, interest rate of 3.18%, monthly interest and principal installments through May 1, 2029. The bond was paid off during the year ended December 31, 2019, with the proceeds from the Series 2019D Bonds.

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2019C Series Revenue Bonds dated November 22, 2019, original issue amount of \$21,250,000, secured by gross revenue, interest rate of 2.62%, monthly interest and principal installments through February 15, 2024. The proceeds were primarily used to refund the outstanding amounts due under the Series 2017 Bond.

20,890,378

2019D Series Revenue Bonds dated November 22, 2019, original issue amount of \$11,495,000, secured by gross revenue, interest rate of 2.88%, monthly interest and principal installments through November 2, 2026. The proceeds were primarily used to refund the outstanding amounts due under the Series 2019B Bond.

11,352,956

Total revenue bonds payable

\$ 35,493,334

Current portion

\$ 7,900,000

Noncurrent portion

27,593,334

Total revenue bonds payable

\$ 35,493,334

*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

\$ 16,000,000

SMC Development promissory notes payable to REI Subsidiary CDE 19, LLC, dated December 19, 2019, original issue amounts of \$21,189,000 and \$8,811,000, secured by all of the assets of SMC Development. Proceeds were used to purchase certain building improvements, which is leased back to the Authority upon acquisition; interest rate of 1.206%; payable in quarterly interest installments through December 19, 2026 plus a \$300,000 principal payment on December 19, 2026, for the \$8,811,000 note payable; commencing March 5, 2027, equal installments of principal and interest in amounts sufficient to fully amortize principal balance as of the maturity date of December 18, 2049.

Noncurrent portion

30,000,000

Total Notes Payable

\$ 46,000,000

Noncurrent portion

\$ 46,000,000

*Capital Lease Obligations*

Total cost of capital assets financed by outstanding lease obligations

\$ 8,928,000

Less: accumulated depreciation

(4,949,000)

Net capital assets financed by lease obligations

\$ 3,979,000

Capital leases issued for equipment, interest rates from 1.50% to 2.16% installments payable through 2023

\$ 3,020,920

Current portion

\$ 1,433,599

Noncurrent portion

1,587,321

Total capital leases

\$ 3,020,920

## 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, 2020 are summarized below:

	Balance at June 30,			Balance at June 30,	Amounts
	2019	Additions	Reductions	2020	Due Within One Year
<b>PRIMARY GOVERNMENT:</b>					
<u>Governmental Activities</u>					
General obligations bonds	\$ 1,271,617	\$ -	\$ 858,221	\$ 413,396	\$ 413,396
Refundable grant obligations-direct borrowing	64,999	-	20,000	44,999	20,000
Accrued compensated absences	2,964,527	637,111	412,159	3,189,479	412,159
Total governmental activities	\$ 4,301,143	\$ 637,111	\$ 1,290,380	\$ 3,647,874	\$ 845,555
<u>Business-type Activities</u>					
Notes payable	\$ 35,531,350	\$ 5,089,439	\$ 2,394,715	\$ 38,226,074	\$ 2,846,498
Revenue bonds payable, net	64,650,240	-	1,618,963	63,031,277	1,673,963
Capital lease obligations-direct borrowing	2,356,079	1,658,000	1,363,617	2,650,462	780,967
Refundable grant obligations-direct borrowing	162,452	390,654	362,662	190,444	190,444
Accrued compensated absences	1,045,175	160,748	62,183	1,143,740	62,183
Deposits subject to refund	1,492,824	868,822	891,471	1,470,175	834,030
Total business-type activities	\$ 105,238,120	\$ 8,167,663	\$ 6,693,611	\$ 106,712,172	\$ 6,388,085
<b>COMPONENT UNIT:</b>					
<u>Stillwater Medical Center Authority</u>					
Revenue bonds payable, net	\$ 29,038,334	\$49,245,000	\$ 42,790,000	\$ 35,493,334	\$ 7,900,000
Notes payable	16,000,000	30,000,000	-	46,000,000	-
Capital lease obligations	2,501,237	2,296,190	1,776,507	3,020,920	1,433,599
Total component unit	\$ 47,539,571	\$81,541,190	\$ 44,566,507	\$ 84,514,254	\$ 9,333,599

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

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**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
2021	\$ 350,000	\$ 14,000	\$ 20,000	\$ -
2022	-	-	20,000	-
2023	-	-	4,999	-
2024	-	-	-	-
2025	-	-	-	-
Total	\$ 350,000	\$ 14,000	\$ 44,999	\$ -

Business-type Activities:

Year ending June 30,	Revenue Bonds Payable		Notes Payable		Direct Borrowings - Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,440,000	\$ 2,659,600	\$ 2,846,498	\$ 906,565	\$ 780,967	\$ 50,166
2022	1,510,000	2,585,850	2,793,066	837,897	683,542	34,152
2023	1,590,000	2,508,350	2,628,419	759,302	699,317	18,377
2024	1,665,000	2,435,300	2,532,023	698,889	342,081	6,582
2025	1,735,000	2,358,625	2,554,674	641,721	144,555	721
2026-2030	9,970,000	10,473,000	9,066,773	2,430,031	-	-
2031-2035	12,525,000	7,859,950	6,348,335	1,451,588	-	-
2036-2040	15,915,000	4,360,875	4,983,330	836,799	-	-
2041-2045	11,470,000	700,000	4,472,956	258,873	-	-
Total	\$ 57,820,000	\$ 35,941,550	\$ 38,226,074	\$ 8,821,665	\$ 2,650,462	\$ 109,998

**COMPONENT UNIT:**

Stillwater Medical Center Authority

Year ending December 31,	Revenue Bonds/Notes Payable		Capital Leases
	Principal	Interest	Principal and Interest
2020	\$ 7,900,000	\$ 1,528,509	\$ 1,441,121
2021	8,075,888	1,296,809	643,226
2022	7,006,897	1,079,208	471,391
2023	6,942,897	892,053	474,237
2024	2,191,225	756,474	-
2025-2029	20,301,791	2,513,096	-
2030-2035	8,786,240	1,435,038	-
2036-2039	6,359,820	1,043,460	-
2040-2045	6,754,629	648,651	-
2046-2049	7,173,947	229,333	-
Total	\$ 81,493,334	\$ 11,422,631	\$ 3,029,975
Less amount representing interest			(9,055)
Present value of future minimum lease payments			\$ 3,020,920

**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, 2020, was \$2,110,965 which consisted of \$1,010,121 (net of \$250,590 in forfeitures) from the City and \$1,100,844 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 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% and 6% for 2019. Contributions actually made by plan members and the Hospital aggregated approximately \$1,987,000 and \$3,857,000, respectively, during 2019.

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, 2020 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, 2020 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 one remaining retiree 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 1<sup>st</sup> 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, 2020 was measured as of July 1, 2019 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, 2019 used the following assumptions:

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

\*Net of pension plan investment expense; includes inflation

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, 2019 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Real Return</b>	<b>Weighted Return</b>
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, 2020 is below:

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	<b>Total Pension Liability</b>	<b>Plan Net Fiduciary Position</b>	<b>Net Pension Liability (Asset)</b>
Balance at 7/1/18	\$ 14,365	\$ 9,439,311	\$ (9,424,946)
Changes during year:			
Interest cost	991	-	991
Difference between expected and actual experience	788	-	788
Assumption change	248	-	248
Net investment income	-	653,420	(653,420)
Benefit payments	(2,345)	(2,345)	-
Administrative expense	-	(19,522)	19,522
Net changes during year	(318)	631,553	(631,871)
Balance at 7/1/19	\$ 14,047	\$ 10,070,864	\$ (10,056,817)

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.

	<b>1% Decrease to 6.5%</b>	<b>Current Discount Rate of 7.5%</b>	<b>1% Increase to 8.5%</b>
Total pension liability	\$ 14,649	\$ 14,047	\$ 13,490
Plan net fiduciary position	10,070,864	10,070,864	10,070,864
Net pension asset	\$ (10,056,215)	\$ (10,056,817)	\$ (10,057,374)

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 \$573,239 in fiscal year 2020. The following shows what makes up the pension expense reduction:

Interest cost	\$ 991
Expected return on plan investments	(707,143)
Administrative expenses	19,522
Amortization of deferred (inflows) and outflows:	
Actuarial (gains) and losses	788
Changes in assumptions	248
Investment (gains) and losses	112,355
Pension expense	\$ (573,239)

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 \$4,757. Deferred outflows will be recognized in pension expense as follows:

<b>Fiscal Year</b>	<b>Amount</b>
2021	\$ 42,150
2022	(60,622)
2023	12,485
2024	10,744
	\$ 4,757

## 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

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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:

	<b>Oklahoma Police Pension and Retirement System</b>	<b>Oklahoma Firefighter's Pension and Retirement System</b>
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 for members hired before November 1, 2013, 22 years of credited service and 50 years old for members hired on or after November 1, 2013; 50% of final average compensation; benefits continue to accrue for service up to 30 years at the rate of 2.5% per year of service; no benefits are extended for early retirement
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

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
2020	\$ 842,890	100%	\$ 778,342	100%
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%

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**Pension Liability, Expense, and Deferred Inflows and Outflows of Resources:** At June 30, 2020, the City reported an asset of \$122,109 for its proportionate share of the collective net pension asset of the Oklahoma Police Pension and Retirement System and a liability of \$18,023,156 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, 2019 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 decreased from 1.922% to 1.913% during the fiscal year and resulted in a deferred outflow of \$3,787. The City's proportion of the Fire Pension plan increased from 1.687% to 1.706% during the fiscal year and resulted in a deferred outflow of \$146,051.

For the year ended June 30, 2020, the City recognized pension expense of \$1,453,921 for the police pension plan and \$2,829,224 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	\$ 73,281	\$ 576,534	\$ 3,017,971	\$ 366,598
Change in assumptions	311,795	-	-	463,004
Net difference between projected and actual earnings on pension plan investments	1,115,845	-	-	1,304,668
Effect of City's proportion of plan	22,557	2,927	492,001	840,737
City contributions made subsequent to the measurement date	842,890	-	778,342	-
Total	<u>\$ 2,366,368</u>	<u>\$ 579,461</u>	<u>\$ 4,288,314</u>	<u>\$ 2,975,007</u>

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, 2021. Other deferred inflows and deferred outflows related to pensions will be recognized in pension expense as shown in the following chart:

Fiscal Year	Oklahoma Police Pension & Retirement System	Oklahoma Firefighter's Pension & Retirement System
2021	\$ 548,255	\$ 407,825
2022	(162,879)	(142,723)
2023	177,876	243,386
2024	367,954	78,573
2025	12,811	(52,096)
	<u>\$ 944,017</u>	<u>\$ 534,965</u>

**Actuarial Assumptions:** The actuarial valuation that provided the total pension liability as of June 30, 2019 used the following assumptions:

Assumption	Oklahoma Police Pension & Retirement System	Oklahoma Firefighter's Pension & Retirement System
Inflation	2.75%	2.75%
Salary increases*	3.5%-12.0%	2.75%-10.5%
Investment rate of return	7.5%	7.5%

\*Based on years of service; includes inflation

For the police pension plan, 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. For the fire pension plan, mortality rates use the Pub-2010 Public Safety Table with generational mortality improvement using MP-2018.

The actuarial assumptions used for the police pension plan's June 30, 2019 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, 2019 valuation were based on actuarial experience studies for a 5 year period of July 1, 2013 through June 30, 2018.

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, 2019, are summarized in the following table:

	Oklahoma Police Pension & Retirement System	Oklahoma Firefighter's Pension & Retirement System
Asset Class	Long-term Expected Real Rate of Return	Long-term Expected Real Rate of Return
Fixed income	4.79%	4.90%
Domestic equity	5.74%	7.09%
International equity	9.19%	9.19%
Real estate	7.99%	7.99%
Private equity	10.20%	0.00%
Commodities	3.50%	0.00%
Other assets	0.00%	5.57%

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

	1% Decrease 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)	\$ 5,201,702	\$ (122,109)	\$ (4,623,455)
City's share of fire plan net pension liability	23,272,977	18,023,156	12,258,361

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, 2020, the City recorded revenues of \$756,645 for the police pension plan and \$1,734,660 for the firefighter's pension plan.

### C. Aggregate Pension Information

	Defined Benefit (Retiree) Plan	Oklahoma Police Pension & Retirement System	Oklahoma Firefighter's Pension & Retirement System	Total
Net pension asset	\$ 10,056,817	\$ 122,109	\$ -	\$ 10,178,926
Net pension liability	-	-	18,023,156	18,023,156
Deferred outflows of resources	4,757	2,366,368	4,288,314	6,659,439
Deferred inflows of resources	-	579,461	2,975,007	3,554,468
Pension expense	(573,239)	1,453,921	2,829,224	3,709,906

### 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 GASB 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 2020 range from \$49 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, 2020, the following employees were covered by the benefit terms.

Active plan members	524
Inactive employees or beneficiaries currently receiving benefit payments	37
Total plan members	<u>561</u>

Total OPEB Liability: The City's total OPEB liability of \$6,794,563 was measured as of June 30, 2019 and was determined by an actuarial valuation performed as of June 30, 2019.



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Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2019 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	3.50 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 6.02% in 2019 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 62%.
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 data as specified by GASB Statement 75. Over the twelve-month measurement period ending June 30, 2019, the 20-year bond rates decreased from 3.87% to 3.50%.

Changes in the Total OPEB Liability:

Balance at June 30, 2019	\$ 5,948,507
Changes for the year:	
Service cost	319,735
Interest	240,241
Changes of benefit terms	-
Differences between expected and actual experience	(23,365)
Change of assumptions	430,376
Expected net benefit payments	<u>(120,931)</u>
Net changes	<u>846,056</u>
Balance at June 30, 2020	<u>\$ 6,794,563</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 (a decrease from 3.87% to 3.50% from June 30, 2018 to June 30, 2019); 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; 4) retiree contribution trend for the next year was changed to reflect actual increase in required contributions (23.11% increase); and 5) future retirees were assumed to take Plan A upon retirement based on active lives covered.

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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 (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 8,175,024	\$ 6,794,563	\$ 5,721,968

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 5.02% Grading to 3.87%	Healthcare Cost Trend Rates 6.02% Grading to 4.87%	1% Increase 7.02% Grading to 5.87%
Total OPEB liability	\$ 5,768,314	\$ 6,794,563	\$ 8,078,997

OPEB Expense and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2020, the City recognized OPEB expense of \$530,618. At June 30, 2020, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 371,581	\$ (493,489)
Differences between expected and actual experience	102,531	(20,173)
Contributions subsequent to the measurement date	118,841	-
Total Deferrals	\$ 592,953	\$ (513,662)

The \$118,841 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, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Amount
2021	\$ (29,358)
2022	(29,358)
2023	(29,358)
2024	(29,358)
2025	14,004
Thereafter	63,878
	<u>\$ (39,550)</u>

Reconciliation to Deferral Schedule:

Deferred Inflow - Assumption changes	\$ (493,489)
Deferred Inflow - Experience	(20,173)
Deferred Outflow - Assumption changes	371,581
Deferred Outflow - Experience	102,531
	<u>\$ (39,550)</u>

## VI. RISK MANAGEMENT

As of June 30, 2020, claims outstanding against the City and its public authorities were \$2,120,106 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 \$130,000 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, 2020 and 2019 were as follows:

	Beginning Liability Balance	Current Year Claims & Changes in Estimate	Claims Payments	Ending Liability Balance
2020	\$ 2,235,394	\$ 6,409,017	\$ 6,524,305	\$ 2,120,106
2019	2,608,868	6,435,776	6,809,250	2,235,394

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 \$300,000. The Hospital purchases annual stop-loss insurance coverage for claims in excess of the aggregate annual amount 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, 2019. No draws were made on the certificate of deposit held in escrow through 2019.

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, 2019 and 2018 is summarized as follows:

	Beginning Liability Balance	Current Year Claims & Changes in Estimate	Claims Payments	Ending Liability Balance
2019	\$ 1,254,574	\$ 11,554,913	\$ 11,531,951	\$ 1,277,536
2018	1,363,465	8,893,057	9,001,948	1,254,574

## 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 SUA'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.

**Asset Retirement Obligation** – 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, 2020, 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.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the City operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the pandemic.

It is unknown how long the adverse conditions associated with the pandemic will last and what the complete financial effect will be to the City. Accordingly, while management cannot quantify the financial and other impacts to the City as of June 30, 2020, management believes that a material impact on the City's financial position and results of future operations is reasonably possible.

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, 2019, were approximately:

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ 746,000
2021	759,000
2022	773,000
2023	378,000
2024	384,000
2025-2027	<u>1,185,000</u>
Total	<u>\$ 4,225,000</u>

## 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 \$364,000. Ad valorem taxes received in the current year were \$1,005,401. Debt service payments of \$840,800 in the current fiscal year were 84% 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, 2020, sales tax revenues were \$8,038,407, and net revenues were \$28,115,027. The following is a summary of the debt issues included in this pledge of revenues as of June 30, 2020:

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	\$ 257,313	\$ 172,627
2002 OWRB SRF Note	4,876,086	Dec 2002	Sept 2022	614,153	247,834
2005 OWRB Fixed Rate Note	7,620,000	Jun 2005	Mar 2025	2,473,725	494,645
2009 OWRB DWSRF Note	11,645,000	Nov 2009	Sept 2032	7,603,021	655,290
2009 OWRB CWSRF Note	1,875,000	Nov 2009	Sept 2030	851,539	81,099
Series 2014A Revenue Bonds	61,830,000	Aug 2014	Oct 2042	93,761,550	4,108,300
2016 OWRB DWSRF Note	29,900,000	Jun 2016	Sept 2046	31,480,604	1,523,401
2017 OWRB DWSRF Note	12,600,000	Sept 2017	Sept 2048	2,915,468	-

## 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 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.

In 2019, the Hospital acquired Pipeline Crossroads Clinic, which is being amortized over five years. Amortization expense is approximately \$603,000 annually through 2024.

The carrying basis and accumulated amortization of recognized deferred outflows of resources related to government acquisitions at December 31, 2019 were as follows:

Deferred outflows of resources	\$ 16,221,823
Accumulated amortization	<u>(9,565,193)</u>
	<u>\$ 6,656,630</u>

#### **X. COMPONENT UNIT INVESTMENTS IN JOINT VENTURES**

The Hospital's investments in joint ventures relate to a 10% ownership in LifeCare Health Services, 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; and a 1% ownership in Upper Midwest Consolidated Services Center, LLC.

Tecumseh Health Reciprocal Risk Retention Group (Tecumseh) provides insurance coverage. The Hospital paid approximately \$269,000 to purchase its professional liability (medical malpractice) and general liability insurance from Tecumseh during the year ended December 31, 2019. The Hospital's investment in Tecumseh was \$1,545,061 at December 31, 2019.

LifeCare Health Services, LLC (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 approximately \$645,000 as of December 31, 2019.

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 office building, that are 100% leased by the Hospital. For the year ended December 31, 2019, the Hospital paid approximately \$702,000 in rent for the right to utilize the building space. The Hospital's investment in Bushwood was \$6,305,394 at December 31, 2019. During the year ended December 31, 2019, the Hospital received a distribution of \$286,000 from Bushwood.

Fresenius Medical Care-Stillwater, LLC provides dialysis services to residents of Stillwater and the surrounding area. The Hospital's investment in Fresenius was approximately \$262,000 at December 31, 2019.

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, 2019.

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, 2020, the SEDA abated sales tax totaling \$401,604 to 5 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	3.0%	\$11,885
Commercial development which generates tax and other revenue to fund government services	7.3%	\$29,275
Development of a retail center in undeveloped parts of the City	89.8%	\$360,444

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

## XII. SUBSEQUENT EVENTS

### Hospital Component Unit:

Effective January 1, 2020, the Hospital entered into a lease agreement with Blackwell Hospital Trust Authority (BHTA) to assume all operations of Blackwell Regional Hospital (Blackwell), a hospital located in Blackwell, Oklahoma. The initial lease term covers a period of seven years. Blackwell primarily earns revenues by providing inpatient, outpatient, emergency and home health services to patients in Blackwell, Oklahoma.

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen that may negatively affect the financial position, results of operations and cash flows of the Hospital. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

On March 27, 2020, President Trump signed into law the *Coronavirus Aid, Relief, and Economic Security Act*. In April 2020, the Hospital received approximately \$24,560,000 from Medicare under the Advanced and Accelerated Payment Program. This represents an advance on future Medicare services and is expected to be recouped by Medicare between July 2020 and January 2021.

In April and May 2020, the Hospital also received approximately \$15,975,000 of funding from the Public Health and Social Services Emergency Fund. This is considered grant funding and will not be repayable if the Hospital meets the grant requirements.

On June 30, 2020, the Hospital entered into a \$10,000,000 term credit facility, the Series 2020 Hospital Revenue Note. The Series 2020 Note bears interest at 1.48% and has a maturity date of June 30, 2025.

The Hospital invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Hospitals financial statements. There



has been significant volatility in the investment markets both nationally and globally since December 31, 2019, resulting in an overall market decline in certain market segments, which has resulted in a substantial decline in the value of the Hospital's investment portfolio.

Primary Government:

As of the date of this report, the Defined Benefit (Retiree) Plan, as described in Note IV.3., has satisfied all obligations to its final plan participant. Upon passage of an ordinance by the City Council, the plan can be terminated and the balance of the assets be transferred to the City. The proceeds are estimated at \$10.9 million and will fund, in large part, the General Fund's operating reserve.

### **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. 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, 2022.

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, 2021.

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, 2023.

GASB Statement No. 92 "Omnibus 2020" — The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including leases, intra-entity transfers related to pensions and OPEB plans, asset retirement obligations and reporting of reinsurance amounts. This Statement will become effective for the City in the fiscal year ended June 30, 2022.

GASB Statement No. 93 "Replacement of Interbank Offered Rates" — The objective of this Statement is to address accounting and financial reporting implications that result from global reference rate reform leading to the dissolution of the London Interbank Offered Rate (LIBOR) at the end of 2021. This Statement will become effective for the City in the fiscal year ended June 30, 2022.

GASB Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements" — The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnerships arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This Statement will become effective for the City in the fiscal year ended June 30, 2023.

GASB Statement No. 95 “Postponement of the Effective Dates of Certain Authoritative Guidance” – The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The City will evaluate the effective date of each Statement and implement within the timeframe granted by the GASB and earlier when possible.

GASB Statement No. 96 “Subscription-Based Information Technology Arrangements” – The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This Statement will become effective for the City in the fiscal year ended June 30, 2023.

GASB Statement No. 97 “Internal Revenue Code Section 457 Deferred Compensation Plans” – The primary objective of this Statement is to increase consistency and comparability in reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.



## **Award for E Planning**

Stillwater Assistant City Manager Paula Dennison and Emergency Management Director Rob Hill stand with peers as they're recognized for the creation of a climate tracking tool. Dennison, Hill, and their team were selected as the top "Tech Innovators" for their work in developing the Simple Planning Tool for Oklahoma Climate Hazards, a climate-tracking tool used in the planning for and mitigation of hazards to communities across Oklahoma.

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# REQUIRED SUPPLEMENTARY INFORMATION







## Strickland Donation

City Manager Norman McNickle and City Councilor Amy Dzialowski stand with donors from the Stillwater Community Foundation. This donation, along with collaboration from Mya's Promise and Stillwater Makes a Change, will result in an all-inclusive and accessible play area and community gathering place—the first one in this region of the state!

CITY OF STILLWATER, OKLAHOMA  
REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2020

**CITY OF STILLWATER, OKLAHOMA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL--GENERAL FUND**  
**For the fiscal year ended June 30, 2020**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT BUDGETARY BASIS	Budget to GAAP Difference	Actual Amount GAAP Basis
<b>REVENUES</b>					
Sales and use tax	\$ 30,022,000	\$ 30,922,000	\$ 31,005,552	\$ -	\$ 31,005,552
Other taxes	2,690,000	2,690,000	2,702,662	-	2,702,662
Intergovernmental	50,000	341,423	2,988,724	-	2,988,724
Charges for services	526,000	526,000	578,575	-	578,575
Fines and forfeits	1,035,500	1,035,500	715,114	-	715,114
Fees and rentals	409,160	414,035	452,428	-	452,428
Investment income	100,000	-	145,269	-	145,269
Licenses and permits	215,900	215,900	328,791	-	328,791
Other miscellaneous revenue	1,690,500	2,115,917	2,254,106	(1,106,077)	1,148,029
Total revenues	36,739,060	38,260,775	41,171,221	(1,106,077)	40,065,144
<b>EXPENDITURES</b>					
<b>Public Safety:</b>					
<b>Police:</b>					
Personal services	10,496,694	10,600,345	10,419,555	1,448,555	11,868,110
Materials and supplies	604,478	517,612	475,492	-	475,492
Contract services	663,498	648,993	605,073	-	605,073
<b>Fire:</b>					
Personal services	7,229,627	7,251,748	7,051,425	875,170	7,926,595
Materials and supplies	246,200	276,478	197,544	-	197,544
Other services and charges	227,567	182,883	145,774	-	145,774
Total public safety	19,468,064	19,478,059	18,894,863	2,323,725	21,218,588
<b>Recreation and culture:</b>					
<b>Parks and recreation:</b>					
Personal services	631,180	556,774	583,881	89,097	672,978
Materials and supplies	73,454	55,664	41,178	-	41,178
Contract services	1,005,621	1,045,418	821,679	-	821,679
<b>Library:</b>					
Personal services	1,070,477	994,004	984,889	178,810	1,163,699
Materials and supplies	106,245	81,258	74,262	-	74,262
Contract services	113,946	312,047	245,397	-	245,397
Total recreation and culture	3,000,923	3,045,165	2,751,286	267,907	3,019,193
<b>General government:</b>					
Personal services	7,903,248	8,525,090	8,656,120	(5,918,348)	2,737,772
Materials and supplies	110,370	114,441	107,860	-	107,860
Contract services	5,101,296	4,251,220	3,405,756	(1,020,516)	2,385,240
Total general government	13,114,914	12,890,751	12,169,736	(6,938,864)	5,230,872
<b>Financial administration:</b>					
Personal services	491,940	452,755	440,666	126,052	566,718
Materials and supplies	31,200	26,934	17,104	-	17,104
Contract services	77,780	35,951	28,634	-	28,634
Total financial administration	600,920	515,640	486,404	126,052	612,456

(continued...)

CITY OF STILLWATER, OKLAHOMA  
REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT BUDGETARY BASIS	Budget to GAAP Difference	Actual Amount GAAP Basis
<b>Streets and sewers:</b>					
Personal services	2,534,192	2,429,751	2,314,290	497,014	2,811,304
Materials and supplies	659,805	958,581	822,790	-	822,790
Contract services	633,911	636,882	490,497	-	490,497
Total streets and sewers	3,827,908	4,025,214	3,627,577	497,014	4,124,591
<b>Health and welfare:</b>					
<b>Health:</b>					
Personal services	-	-	-	-	-
Materials and supplies	16,000	19,488	18,173	-	18,173
Contract services	30,000	19,816	18,417	-	18,417
<b>Community development:</b>					
Personal services	812,636	897,723	879,298	127,283	1,006,581
Materials and supplies	12,458	11,889	8,292	-	8,292
Contract services	135,999	130,657	37,902	-	37,902
Total health and welfare	1,007,093	1,079,573	962,082	127,283	1,089,365
<b>Economic development:</b>					
Personal services	-	-	-	-	-
Materials and supplies	-	-	-	-	-
Contract services	-	984,062	9,316	-	9,316
Total economic development	-	984,062	9,316	-	9,316
<b>Capital outlay:</b>					
Police	-	298,683	285,311	-	285,311
Fire	300,000	303,111	3,839	-	3,839
Recreation and culture	-	200,963	140,466	-	140,466
General government	-	57,162	35,099	-	35,099
Financial administration	-	-	-	-	-
Streets and sewers	-	6,234,399	1,012,798	-	1,012,798
Health and welfare	-	248,369	-	-	-
Total capital outlay	300,000	7,342,687	1,477,513	-	1,477,513
Total expenditures	41,319,822	49,361,151	40,378,777	(3,596,883)	36,781,894
Excess (deficiency) of revenues over (under) expenditures	(4,580,762)	(11,100,376)	792,444	2,490,806	3,283,250
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	23,923,676	23,023,676	22,295,567	(6,421,000)	15,874,567
Transfers out	(19,827,390)	(22,566,272)	(21,675,434)	3,952,321	(17,723,113)
Total other financing sources (uses)	4,096,286	457,404	620,133	(2,468,679)	(1,848,546)
<b>Net change in fund balance</b>	(484,476)	(10,642,972)	1,412,577	22,127	1,434,704
<b>FUND BALANCE, beginning of year</b>	2,877,953	13,202,582	13,202,582	-	13,202,582
<b>FUND BALANCE, end of year</b>	\$ 2,393,477	\$ 2,559,610	\$ 14,615,159	\$ 22,127	\$ 14,637,286



## **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, 2020 the City complied, in all material respects, with the applicable budget laws.

CITY OF STILLWATER, OKLAHOMA  
REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2020

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS  
DEFINED BENEFIT (RETIREE) PLAN  
Last 10 Fiscal Years\***

	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>						
Interest cost	\$ 991	\$ 1,657	\$ 1,704	\$ 1,801	\$ 1,899	\$ 2,202
Difference between expected and actual experience	788	(7,313)	3,464	2,897	2,754	-
Assumption change	248	-	(17)	-	-	-
Benefit payments, including refunds of member contributions	(2,345)	(4,073)	(5,976)	(5,934)	(5,887)	(5,800)
Net change in total pension liability	(318)	(9,729)	(825)	(1,236)	(1,234)	(3,598)
Total pension liability-beginning	14,365	24,094	24,919	26,155	27,389	31,265
Total pension liability-ending (a)	\$ 14,047	\$ 14,365	\$ 24,094	\$ 24,919	\$ 26,155	\$ 27,667
<b>Plan fiduciary net position</b>						
Net investment income	\$ 653,420	\$ 651,258	\$ 973,787	\$ 71,097	\$ 214,331	\$ 1,082,842
Benefit payments, including refunds of member contributions	(2,345)	(4,073)	(5,976)	(5,934)	(5,887)	(5,800)
Administrative expense	(19,522)	(18,319)	(17,052)	(15,531)	(15,903)	(16,023)
Net change in plan fiduciary net position	631,553	628,866	950,759	49,632	192,541	1,061,019
Plan fiduciary net position-beginning	9,439,311	8,810,445	7,859,686	7,810,054	7,617,513	6,556,494
Plan fiduciary net position-ending (b)	\$ 10,070,864	\$ 9,439,311	\$ 8,810,445	\$ 7,859,686	\$ 7,810,054	\$ 7,617,513
<b>City's net pension liability (asset) - ending (a)-(b)</b>	<u>\$ (10,056,817)</u>	<u>\$ (9,424,946)</u>	<u>\$ (8,786,351)</u>	<u>\$ (7,834,767)</u>	<u>\$ (7,783,899)</u>	<u>\$ (7,589,846)</u>
Plan fiduciary net position as a percentage of the total pension liability	71694.06%	65710.48%	36566.97%	31540.94%	29860.65%	27532.85%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
City's net pension liability as a percentage of covered employee payroll	N/A	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, 2020

**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM**  
**Last 10 Fiscal Years\***

For the year June 30,

	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	1.913%	1.922%	1.905%	1.929%	1.927%	1.788%
City's proportionate share of the net pension liability (asset)	\$ (122,109)	\$ (915,585)	\$ 146,562	\$ 2,954,182	\$ 78,571	\$ (601,984)
City's covered payroll	\$ 6,118,891	\$ 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	(2.00%)	(15.74%)	0.461%	9.423%	0.241%	(1.96%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.24%	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 \***

	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 842,890	\$ 795,457	\$ 756,167	\$ 726,443	\$ 763,592	\$ 705,649
Contributions in relation to the statutorily required contribution	(842,890)	(795,457)	(756,167)	(726,443)	(763,592)	(705,649)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 6,483,780	\$ 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%	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, 2020

**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM**  
**Last 10 Fiscal Years\***

	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	1.706%	1.687%	1.802%	1.763%	1.733%	1.742%
City's proportionate share of the net pension liability	\$ 18,023,156	\$ 18,994,082	\$ 22,668,491	\$ 21,542,978	\$ 18,399,430	\$ 17,914,151
City's covered payroll	\$ 5,240,149	\$ 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	343.94%	383.11%	446.48%	425.45%	394.20%	385.20%
Plan fiduciary net position as a percentage of the total pension liability	72.85%	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.  
For the period that ends on the measurement date of the pension liability.

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

	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 778,342	\$ 733,622	\$ 694,101	\$ 710,808	\$ 708,897	\$ 653,459
Contributions in relation to the statutorily required contribution	(778,342)	(733,622)	(694,101)	(710,808)	(708,897)	(653,459)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 5,559,569	\$ 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%	14%

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

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 319,735	\$ 289,621	\$ 326,718
Interest	240,241	204,729	160,852
Experience Gain/(Loss)	(23,365)	140,297	-
Changes of assumptions	430,376	(304,645)	(459,374)
Expected net benefit payments	(120,931)	(100,180)	(91,192)
<b>Net change in total OPEB liability</b>	<b>846,056</b>	<b>229,822</b>	<b>(62,996)</b>
<b>Balances at Beginning of Year</b>	<b>5,948,507</b>	<b>5,718,685</b>	<b>5,781,681</b>
<b>Balances End of Year</b>	<b>\$ 6,794,563</b>	<b>\$ 5,948,507</b>	<b>\$ 5,718,685</b>
Covered employee payroll	\$ 30,819,000	\$ 28,460,000	\$ 28,450,000
Total OPEB liability as a percentage of covered-employee payroll	22.05%	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

Changes of assumptions in fiscal year 2020 relates mainly to the following:

Discount rate changed from 3.87% to 3.50%

Healthcare age claim curve adjusted for change in demographics of participants

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

Retiree contribution trned for the next year was changed to reflect actual increase in required contributions

Future retirees were assumed to take Plan A upon retirement



## **Community Storm Debris Cleanup**

After an unprecedented October ice storm, the City of Stillwater launched a plan to dispose of several hundred tons of tree limbs across the City. City employees assist residents in unloading their storm debris at Whittenberg Park.

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# OTHER SUPPLEMENTARY INFORMATION







## **Merry Main St 2020**

Stillwater's downtown holiday event, Merry Main St, adapted its format to bring holiday cheer to Stillwater despite COVID-19. Residents were invited to drive downtown for light displays, carriage rides, and local holiday shopping.



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - TRANSPORTATION IMPROVEMENT FUND**  
**For the fiscal year ended June 30, 2020**

	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL AMOUNT</b>	<b>Variance from Final Budget</b>
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 129,388	\$ 129,388
Other miscellaneous revenue	-	-	-	-
Total revenues	-	-	129,388	129,388
<b>EXPENDITURES</b>				
<b>Streets and sewers:</b>				
Personal services	71,116	69,866	79,635	(9,769)
Materials and supplies	2,850	4,100	3,468	632
Contract services	600	600	-	600
Capital outlay	-	9,146,881	3,133,507	6,013,374
Total expenditures	74,566	9,221,447	3,216,610	6,004,837
Excess (deficiency) of revenues over (under) expenditures	(74,566)	(9,221,447)	(3,087,222)	6,134,225
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,057,143	4,057,143	4,019,204	(37,939)
Transfers out	(11,988)	(11,988)	-	11,988
Total other financing sources (uses)	4,045,155	4,045,155	4,019,204	(25,951)
<b>Net change in fund balance</b>	3,970,589	(5,176,292)	931,982	6,108,274
<b>FUND BALANCE, beginning of year</b>	4,955,440	10,841,975	10,841,975	-
<b>FUND BALANCE, end of year</b>	\$ 8,926,029	\$ 5,665,683	\$ 11,773,957	\$ 6,108,274

## **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.

**Tax Increment District #3** – Accounts for funds used for improvements in the downtown/campus link project area as defined in Ord. No. 3407. Funding is provided by incremental ad-valorem and sales tax revenue.

**Stillwater Public Library Trust** – Accounts for contributions received for the benefit of the Stillwater Public Library.

**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.

**Mabel King Trust** – Accounts for the Mabel M. King Endowment, of which the net income may be used for the purchase of books for the Stillwater Public Library.

CITY OF STILLWATER, OKLAHOMA  
OTHER SUPPLEMENTARY INFORMATION  
June 30, 2020

City of Stillwater  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2020

	Special Revenue Fund Community Development Block Grant	Special Revenue Fund Tax Increment District #3	Special Revenue Fund Stillwater Public Library Trust	Capital Project Fund City Capital Fund	Debt Service Fund Sinking Fund	Permanent Fund Mabel King Trust	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 93,369	\$ -	\$ 32,744	\$ 5,188,110	\$ 154,659	\$ 54,194	\$ 5,523,076
Investments	-	-	487,676	-	-	-	487,676
Due from other governments	-	206,046	-	-	39,420	-	245,466
Accrued interest receivable	-	-	149	2,711	294	38	3,192
Total assets	<u>\$ 93,369</u>	<u>\$ 206,046</u>	<u>\$ 520,569</u>	<u>\$ 5,190,821</u>	<u>\$ 194,373</u>	<u>\$ 54,232</u>	<u>\$ 6,259,410</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 2,803	\$ -	\$ 612	\$ 164,514	\$ -	\$ -	\$ 167,929
Total liabilities	<u>2,803</u>	<u>-</u>	<u>612</u>	<u>164,514</u>	<u>-</u>	<u>-</u>	<u>167,929</u>
Deferred Inflows of Resources:							
Unavailable revenue-property taxes	-	206,046	-	-	31,972	-	238,018
Total deferred inflows of resources	<u>-</u>	<u>206,046</u>	<u>-</u>	<u>-</u>	<u>31,972</u>	<u>-</u>	<u>238,018</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	50,000	50,000
Restricted:							
Debt service	-	-	-	-	162,401	-	162,401
Capital improvements	90,566	-	-	-	-	-	90,566
Library books	-	-	-	-	-	4,232	4,232
Library purposes	-	-	519,957	-	-	-	519,957
Assigned	-	-	-	5,026,307	-	-	5,026,307
Total fund balances	<u>90,566</u>	<u>-</u>	<u>519,957</u>	<u>5,026,307</u>	<u>162,401</u>	<u>54,232</u>	<u>5,853,463</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 93,369</u>	<u>\$ 206,046</u>	<u>\$ 520,569</u>	<u>\$ 5,190,821</u>	<u>\$ 194,373</u>	<u>\$ 54,232</u>	<u>\$ 6,259,410</u>

CITY OF STILLWATER, OKLAHOMA  
OTHER SUPPLEMENTARY INFORMATION  
June 30, 2020

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2020**

	Special Revenue Fund Community Development Block Grant	Special Revenue Fund Tax Increment District #3	Special Revenue Fund Stillwater Public Library Trust	Capital Project Fund City Capital Fund	Debt Service Fund Sinking Fund	Permanent Fund Mabel King Trust	Total-Other Governmental Funds
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,005,401	\$ -	\$ 1,005,401
Investment income	-	-	22,443	42,582	4,618	599	70,242
Miscellaneous	-	-	90,281	20,262	-	-	110,543
Total revenues	-	-	112,724	62,844	1,010,019	599	1,186,186
<b>EXPENDITURES</b>							
Current:							
Recreation and culture	-	-	7,405	-	-	-	7,405
General government	28,655	-	-	-	-	-	28,655
Debt Service:							
Principal	-	-	-	-	795,000	-	795,000
Interest and other charges	-	-	-	-	46,200	-	46,200
Capital Outlay	13,672	-	-	3,605,706	-	-	3,619,378
Total Expenditures	42,327	-	7,405	3,605,706	841,200	-	4,496,638
Excess (deficiency) of revenues over expenditures	(42,327)	-	105,319	(3,542,862)	168,819	599	(3,310,452)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	5,589,445	-	-	5,589,445
Transfers out	-	-	-	-	(158,726)	-	(158,726)
Total other financing sources and uses	-	-	-	5,589,445	(158,726)	-	5,430,719
Net change in fund balances	(42,327)	-	105,319	2,046,583	10,093	599	2,120,267
Fund balances - beginning, reclassified (See Note I.C)	132,893	-	414,638	2,979,724	152,308	53,633	3,733,196
Fund balances - ending	\$ 90,566	\$ -	\$ 519,957	\$ 5,026,307	\$ 162,401	\$ 54,232	\$ 5,853,463

CITY OF STILLWATER, OKLAHOMA  
OTHER SUPPLEMENTARY INFORMATION  
June 30, 2020

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
**For the fiscal year ended June 30, 2020**

	Special Revenue Fund Community Development Block Grant				Special Revenue Fund Tax Increment District #3			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	156,741	-	(156,741)	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Other miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	-	156,741	-	(156,741)	-	-	-	-
<b>EXPENDITURES</b>								
<b>General government:</b>								
Contract services	-	37,185	28,655	8,530	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total general government	-	37,185	28,655	8,530	-	-	-	-
<b>Capital Outlay:</b>								
Recreation and culture	-	-	-	-	-	-	-	-
Streets and sewers	-	252,100	13,672	238,428	-	-	-	-
Total capital outlay	-	252,100	13,672	238,428	-	-	-	-
Total expenditures	-	289,285	42,327	246,958	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	(132,544)	(42,327)	90,217	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
<b>Net change in fund balance</b>	-	(132,544)	(42,327)	90,217	-	-	-	-
<b>FUND BALANCE, beginning of year</b>	-	132,893	132,893	-	-	-	-	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ 349	\$ 90,566	\$ 90,217	\$ -	\$ -	\$ -	\$ -

(Continued)

CITY OF STILLWATER, OKLAHOMA  
OTHER SUPPLEMENTARY INFORMATION  
June 30, 2020

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
**For the fiscal year ended June 30, 2020**

	Capital Project Fund City Capital Fund				Debt Service Fund Sinking Fund			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 830,000	\$ 830,000	\$ 1,005,401	\$ 175,401
Intergovernmental	-	-	-	-	-	-	-	-
Investment income	-	-	42,582	42,582	-	-	4,618	4,618
Other miscellaneous revenue	-	220,263	20,262	(200,001)	-	-	-	-
Total revenues	-	220,263	62,844	(157,419)	830,000	830,000	1,010,019	180,019
<b>EXPENDITURES</b>								
<b>General government:</b>								
Contract services	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	795,000	795,000	795,000	-
Interest and fiscal charges	-	-	-	-	46,300	46,300	46,200	100
Total general government	-	-	-	-	841,300	841,300	841,200	100
<b>Capital Outlay:</b>								
General government	1,224,000	1,228,548	839,728	388,820	-	-	-	-
Police	487,000	472,263	459,821	12,442	-	-	-	-
Fire	348,000	483,000	61,758	421,242	-	-	-	-
Recreation and culture	185,000	276,153	31,153	245,000	-	-	-	-
Streets and sewers	1,700,000	4,825,180	2,213,246	2,611,934	-	-	-	-
Total capital outlay	3,944,000	7,285,144	3,605,706	3,679,438	-	-	-	-
Total expenditures	3,944,000	7,285,144	3,605,706	3,679,438	841,300	841,300	841,200	100
Excess (deficiency) of revenues over (under) expenditures	(3,944,000)	(7,064,881)	(3,542,862)	3,522,019	(11,300)	(11,300)	168,819	180,119
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	4,000,000	5,589,445	5,589,445	-	-	-	-	-
Transfers out	-	-	-	-	(158,726)	(158,726)	(158,726)	-
Total other financing sources (uses)	4,000,000	5,589,445	5,589,445	-	(158,726)	(158,726)	(158,726)	-
<b>Net change in fund balance</b>	56,000	(1,475,436)	2,046,583	3,522,019	(170,026)	(170,026)	10,093	180,119
<b>FUND BALANCE, beginning of year</b>	-	2,979,724	2,979,724	-	183,025	152,308	152,308	-
<b>FUND BALANCE, end of year</b>	\$ 56,000	\$ 1,504,288	\$ 5,026,307	\$ 3,522,019	\$ 12,999	\$ (17,718)	\$ 162,401	\$ 180,119

(Continued)

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
**For the fiscal year ended June 30, 2020**

	Permanent Fund Mabel King Trust			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment income	-	-	599	599
Other miscellaneous revenue	-	-	-	-
Total revenues	-	-	599	599
<b>EXPENDITURES</b>				
<b>General government:</b>				
Contract services	-	-	-	-
Debt service:	-	-	-	-
Principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total general government	-	-	-	-
<b>Capital Outlay:</b>				
Recreation and culture	-	-	-	-
Streets and sew ers	-	-	-	-
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	599	599
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
<b>Net change in fund balance</b>	-	-	599	599
<b>FUND BALANCE, beginning of year</b>	53,633	53,633	53,633	-
<b>FUND BALANCE, end of year</b>	\$ 53,633	\$ 53,633	\$ 54,232	\$ 599

## **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.



CITY OF STILLWATER, OKLAHOMA  
OTHER SUPPLEMENTARY INFORMATION  
June 30, 2020

**Combining Statement of Net Position  
Nonmajor Proprietary Funds  
June 30, 2020**

	<b>Airport Fund</b>	<b>Stillwater Economic Development Authority</b>	<b>Block 34 Trust Authority</b>	<b>Total</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,724,941	\$ 323,707	\$ 10	\$ 2,048,658
Accounts receivables, net of allowance	30,557	-	-	30,557
Intergovernmental receivable	648,514	-	-	648,514
Installment loans receivable	-	8,067	-	8,067
Interest receivable	-	65	-	65
Inventories	27,911	-	-	27,911
Total current assets	2,431,923	331,839	10	2,763,772
Noncurrent assets:				
Leasehold receivable	-	44,999	-	44,999
Capital assets, non depreciable	8,735,674	-	-	8,735,674
Capital assets, net of accumulated depreciation	11,153,354	33,049	-	11,186,403
Total noncurrent assets	19,889,028	78,048	-	19,967,076
Total assets	22,320,951	409,887	10	22,730,848
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	513,166	15,925	-	529,091
Accrued liabilities	27,274	-	-	27,274
Due to other funds	104,654	-	-	104,654
Unearned revenue	435,000	-	-	435,000
Current portion of compensated absences	3,299	-	-	3,299
Current portion of customer deposits payable	2,127	-	-	2,127
Current portion of refundable grant obligations	-	190,444	-	190,444
Total current liabilities	1,085,520	206,369	-	1,291,889
Noncurrent liabilities:				
Noncurrent portion of compensated absences	48,245	-	-	48,245
Noncurrent portion of advances from other funds	-	44,999	-	44,999
Total noncurrent liabilities	48,245	44,999	-	93,244
Total liabilities	1,133,765	251,368	-	1,385,133
<b>NET POSITION</b>				
Net investment in capital assets	19,889,028	33,049	-	19,922,077
Unrestricted	1,298,158	125,470	10	1,423,638
Total net position	\$ 21,187,186	\$ 158,519	\$ 10	\$ 21,345,715

CITY OF STILLWATER, OKLAHOMA  
OTHER SUPPLEMENTARY INFORMATION  
June 30, 2020

**Combining Statement of Revenues, Expenses and Changes in Net Position  
Nonmajor Proprietary Funds  
For the Year Ended June 30, 2020**

	<b>Airport Fund</b>	<b>Stillwater Economic Development Authority</b>	<b>Block 34 Trust Authority</b>	<b>Total</b>
<b>REVENUES</b>				
Charges for services	\$ 997,678	\$ -	\$ -	\$ 997,678
Operating grants and contributions	323,914	-	-	323,914
Miscellaneous	445,375	1,512	-	446,887
Total operating revenues	1,766,967	1,512	-	1,768,479
<b>OPERATING EXPENSES</b>				
Airport	5,395,572	-	-	5,395,572
Economic Development	-	1,546,567	-	1,546,567
Depreciation	1,131,534	2,467	-	1,134,001
Total Operating Expenses	6,527,106	1,549,034	-	8,076,140
Operating income (loss)	(4,760,139)	(1,547,522)	-	(6,307,661)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest and investment revenue	-	1,017	-	1,017
Total non-operating revenue (expenses)	-	1,017	-	1,017
Income (loss) before contributions and transfers	(4,760,139)	(1,546,505)	-	(6,306,644)
Capital contributions	5,108,541	-	-	5,108,541
Transfers in	2,452,107	1,623,950	-	4,076,057
Change in net position	2,800,509	77,445	-	2,877,954
Total net position - beginning	18,386,677	81,074	10	18,467,761
Total net position - ending	\$ 21,187,186	\$ 158,519	\$ 10	\$ 21,345,715

CITY OF STILLWATER, OKLAHOMA  
OTHER SUPPLEMENTARY INFORMATION  
June 30, 2020

**Combining Statement of Cash Flows  
Nonmajor Proprietary Funds  
For the Year Ended June 30, 2020**

	<b>Airport Fund</b>	<b>Stillwater Economic Development Authority</b>	<b>Block 34 Trust Authority</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 2,129,503	\$ -	\$ -	\$ 2,129,503
Payments to suppliers	(4,370,578)	(1,140,789)	-	(5,511,367)
Payments to employees	(913,654)	-	-	(913,654)
Payments of business development incentives	-	(362,661)	-	(362,661)
Collection of business development incentive loan principal	-	10,951	-	10,951
Payments to other funds	(13,013)	(20,000)	-	(33,013)
Other receipts	-	1,512	-	1,512
Net cash provided by (used in) operating activities	<u>(3,167,742)</u>	<u>(1,510,987)</u>	<u>-</u>	<u>(4,678,729)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	2,452,107	1,623,950	-	4,076,057
Net cash provided by noncapital financing activities	<u>2,452,107</u>	<u>1,623,950</u>	<u>-</u>	<u>4,076,057</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(3,444,546)	-	-	(3,444,546)
Proceeds from capital debt	-	20,000	-	20,000
Capital contributions	5,108,541	-	-	5,108,541
Net cash provided by capital and related financing activities	<u>1,663,995</u>	<u>20,000</u>	<u>-</u>	<u>1,683,995</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	27	1,004	-	1,031
Net cash provided by investing activities	<u>27</u>	<u>1,004</u>	<u>-</u>	<u>1,031</u>
Net increase in cash and cash equivalents	948,387	133,967	-	1,082,354
Balances-beginning of year	<u>776,554</u>	<u>189,740</u>	<u>10</u>	<u>966,304</u>
Balances-end of year	<u>\$ 1,724,941</u>	<u>\$ 323,707</u>	<u>\$ 10</u>	<u>\$ 2,048,658</u>
<b>Reconciliation to Combining Statement of Net Position:</b>				
Cash and cash equivalents	\$ 1,724,941	\$ 323,707	\$ 10	\$ 2,048,658
<b>Total cash and cash equivalents, end of year</b>	<u>1,724,941</u>	<u>323,707</u>	<u>10</u>	<u>2,048,658</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:</b>				
Operating income (loss)	\$ (4,760,139)	\$ (1,547,522)	\$ -	\$ (6,307,661)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	1,131,534	2,467	-	1,134,001
Change in assets and liabilities:				
Receivables, net	(28,368)	10,951	-	(17,417)
Inventories	22,372	-	-	22,372
Due from other governments	(45,250)	-	-	(45,250)
Accounts and other payables	73,835	23,117	-	96,952
Accrued liabilities	9,072	-	-	9,072
Due to other funds	(13,013)	-	-	(13,013)
Unearned revenue	435,000	-	-	435,000
Accrued compensated absences	7,215	-	-	7,215
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (3,167,742)</u>	<u>\$ (1,510,987)</u>	<u>\$ -</u>	<u>(4,678,729)</u>



## City Recycling Services

The City's waste management team provides recycling services to Stillwater residents through the Stillwater Convenience Collection Center and its curbside pickup program. Our employees see thousands of tons in recyclable products each year-- collection programs are safe, efficient, cost-effective and environmentally responsible.

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# STATISTICAL SECTION



## Statistical Section

This section of the City's 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 105-109.*
- **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 110-117.*
- **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 118-121.*
- **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 122-125.*
- **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 126-127.*

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

CITY OF STILLWATER, OKLAHOMA  
STATISTICAL SECTION

**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 81,356,779
Restricted for capital projects	6,633,915	578,769	37,603	63,053	62,758	62,633	62,415	323,382	374,262	331,935
Restricted for pensions	-	-	-	-	7,112,182.00	7,706,462	7,834,767	8,374,505	9,478,658	10,056,817
Restricted for debt service	384,409	320,160	327,051	316,318	230,786	209,523	188,857	139,552	152,309	162,401
Restricted for street improvements	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	11,773,957
Permanent Fund - nonexpendable	-	-	-	-	-	-	-	-	-	50,000
Restricted for specific operating activities	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	1,124,923
Unrestricted	(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)	(4,568,597)
Total governmental activities net position	\$ 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	\$ 100,288,215
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 136,958,864
Restricted for capital projects	5,017,007	741,699	601,298	637,596	2,282,192	1,655,304	808,415	862,552	886,016	908,232
Restricted for debt service	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	1,945,838
Restricted for specific operating activities	2,712.00	2,712	2,712	2,712	2,712	2,712	2,460	-	-	-
Unrestricted	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	99,291,393
Total business-type activities net position	\$ 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	\$ 239,104,327
Primary government:										
Net investment in capital assets	\$ 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	\$ 218,315,643
Restricted for capital projects	11,650,922	1,320,468	638,901	700,649	2,344,950	1,717,937	870,830	1,185,934	1,260,278	1,240,167
Restricted for debt service	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	2,108,239
Restricted for street improvements	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	11,773,957
Restricted for specific operating activities	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	1,124,923
Restricted for pensions	-	-	-	-	7,112,182	7,706,462	7,834,767	8,374,505	9,478,658	10,056,817
Permanent Fund - nonexpendable	-	-	-	-	-	-	-	-	-	50,000
Unrestricted	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	94,722,796
Total primary government net position	\$ 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	\$ 339,392,542

CITY OF STILLWATER, OKLAHOMA  
STATISTICAL SECTION

**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental activities:										
Public Safety	\$ 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	\$ 25,232,995
Recreation and culture	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	3,735,748
General government	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	5,633,505
Financial administration	627,877	619,486	621,148	609,518	714,638	732,799	747,028	621,538	480,187	614,702
Streets and sewers	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	11,192,640
Engineering and public works administration	569,523	479,849	475,008	493,598	594,723	-	-	-	-	-
Economic development	422,624	577,816	621,820	739,409	14,916	27,903	13,316	25,381	24,562	7,805
Health and welfare	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	1,074,399
Interest on long-term debt	271,253	238,855	206,045	173,262	140,679	108,120	76,111	44,113	12,129	(19,671)
Total governmental activities expenses	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	47,472,123
Business-type activities:										
Electric, water, wastewater, and sanitation operations	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	62,740,400
Recreation and culture	-	-	-	-	-	-	-	-	15,000	-
Business area development	240,027	173,476	494,190	772,631	1,970,265	1,979,446	1,909,145	1,831,101	1,467,073	1,549,034
Airport operations	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	6,527,106
Total business-type activities expenses	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	70,816,540
Total primary government expenses	\$ 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	\$ 118,288,663
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Public safety	\$ 282,866	\$ 261,900	\$ 447,420	\$ 354,296	\$ 2,290,884	2,622,099	2,679,216	2,619,775	2,743,417	2,841,723
Recreation and culture	1,433,340	1,397,513	1,284,758	1,218,766	1,121,462	1,064,755	914,995	712,549	274,101	166,543
General government	323,591	387,053	815,659	638,624	934,955	554,497	1,362,082	1,296,850	1,099,376	1,119,503
Financial administration	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	801,154
Streets and sewers	561,452	698,777	674,190	437,901	483,411	555,381	1,107,030	405,717	392,285	407,476
Health and welfare	693,700	29,551	163,907	282,297	227,846	302,888	430,744	262,807	426,387	270,528
Operating grants and contributions	178,380	310,693	177,373	1,075,844	571,493	526,732	79,813	198,989	524,836	3,000,657
Capital grants and contributions	784,756	805,756	927,215	660,101	600,714	2,327,602	5,599,043	1,232,531	1,149,352	1,353,885
Total governmental activities program revenues	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	9,961,469



CITY OF STILLWATER, OKLAHOMA  
STATISTICAL SECTION

**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS (1)**  
**(accrual basis of accounting)**  
**(continued)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services:										
Electric, water, wastewater, and sanitation operations	\$ 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	\$ 76,947,432
Business area development	15,671	23,328	23,207	28,130	29,303	17,844	204,548	14,783	848	1,512
Airport operations	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	1,443,053
Operating grants and contributions	-	-	-	-	-	-	-	-	61,392	323,914
Capital grants and contributions	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	6,383,537
Total business-type activities program revenues	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	85,099,448
Total primary government program revenues	\$ 70,224,847	\$ 76,149,678	\$ 76,804,464	\$ 82,273,498	\$ 86,782,687	\$ 88,774,530	\$ 91,749,562	\$ 93,557,816	\$ 93,202,959	\$ 95,060,917
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (37,510,654)
Business-type activities	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	14,282,908
Total primary government net expense	\$ (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)	\$ (23,227,746)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 24,389,442	\$ 25,787,401	\$ 28,249,872	\$ 31,096,996	\$ 29,926,023	\$ 30,250,927	\$ 29,800,331	\$ 31,288,009	\$ 31,042,303	\$ 31,005,552
Property taxes	1,448,266	1,343,480	1,310,488	1,296,462	1,196,973	1,170,237	987,082	978,693	927,799	1,205,509
Franchise and public service taxes	1,548,118	1,544,506	1,564,301	1,729,912	1,710,990	1,663,781	1,719,692	1,728,885	1,799,042	1,999,500
E911 taxes	66,529	63,870	60,338	64,278	90,535	76,503	48,274	65,245	62,591	61,217
Hotel/motel taxes	560,749	615,997	805,941	970,100	787,488	736,485	819,592	842,623	777,659	641,945
Investment income	104,666	78,162	74,677	(99,634)	168,627	186,077	58,500	103,431	234,296	345,279
Miscellaneous	-	-	-	-	-	-	-	-	-	44,334
Transfers-internal activity	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	7,601,376
Total governmental activities	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	42,904,712
Business-type activities:										
Investment income	114,643	275,937	(167,141)	181,875	375,015	715,402	171,150	334,844	1,385,880	1,508,512
Miscellaneous	163,705	350,312	420,681	584,669	503,379	3,500	224,699	(631,707)	51,627	(499,308)
Transfers-internal activity	(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)	(7,601,376)
Total business-type activities	(4,393,461)	(7,590,805)	(2,456,607)	(686,240)	(61,586)	(1,761,439)	(2,758,748)	(2,514,938)	(9,105,674)	(6,592,172)
Total primary government	\$ 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	\$ 36,312,540
<b>Change in Net Position</b>										
Governmental activities	\$ (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	\$ 5,394,058
Business-type activities	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	7,690,736
Total primary government	\$ 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	\$ 13,084,794

CITY OF STILLWATER, OKLAHOMA  
STATISTICAL SECTION

**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Non-spendable: inventories	\$ 163,741	\$ 178,437	\$ 142,282	\$ 127,598	\$ 113,209	\$ 110,496	\$ 116,940	\$ 61,077	\$ 38,909	\$ 45,440
Restricted for public safety	100,713	107,914	114,724	98,393	100,321	95,790	72,571	95,185	92,613	99,805
Restricted for economic development	235,673	386,097	668,398	936,095	788,185	360,813	299,183	556,147	580,600	500,929
Restricted for sales tax transfer	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	241,369
Committed to public safety	522,274	555,967	283,254	458,395	509,846	567,333	612,968	-	-	-
Committed to capital improvements	-	-	-	-	-	-	-	-	486,577	587,131
Committed to stormwater	-	-	-	-	-	-	-	-	477,583	505,643
Assigned to self insurance	828,670	280,841	1,233,143	1,898,069	1,492,683	1,679,512	1,790,911	1,177,988	758,544	1,319,885
Assigned to recreation and culture	150,445	167,036	172,350	176,613	158,969	144,517	118,186	64,567	66,039	65,425
Assigned to special event	-	-	-	-	-	-	-	-	128,533	43,253
Assigned to public safety	-	-	-	-	-	-	-	-	517,621	618,376
Assigned to community rehab	-	-	-	-	-	-	-	-	-	18,932
Assigned to Stillwater utilities	-	-	-	-	-	-	-	-	-	5,029,679
Assigned to budget appropriation	-	-	-	-	-	-	-	-	6,866,627	5,561,419
Unassigned	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	\$ 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	\$ 14,637,286
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Restricted for debt service	384,409	320,160	327,051	316,318	230,786	209,523	188,857	139,552	152,309	162,401
Restricted for capital improvements	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	11,864,523
Restricted for library books	-	-	-	-	-	-	-	-	-	4,232
Restricted for library purposes	-	-	-	-	-	-	-	-	-	519,957
Assigned for capital improvements	-	-	-	-	-	-	-	-	2,979,724	5,026,307
Unassigned	101,368	(57,525)	54,350	-	-	-	-	-	-	-
Total all other governmental funds	\$ 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	\$ 17,627,420

CITY OF STILLWATER, OKLAHOMA  
STATISTICAL SECTION

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

*(modified accrual basis of accounting)*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Taxes	\$ 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	\$ 34,713,615
Intergovernmental	963,136	533,384	408,338	1,222,484	715,097	524,126	541,595	439,114	636,609	2,988,724
Charges for service	1,449,277	650,145	802,270	584,908	614,263	671,485	799,313	566,985	529,946	578,575
Fines and forfeits	656,201	776,389	793,076	742,037	881,790	1,162,590	1,045,956	1,123,676	1,084,493	715,114
Fees and rentals	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	452,428
Investment income	104,175	77,854	74,525	(99,686)	168,575	186,025	58,378	102,982	233,772	344,899
Licenses and permits	187,563	268,209	319,497	311,218	264,840	377,683	383,629	243,017	278,769	328,791
Other miscellaneous revenues	726,410	880,825	1,219,642	1,113,058	1,091,427	692,754	1,743,092	1,499,104	1,345,334	1,258,572
Total revenues	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	41,380,718
<b>Expenditures</b>										
Current:										
Public safety	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	21,218,588
Recreation and culture	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	3,026,598
General government	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	5,259,527
Financial administration	600,203	591,712	602,812	600,062	735,423	844,480	688,490	641,620	473,228	612,456
Streets and sewers	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	4,207,693
Operations	589,376	478,606	471,523	492,586	594,143	-	-	-	-	-
Economic development	422,624	527,896	562,422	755,344	14,916	27,903	13,316	25,381	24,562	9,316
Human services	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	1,089,365
Debt service:										
Principal retirements	775,000	825,000	820,000	815,000	810,000	805,000	800,000	800,000	795,000	795,000
Interest and fiscal charges	385,408	305,000	272,000	239,200	206,600	174,200	142,000	110,000	78,000	46,200
Capital outlay	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	8,230,398
Total expenditures	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	44,495,141
Excess of revenues over (under) expenditures	(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	(3,114,423)
<b>Other Financing Sources (Uses)</b>										
Proceeds of refunding bonds and other debt	53,488	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	575,655	-	-	-	-	-	-	-	-	-
Transfers in	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	25,483,215
Transfers out	(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)	(17,881,839)
Total other financing sources (uses)	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	7,601,376
Net change in fund balances	\$ 4,275,798	\$ 2,112,379	\$ 521,038	\$ 632,496	\$ (1,593,903)	\$ (6,197,655)	\$ 804,408	\$ 4,389,693	\$ 10,048,517	\$ 4,486,953
Debt service as a percentage of noncapital expenditures	3.71%	3.32%	3.42%	2.70%	2.84%	2.44%	2.48%	2.56%	2.40%	2.05%

CITY OF STILLWATER, OKLAHOMA  
STATISTICAL SECTION

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**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

*(accrual basis of accounting)*

Fiscal Year	Sales & Use Taxes	Property Taxes	Franchise and Public Service Taxes	E911 Taxes	Hotel/Motel Taxes	Total Taxes	Sales Tax as Percentage of Total Taxes
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	89.69%
2020	31,271,335	1,205,509	1,722,916	61,217	641,995	34,902,972	89.60%

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	Total Valuation	Homestead Exemption	Other Exemptions (2)	Net Total Valuation	Total Direct Tax Rate	Total Estimated Actual Value	Ratio of Total Assessed to Actual Value
2011	\$ 233,860	\$ 40,031	\$ 9,692	\$ 283,583	\$ 5,334	\$ -	278,249	5.23	2,487,570	11.19%
2012	237,228	28,578	9,444	275,250	5,199	-	270,051	4.95	2,414,474	11.18%
2013	242,749	22,543	8,953	274,245	5,173	-	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%
2020	339,463	34,915	7,470	381,848	4,574	1,710	375,564	2.73	3,349,544	11.21%

The assessed value of the taxable property as certified by the Payne County Assessor to be used for the 2021 fiscal year is as follows:

	Real Property	Personal Property	Public Service Property	Total Valuation	Homestead Exemption	Other Exemptions (2)	Net Total Valuation	Total Direct Tax Rate	Total Estimated Actual Value
2021	\$ 345,443	\$ 35,155	\$ 8,641	\$ 389,239	\$ 4,539	\$ 1,893	\$ 382,807	1.83	\$ 3,414,377

(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

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**DIRECT AND OVERLAPPING PROPERTY TAX RATES (1)**  
**LAST TEN FISCAL YEARS**  
***(rate per \$1,000 of assessed value)***

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

The direct and overlapping tax rates for FY 2021 are as follows:

<u>Fiscal Year</u>	<u>City of Stillwater Debt Service Fund</u>	<u>Independent School District No. 16</u>	<u>Meridian Technology Center</u>	<u>Payne County</u>	<u>Total</u>
2021	1.83	65.46	15.47	16.43	99.19

(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	2020			2011		
		2020 Assessed	Percentage of Total Assessed	Rank	2011 Assessed Valuation	Percentage of Total Assessed Valuation	Rank
ASCO Aerospace USA, LLC	Aerospace	\$ 8,697,512	2.54%	1			
Brookside Stillwater	Apartments	5,472,686	1.60%	2			
Wal-Mart Real Estate	Discount supercenter	5,042,394	1.47%	3	\$ 2,487,633	0.92%	5
Links at Stillwater	Apartments/golf/fitness development	4,479,135	1.31%	4	2,647,727	0.98%	3
213 W. Elm	Apartments	3,277,050	0.96%	5			
Lakeview Pointe	Shopping center	2,876,959	0.84%	6	2,393,520	0.89%	8
Breckenridge Group Stillwater OK LLC	Off campus student housing	2,855,686	0.83%	7			
HPI Tradan Heights	Apartments	2,704,864	0.79%	8			
Crown Castle NG Central	Manufacturer of communication infrastructure	2,016,132	0.59%	9			
Oklahoma Natural Gas	Gas Utility	1,937,046	0.57%	10	1,698,081	0.63%	10
Chickasaw Telecom Services, Inc.	Telephone utility						
Wells, Henry	Real estate developer						
Armstrong World Industries, Inc.	Manufacturer of floor coverings				2,462,889	0.91%	6
Brunswick Corporation	Manufacturer of stern-drive boat motors				5,094,184	1.89%	1
Quad Graphics	Printer of magazines and advertising inserts				2,952,611	1.09%	2
Southwestern Bell Telephone, LP	Telephone utility				2,528,897	0.94%	4
AT&T Mobility, LLC	Telephone utility				2,419,300	0.90%	7
National Standard Co.	Manufacturer of steel cord for radial tires				1,977,684	0.73%	9
		<u>\$ 39,359,464</u>	<u>11.50%</u>		<u>\$26,662,526</u>	<u>9.87%</u>	

(1) Source: Payne County Assessor

**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
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
2020	1,008	976	97%	29

(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, 2018 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)*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Retail trade	\$ -	\$ -	\$ 445,548	\$ 483,038	\$ 480,420	\$ 480,512	\$ 459,539	\$ 469,452	\$ 467,503	\$ 507,064
Accommodation and food services	-	-	\$137,002	148,363	148,904	154,198	154,052	161,040	161,562	150,159
Wholesale	-	-	44,145	70,324	51,578	42,187	38,811	44,628	38,728	34,891
Utilities	-	-	42,350	44,616	46,131	41,983	43,885	45,169	46,255	42,656
Information	-	-	23,014	25,105	25,393	25,041	24,427	23,039	22,658	22,728
Education services	17,867	18,788	18,567	18,517	14,818	4,801	11,449	27,145	23,582	81
Manufacturing	-	-	14,419	16,697	14,454	17,096	15,074	15,060	11,880	5,503
Unclassified	-	-	-	8,847	7,592	26,363	15,627	3,107	2,229	3,368
Other services (except Public Administration)	-	-	11,425	7,190	7,801	7,847	7,692	7,966	8,661	8,513
Real estate, rental, and leasing	-	-	8,911	13,102	12,796	11,966	14,289	13,262	14,454	11,351
Arts, entertainment, and recreation	-	-	4,925	3,995	3,955	3,898	4,349	4,061	4,267	6,364
Professional, scientific, and technical services	-	-	2,228	3,002	2,800	2,670	2,789	3,034	3,169	3,519
Transportation and warehousing	-	-	1,809	2,496	2,435	2,630	2,935	2,887	2,740	2,647
Finance and insurance	-	-	1,522	2,349	292	252	356	468	583	584
Construction	-	-	1,094	1,392	1,609	1,172	2,123	1,469	1,584	1,817
Mining, quarrying, and oil and gas extraction	-	-	60	842	755	127	46	3	104	20
Administrative, support, waste management, and remediation services	-	-	-	261	269	306	382	635	523	380
Agriculture, forestry, fishing, and hunting	-	-	346	55	70	64	72	82	103	173
Health care and social assistance	-	-	39	27	17	20	337	615	372	241
Public administration	-	-	-	3	5	(8)	(2)	0	32	4
All other outlets	54,324	57,182	889	-	-	0	0	0	0	0
General merchandise stores	163,683	171,170	-	-	-	0	0	0	0	0
Eating and drinking places	100,179	108,943	-	-	-	0	0	0	0	0
Miscellaneous retail	61,044	65,576	-	-	-	0	0	0	0	0
Building material, hardware, garden supply	44,602	47,178	-	-	-	0	0	0	0	0
Food stores	36,763	39,301	-	-	-	0	0	0	0	0
Electric, gas, and sanitary services	39,611	40,763	-	-	-	0	0	0	0	0
Wholesale trade - durable goods	24,607	24,995	-	-	-	0	0	0	0	0
Apparel and accessory stores	35,328	39,194	-	-	-	0	0	0	0	0
Furniture, home furnishings, and equipment	35,526	35,764	-	-	-	0	0	0	0	0
Communications	20,890	22,985	-	-	-	0	0	0	0	0
Automotive dealers and gasoline service	15,732	16,055	-	-	-	0	0	0	0	0
Business services	14,629	12,360	-	-	-	0	0	0	0	0
<b>Total</b>	<b>\$664,785</b>	<b>\$700,255</b>	<b>\$175,742</b>	<b>\$850,221</b>	<b>\$822,094</b>	<b>\$823,125</b>	<b>\$798,232</b>	<b>\$823,122</b>	<b>\$810,989</b>	<b>\$802,063</b>
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 (3)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
<b>Total tax rate</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>

(1) Source: Oklahoma Tax Commission

(2) Prior to Fiscal Year 2013, collections were reported by SIC code rather than NAICS code.

(3) 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.

CITY OF STILLWATER, OKLAHOMA  
STATISTICAL SECTION

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**DIRECT AND OVERLAPPING SALES TAX RATES (1)**  
**LAST TEN CALENDAR YEARS**

Fiscal Year	City of Stillwater (2)	State of Oklahoma	Payne County (3)
2011	3.50%	4.50%	0.75%
2012	3.50%	4.50%	0.75%
2013	3.50%	4.50%	0.81%
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%
2020	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

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**ELECTRIC UTILITY CUSTOMERS AND SALES BY TYPE**  
**LAST TEN FISCAL YEARS**

		<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>	<u>2020</u>
Commercial:	Average monthly customers	2,203	2,242	2,316	2,336	2,369	2,387	2,430	2,448	2,466	2,483
	Annual sales	\$ 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	\$ 17,029,618
	Percentage of total annual sales	36%	36%	39%	39%	39%	39%	40%	40%	39%	39%
Residential:	Average monthly customers	17,434	17,341	17,549	17,996	18,278	18,576	18,526	18,619	18,853	18,981
	Annual sales	\$ 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	\$ 21,963,322
	Percentage of total annual sales	46%	47%	49%	50%	48%	48%	48%	49%	49%	50%
Industrial/Institutional:	Average monthly customers	5	5	5	5	5	5	5	5	5	5
	Annual sales	\$ 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	\$ 4,958,654
	Percentage of total annual sales	18%	17%	12%	12%	13%	13%	12%	12%	12%	11%

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1) (2)**

**AS OF JUNE 30, 2020**

***(in thousands of dollars)***

<u>Governmental Unit:</u>	<u>Bonds Outstanding</u>	<u>Percentage Applicable to City of Stillwater Property Owners / Patrons</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes Stillwater Independent School District #16 (3)	\$ 47,540	82.72%	\$ 39,324
Debt repaid with sales taxes Payne County Facilities Authority	\$ 1,885	68.84%	\$ 1,298
<b>City of Stillwater direct debt</b>	<b>\$ 413</b>	<b>100.00%</b>	<b>\$ 413</b>
<b>Total direct and overlapping debt</b>			<b><u>\$ 41,035</u></b>

(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**

	Governmental Activities		Business-type Activities							
	General					Total Primary	Personal Income	Debt as		
Fiscal Year	Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Government		(in thousands of dollars)	Percentage of Personal Income	Population	Total Debt Per Capita
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	2,987,591		3.4%	50,391	2,017.56
2019	1,271,617	64,650,240	35,531,350	2,356,079	103,809,286	**	**		50,299	2,063.84
2020	413,396	63,031,277	38,226,074	2,650,462	104,321,209	**	**	**	**	**

\*\* 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	<u>General Obligation Bonds</u>		Accumulated Resources Restricted to Repayment of		Population	Net Bonded Debt Per Capita	Total Estimated Actual Value (in thousands)	Net Bonded Debt per \$1,000 of Assessed Value
	Governmental Activities	Total Primary Government	General Bonded Debt	Net General Bonded Debt				
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	50,299	22.25	3,159,123	0.35
2020	413,396	413,396	162,401	250,995	**	**	3,349,544	0.07

\*\* Data not available at time of publication

CITY OF STILLWATER, OKLAHOMA  
STATISTICAL SECTION

**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	Utility Operating Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service			Pledged Transportation Sales Tax	Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage
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
2019	83,389	48,522	34,867	3,661	3,549	4.84	0	0	0	0
2020	80,975	44,822	36,153	3,743	3,564	4.95	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>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>	<u>2020</u>
Governmental activities:										
Public safety	196.0	194.0	197.0	199.0	202.5	202.0	203.8	196.5	200.5	193.0
Recreation and culture (1) (2)	67.0	56.3	72.3	80.5	67.3	51.5	60.0	35.0	33.5	32.0
General government	33.0	36.5	45.0	56.5	50.3	55.3	51.3	53.5	54.0	56.0
Financial administration	13.0	16.0	18.5	14.8	17.0	17.0	17.0	15.0	15.0	14.0
Streets and sewers	35.0	37.3	26.0	26.0	29.0	42.0	37.0	35.0	34.0	34.0
Engineering and public works administration	6.0	4.0	11.0	6.0	6.0	7.0	6.0	5.0	5.5	6.5
Health and welfare	19.0	18.3	16.5	18.0	20.0	18.0	13.0	13.5	13.5	12.0
Business-type activities:										
Electric, water, and wastewater operations	128.0	136.0	142.3	146.8	158.3	156.8	157.3	145.5	159.5	153.5
Sanitation operations	31.0	29.5	30.0	30.0	29.0	31.0	28.0	27.0	28.0	29.0
Stillwater Public Golf Authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Airport operations	5.0	5.0	5.3	5.8	5.8	10.8	11.5	10.5	15.5	17.0
Total	533.0	532.9	563.8	583.3	585.0	591.3	584.8	536.5	559.0	547.0

Source: City Payroll Division

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

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



**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</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>	<u>2020</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	23	23	23	23	23	23	23
Tennis courts	10	10	10	10	7	8	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	217	215	215	216	234	234	234	234	235
Traffic signals	60	60	62	64	65	65	67	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	20.2	20.8	21.3	21.3	21.3	24.1	25.7	24.3
Water										
Water plant	1	1	1	1	1	1	1	1	1	1
Water storage towers (away from plant)	5	5	5	6	6	13	13	14	12	13
Wastewater										
Wastewater plant	1	1	1	1	1	1	1	1	1	1
Lift stations	15	15	15	15	15	15	16	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>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>	<u>2020</u>
Governmental activities:										
Public safety										
Traffic citations	3,468	2,481	3,065	2,779	2,574	4,719	5,980	5,511	5,668	5,782
Parking tickets	17,076	13,419	16,610	14,709	11,135	12,243	10,565	13,110	9,531	8,160
Police calls for service	44,683	43,518	33,213	31,548	33,241	39,508	38,496	40,573	38,999	33,232
Animals handled by Animal Welfare	2,530	2,387	2,398	2,465	2,081	1,977	2,161	2,088	2,076	2,062
Fire calls for service	1,948	1,927	4,077	4,130	4,453	4,678	5,362	5,859	4,721	3,588
Ambulance calls for service (1)	4,268	0	0	0	0	0	0	0	0	0
Recreation and culture										
Acres mowed (2)	5,735	5,735	5,490	5,490	4,829	4,829	16,524	18,103	13,970	16,016
Program participants	5,046	4,987	5,100	2,618	1,990	2,368	2,469	2,048	2,065	1,849
Senior Center daily average attendance	40	40	22	25	63	65	53	56	50	47
Multi Arts participants (3)	6,200	4,700	0	0	0	0	0	0	0	0
Swimming pool admissions (4)	12,859	12,356	10,804	10,840	11,431	10,723	10,751	0	0	0
Lakeside Golf Course - rounds of golf (5)	29,247	29,764	31,237	29,563	27,651	27,103	26,952	18,824	0	0
Volumes in library (6)	100,119	110,918	110,728	111,072	101,941	98,312	92,134	87,916	100,035	72,071
Total circulation of library materials (7)	369,340	369,191	360,423	353,860	362,895	373,257	368,164	352,953	374,176	331,493
Community Center admissions (7)	118,082	132,251	137,541	159,548	138,807	123,538	125,715	136,735	183,689	81,510
General government										
Supported micro-computers by IT	511	590	450	450	450	450	450	450	475	475
Helpdesk/trouble calls by IT	2,785	3,355	2,500	2,100	2,050	2,800	2,500	2,800	3,200	3,325
Ordinances drafted	35	37	52	35	35	36	26	31	31	15
Financial administration										
Computer generated accounts payable checks	3,945	2,598	2,218	2,399	2,374	2,414	2,876	2,721	2,249	2,229
Budget revisions/amendments processed	325	274	317	289	271	281	404	361	449	527
Requisitions reviewed	1,355	1,231	1,228	1,639	1,515	1,295	1,390	1,119	1,018	1,979
Municipal court cases	8,165	6,880	7,568	7,263	6,532	8,009	6,957	7,346	8,375	7,703
Streets and sewers										
Feet of striping (8)	8,755	25,200	25,200	31,680	54,269	106,305	15,750	30,320	12,364	15,284
Signs made	251	1,142	814	736	250	451	541	1,095	1,115	1,116
Crack sealant (blocks) (9)	216	0	49	6,237	16,475	9,090	88	76	16	147
Slurry sealant (blocks)	29	26	40	0	8	0	0	0	0	0
Concrete replacement (cu. yds.)	1,714	1,229	1,169	1,252	1,425	516	974	923	1,006	727
Health and welfare										
Developments reviewed	80	52	73	66	66	65	67	74	103	120
Permits issued	3,406	4,116	3,285	3,124	2,784	2,760	3,040	2,181	2,064	2,728
Code enforcement inspections (10)	5,574	5,638	7,059	8,114	6,061	5,204	811	2,230	3,334	1,040
High grass and weed cases (10)	1,076	266	40	309	635	699	101	143	279	121
Trees and shrubs planted	0	70	50	42	0	0	501	450	10	8

CITY OF STILLWATER, OKLAHOMA  
STATISTICAL SECTION

**LAST TEN FISCAL YEARS**  
**(continued)**

	<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>	<u>2020</u>
Business-type activities:										
Electric, water, and wastewater operations										
Electric connections	20,208	20,856	21,399	20,336	20,624	20,476	20,921	21,071	21,324	21,470
Water connections	16,218	16,390	16,256	16,607	17,015	17,077	18,695	18,779	18,783	18,856
Waterline repairs (11)	900	252	349	340	300	189	216	225	225	191
Water treated (million gallons)	2,282	2,438	2,407	2,321	2,400	4,472	2,586	2,209	1,849	1,877
Sewage treated (million gallons)	1,648	1,651	1,825	1,905	1,799	1,776	1,671	1,596	1,746	1,728
Sanitation operations										
Landfill usage (tons)	19,713	18,631	18,605	18,602	19,006	19,076	20,200	21,072	21,041	21,079
Yard waste hauled (tons)	1,403	1,021	1,071	1,040	1,424	1,233	992	1,121	1,185	1,185
Fleet operations										
Vehicles maintained	305	362	494	539	573	575	580	495	507	522
Fleet job orders completed	3,754	3,848	4,284	4,540	5,095	3,886	2,256	2,166	2,223	2,199
Airport operations										
Air traffic operations (avg month)	4,994	4,885	4,945	4,911	5,526	5,765	5,899	6,520	6,154	5,096

- (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 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) in 2020, the Library began doing a physical inventory count of volumes rather than using a calculation that accounts for changes in volumes since 1990
- (7) in March 2020, the Mayor issued a proclamation declaring a state of emergency to combat COVID-19; the proclamation specified that City Hall and City-owned facilities shall close and all programming and/or events be postponed until expiration of the declaration. In May 2020, the Mayor issued an amendment extending the state of emergency and reopening City Hall and various City-owned facilities effective June 2020.
- (8) 2016 measurement includes contracted longline striping
- (9) measured in lbs. in 2014-2016
- (10) measured based on number of contacts in 2011-2016 & 2018; 2017, 2019-2020 measured per case
- (11) includes water main and service line repairs.

Sources: Various City departments

**PRINCIPAL EMPLOYERS (1)**

**CURRENT YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>Current Year</u>			<u>Nine Years Ago</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Oklahoma State University	4,945	1	21%	6,819	1	31%
Stillwater Medical Center	1,324	2	6%	869	2	4%
Stillwater Public Schools	840	3	4%	766	3	4%
City of Stillwater	523	4	2%	533	5	2%
Wal-Mart	399	5	2%	548	4	3%
Oncue Marketing	219	6	1%	162		1%
OK State Dept. of Career Tech	204	7	1%	270	7	1%
Stillwater Designs/Kicker Audio	179	8	1%	182	10	1%
ASCO Aerospace USA	156	9	1%			
National Standard	151	10	1%	175		1%
Quebecor World/Quad Graphics				240	8	1%
Stan Clark Companies	103		0%	484	6	2%
Simmons Bank (2)	45		0%	213	9	1%
Others:						
Meridian Technology Center	140			120		
Frontier Electronics	129			136		
Armstrong World Industries	78			135		

(1) Sources: human resource departments of various local employers

(2) In May 2018 BankSNB converted to Simmons Bank

**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 High- School Graduate or Higher	Percentage Bachelor's Degree or Higher			
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	2,987,591	37,195	25.5	94.4%	47.7%	6,524	27,557	3.9%
2019	50,299	**	**	**	**	**	6,512	30,765	2.9%
2020	**	**	**	**	**	**	6,029	26,252	4.4%

\*\* 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.



## Strickland Skate Park

Strickland Park's 2019 addition to its skate park is used year-round by Stillwater residents of all ages. Stillwater City Council selected the skate park renovations as the recipient of the 2017 Community Development Block Grant.

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## OTHER REPORTS SECTION







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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 7, 2020. Our report includes a reference to other auditors who audited the financial statements of Stillwater Medical Center Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

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



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

BT & Co., P.A.

December 7, 2020  
Topeka, Kansas



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