



FY23 City of Stillwater

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

Stillwater
OKLAHOMA
stillwaterok.gov

Transportation

The City of Stillwater's transportation network includes over 600 lane miles, 236 street miles, 8 miles of paved walking trails, 5 miles of natural trails, 30 miles of share-the-road bike lanes, 67 traffic signals and approximately 30 bridges to help you get where you need to go!



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ANNUAL COMPREHENSIVE FINANCIAL REPORT

And Accompanying Independent Auditor's Report
Fiscal Year Ended June 30, 2023

Prepared by:
Department of Finance

Christy Cluck,
Director of Finance

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Strickland Park Project

This playground was a collaborative effort between the City of Stillwater, Mya's Promise and the Oklahoma Department of Commerce to create an inclusive and accessible play area and community gathering place.



CITY OF STILLWATER, OKLAHOMA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended June 30, 2023

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INTRODUCTORY SECTION





Local Law Enforcement

The City of Stillwater is protected by three separate law enforcement departments – Stillwater Police Department, OSU Police Department and Payne County Sheriff's Department.

Facebook - @StillwaterPolice



Instagram - @stillwaterpolicedept



X - @StwOKPolice



LETTER OF TRANSMITTAL

Date: December 11, 2023

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

The annual comprehensive financial report of the City of Stillwater (the "City"), for the fiscal year ended June 30, 2023, 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 auditor's 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, HSPG & Associates (HSPG), was selected by the City Council upon recommendation from the City's Audit Committee to perform the fiscal year 2023 audit. HSPG issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report. The independent auditor's 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 auditor's 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 annual comprehensive financial report.

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 approximately 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 Library Trust Authority (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 unreserved fund balance and inter-fund transfers for each fund.

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

STILLWATER'S ECONOMY AND REVENUE OUTLOOK

The City has a diverse economy with a high degree of stability. Stillwater is the county seat for Payne County and houses other governmental entities and educational centers that provide a stable labor force. Oklahoma State University is the City's largest employer, and the city is also the headquarters for the Oklahoma Department of Career and Technology Education and the Meridian Technology Center. Employment in the federal, state and local government sectors account for approximately 30% 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 U. S. average.

Commercial construction projects completed in fiscal year 2023 included the expansion of medical facilities for Stillwater Medical Center and Stillwater Cancer Center, new car wash facilities, remodels for new restaurants/food businesses in the downtown area, as well as new commercial businesses on the west side of Stillwater and warehouse facilities in the northeast area. Residential home construction

continues with over 110 homes permitted for construction. Infill development is also occurring in the older residential parts of town for new homes and duplexes.

As with all Oklahoma municipalities, sales tax is the primary source of revenue to the general fund. Stillwater's local sales tax rate for the period ending June 30, 2023 was 4% with 1% dedicated to transportation, 1% dedicated to the Stillwater Utilities Authority, and 2% undedicated to the general fund. Over the last five fiscal years, sales and use taxes combined have averaged \$35.4 million. This average includes the dedicated sales tax of 2%. Sales and use tax collections combined have been stable with an average annual growth of 8.0%. Fiscal year 2023 saw a significant increase in sales and use tax of 19.9% over fiscal year 2022; however, 13.3% of the growth relates directly to the increase in the dedicated transportation sales tax from 0.5% to 1.0% effective with the start of the fiscal year.

MAJOR INITIATIVES

Infrastructure: In February 2022, the Stillwater voters passed an additional 0.5% sales tax dedicated to transportation improvements bringing the total to 1.0% dedicated to transportation improvements effective July 1, 2022. Council appointed a citizen committee to work with staff on setting priorities for repair, replacement, and expansion of roads, sidewalks and alternative transportation lanes. During fiscal year 2023, staff progressed project designs associated with Pavement Management Program Plans that have been authorized since fiscal year 2019. Ongoing construction projects during fiscal year 2023 included 3rd Avenue Bridge, Husband Street Bridge, 12th and Duncan Stormwater Improvements and several deferred maintenance projects.

In April 2022, the voters approved a \$9.0 million general obligation bond for the relocation and construction of Fire Station #2. Prior to this, the City's voters had not passed a bond issue in over 20 years. The current Fire Station #2 was built in the 1930s and no longer meets the needs of a modern fire station. Design and engineering were progressing on the fire station at the end of fiscal year 2023 with bids scheduled to be advertised in fiscal year 2024.

In recent years the City has evaluated its raw water supply, treatment and finished water conveyance systems to determine what is required to continue meeting the needs of current customers and to accommodate continued growth and economic development in our city. To meet anticipated needs throughout the next 50 years, an increase in system capacity from 18 to 30 million gallons per day will be necessary and the drinking water system will require 1) a new finished water pump station, 2) a new backup raw water supply system from Lake McMurry, 3) rehabilitation of the 36-inch raw water transmission line with the addition of parallel sections, 4) expansion of the Kaw Lake raw water system and 5) rehabilitation and expansion of the water treatment plant. These projects are estimated at \$190-225 million. The City has identified funding for a portion of the projects and design was underway in fiscal year 2023 for the most urgent needs. To fully fund the projects, a review of utility rates and grant opportunities is underway. As of June 30, 2023, nearly \$17.0 million in federal funds has been identified for these projects.

Economic Development: Stillwater serves as a regional hub for education, health care and commerce. The City is committed to broadening the offerings in these areas along with providing quality jobs for a skilled workforce by attracting manufacturing and entrepreneurial business to Stillwater. During fiscal year 2023, the City Council approved two multi-million dollar projects under the Tax Increment Financing District #3 (TIF#3) Project Plan for dining establishments in the downtown area. In addition, City Council awarded seven small business enhancement grants to local businesses in the TIF#3 project area for exterior façade improvements. Stillwater has also experienced an uptick in interest from large scale

industries to locate here which would support high paying, quality jobs in the community along with increases in tax base and utility revenues.

Quality of Life: Progress continued in fiscal year 2023 in the area of quality of life for the Stillwater community. A donor came forward in fiscal year 2022 to fund an event space on Block 34, a city block in downtown Stillwater, which will include a public green space, pavilion and amphitheater. Block 34 is destined to be a central gathering place with programming to include concerts and family centered activities. Design and engineering were completed in fiscal year 2023 and the project was advertised for bid in the early part of fiscal year 2024.

AWARDS

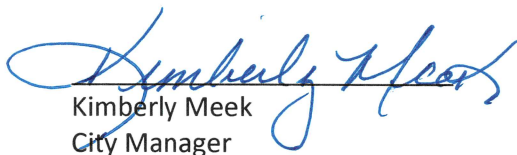
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious 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 annual comprehensive financial report. This report satisfied accounting principles generally accepted in the United States of America and applicable legal requirements.

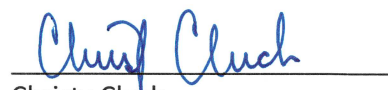
A Certificate of Achievement is valid for a period of one year. The City has received a Certificate of Achievement for the last forty-one consecutive years. We believe that our current report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to 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 Accounting Manager, Jared Thulin, and the professional assistance of Crawford and Associates, P.C. and the City's independent auditors, HSPG & Associates. 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,


Kimberly Meek
City Manager


Christy Cluck
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Stillwater
Oklahoma**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OFFICIALS AND AUDIT COMMITTEE

As of December 2023

Mayor and City Council



Mayor
Will Joyce



Vice Mayor
Amy Dzialowski



Councilor
Tim Hardin



Councilor
Kevin Clark



Councilor
Christie Hawkins

Audit Committee

KELLY COX

Committee Chair

JOHN KILLAM

Member

RANDY MURRAY

Member

RACHEL DOMNICK

Member

AUSTIN POLLARD

Member

KEVIN CLARK

Ex-Officio
Council Member

City Administration

KIMBERLY MEEK

City Manager

BRADY MOORE

Deputy City Manager

PATTI OSMUS

Assistant to the City Manager

KIMBERLY CARNLEY

City Attorney

TERESA KADAVY

City Clerk

Department of Finance

CHRISTY CLUCK

Director of Finance

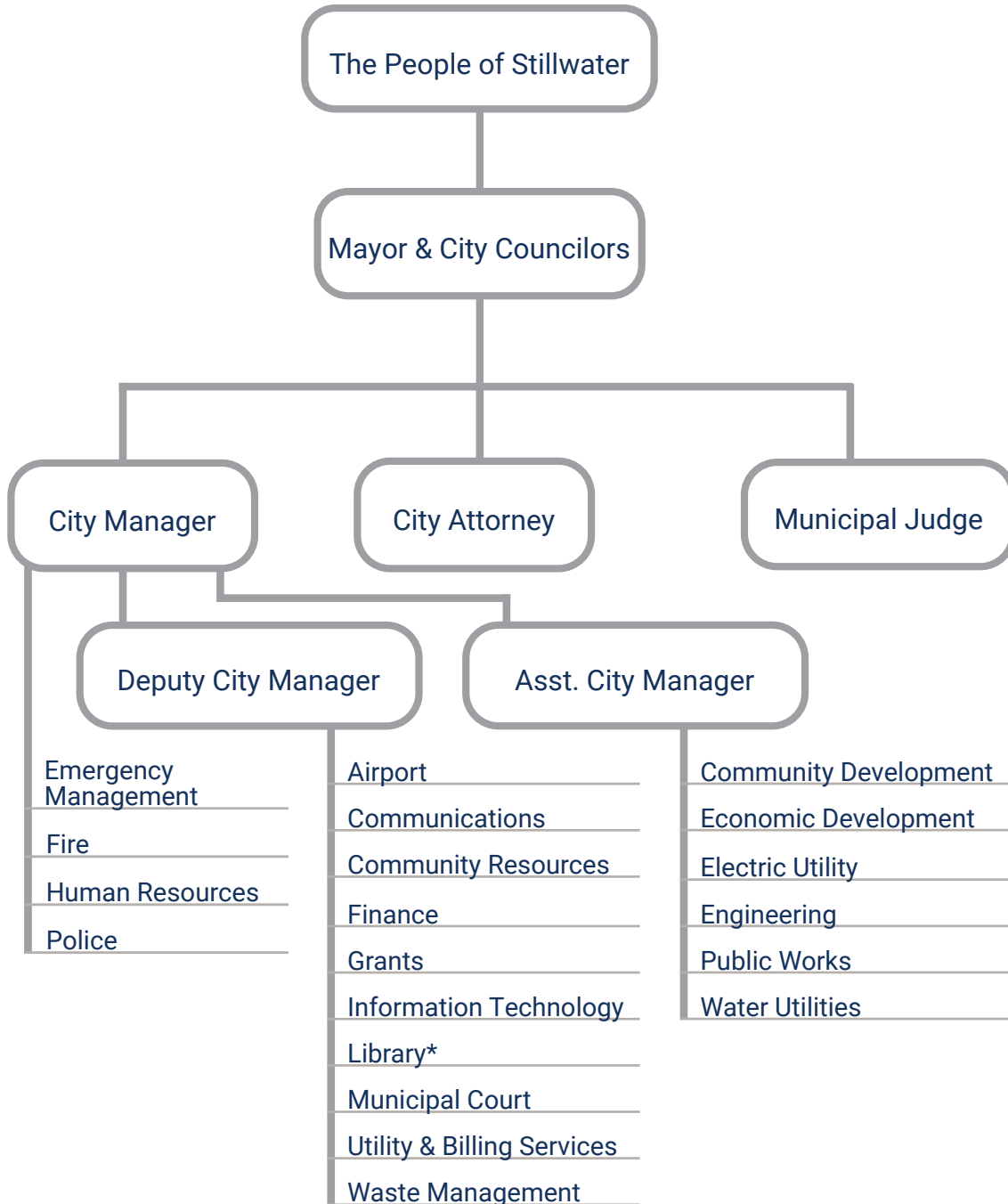
JARED THULIN

Accounting Manager

MICHELLE WILHELM

Finance Manager

ORGANIZATION CHART – GENERAL GOVERNMENT



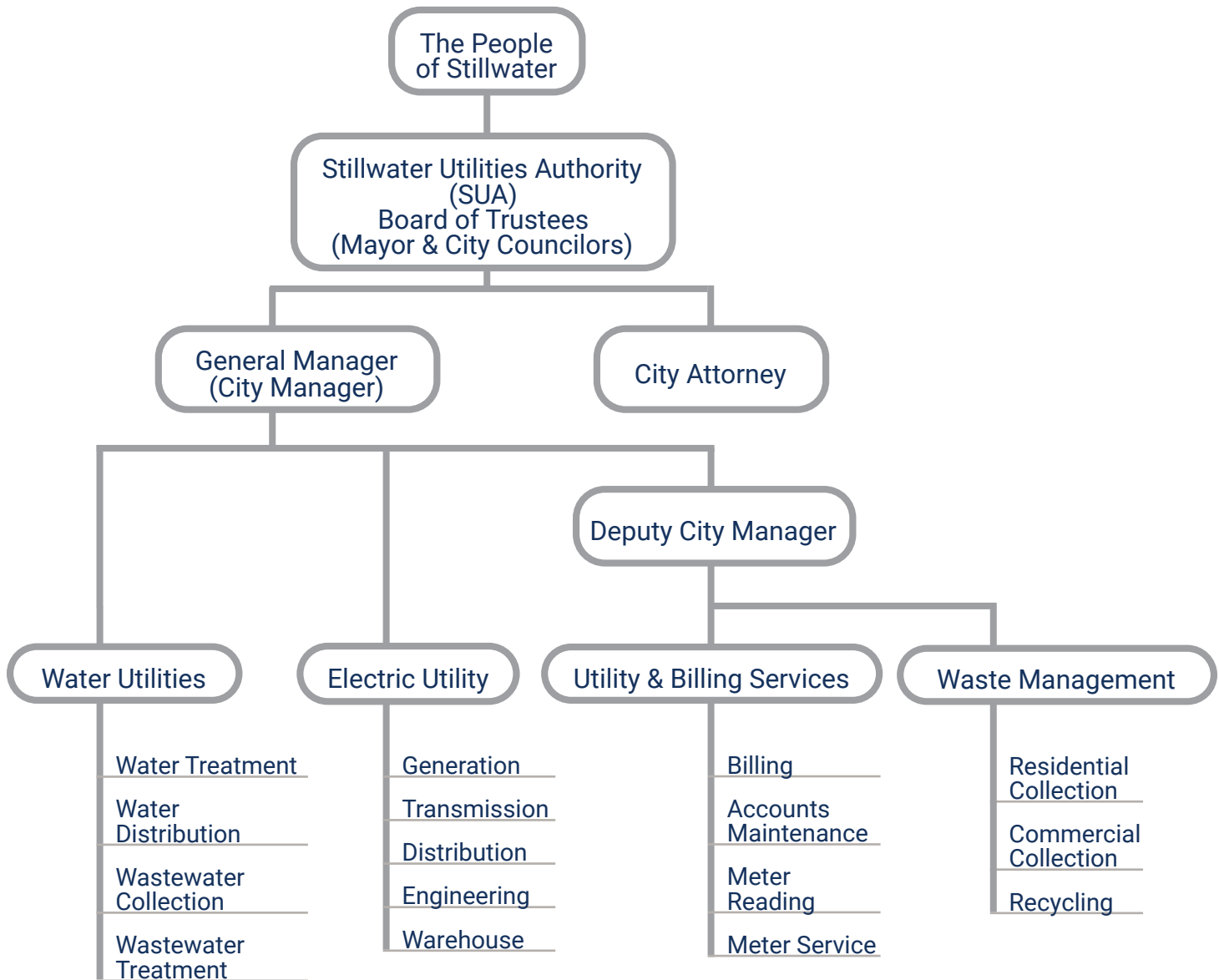
Approved as of March 2023

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)



Approved as of March 2023

Norman McNickle

Norman McNickle, City Manager

Community Storm Debris Cleanup

After an unprecedented October 2020 ice storm, the City of Stillwater launched a plan to dispose of over 2,490 tons of debris. In June 2023, Stillwater experienced additional severe weather and more than 70 tons of debris was collected from the end of June through July.



FINANCIAL SECTION





Stillwater Public Library

Facebook - @StillwaterOKLib



Instagram - @StillwaterOKLib





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the 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, 2023, 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.

We did not audit the financial statements of the Stillwater Medical Center Authority (the "Authority"), the City's discretely presented component unit, as of June 30, 2023, and the respective change in financial position for the year then ended. 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 Authority, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

HSPG & ASSOCIATES, PC

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison information – capital project funds and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the budgetary comparison information – capital project funds and combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023, 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.

HSPG & Associates, P.C.

December 11, 2023

Stillwater Fire Department



Facebook - @StwFire



Instagram - @StwFire



X - @stillwater_fire

#StwFire



Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

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, 2023. 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 infrastructure 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:

1. Governmental activities – Most of the City's basic services are reported here, including police, fire, administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
2. 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.
3. 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, 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:

1. *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.
2. *Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are

generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the government-wide 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, 2023, the net position for the governmental activities and business-type activities changed as follows:

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

	Governmental Activities	Business-type Activities	Total
Beginning net position	\$ 102,136	\$ 265,169	\$ 367,305
Increase	13,034	18,782	31,816
Ending net position	<u>\$ 115,170</u>	<u>\$ 283,951</u>	<u>\$ 399,121</u>

The above numbers reflect an increase of 12.8% in net position for governmental activities and an increase of 7.1% in net position for business-type activities. Overall, the net position for both governmental and business-type activities increased 8.7% for this fiscal year.

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

CITY OF STILLWATER, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2023

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 77,089	\$ 71,703	\$162,786	\$148,267	\$239,875	\$219,970
Capital assets	88,619	79,666	250,747	241,867	339,366	321,533
Total assets	165,708	151,369	413,533	390,134	579,241	541,503
Deferred Outflows	12,069	7,686	330	368	12,399	8,054
Liabilities:						
Long-term liabilities	47,103	28,529	114,436	105,232	161,539	133,761
Other liabilities	12,898	9,446	10,368	15,332	23,266	24,778
Total liabilities	60,001	37,975	124,804	120,564	184,805	158,539
Deferred Inflows	2,606	18,944	5,108	4,769	7,714	23,713
Net position:						
Net investment in capital assets	81,470	78,737	150,290	145,490	231,760	224,227
Restricted	26,852	16,523	3,097	3,005	29,949	19,528
Unrestricted	6,848	6,876	130,564	116,674	137,412	123,550
Total net position	\$115,170	\$102,136	\$283,951	\$265,169	\$399,121	\$367,305

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, 58.1%, reflects its investment in capital assets, less any related debt used to acquire those assets. Capital assets are items such as land, buildings, machinery and equipment, and infrastructure. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

CITY OF STILLWATER, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2023

Changes in Net Position

Governmental activities increased the City's net position by \$13.0 million which contributed to a 3.5% increase of the net position of the City. Business-type activities increased the City's net position by \$18.8 million which contributed a 5.1% 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	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 5,476	\$ 4,936	\$ 103,182	\$ 96,455	\$ 108,658	\$ 101,391
Operating grants and contributions	1,018	1,529	1,214	1,260	2,232	2,789
Capital grants and contributions	2,878	263	6,174	4,901	9,052	5,164
General revenues:						
Sales and use taxes	44,867	37,423	-	-	44,867	37,423
Other taxes	5,843	3,908	-	-	5,843	3,908
Other general revenues	1,719	(351)	2,934	(314)	4,653	(665)
Total revenues	61,801	47,708	113,504	102,302	175,305	150,010
Program expenses:						
General government	7,424	6,966	-	-	7,424	6,966
Financial administration	861	738	-	-	861	738
Public safety	26,982	24,276	-	-	26,982	24,276
Streets and highways	8,728	10,598	-	-	8,728	10,598
Culture, parks and recreation	3,945	4,544	-	-	3,945	4,544
Health and welfare	1,126	1,340	-	-	1,126	1,340
Interest on long-term debt	617	2	-	-	617	2
Stillwater Utilities Authority	-	-	85,102	88,079	85,102	88,079
Business area development	-	-	2,011	1,781	2,011	1,781
Airport operations	-	-	6,693	5,454	6,693	5,454
Total expenses	49,683	48,464	93,806	95,314	143,489	143,778
Increase/(decrease) in net position before transfers	12,118	(756)	19,698	6,988	31,816	6,232
Net transfers	916	1,034	(916)	(1,034)	-	-
Increase in net position	\$ 13,034	\$ 278	\$ 18,782	\$ 5,954	\$ 31,816	\$ 6,232
Net position - beginning of year	102,136	100,758	265,169	259,215	367,305	359,973
Cumulative effect of error correction	-	1,100	-	-	-	1,100
Net position-beginning of year, as restated	102,136	101,858	265,169	259,215	367,305	361,073
Net position - end of year	\$ 115,170	\$ 102,136	\$ 283,951	\$ 265,169	\$ 399,121	\$ 367,305

Governmental Activities: Sales and use tax received in Fiscal Year 2023 increased from the prior year by \$7.4 million or 19.9%, which was primarily the result of the increase in the sales tax rate for the City. The dedicated sales tax rate for the Transportation Sales Tax Fund increased from 0.5% to 1.0% effective July 1, 2022 and the overall sales tax rate increased from 3.5% to 4% for the City. Grants and contributions increased in Fiscal Year 2023 due to an increase in donations from developers and private citizens of items that were capital in nature, primarily easements, the Washington School Building, and Block 34. In addition, capital grant revenue was recognized from American Rescue Plan Act (ARPA) funds as qualifying expenditures were incurred during the fiscal year. Public safety expenses increased by \$2.7 million due to an increase in pension expense of \$2.6 million compared to Fiscal year 2022.

Business-type Activities: Charges for services of the business-type activities increased \$7.1 million in 2023 primarily due to a \$5.8 million increase in SUA operating revenue, which was the result of an increase in electric power cost adjustment revenue and the implementation of a 3% rate increase for the electric, water, and wastewater utilities effective July 1, 2022 and an additional 3% rate increase for the electric utility effective January 1, 2023. The increase of \$1.2 million in capital grants and contributions is due to \$1.0 million in loan forgiveness provided by the Oklahoma Water Resources Board for the loan issued during 2023. Expenses of the SUA decreased by \$3.0 million in 2023. This is the result of an increase in costs associated with the February 2021 Winter Storm Uri event being reflected in the 2022 operating expenses. The Authority's power provider, Grand River Dam Authority, allocated costs to its customers. The Authority's proportionate share of the costs was \$7.1 million. The Storm Uri cost decrease was partially offset by an increase in purchased power expense of \$3.5 million in 2023 compared to 2022. Finally, the SUA is continuing to see increases in cost for labor and materials.

The expenses of Airport operations increased by \$1.2 million due to an increase of \$0.7 million in the purchase of fuel for resale and an increase of \$0.4 million in depreciation.

Fund Financial Highlights

The General Fund's fund balance decreased from Fiscal Year 2022 by \$0.4 million. This is due to overall increases in public safety personnel expenditures as well as increases to transfers out to other funds. Although sales and use taxes were up \$7.5 million, or 20.1%, the portion of the sales tax dedicated to transportation projects (one-cent) and the SUA (one-cent) were required to be transferred to those funds resulting in increases to the transfers out.

The Transportation Sales Tax Fund received a transfer from the General Fund of a one-cent sales tax dedicated for transportation improvements. The Transportation Sales Tax Fund's fund balance increased from Fiscal Year 2022 by \$7.1 million due to the increase in the

sales tax transfer (\$5.1 million) and fewer capital expenditures during the year (\$0.8 million).

The net position of the SUA has increased by \$14.6 million or 6.4% as the result of Fiscal Year 2023 operations.

The net position of the Airport Fund increased \$3.2 million or 9.2% due primarily to \$4.6 million in capital contributions.

General Fund Budgetary Highlights

The City's adopted budget for Fiscal Year 2023 included revenues in the General Fund of \$46.7 million, which is an increase of \$10.5 million from Fiscal Year 2022 due to the increase in the sales tax revenue. Fiscal Year 2023 budgeted expenditures were more than the amounts approved in the previous year by \$3.2 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 \$15.0 million due to \$9.0 million in budget carryovers from Fiscal Year 2022 and \$5.3 million in ARPA funding being budgeted for projects.

The differences between the final budgeted revenue and actual revenue collections for Fiscal Year 2023 amounted to \$2.5 million under budget. This variance is attributable to the net effect of positive budget to actual variance in sales, use and other tax receipts and unrealized intergovernmental revenue related to the ARPA grant.

The difference between the final budgeted expenditures and actual expenditures for Fiscal Year 2023 amounted to \$15.0 million under budget. This variance is largely due to incomplete capital projects at the end of the fiscal year that were subsequently re-appropriated in Fiscal Year 2024 and budgeted amounts for contingencies that were not utilized during the year.

Capital Assets

At June 30, 2023, the City had \$339.4 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 for the year ended June 30, 2023. 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.

CITY OF STILLWATER, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2023

The City of Stillwater's Capital Assets

(expressed in \$ 000s)

	Governmental Activities		Business-type Activities		Total	
	2023	2022*	2023	2022*	2023	2022*
Land	\$ 17,092	\$ 16,099	\$ 2,504	\$ 2,504	\$ 19,596	\$ 18,603
Buildings	24,728	24,368	94,622	94,216	119,350	118,584
Other improvements	14,320	13,976	50,945	50,601	65,265	64,577
Equipment	30,720	29,826	87,217	81,607	117,937	111,433
Infrastructure	171,552	171,370	219,608	217,449	391,160	388,819
Intangible assets	-	-	1,604	1,604	1,604	1,604
Leased assets	122	97	37	36	159	133
Subscription-based IT assets (SBITA)	994	722	90	67	1,084	789
Construction-in-progress	13,215	2,848	31,995	18,640	45,210	21,488
	272,743	259,306	488,622	466,724	761,365	726,030
Less depreciation/amortization	184,124	178,918	237,875	224,790	421,999	403,708
Totals	\$ 88,619	\$ 80,388	\$ 250,747	\$ 241,934	\$ 339,366	\$ 322,322

* - Restated for effect of GASB 96 implementation

Debt Administration

At June 30, 2023, the City had \$124.3 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.

The City of Stillwater's Long-term Debt

(expressed in \$000s)

	Governmental Activities		Business-type Activities		Total	
	2023	2022*	2023	2022	2023	2022*
General obligation bonds, net	\$ 9,334	\$ 9,351	\$ -	\$ -	\$ 9,334	\$ 9,351
Direct obligation-notes payable	-	-	10,321	2,683	10,321	2,683
Lease obligations	59	63	15	22	74	85
Subscription-based IT obligations	550	711	46	-	596	711
Notes and bonds payable	5,167	-	98,593	97,066	103,760	97,066
Refundable grant obligations	-	8	204	199	204	207
Totals	\$ 15,110	\$ 10,133	\$ 109,179	\$ 99,970	\$ 124,289	\$ 110,103

* - Restated for effect of GASB 96 implementation

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 sales and use tax budgets for Fiscal Year 2024 were increased by \$1.5 million and \$0.6 million, respectively, to account for upward trends in overall sales and use tax collections. As of the date of this report, sales and use tax collected in Fiscal Year 2024 has been up 3 of the 5 months over the same periods in Fiscal Year 2023. Through November 2023, sales and use tax collections are up \$1.0 million (6.13%) from the same months in Fiscal Year 2023.

From spring 2019 through spring 2022, electric, water and wastewater utility rate adjustments were on hold. Initially, the rate adjustments were suspended pending completion of cost of service studies for each utility, but the suspension was continued due to the economic hardships initiated by the world-wide health crisis of 2020. On April 18, 2022, resolution SUA-2022-5 was adopted by the Trustees providing for an annual increase to electric, water and wastewater 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. The rate increase for electric rates is effective January 1 of each year, and the rate increase for water and wastewater rates is effective July 1 of each year. During fiscal year 2023, a 3% rate increase was effective July 1, 2022 for the electric, water and wastewater utilities and an additional 3% rate increase was effective January 1, 2023 for the electric utility. Updated cost of service studies for the electric, water and wastewater utilities have been completed and were presented to the Trustees in September and October 2023. On November 6, 2023, rate increases for electric, water, and wastewater utilities were approved by the City Council and the Stillwater Utility Authority Trustees effective January 1, 2024 based on the recommendations from the studies.

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 in the City's General Fund and electric, water, and wastewater utilities.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department at 723 S. Lewis, P.O. Box 1449, Stillwater, Oklahoma 74076 or by telephone at (405) 372-0025.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

**Statement of Net Position
June 30, 2023**

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-type Activities	Total	Stillwater Medical Center Authority
ASSETS				
Cash and cash equivalents	\$ 47,774,371	\$ 103,162,339	\$ 150,936,710	\$ 13,265,739
Investments	10,259,878	20,480,963	30,740,841	132,467,630
Accounts receivable, net of allowance	1,480,716	13,831,315	15,312,031	42,315,171
Opioid settlement receivable	708,347	-	708,347	-
Internal balances	5,803,190	(5,803,190)	-	-
Interest receivable	324,668	500,155	824,823	-
Other receivable	-	-	-	1,757,214
Inventory	38,792	5,737,803	5,776,595	7,992,593
Prepaid items	-	98,280	98,280	-
Intergovernmental receivable	8,568,320	3,689,839	12,258,159	-
Leases receivable	514,673	4,707,693	5,222,366	-
Other assets	-	-	-	6,740,141
Restricted cash and cash equivalents	-	4,661,671	4,661,671	300,000
Restricted investments	-	4,625,745	4,625,745	-
Installment loans receivable	-	7,093,121	7,093,121	-
Investment in joint ventures	-	-	-	10,618,449
Net pension asset	1,616,064	-	1,616,064	-
Capital assets:				
Non-depreciable	30,306,277	36,029,332	66,335,609	71,710,874
Depreciable, net of depreciation	58,312,651	214,717,867	273,030,518	132,029,252
Total Assets	165,707,947	413,532,933	579,240,880	419,197,063
DEFERRED OUTFLOWS OF RESOURCES				
Pension	11,506,158	-	11,506,158	-
Other postemployment benefits	562,930	330,610	893,540	-
Business acquisition	-	-	-	2,555,113
Total deferred outflow of resources	12,069,088	330,610	12,399,698	2,555,113
LIABILITIES				
Accounts payable and other accrued expenses	1,774,557	8,411,542	10,186,099	12,411,075
Accrued liabilities	2,837,963	741,116	3,579,079	18,635,158
Accrued interest payable	83,285	999,389	1,082,674	-
Estimated amounts due to third-party payors	-	-	-	2,149,870
Unearned revenue	8,202,044	215,981	8,418,025	-
Long-term liabilities:				
Due within one year	2,611,601	6,607,637	9,219,238	9,038,881
Due in more than one year	15,821,622	105,150,013	120,971,635	95,656,949
Other postemployment benefits	4,560,315	2,678,281	7,238,596	-
Net pension liabilities	24,109,773	-	24,109,773	-
Total Liabilities	60,001,160	124,803,959	184,805,119	137,891,933
DEFERRED INFLOWS				
Leases	490,918	4,610,109	5,101,027	309,979
Pension	1,266,088	-	1,266,088	-
Other postemployment benefits	848,431	498,285	1,346,716	-
COVID-related financial assistance	-	-	-	958,874
Total deferred inflow of resources	2,605,437	5,108,394	7,713,831	1,268,853
NET POSITION				
Net investment in capital assets	81,470,006	150,289,969	231,759,975	57,069,396
Restricted for:				
Debt service	671,370	2,079,163	2,750,533	-
Capital projects	208,351	1,017,844	1,226,195	-
Street improvements	21,492,626	-	21,492,626	-
Pension	1,309,975	-	1,309,975	-
Permanent Fund - nonexpendable	50,000	-	50,000	-
Specific operating activities	3,120,181	-	3,120,181	300,000
Unrestricted	6,847,929	130,564,214	137,412,143	225,221,994
Total Net Position	\$ 115,170,438	\$ 283,951,190	\$ 399,121,628	\$ 282,591,390

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

**Statement of Activities
For the Year Ended June 30, 2023**

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	\$ 26,982,491	\$ 3,223,829	\$ 116,262	\$ -	\$ (23,642,400)	\$ -	\$ (23,642,400)	\$ -	
Cultural, parks and recreation	3,945,000	266,084	279,860	858,967	(2,540,089)	-	(2,540,089)	-	
General government	7,424,719	489,614	440,901	1,778,922	(4,715,282)	-	(4,715,282)	-	
Financial administration	860,711	818,870	-	-	(41,841)	-	(41,841)	-	
Streets and highways	8,727,689	413,708	180,949	240,423	(7,892,609)	-	(7,892,609)	-	
Health and welfare	1,126,175	264,184	-	-	(861,991)	-	(861,991)	-	
Interest on long-term debt	616,833	-	-	-	(616,833)	-	(616,833)	-	
Total governmental activities	49,683,618	5,476,289	1,017,972	2,878,312	(40,311,045)	-	(40,311,045)	-	
Business-type activities									
Electric, utilities, waste utilities and waste management operations	85,101,682	99,801,644	23,360	1,752,091	-	16,475,413	16,475,413	-	
Business area development	2,011,569	605	-	-	-	(2,010,964)	(2,010,964)	-	
Airport operations	6,692,989	3,379,483	1,190,574	4,422,187	-	2,299,255	2,299,255	-	
Total business-type activities	93,806,240	103,181,732	1,213,934	6,174,278	-	16,763,704	16,763,704	-	
Total primary government	\$ 143,489,858	\$ 108,658,021	\$ 2,231,906	\$ 9,052,590	(40,311,045)	16,763,704	(23,547,341)		
Component Units									
Medical Center	\$ 317,017,640	\$ 306,459,972	\$ -	\$ 520,163				(10,037,505)	
General revenues:									
Taxes:									
Sales and use taxes					44,867,281	-	44,867,281	690,835	
Property tax					1,805,264	-	1,805,264	-	
Franchise and public service tax					2,261,842	-	2,261,842	-	
E911 tax					54,951	-	54,951	-	
Lodging tax					1,721,177	-	1,721,177	-	
Unrestricted investment earnings					775,781	3,352,242	4,128,023	(12,512,448)	
Miscellaneous					943,452	(417,914)	525,538	219,492	
Transfers					915,792	(915,792)	-	-	
Total general revenues and transfers					53,345,540	2,018,536	55,364,076	(11,602,121)	
Change in net position					13,034,495	18,782,240	31,816,735	(21,639,626)	
Net position - beginning					102,135,943	265,168,950	367,304,893	304,231,016	
Net position - ending					\$ 115,170,438	\$ 283,951,190	\$ 399,121,628	\$ 282,591,390	

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

Balance Sheet
Governmental Funds
June 30, 2023

		Capital Project	Capital Project		
	General Fund	Transportation Sales Tax	City Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 9,730,636	\$ 20,562,231	\$ 7,702,162	\$ 9,673,587	\$ 47,668,616
Investments	9,591,283	-	-	668,595	10,259,878
Accounts receivable, net	1,480,516	200	-	-	1,480,716
Opioid settlement receivable	708,347	-	-	-	708,347
Due from other funds	5,803,190	1,585,223	-	-	7,388,413
Due from other governments	8,166,754	-	-	401,566	8,568,320
Accrued interest receivable	237,560	46,988	12,609	27,511	324,668
Leases receivable	475,003	3,538	-	-	478,541
Inventories	38,792	-	-	-	38,792
Prepaid items	36,132	-	-	-	36,132
Total assets	<u>\$ 36,268,213</u>	<u>\$ 22,198,180</u>	<u>\$ 7,714,771</u>	<u>\$ 10,771,259</u>	<u>\$ 76,952,423</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 998,309	\$ 668,996	\$ 11,359	\$ 95,936	\$ 1,774,600
Accrued liabilities	1,630,534	-	-	-	1,630,534
Due to other funds	1,585,223	-	-	-	1,585,223
Unearned revenue	8,202,044	-	-	-	8,202,044
Total liabilities	<u>12,416,110</u>	<u>668,996</u>	<u>11,359</u>	<u>95,936</u>	<u>13,192,401</u>
Deferred Inflows of Resources:					
Unavailable revenue-property taxes	-	-	-	85,519	85,519
Unavailable revenue-court fines	69,544	-	-	-	69,544
Unavailable revenue-opioid settlement	708,347	-	-	-	708,347
Unavailable revenue-grant proceeds	8,124	-	-	-	8,124
Leases	487,411	3,507	-	-	490,918
Total deferred inflows of resources	<u>1,273,426</u>	<u>3,507</u>	<u>-</u>	<u>85,519</u>	<u>1,362,452</u>
Fund balances:					
Nonspendable	38,792	-	-	50,000	88,792
Restricted					
Debt service	-	-	-	671,370	671,370
Police equipment	71,144	-	-	-	71,144
Police undercover operations	74,363	-	-	-	74,363
Capital improvements	-	21,525,677	-	9,107,005	30,632,682
TIF projects	-	-	-	29,856	29,856
Library books	-	-	-	6,030	6,030
Library purposes	-	-	-	725,543	725,543
Visitor and event recruitment	1,307,618	-	-	-	1,307,618
Opioid settlement	197,280	-	-	-	197,280
Committed					
Capital improvements	284,231	-	-	-	284,231
Stormwater	799,245	-	-	-	799,245
Assigned					
Self insurance	1,386,693	-	-	-	1,386,693
Parks and recreation	67,810	-	-	-	67,810
Special event	12,757	-	-	-	12,757
Capital improvements	-	-	7,703,412	-	7,703,412
Fire equipment	475,417	-	-	-	475,417
Police equipment	906	-	-	-	906
Homebuyer's assistance program	72,357	-	-	-	72,357
Budget appropriation	6,045,636	-	-	-	6,045,636
Unassigned	11,744,428	-	-	-	11,744,428
Total fund balances	<u>22,578,677</u>	<u>21,525,677</u>	<u>7,703,412</u>	<u>10,589,804</u>	<u>62,397,570</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 36,268,213</u>	<u>\$ 22,198,180</u>	<u>\$ 7,714,771</u>	<u>\$ 10,771,259</u>	<u>\$ 76,952,423</u>

See accompanying notes to the basic financial statements.

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023**

Total fund balance, governmental funds	\$ 62,397,570
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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 \$184,124,519	88,173,428
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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	871,534
Pension related deferred outflows	11,506,158
OPEB related deferred outflows	562,930
Net pension asset	1,616,064

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	551,255
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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, net	(14,500,582)
Lease obligations	(59,345)
Subscription-based IT obligations	(549,619)
Accrued compensated absences	(3,323,677)
Net pension liability	(24,109,773)
Pension related deferred inflows	(1,266,088)
Total OPEB liability	(4,560,315)
OPEB related deferred inflows	(848,431)
Accrued interest payable	(83,285)
Accrued workers compensation claims	(1,207,386)

Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 115,170,438</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, 2023

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Transportation Sales Tax	City Capital Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Sales and use taxes	\$ 44,867,281	\$ -	\$ -	\$ -	\$ 44,867,281
Other taxes	4,037,970	-	-	1,777,064	5,815,034
Intergovernmental	4,178,916	-	231,523	548,096	4,958,535
Charges for services	550,262	-	-	-	550,262
Fines and forfeitures	686,027	-	-	-	686,027
Fees and rentals	482,400	-	-	-	482,400
Licenses and permits	319,506	-	-	-	319,506
Investment income (loss)	(2,978)	373,513	99,609	297,492	767,636
Miscellaneous	1,228,289	30,938	-	28,752	1,287,979
Total revenues	<u>56,347,673</u>	<u>404,451</u>	<u>331,132</u>	<u>2,651,404</u>	<u>59,734,660</u>
EXPENDITURES					
Current:					
Public safety	27,477,653	-	-	12,028	27,489,681
Recreation and culture	3,134,336	-	-	1,498	3,135,834
General government	5,312,507	-	-	387,895	5,700,402
Financial administration	868,380	-	-	-	868,380
Streets and highways	4,056,978	-	-	-	4,056,978
Health and welfare	1,074,222	-	-	-	1,074,222
Debt Service:					
Principal	397,106	-	1,230,881	-	1,627,987
Interest and other charges	13,998	-	124,119	412,200	550,317
Capital Outlay	2,251,799	3,310,324	8,021,102	721,391	14,304,616
Total Expenditures	<u>44,586,979</u>	<u>3,310,324</u>	<u>9,376,102</u>	<u>1,535,012</u>	<u>58,808,417</u>
Excess (deficiency) of revenues over expenditures	<u>11,760,694</u>	<u>(2,905,873)</u>	<u>(9,044,970)</u>	<u>1,116,392</u>	<u>926,243</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	232,282	-	6,397,875	-	6,630,157
Transfers in	14,735,897	9,979,678	4,151,028	222,500	29,089,103
Transfers out	(27,122,397)	-	-	(1,050,914)	(28,173,311)
Total other financing sources and uses	<u>(12,154,218)</u>	<u>9,979,678</u>	<u>10,548,903</u>	<u>(828,414)</u>	<u>7,545,949</u>
Net change in fund balances	<u>(393,524)</u>	<u>7,073,805</u>	<u>1,503,933</u>	<u>287,978</u>	<u>8,472,192</u>
Fund balances - beginning	22,972,201	14,451,872	6,199,479	10,301,826	53,925,378
Fund balances - ending	<u>\$ 22,578,677</u>	<u>\$ 21,525,677</u>	<u>\$ 7,703,412</u>	<u>\$ 10,589,804</u>	<u>\$ 62,397,570</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, 2023

**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, 2023**

Net change in fund balances - total governmental funds: \$ 8,472,192

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	12,144,549
Capital assets donated	1,585,435
Depreciation expense	(5,499,148)
Subscription-based IT asset beginning balance greater than obligation	11,593
Capital assets purchased for business type activities	
Capital assets donated from business type activities	

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.

642,636

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

Unavailable revenue	757,201
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Note principal payments	1,230,881
Note proceeds	(6,397,875)
Lease obligation incurred	(31,766)
Lease obligation principal payments	35,675
Subscription-based IT obligation incurred	(200,516)
Subscription-based IT obligation principal payments	361,431

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	(82,103)
Accrued compensated absences change	(294,850)
Total OPEB liability and related deferrals change	(179,430)
Workers comp liability change	460,756
Amortization of bond premium	17,666

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	168
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Change in net position of governmental activities	<u>\$ 13,034,495</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, 2023

Statement of Net Position
Proprietary Funds
June 30, 2023

	Enterprise Funds					Governmental Activities: Internal Service Funds
	Stillwater Utilities Authority	Airport Fund	Stillwater Economic Development Authority	Other Non Major Block 34 Trust Authority	Total	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 100,465,915	\$ 1,144,497	\$ 1,551,917	\$ 10	\$ 103,162,339	\$ 105,755
Restricted cash and cash equivalents	3,046,811	-	-	-	3,046,811	-
Restricted investments	-	-	7,064,515	-	7,064,515	-
Accounts receivables, net of allowance	13,661,038	170,277	-	-	13,831,315	-
Lease receivable, current	98,606	125,441	-	-	224,047	-
Intergovernmental receivable	-	1,981,445	1,708,394	-	3,689,839	-
Interest receivable	488,266	11,778	111	-	500,155	-
Inventories	5,660,110	77,693	-	-	5,737,803	-
Prepaid items	98,280	-	-	-	98,280	-
Total current assets	123,519,026	3,511,131	10,324,937	10	137,355,104	105,755
Noncurrent assets:						
Restricted cash and cash equivalents	1,614,860	-	-	-	1,614,860	-
Investments	13,416,448	-	-	-	13,416,448	-
Restricted investments	4,625,745	-	-	-	4,625,745	-
Due from other funds	8,250,000	-	-	-	8,250,000	-
Installment loans receivable	-	-	7,093,121	-	7,093,121	-
Lease receivable, noncurrent	1,495,390	2,988,256	-	-	4,483,646	-
Capital assets, nondepreciable	28,535,257	7,494,075	-	-	36,029,332	445,500
Capital assets, net of accumulated depreciation	186,957,916	27,732,806	27,145	-	214,717,867	-
Total noncurrent assets	244,895,616	38,215,137	7,120,266	-	290,231,019	445,500
Total assets	368,414,642	41,726,268	17,445,203	10	427,586,123	551,255
DEFERRED OUTFLOWS OF RESOURCES						
Other postemployment benefits	330,610	-	-	-	330,610	-
LIABILITIES						
Current liabilities:						
Accounts payable	8,091,072	311,508	8,964	-	8,411,544	-
Accrued liabilities	697,354	43,762	-	-	741,116	-
Current portion of compensated absences	173,815	35,339	-	-	209,154	-
Due to other funds	5,608,115	195,075	-	-	5,803,190	-
Accrued interest payable	906,266	-	93,121	-	999,387	-
Unearned revenue	-	215,981	-	-	215,981	-
Current portion of lease obligations	5,448	-	-	-	5,448	-
Current portion of SBITA liabilities	37,841	-	-	-	37,841	-
Current portion of customer deposits payable	878,805	806	-	-	879,611	-
Current portion of long-term debt obligations	5,271,730	-	-	-	5,271,730	-
Current portion of refundable grant obligations	-	-	203,853	-	203,853	-
Current portion of notes payable	-	-	-	-	-	-
Total current liabilities	21,670,446	802,471	305,938	-	22,778,855	-
Noncurrent liabilities:						
Due to other funds	-	-	8,250,000	-	8,250,000	-
Noncurrent portion of compensated absences	880,983	12,283	-	-	893,266	-
Noncurrent portion of lease obligations	9,343	-	-	-	9,343	-
Noncurrent portion of SBITA liabilities	7,926	-	-	-	7,926	-
Noncurrent portion of customer deposits payable	597,017	-	-	-	597,017	-
Noncurrent portion of long-term debt obligations	96,642,461	-	7,000,000	-	103,642,461	-
Other postemployment benefits liability	2,678,281	-	-	-	2,678,281	-
Total noncurrent liabilities	100,816,011	12,283	15,250,000	-	116,078,294	-
Total liabilities	122,486,457	814,754	15,555,938	-	138,857,149	-
DEFERRED INFLOW OF RESOURCES						
Lease receivables	1,546,327	3,063,782	-	-	4,610,109	-
Other postemployment benefits	498,285	-	-	-	498,285	-
Total deferred inflow of resources	2,044,612	3,063,782	-	-	5,108,394	-
NET POSITION						
Net investment in capital assets	115,163,804	35,099,020	27,145	-	150,289,969	445,500
Restricted for debt service	2,079,163	-	-	-	2,079,163	-
Restricted for capital projects	1,017,844	-	-	-	1,017,844	-
Unrestricted	125,953,372	2,748,712	1,862,120	10	130,564,214	105,755
Total net position	\$ 244,214,183	\$ 37,847,732	\$ 1,889,265	\$ 10	\$ 283,951,190	\$ 551,255

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Funds				Governmental Activities: Internal Service Funds
	Stillwater Utilities Authority	Airport Fund	Stillwater Economic Development Authority	Other Non Major Block 34 Trust Authority	Total
OPERATING REVENUES					
Charges for services, net of bad debt expense	\$ 87,160,697	\$ 2,679,372	\$ -	\$ -	\$ 89,840,069
Operating grants and contributions	-	997,569	-	-	997,569
Other	12,368,344	658,278	605	-	13,027,227
Total operating revenues	99,529,041	4,335,219	605	-	103,864,865
OPERATING EXPENSES					
Operations and maintenance	69,430,365	4,843,651	1,916,480	-	76,190,496
Depreciation	12,117,836	1,852,833	1,968	-	13,972,637
Total Operating Expenses	81,548,201	6,696,484	1,918,448	-	90,163,133
Operating income (loss)	17,980,840	(2,361,265)	(1,917,843)	-	13,701,732
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	3,073,127	103,719	175,396	-	3,352,242
Miscellaneous revenue (expenses)	(59,798)	-	-	-	(59,798)
Gain (Loss) on capital asset disposal	(374,202)	-	-	-	(374,202)
Interest expense	(3,224,533)	(5)	(93,121)	-	(3,317,659)
Total non-operating revenue (expenses)	(585,406)	103,714	82,275	-	(399,417)
Income (loss) before contributions and transfers	17,395,434	(2,257,551)	(1,835,568)	-	13,302,315
Capital contributions	1,780,525	4,615,192	-	-	6,395,717
Transfers in	9,979,678	839,833	2,806,455	-	13,625,966
Transfers out	(14,541,758)	-	-	-	(14,541,758)
Change in net position	14,613,879	3,197,474	970,887	-	18,782,240
Total net position - beginning	229,600,304	34,650,258	918,378	10	265,168,950
Total net position - ending	\$ 244,214,183	\$ 37,847,732	\$ 1,889,265	\$ 10	\$ 283,951,190

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Funds					
	Stillwater Utilities Authority	Airport Fund	Stillwater Economic Development Authority	Other Non Major Block 34 Trust Authority	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers, including deposits	\$ 87,884,554	\$ 3,271,266	\$ 605	\$ -	\$ 91,156,425	\$ -
Payments to suppliers	(56,025,315)	(4,140,855)	(2,470,130)	-	(62,636,300)	-
Payments to employees	(16,774,377)	(1,244,975)	-	-	(18,019,352)	-
Payments of business development incentives	-	-	(419,292)	-	(419,292)	-
Payments from (to) other funds	(1,431,199)	41,026	7,641,667	-	6,251,494	-
Other receipts	12,341,716	-	-	-	12,341,716	10
Net cash provided by (used in) operating activities	25,995,379	(2,073,538)	4,752,850	-	28,674,691	10
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	10,573,011	839,833	2,806,455	-	14,219,299	-
Operating subsidies and transfers to other funds	(17,640,907)	-	-	-	(17,640,907)	-
Net cash provided by (used in) noncapital financing activities	(7,067,896)	839,833	2,806,455	-	(3,421,608)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt	9,018,331	-	7,419,292	-	16,437,623	-
Capital contributions	1,007,175	4,597,192	-	-	5,604,367	-
Purchase of capital assets	(18,693,432)	(4,638,274)	-	-	(23,331,706)	-
Proceeds from sale of capital assets	836,051	-	-	-	836,051	-
Payments for installment loans receivable	-	-	(7,093,121)	-	(7,093,121)	-
Principal paid on capital debt	(6,618,791)	(1,795)	(414,633)	-	(7,035,219)	-
Interest paid on capital debt	(3,472,592)	(5)	-	-	(3,472,597)	-
Net cash provided by (used in) capital and related financing activities	(17,923,258)	(42,882)	(88,462)	-	(18,054,602)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investments	-	-	(7,064,515)	-	(7,064,515)	-
Interest received	3,206,656	101,483	175,309	-	3,483,448	158
Net cash provided by (used in) investing activities	3,206,656	101,483	(6,889,206)	-	(3,581,067)	158
Net increase (decrease) in cash and cash equivalents	4,210,881	(1,175,104)	581,637	-	3,617,414	168
Balances-beginning of year	100,916,705	2,319,601	970,280	10	104,206,596	105,587
Balances-end of year	\$ 105,127,586	\$ 1,144,497	\$ 1,551,917	\$ 10	\$ 107,824,010	\$ 105,755
Reconciliation to Statement of Net Position:						
Cash and cash equivalents	\$ 100,465,915	\$ 1,144,497	\$ 1,551,917	\$ 10	\$ 103,162,339	\$ 105,755
Restricted cash and cash equivalents	3,046,811	-	-	-	3,046,811	-
Restricted cash and cash equivalents, non-current	1,614,860	-	-	-	1,614,860	-
Total cash and cash equivalents, end of year	\$ 105,127,586	\$ 1,144,497	\$ 1,551,917	\$ 10	\$ 107,824,010	\$ 105,755
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating income (loss)	\$ 17,980,840	\$ (2,361,265)	\$ (1,917,843)	\$ -	\$ 13,701,732	\$ 10
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	12,117,836	1,852,833	1,968	-	13,972,637	-
Change in assets, liabilities and deferrals:						
Receivables, net	694,105	(73,330)	-	-	620,775	-
Prepaid items	(98,280)	-	-	-	(98,280)	-
Inventories	(583,973)	97,907	-	-	(486,066)	-
Accounts and other payables	(4,428,978)	(621,698)	(7,889)	-	(5,058,565)	-
Accrued liabilities	197,872	1,075	-	-	198,947	-
Leased assets and related lease obligations	37,205	-	-	-	37,205	-
Lease receivables and related deferral	(26,628)	(20,461)	-	-	(47,089)	-
Due from other governments	-	(883,822)	(973,386)	-	(1,857,208)	-
Due from other funds	-	41,026	-	-	41,026	-
Other postemployment benefits-liabilities	(79,339)	-	-	-	(79,339)	-
Other postemployment benefits-deferred outflows	36,869	-	-	-	36,869	-
Other postemployment benefits-deferred inflows	147,850	-	-	-	147,850	-
Due to other funds	-	-	7,650,000	-	7,650,000	-
Unearned revenue	-	(86,325)	-	-	(86,325)	-
Customer meter deposits payable	-	(15)	-	-	(15)	-
Accrued compensated absences	-	(19,463)	-	-	(19,463)	-
Net cash provided by (used in) operating activities	\$ 25,995,379	\$ (2,073,538)	\$ 4,752,850	\$ -	\$ 28,674,691	\$ 10
Non-cash Activities:						
Contributed capital assets	\$ 773,353	\$ 18,000	\$ -	\$ -	\$ 791,353	\$ -
Capital assets transferred to (from) other funds	59,798	-	-	-	59,798	-
Premium amortization	233,963	-	-	-	233,963	-
Change in fair value of investments	(617,668)	-	-	-	(617,668)	-
Total Non-cash Activities	\$ 449,446	\$ 18,000	\$ -	\$ -	\$ 467,446	\$ -

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 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 a blended major 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. In addition, the Hospital is responsible for maintaining their accounting records, preparation of their financial statements, and obtaining an audit of their financial statements. 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, 2023.
- 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 Sales Tax Fund, the City Capital Fund, and the G.O. Bond Fund are the only capital project funds active during the fiscal year ending June 30, 2023.
- 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, 2023.
- 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:

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- Stillwater Utilities Authority
- Airport
- 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.

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, 2015, and 2022. Financing is provided by the one cent sales tax also approved by the voters.
City Capital Fund	Accounts for funds assigned for the purchase of capital assets.
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.
G.O. Bond Fund	Accounts for bond proceeds from the 2022 G.O. Bonds issued for the construction of a new fire station.
Sinking 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.

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Enterprise Funds	Description
Major:	
Stillwater Utilities Authority	Accounts for the operation of the electric, water, wastewater, and solid waste systems.
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.
Non-Major:	
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, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

- 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, 2023, cash and cash equivalents in the amount of \$104,958,241 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 \$519,510 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, grants, opioid settlement, 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 \$1,211,723 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 \$9,199,534 for bad debts and \$92,770,751 for contractual adjustments resulting in total uncollectible accounts receivable of \$101,970,285. This allowance is based on 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. Supplies inventory of the Hospital is stated at the historical cost on the First-In, First-Out (FIFO) method.
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. Leased assets are amortized over the life of the associated contract or the useful life of the asset, whichever is less.

- 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 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, leases payable, subscription-based IT obligations, 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), and leases. Lease-related amounts are recognized at the inception of leases in which the City is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease. The Hospital has deferred outflows of resources related to business acquisitions (see Note X) and deferred inflows of resources related to COVID-related finance assistance.
- 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, opioid settlement 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. The General Fund and the Transportation Sales Tax Fund also have deferred inflows related to lease receivables. Deferred inflows will be recognized as revenue in the next fiscal year when they are available or recognizable. 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, net pension 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. Leases and subscription-based information technology arrangements (SBITA):** The City is a party as lessor and lessee for various noncancellable long-term leases of land and equipment. The corresponding lease receivable or lease obligation payable, are recorded in an amount equal to the present value of the expected future minimum lease payments received or paid, respectively, discounted by an applicable interest rate. SBITAs are recognized as an obligation payable in an amount equal to the present value of the expected future minimum SBITA payments, discounted by an applicable interest rate.

14. 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 or payables 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, 2023, the statement of net position reports restricted net position in the amount of \$29,949,510, of which \$963,087 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: 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, 2023, 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. 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. Revenues, Expenditures, and Expenses

1. **Sales Tax:** The City levies a four 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.
- One cent transferred to the Transportation Sales Tax Fund to be used for transportation improvement projects as approved by the voters in 2001, 2006, 2015, and 2022. This tax expires on June 30, 2032.

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, 2023 is being held to fund the annual debt service on the 2022 general obligation bonds.

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 U.S. Department of Homeland Security and the U.S. Department of Justice, the State of Oklahoma for onbehalf payments made for police and fire pension plans, and donations
Recreation and culture	Park and recreation fees, operating grants from the Institute of Museum and Library Services, capital grants from the Federal Highway Administration, and donations
General government	Operating grants from the U.S. Department of Housing & Urban Development and the U.S. Department of Treasury, 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 highways	Gasoline tax, auto tag tax, stormwater fees, transportation fees, operating grant from the U.S. Department of Homeland Security, capital grant from U.S. Department of Housing and Urban Development, 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**

- 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.
- 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.

G. **Internal and Interfund Balances and Activities**

- 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.

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.

H. 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.

I. New Accounting Standards

The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. There was no impact on net position as a result of implementing this standard. Since the Hospital has a December 31 year-end, they were not required to implement GASB 96 yet and are still reporting SBITA as expenses. The Hospital will implement GASB 96 for the year ended December 31, 2023.

The City implemented 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. There was no impact on net position as a result of implementing this standard.

The City implemented 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. There was no impact on net position as a result of implementing this standard.

The Hospital implemented GASB Statement No. 87 “Leases” for its year ended December 31, 2022. The objective of this Statement is to improve accounting and financial reporting for leases by governments 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. The Statement is effective for reporting periods beginning after June 15, 2021. As a result of the implementation, management recorded a right-of-use asset and related amortization and obligations. The implementation of this standard had no effect on the Hospital's previously reported net position.

The Hospital implemented GASB Statement No 89 "Accounting for Interest Cost Incurred Before the end of a Construction Period". The objective of this Statement is (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The Statement is effective for reporting periods beginning after December 15, 2020. The implementation of the Statement had no effect on the Hospital's change in net position.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

A. Fund Accounting Requirements

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

Fund	Required By
Debt Service Fund	State Law
Stillwater Utilities Authority	Trust Indenture
Stillwater Economic Development Authority	Trust Indenture
Stillwater Public Works Authority	Trust Indenture
Stillwater Block 34 Trust	Trust Indenture
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, 2023, 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:

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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
Visitor tax	Tourism development and visitor amenities
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, 2023, 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, 2023, 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, 2023.

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, 2023, available sales tax and revenues, as defined by the bond indenture, was \$105,778,641; the bond coverage requirement is operating and maintenance excluding depreciation of \$65,078,334 plus 125% of primary principal and interest plus 100% of subordinate principal and interest or \$9,578,852. Excess coverage was \$31,121,456 about 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, 2023, 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, 2023 the City's bank balance of \$162,982,888 was not exposed to custodial credit risk. At December 31, 2022, \$5,320,838 of the Hospital's bank balance of \$14,976,951 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 domestic fixed income 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, 2022, 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, 2023. 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, 2023, 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

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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.

For the year ended June 30, 2023, 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	\$ 1,800,642	\$ -	\$ 1,800,642	\$ -
Money market mutual funds	4,976,413	4,976,413	-	-
U.S. agency obligations	20,856,456	-	20,856,456	-
Mutual funds	476,158	476,158	-	-
Hospital:				
U.S. Treasury obligations	\$ 2,453,017	\$ 2,453,017	\$ -	\$ -
Money market mutual funds	23,294,642	23,294,642	-	-
Mutual funds - fixed income	52,882,560	52,882,560	-	-
Mutual funds - domestic equities	39,324,577	39,324,577	-	-
Mutual funds - international equities	14,512,834	14,512,834	-	-

The City had the following investments at June 30, 2023:

Type	Credit Rating	Fair Value	Maturities in Years		
			Less than 1	1-5	6-10
Primary Government:					
Certificates of deposit	(1)	\$ 1,800,642	\$ -	\$ 1,800,642	\$ -
Money market mutual funds	AAAm (2)	4,904,266	4,904,266	-	-
Money market mutual funds	(1)	72,147	72,147	-	-
U.S. agency obligations	AA+ (2)	20,856,456	-	9,680,903	11,175,553
		27,633,511	\$ 4,976,413	\$ 11,481,545	\$ 11,175,553
Mutual funds		476,158			
		\$ 28,109,669			

(1) not rated

(2) Standard and Poor's

The Hospital had the following investments at December 31, 2022:

Type	Credit Rating	Fair Value	Maturities in Years			
			Less than 1	1-5	6-10	More than 10
U.S. Treasury obligations	(3)	\$ 2,453,017	\$ 2,057,474	\$ 181,555	\$ 213,988	\$ -
Money market mutual funds	AAAm (2)	23,294,642	23,294,642	-	-	-
Mutual funds-fixed income	(1)	52,882,560	10,983,951	31,365,893	-	10,532,716
Mutual funds-domestic equities	(1)	39,324,577	39,324,577	-	-	-
Mutual funds-international equities	(1)	14,512,834	14,512,834	-	-	-
		<u>\$132,467,630</u>	<u>\$ 90,173,478</u>	<u>\$ 31,547,448</u>	<u>\$ 213,988</u>	<u>\$ 10,532,716</u>

(1) not rated

(2) Standard and Poor's

(3) backed by U.S. Government

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, 2023 is below:

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	Primary Government	Stillwater Medical Center Authority Component Unit	Total
Carrying Values:			
Deposits	\$ 162,855,298	\$ 13,565,739	\$ 176,421,037
Investments	28,109,669	132,467,630	160,577,299
Total	<u>\$ 190,964,967</u>	<u>\$ 146,033,369</u>	<u>\$ 336,998,336</u>
Reconciliation to the Government-Wide Statement of Net Position:			
Cash and cash equivalents:			
Unrestricted	\$ 150,936,710	\$ 13,265,739	\$ 164,202,449
Restricted	4,661,671	300,000	4,961,671
Investments:			
Unrestricted	30,740,841	132,467,630	163,208,471
Restricted	4,625,745	-	4,625,745
Total	<u>\$ 190,964,967</u>	<u>\$ 146,033,369</u>	<u>\$ 336,998,336</u>

B. Accounts Receivable

The accounts receivable of the governmental activities consist of sales and use taxes, franchise and other taxes, ad valorem taxes, lodging taxes, stormwater fees and grant revenues. Sales taxes are 66%, use taxes are 8%, park donations are 3%, lodging taxes are 4%, health insurance rebate is 2% and grant revenues are 9% of the total accounts receivables. Other receivable types represent 1% or less of the receivable totals. 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, wages payable, and risk management claims (see Note VI).

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 \$2,079,163 at June 30, 2023 have been restricted in use to the service of debt. Investments, classified as noncurrent, in the amount \$4,625,745 at June 30, 2023 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, 2023 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 \$963,087 at June 30, 2023 were restricted for this purpose.

Cash and cash equivalents received from utility customers for payment of the Western Payne County Ambulance Trust Authority (WPCATA) Subscription Fee are restricted in their use. Per agreement, the Authority remits to the WPCATA on a monthly basis all money collected from said charge. As of June 30, 2023 cash and cash equivalents, classified as current, in the amount of \$88,843 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, 2023 cash and cash equivalents in the amount of \$1,475,822, of which \$878,805 is classified as current and \$597,017 is classified as non-current, have been restricted for customer deposits.

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E. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Restated Balance				Balance at June
	at June 30, 2022	Additions	Deletions	Transfers	30, 2023
PRIMARY GOVERNMENT:					
<u>Governmental Activities</u>					
Capital assets not being depreciated:					
Land	\$ 16,099,411	\$ 992,085	\$ -	\$ -	\$ 17,091,496
Construction work in progress	2,847,888	10,987,587	-	(620,694)	13,214,781
Total capital assets not being depreciated	18,947,299	11,979,672	-	(620,694)	30,306,277
Other capital assets:					
Buildings	24,368,143	360,000	-	-	24,728,143
Improvements other than buildings	13,976,141	326,355	-	17,604	14,320,100
Machinery and equipment	29,826,338	635,602	(287,156)	545,167	30,719,951
Infrastructure	171,370,026	124,228	-	57,923	171,552,177
Total other capital assets at historical cost	239,540,648	1,446,185	(287,156)	620,694	241,320,371
Less accumulated depreciation for:					
Buildings	13,300,407	519,007	-	-	13,819,414
Improvements other than buildings	11,102,831	313,076	-	-	11,415,907
Machinery and equipment	22,732,341	1,244,295	(287,156)	-	23,689,480
Infrastructure	131,749,557	3,069,110	-	-	134,818,667
Total accumulated depreciation	178,885,136	5,145,488	(287,156)	-	183,743,468
Leased assets - Equipment	96,833	31,766	(6,288)	-	122,311
Less accumulated amortization - Equipment	33,680	35,901	(6,288)	-	63,293
Total leased assets being amortized, net	63,153	(4,135)	-	-	59,018
Subscription-based IT assets (SBITA)	722,127	272,361	-	-	994,488
Less accumulated amortization - SBITA	-	317,758	-	-	317,758
Total SBITA assets being amortized, net	722,127	(45,397)	-	-	676,730
Other capital assets, net	61,440,792	(3,748,835)	-	620,694	58,312,651
Total capital assets, net	\$ 80,388,091	\$ 8,230,837	\$ -	\$ -	\$ 88,618,928
<u>Business-type Activities</u>					
Capital assets not being depreciated:					
Land	\$ 2,503,519	\$ -	\$ -	\$ -	\$ 2,503,519
Intangible assets	1,530,403	-	-	-	1,530,403
Construction work in progress	18,640,061	18,808,999	-	(5,453,650)	31,995,410
Total capital assets not being depreciated	22,673,983	18,808,999	-	(5,453,650)	36,029,332
Other capital assets:					
Buildings	94,216,101	-	-	405,699	94,621,800
Improvements other than buildings	50,601,044	-	-	344,147	50,945,191
Machinery and equipment	81,606,883	3,849,447	(1,971,665)	3,731,960	87,216,625
Intangible assets	74,054	-	-	-	74,054
Infrastructure	217,448,706	1,307,341	(119,811)	971,844	219,608,080
Total other capital assets at historical cost	443,946,788	5,156,788	(2,091,476)	5,453,650	452,465,750
Less accumulated depreciation for:					
Buildings	60,325,970	2,136,853	-	-	62,462,823
Improvements other than buildings	24,318,818	1,671,082	-	-	25,989,900
Machinery and equipment	31,279,955	3,203,475	(761,414)	-	33,722,016
Infrastructure	108,777,907	6,908,180	(119,812)	-	115,566,275
Amortization for intangible assets	74,054	-	-	-	74,054
Total accumulated depreciation	224,776,704	13,919,590	(881,226)	-	237,815,068
Leased assets:					
Land	10,424	-	-	-	10,424
Equipment	25,273	7,005	(5,598)	-	26,680
Total leased assets being amortized	35,697	7,005	(5,598)	-	37,104
Less accumulated amortization:					
Land	4,170	4,170	-	-	8,340
Equipment	8,764	8,885	(5,598)	-	12,051
Total accumulated amortization	12,934	13,055	(5,598)	-	20,391
Total lease assets being amortized, net	22,763	(6,050)	-	-	16,713
Subscription-based IT assets (SBITA)	-	90,464	-	-	90,464
Less accumulated amortization - SBITA	-	39,992	-	-	39,992
Total SBITA amortized, net	-	50,472	-	-	50,472
Other capital assets, net	219,192,847	(8,718,380)	(1,210,250)	5,453,650	214,717,867
Total capital assets, net	\$ 241,866,830	\$ 10,090,619	\$ (1,210,250)	\$ -	\$ 250,747,199

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	Balance at		Reclass/		Balance at
COMPONENT UNITS:	December 31, 2021*	Additions	Deletions	Transfers	December 31, 2022
<u>Stillwater Medical Center Authority</u>					
Capital assets not being depreciated:					
Land	\$ 5,240,692	\$ -	\$ -	\$ -	\$ 5,240,692
Construction work in progress	39,067,903	33,304,327	(5,902,048)	-	66,470,182
Total capital assets not being depreciated	44,308,595	33,304,327	(5,902,048)	-	71,710,874
Other capital assets:					
Land improvements	4,074,672	-	(7,481)	-	4,067,191
Buildings and improvements	94,437,553	2,040,743	3,359,136	-	99,837,432
Equipment	126,478,667	12,287,717	(6,820,408)	-	131,945,976
Leased assets	6,830,663	241,956	-	-	7,072,619
Total other capital assets at historical cost	231,821,555	14,570,416	(3,468,753)	-	242,923,218
Less accumulated depreciation and amortization for:					
Land improvements	1,913,654	106,897	(7,481)	-	2,013,070
Buildings and improvements	13,945,576	4,150,700	(32,994)	-	18,063,282
Equipment	87,358,224	6,698,847	(7,956,372)	-	86,100,699
Leased assets	3,232,044	1,484,871	-	-	4,716,915
Total accumulated depreciation and amortization	106,449,498	12,441,315	(7,996,847)	-	110,893,966
Other capital assets, net	125,372,057	2,129,101	4,528,094	-	132,029,252
Total capital assets, net	\$ 169,680,652	\$ 35,433,428	\$ (1,373,954)	\$ -	\$ 203,740,126

* The change in the balance reported at December 31, 2021 for net capital assets is due to the reclassification of certain leased assets from other long-term assets. These reclassifications had no effect on the Hospital's previously reported net position as of December 31, 2021.

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

Primary Government:

Governmental Activities

Public safety	\$ 763,535
Recreation and culture	530,888
General government	1,109,768
Financial administration	21,117
Health and welfare	-
Streets and highways	3,073,840
Total depreciation expense for governmental activities	<u>\$ 5,499,148</u>

Business-type Activities

Stillwater Utilities Authority	\$ 12,117,836
Airport (includes amortization of intangible assets)	1,852,833
Stillwater Economic Development Authority	1,968
Total depreciation expense for business-type activities	<u>\$ 13,972,637</u>

Component Units:

Stillwater Medical Center Authority	<u>\$ 12,441,315</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, 2023 are as follows:

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	Due To		Due From		
	Transportation Sales Tax Fund	General	SUA	Total	
General Fund	\$ 1,585,223	\$ -	\$ -	\$ 1,585,223	
Airport	-	195,075	-	195,075	
SUA	-	5,608,115	-	5,608,115	
SEDA	-	-	8,250,000	8,250,000	
	<u>\$ 1,585,223</u>	<u>\$ 5,803,190</u>	<u>\$ 8,250,000</u>	<u>\$15,638,413</u>	

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. This advance was paid in full during fiscal year 2023.

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 four cent sales tax, one cent is designated for the SUA and one cent is designated for the Transportation Sales Tax Fund (see Note I.F). Both are transferred to their respective funds on a monthly basis upon receipt by the General Fund. The General Fund also transferred \$0.8 million to the Airport Fund to meet capital and operating needs of the fund, \$1.9 million to the SEDA to meet contractual obligations related to economic development initiatives, and \$4.2 million to the City Capital Fund to fund capital improvement projects. The Tax Increment District #3 transferred \$0.9 million to the SEDA for economic development initiatives. The SUA transferred \$14.5 million to the General Fund to meet operating needs of the fund. A summary of the interfund transfers reported in the fund financial statements for the year ended June 30, 2023, is summarized in the table below:

Transfer In	Transfer Out			
	General Fund	Nonmajor Governmental	Stillwater Utilities Authority	Total
General Fund	\$ -	194,139	\$ 14,541,758	\$ 14,735,897
Transportation Sales Tax Fund	9,979,678	-	-	9,979,678
City Capital Fund	4,151,028	-	-	4,151,028
Nonmajor Governmental Fund	222,500	-	-	222,500
SUA	9,979,678	-	-	9,979,678
Airport Fund	839,833	-	-	839,833
SEDA	1,949,680	856,775	-	2,806,455
	<u>\$ 27,122,397</u>	<u>\$ 1,050,914</u>	<u>\$ 14,541,758</u>	<u>\$ 42,715,069</u>

H. Lease Receivables

The City as a lessor, has entered into lease agreements involving land, electric infrastructure, airport hangars and facilities. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$449,350.

I. 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, 2023, the governmental activities long-term debt consisted of the following:

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General Obligation Bonds

2022 Bonds dated June 1, 2022, original issue amount of \$9,000,000, interest rate from 4% to 5%; semiannual interest payments commencing June 1, 2023; annual principal payments commencing June 1, 2024; proceeds used for new fire station construction.

	\$ 9,000,000
Plus: unamortized debt premium	333,588
Total general obligation bonds payable	<u>\$ 9,333,588</u>

Current portion	\$ 470,000
Noncurrent portion	8,863,588
Total general obligation bonds payable	<u>\$ 9,333,588</u>

Accrued Compensated Absences

Current portion	\$ 546,180
Noncurrent portion	2,777,497
Total accrued compensated absences	<u>\$ 3,323,677</u>

Note Payable - Direct Borrowing

Note payable to Motorola Solutions Credit Company, LLC, dated January 1, 2022, original issue amount of \$6,397,875, interest rate of 1.94%; annual payments of \$1,355,000 commencing January 1, 2023, proceeds used for public safety communications equipment. Default provisions include 1) removal of equipment and surrender of title to the lender; 2) all remaining note payments would become immediately due and payable; 3) sell or lease the equipment or sublease it, while holding the city liable for all note payments; 4) prompt return of the equipment to the lender; 5) any other right, remedy or privilege which may be available to the lender.

	\$ 5,166,994
Total note payable	<u>\$ 5,166,994</u>

Current portion	\$ 1,254,760
Noncurrent portion	3,912,234
Total refundable grant obligations	<u>\$ 5,166,994</u>

Lease Obligations Payable - Direct Borrowing

Postage Machine - 43 month lease for the use of postage machine. An initial lease liability was recorded in the amount of \$8,813. Monthly fixed payments of \$208 are made at an interest rate of 0.893%. The value of the right to use asset as of June 30, 2023 was \$8,813 with accumulated amortization of \$4,904. This is included with Equipment within the Lease Assets class shown in Note III.E.

\$ 3,926

Various Copier and printer leases - dated from July 1, 2021 with terms from 15 - 60 months. An initial liability was recorded in the amount of \$128,599. Monthly payments between \$59 and \$1,407 are made at interest rates between 0.387% to 3.305%. The value of the right to use assets as of June 30, 2023 was \$122,311 with accumulated amortization of \$63,294. This is included with Equipment within the Lease Assets class shown in Note III.E.

55,419

Total lease obligations payable	<u>\$ 59,345</u>
Current portion	\$ 32,912
Noncurrent portion	26,433
Total lease obligations payable	<u>\$ 59,345</u>

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Subscription based IT (SBITA) Obligations Payable - Direct Borrowing

On 07/01/2022, the City entered into a 31 month subscription for the use of software for financial administration. An initial subscription liability was recorded in the amount of \$26,353. As of 06/30/2023, the value of the subscription liability is \$13,212. The City is required to make annual fixed payments of \$13,500. The subscription has an interest rate of 2.184%. The value of the right to use asset as of 06/30/2023 of \$26,353 with accumulated amortization of \$10,050 is included with Software on the SBITA Class activities table found in Note III.E.

\$ 13,212

On 11/01/2022, the City entered into a 60 month subscription for the use of software for financial administration. An initial subscription liability was recorded in the amount of \$64,615. As of 06/30/2023, the value of the subscription liability is \$51,490. The City is required to make annual fixed payments of \$13,125. The subscription has an interest rate of 3.305%. The value of the right to use asset as of 06/30/2023 of \$64,615 with accumulated amortization of \$8,6159 is included with Software on the SBITA Class activities table found in Note III.E.

51,490

On 07/01/2022, the City entered into a 30 month subscription for the use of software for public safety. An initial subscription liability was recorded in the amount of \$14,508. As of 06/30/23, the value of the subscription liability is \$8,985. The City is required to make monthly fixed payments of \$468. The subscription has an interest rate of 2.184%. The value of the right to use asset as of 06/30/2023 of \$14,508 with accumulated amortization of \$5,803 is included with Software on the SBITA Class activities table found in Note III.E.

8,985

On 07/01/2022, the City entered into a 46 month subscription for the use of software for general government. An initial subscription liability was recorded in the amount of \$534,945. As of 06/30/2023, the value of the subscription liability is \$359,869. The City is required to make annual fixed payments of \$186,098. The subscription has an interest rate of 2.275%. The value of the right to use asset as of 06/30/2023 of \$534,945 with accumulated amortization of \$136,970 is included with Software on the SBITA Class activities table found in Note III.E.

359,869

On 07/01/2022, the City entered into a 30 month subscription for the use of software for public safety. An initial subscription liability was recorded in the amount of \$73,059. As of 06/30/2023, the value of the subscription liability is \$36,585. The City is required to make annual fixed payments of \$37,325. The subscription has an interest rate of 2.024%. The value of the right to use asset as of 06/30/2023 of \$84,652 with accumulated amortization of \$32,874 is included with Software on the SBITA Class activities table found in Note III.E.

36,585

On 10/27/2022, the City entered into a 36 month subscription for the use of software for general government. An initial subscription liability was recorded in the amount of \$24,991. As of 06/30/23, the value of the subscription liability is \$16,394. The City is required to make annual fixed payments of \$8,597. The subscription has an interest rate of 3.238%. The value of the right to use asset as of 06/30/2023 of \$37,092 with accumulated amortization of \$8,380 is included with Software on the SBITA Class activities table found in Note III.E.

16,394

On 10/01/2022, the City entered into a 24 month subscription for the use of software for general government. An initial subscription liability was recorded in the amount of \$2,268. As of 06/30/23, the value of the subscription liability is \$1,116. The City is required to make annual fixed payments of \$1,152. The subscription has an interest rate of 3.207%. The value of the right to use asset as of 06/30/2023 of \$2,268 with accumulated amortization of \$850 is included with Software on the SBITA Class activities table found in Note III.E.

1,116

On 08/26/2022, the City entered into a 24 month subscription for the use of software for general government. An initial subscription liability was recorded in the amount of \$108,642. As of 06/30/23, the value of the subscription liability is \$61,698. The City is required to make annual fixed payments of \$46,673. The subscription has an interest rate of 1.71%. The value of the right to use asset as of 06/30/2023 of \$168,386 with accumulated amortization of \$71,330 is included with Software on the SBITA Class activities table found in Note III.E.

61,698

Total SBITA obligations payable

\$ 549,619

Current portion

\$ 307,749

Noncurrent portion

241,870

Total SBITA obligations payable

\$ 549,619

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Business-type Activities: As of June 30, 2023, 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	\$ 53,280,000
Plus: unamortized debt premium	4,509,389
Total revenue bonds payable	<u>\$ 57,789,389</u>
Current portion	\$ 1,899,604
Noncurrent portion	55,889,785
Total revenue bonds payable	<u>\$ 57,789,389</u>

Notes Payable

2005 Oklahoma Water Resources Board (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	\$ 983,367
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	5,043,775
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	543,462
2016 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. Construction is ongoing.	23,127,730
2017 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.	5,689,187
2023 OWRB SRF Note Payable dated January 10, 2023, not to exceed \$10,500,000, secured by utility revenues, 2.43% interest plus an administrative fee of 0.5%, semiannual principal installments commence earlier of September 15, 2024 or construction completion. Construction is ongoing.	4,824,911
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	591,465
Total notes payable	<u>\$ 40,803,897</u>
Current portion	\$ 2,532,023
Noncurrent portion	38,271,874
Total notes payable	<u>\$ 40,803,897</u>

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Direct Obligations – Notes Payable:

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 \$16.8 million with a fixed interest rate determined at the time of funding. Total borrowings under this credit agreement at June 30, 2023 amounted to \$16.8 million. The collateral for this debt are the equipment assets purchased. Default provisions include 1) declaring all note 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 note payments and proceeds of sale or new note; and 3) any action of law necessary to enforce creditor's rights.

Direct Obligations - Notes Payable

\$2,002,000 note payable with Bank of America for equipment, fixed interest rate of 1.1555%, monthly installments commencing July 15, 2021 through June 15, 2026	\$ 1,215,046
\$304,500 note payable with Bank of America for equipment, fixed interest rate of 1.1915%, monthly installments commencing July 30, 2021 through July 30, 2026	189,913
\$1,120,000 note payable with Bank of America for equipment, fixed interest rate of 4.2035%, monthly installments commencing January 13, 2023 through December 13, 2027	1,035,378
\$694,482 note payable with Bank of America for equipment, fixed interest rate of 4.4885%, monthly installments commencing March 3, 2023 through February 3, 2028	663,328
\$224,000 note payable with Bank of America for equipment, fixed interest rate of 4.0535%, monthly installments commencing April 24, 2023 through March 24, 2028	217,240
 \$7,000,000 Stillwater Economic Development Authority note payable dated July 28, 2022 to Great Plains National Bank, interest rate of 3%, proceeds were used to assist local industry for economic development purposes; one payment of principal and interest is due July 28, 2023. However, the loan was refinanced in July 2023 and the total principal balance will now be due in July 2028 (See Note XIII - Subsequent events for more details); collateralized with a certificate of deposit with an original balance of \$7,000,000; upon default, the lender may declare the entire unpaid principal balance and all accrued unpaid interest immediately due or right of setoff of the collateral.	 7,000,000
 Total direct obligations - notes payable	 <u>\$ 10,320,905</u>
Current portion	\$ 840,103
Noncurrent portion	9,480,802
Total direct obligations - notes payable	<u>\$ 10,320,905</u>

Accrued Compensated Absences

Current portion	\$ 209,154
Noncurrent portion	893,266
Total accrued compensated absences	<u>\$ 1,102,420</u>

Deposits Subject to Refund

Current portion	\$ 879,611
Noncurrent portion	597,017
Total deposits subject to refund	<u>\$ 1,476,628</u>

Refundable Grant Obligations:

Current portion	\$ 203,853
Noncurrent portion	-
Total refundable grant obligations	<u>\$ 203,853</u>

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Lease Obligations Payable

SUA Copier and printer leases - dated from July 1, 2021 thru October 31, 2026 with terms from 19 - 56 months. An initial liability was recorded in the amount of \$28,697. Monthly payments between \$80 and \$199 are made at interest rates between 0.514% to 3.269%. The value of the right to use assets as of June 30, 2023 was \$23,100 with accumulated amortization of \$8,457. This is included with Equipment within the Lease Assets class shown above

\$ 14,791

Total lease obligations payable

\$ 14,791

Current portion

\$ 5,448

Noncurrent portion

9,343

Total lease obligations payable

\$ 14,791

Subscription based IT (SBITA) Obligations Payable - Direct Borrowing

On 07/01/2022, the SUA entered into a 24 month subscription for the use of software for the electric department. An initial subscription liability was recorded in the amount of \$60,686. As of 06/30/23, the subscription liability is \$30,085. The SUA is required to make annual fixed payments of \$30,600. The subscription has an interest rate of 1.71%. The value of the right to use asset as of 06/30/2023 of \$66,686 with accumulated amortization of \$33,343 is included with Software on the SBITA Class activities table found in Note III.E.

\$ 30,085

On 08/29/2022, the SUA entered into a 36 month subscription for the use of software for the water department. An initial subscription liability was recorded in the amount of \$23,779. As of 06/30/23, the value of the subscription liability is \$15,681. The SUA is required to make annual fixed payments of \$8,098. The subscription has an interest rate of 2.184%. The value of the right to use asset as of 06/30/2023 of \$23,779 with accumulated amortization of \$6,649 is included with Software on the SBITA Class activities table found in Note III.E.

15,681

Total SBITA obligations payable

\$ 45,766

Current portion

\$ 37,841

Noncurrent portion

7,925

Total SBITA obligations payable

\$ 45,766

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2. Component Unit: As of June 30, 2023, the long-term debt of the component unit, Stillwater Medical Center Authority, consisted of the following:

Revenue Bond Payable:

SMC 2021 Commerce: \$26,041,096 Stillwater Medical Center Authority dated April 15, 2021 with an interest rate of 2.20%. The revenue bond is payable in monthly principal and interest installments through April 13, 2028. The SMC 2021 Commerce Revenue Bond is collateralized by the gross revenues of the Authority. The SMC 2021 Commerce Revenue Bond was issued to refinance Series 2019A, Series, 2019C, and Series 2019D Supplemental Bond Indentures.

\$ 23,147,641

Total Revenue Bonds Payable

\$ 23,147,641

Current portion

\$ 1,736,037

Noncurrent portion

21,411,604

Total Revenue Bonds Payable

\$ 23,147,641

Notes Payable:

SMC 2020 Bank of America (BOA): \$10,000,000 Stillwater Medical Center Authority dated June 30, 2020 with an interest rate of 1.48%. The note is payable in monthly principal and interest payments through June 30, 2025. The SMC 2020 BOA Note is collateralized by the gross revenues of the Authority and the assets held by the trustee.

\$ 5,260,167

SMC 2021 Bank of America (BOA): \$4,000,000 Stillwater Medical Center Authority dated June 25, 2021 with an interest rate of 1.70%. Principal and interest are payable in monthly installments of \$69,648 through June 25, 2025. The SMC 2021 BOA is collateralized by the gross revenues of the Authority and the assets held by the trustee.

2,902,208

SMC 2022 Simmons: \$8,000,000 Stillwater Medical Center Authority dated March 16, 2022 with an interest rate of 2.50%. The note is payable in monthly installments of \$53,343 through June 16, 2029. The SMC 2022 Simmons Note is collateralized by the gross revenues of the Authority.

7,662,064

SMC 2022 Commerce: \$40,000,000 Stillwater Medical Center Authority dated February 25, 2022 with an interest rate of 2.80%. The SMC 2022 Commerce Note is payable in yearly installments through February 25, 2037. The SMC 2022 Commerce Note is collateralized by the gross revenues of the Authority.

38,000,000

SMC Equipment: During 2018 SMC Equipment entered into two promissory notes payable to MMOK Sub VII. These notes financed the acquisition of certain major equipment, which is to be leased back to the Authority upon acquisition. The notes are collateralized by all of the assets of SMC Equipment. These notes payable were dated August 3, 2018 with an interest rate of 1.67%. Interest is payable in quarterly installments until September 1, 2025. Commencing on December 1, 2025, SMC Equipment will pay the principal balance of the loans as of the maturity date. SMC Equipment is not permitted to prepay any portion of the principal of the loans until September 25, 2025. Concurrently, the Hospital loaned \$10,758,400 to Stillwater NMTC, LLC. This note receivable is included with other assets on the accompanying Statement of Net Position. The note receivable is dated August 3, 2018, with an interest rate of 1.0%, and will mature August 3, 2025. This note receivable is payable in quarterly interest installments through September 1, 2025. At the end of the seven-year term, a put/call agreement may be exercised whereby Simmons NMTC Holding, LLC's interest in Stillwater NMTC, LLC is sold to the Hospital under terms defined in the put/call agreement.

10,236,408

SMC Development: During 2019 SMC Development entered into two promissory notes payable to REI Subsidiary CDE 19, LLC with the principal balances of \$21,189,000 and \$8,811,000, combined in the long-term debt schedule above. These notes financed the acquisition of certain building improvements, which are to be leased back to the Authority upon acquisition. These notes are collateralized by all of the assets of SMC Development. These notes were dated December 19, 2019 with an interest rate of 1.21%. Interest is payable in quarterly installments through December 19, 2026. Additionally, a principal payment amount of \$300,000 is due on December 19, 2026, related to the \$8,811,000 note payable. Commencing on March 5, 2027, SMC Development will pay equal installments of principal and interest until the maturity date of the notes payable. SMC Development is not permitted to prepay any portion of the principal of the notes until after October 2026. Concurrently, the Hospital loaned \$21,189,000 to BF SMC Investment Fund, LLC. This note receivable is included with other assets on the accompanying Statement of Net Position. The note receivable is dated December 19, 2019, with an interest rate of 1.40%, and will mature December 19, 2026. This note receivable is payable in quarterly interest installments through September 16, 2026. At the end of the seven-year term, a put/call agreement may be exercised whereby BancFirst's interest in BF SMC Investment Fund, LLC is sold to the Hospital under terms defined in the put/call agreement.

15,837,138

Total Notes Payable

\$ 79,897,985

Current portion

\$ 5,924,515

Noncurrent portion

73,973,470

Total Notes Payable

\$ 79,897,985

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Financed Lease asset:

Dell Financial Services WMWare: financed lease obligation commencing on January 15, 2029. Principal is payable in yearly installments of \$459,238 through January 15, 2023, collateralized by the financed equipment.

\$ 459,238

Right-to-Use Lease Obligations:

Dell Financial Services AMD Servers: 3.99% right-to-use lease obligation commencing on February 1, 2021. Principal and interest is payable in yearly installments of \$81,542 through January 6, 2026, collateralized by the leased equipment.

156,476

Dell Financial Services Big Switch Networking: right-to-use lease obligation commencing on January 15, 2020. Principal is payable in yearly installments of \$203,173 through January 15, 2025, collateralized by the leased equipment.

406,346

Winthrop Resources Corp IT Equipment: 1.62% right-to-use lease obligation commencing on December 1, 2019. Principal and interest is payable in monthly installments of \$57,104 through November 1, 2023, collateralized by the leased equipment.

628,144

Total Right-to-Use Lease Obligations

\$ 1,190,966

Current portion

\$ 919,055

Noncurrent portion

271,911

Total Right-to-Use Lease Obligations

\$ 1,190,966

J. 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.

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K. Changes in Long-Term Liabilities

Changes in the long-term liabilities for the year ended June 30, 2023 are summarized below:

	Restated Balance at			Balance at June	Amounts Due
	June 30, 2022	Additions	Reductions	30, 2023	Within One
					Year
PRIMARY GOVERNMENT:					
<u>Governmental Activities</u>					
General obligations bonds, net	\$ 9,351,254	\$ -	\$ 17,666	\$ 9,333,588	\$ 487,618
Notes payable-direct borrowing	-	6,397,875	1,230,881	5,166,994	1,254,760
Refundable grant obligations-direct borrowing	8,333	-	8,333	-	-
Lease obligations - direct borrowing	63,254	31,766	35,675	59,345	32,912
Subscription based IT obligations - direct borrowing	710,534	200,516	361,431	549,619	307,749
Accrued compensated absences	3,028,826	841,031	546,180	3,323,677	546,180
Total governmental activities	\$ 13,162,201	\$ 7,471,188	\$ 2,200,166	\$ 18,433,223	\$ 2,629,219
<u>Business-type Activities</u>					
Notes payable	\$ 37,452,467	\$ 6,979,849	\$ 3,628,419	\$ 40,803,897	\$ 2,532,023
Revenue bonds payable, net	59,613,352	-	1,823,963	57,789,389	1,899,604
Notes payable-direct borrowing	2,682,795	9,038,482	1,400,372	10,320,905	840,103
Refundable grant obligations-direct borrowing	199,194	419,291	414,632	203,853	203,853
Lease obligations - direct borrowing	21,724	7,006	13,939	14,791	5,448
Subscription based IT obligations-direct borrowing	-	84,465	38,699	45,766	37,841
Accrued compensated absences	1,057,497	254,077	209,153	1,102,421	209,154
Deposits subject to refund	1,446,891	915,715	885,978	1,476,628	879,611
Total business-type activities	\$ 102,473,920	\$ 17,698,885	\$ 8,415,155	\$ 111,757,650	\$ 6,607,637
COMPONENT UNIT:					
<u>Stillwater Medical Center Authority</u>					
Revenue bonds	\$ 24,739,041	\$ -	\$ 1,591,400	\$ 23,147,641	\$ 1,736,073
Notes payable	31,279,874	60,020,946	11,402,835	79,897,985	5,924,515
Financed lease asset	918,476	-	459,238	459,238	459,238
Lease obligations	2,152,293	-	961,327	1,190,966	919,055
Total component unit	\$ 59,089,684	\$ 60,020,946	\$ 14,414,800	\$ 104,695,830	\$ 9,038,881

* The change in the balance reported at December 31, 2021 for long-term debt is due to eliminating entries posted to eliminate inter-company activity. These reclassifications had no effect on the Hospital's previously reported net position as of December 31, 2021.

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

L. Maturities of Long-term Debt

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

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PRIMARY GOVERNMENT:
Governmental Activities

Year ending June 30,	General Obligation Bonds		Direct Borrowings - Notes Payable		Future Minimum Payments for Lease Obligations		Future Minimum Payments for SBITA Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 470,000	\$ 411,700	\$ 1,254,760	\$ 100,240	\$ 32,912	\$ 923	\$ 307,749	\$ 12,681
2025	470,000	388,200	1,279,103	75,897	11,315	567	214,610	5,892
2026	470,000	364,700	1,303,917	51,083	10,125	299	13,234	901
2027	470,000	341,200	1,329,214	25,786	4,415	72	14,026	464
2028	470,000	317,700	-	-	578	2	-	-
2029 - 2033	2,350,000	1,236,000	-	-	-	-	-	-
2034 - 2038	2,350,000	676,700	-	-	-	-	-	-
2039 - 2043	1,950,000	199,200	-	-	-	-	-	-
2039 - 2043	-	-	-	-	-	-	-	-
Total	\$ 9,000,000	\$ 3,935,400	\$ 5,166,994	\$ 253,006	\$ 59,345	\$ 1,863	\$ 549,619	\$ 19,938

Business-type Activities:

Year ending June 30,	Revenue Bonds Payable		Notes Payable		Direct Borrowings - Notes Payable		Lease Payments for Lease Obligations		Future Minimum Payments for SBITA Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,665,000	\$ 2,435,300	\$ 2,532,023	\$ 945,374	\$ 840,103	\$ 200,062	\$ 5,448	\$ 240	\$ 37,841	\$ 857
2025	1,735,000	2,358,625	2,871,340	913,691	862,037	66,642	5,541	146	7,925	173
2026	1,820,000	2,269,750	2,398,717	850,414	884,757	43,921	3,169	59	-	-
2027	1,910,000	2,176,500	2,419,710	788,393	436,017	22,859	633	4	-	-
2028	2,005,000	2,098,675	2,441,112	726,009	7,297,991	4,918	-	-	-	-
2029 - 2033	11,400,000	9,007,675	11,400,987	2,633,970	-	-	-	-	-	-
2034 - 2038	14,440,000	5,877,750	8,170,691	1,537,925	-	-	-	-	-	-
2039 - 2043	18,305,000	1,963,475	5,374,908	698,739	-	-	-	-	-	-
2044 - 2048	-	-	3,194,409	137,992	-	-	-	-	-	-
Total	\$ 53,280,000	\$ 28,187,750	\$ 40,803,897	\$ 9,232,507	\$ 10,320,905	\$ 338,402	\$ 14,791	\$ 449	\$ 45,766	\$ 1,030

COMPONENT UNIT:

Stillwater Medical Center Authority

Year ending December 31,	Long-term Debt		Lease Obligation Payable	
	Principal	Interest	Principal	Interest
2023	\$ 7,660,588	\$ 1,837,543	\$ 1,378,293	\$ 13,122
2024	7,887,828	1,671,940	205,285	4,852
2025	6,734,876	1,498,838	66,626	1,735
2026	5,678,259	1,353,067	-	-
2027	5,227,322	1,223,506	-	-
2028-2032	51,291,507	4,046,034	-	-
2033-2037	13,664,344	1,029,951	-	-
2038-2042	2,056,822	232,548	-	-
2043-2047	2,006,873	114,657	-	-
2048-2049	837,207	11,359	-	-
Total	\$ 103,045,626	\$ 13,019,443	\$ 1,650,204	\$ 19,709

M. Installment Loan Receivable

The Stillwater Economic Development Authority entered into a redevelopment agreement with USA Rare Earth Magnets, LLC and USA Rare Earth Real Estate, LLC (hereafter Redeveloper) to finance \$7,000,000 of Development Capital Assistance to the Redeveloper as of April 3, 2023, to be used for provision of real property improvements purchased and installed for the operation of the Redevelopment. During the initial five-year period during which the Redeveloper claims a manufacturing ad valorem tax exemption on the redevelopment, 90% of the portion of the increment generated by the assessed real and personal property values in Tax Increment District #5 in excess of an assessed valuation of \$1,128,600, by payments received from the State Ad Valorem Reimbursement Fund will be applied by the Authority toward repayment of the Development Capital Assistance. The remaining balance of incremental revenues generated by the Redevelopment and the ad valorem tax payments paid by the Redeveloper, if any, shall be used by SEDA to provide financial support to the Stillwater Public Schools and to pay authorized project costs set forth in the 2022 Amended Project Plan, other than assistance in development financing. Upon expiration of the initial five-year period during which the Redeveloper claims a manufacturing ad valorem tax exemption on the Redevelopment, Redeveloper shall thereafter be obligated to pay to SEDA the then remaining balance, if any, of the Development Capital assistance plus such interest that is incurred by SEDA. Interest shall be the same interest reflected in the loan commitment signed by SEDA to borrow the \$7 million Development Capital Assistance obtained from Great Plains Bank, but shall not exceed 6% per annum. The remaining balance, if any, of the Development Capital Assistance payable to SEDA shall be amortized equally over the subsequent five-year period immediately following expiration of the initial 5-year manufacturing ad valorem tax exemption period claimed by Redeveloper. Accordingly, the property shall be subject to a minimum annual payment obligation in the amount calculated to pay the remaining balance of the Development Capital Assistance plus interest, in full, in equal annual installments, within five years

(Minimum Annual Payment), which Minimum Annual Payment shall continue in effect for each year thereafter until such time as the Development Capital Assistance and interest thereon is paid in full.

The Minimum Annual Payment obligation during the subsequent five-year period shall be paid annually on or before December 31 and shall be deemed delinquent and in default if not paid in full each year on or before the December 31 payment deadline.

The owner of the property shall, in addition to paying the assessed ad valorem real and personal property taxes on the property, also make a payment in lieu of taxes in the amount of the Minimum Annual Payment referenced above.

The Minimum Annual Payment obligations of the property are secured by a continuing tax lien on the property in favor of Payne County, Oklahoma, SEDA, and the apportionment fund of Increment District No. 5, City of Stillwater, and shall arise annually at the same time, in the same manner, having the same priority, and subject to the same enforcement and remedies as liens to secure the annual payments of other ad valorem taxes.

If after completion of the Redevelopment and thereafter an Employment Certification reflects that the Redeveloper has not substantially met an agreed upon Net New Total Annual Payroll for each Phase, and for any year thereafter during the minimum operation period, the amount of benefit payable to Redeveloper will be decreased proportionately. The minimum operation period is the duration of the related Increment District.

Agreed Upon Net New Total Annual Payroll for each Phase (exclusive of benefits)		
Phase	Net New Total Annual Payroll	Effective Time Period
I	\$2,548,005	Commencing with completion of Phase I and continuing through completion of Phase II
II	\$4,051,490	Commencing with completion of Phase II and continuing through completion of Phase III
III	\$6,773,446	Commencing with completion of Phase III and continuing during the Minimum Operation Period

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, and was 6% of employee salaries for fiscal year 2023. The City's contribution for each employee begins vesting after 1 year and is fully vested after 5 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, 2023, was \$2,465,425 which consisted of \$1,237,833 (net of \$104,546 in forfeitures) from the City and \$1,227,592 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 2% and 4%, respectively, for 2022. Contributions actually made by plan members and the Hospital aggregated approximately \$2,696,000 and \$5,392,000, respectively, during 2022.

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, 2023 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, 2023 was \$14,402 which consisted of \$9,601 from the City and \$4,801 from employee.

B. Uniformed Employees

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

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	Oklahoma Police Pension and Retirement System	Oklahoma Firefighter's Pension and Retirement System
Obtaining separately issued financial statements	Police Pension and Retirement 1001 N.W. 63rd St., Suite 305 Oklahoma City, OK 73116-7335	Firefighter's Pension & Retirement 6601 Broadway Extension, Ste 100 Oklahoma City, OK 73116
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
2023	\$ 948,721	100%	\$ 870,235	100%
2022	938,695	100%	854,391	100%
2021	843,322	100%	778,175	100%
2020	842,890	100%	778,342	100%
2019	795,457	100%	733,622	100%

Pension Liability (Asset), Expense, and Deferred Inflows and Outflows of Resources: At June 30, 2023, the City reported an asset of \$1,616,064 for its proportionate share of the collective net pension asset of the Oklahoma Police Pension and Retirement System and a liability of \$24,109,773 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 asset/liability was measured as of June 30, 2022 using an actuarial valuation to calculate the total pension liability as of that date. The City's proportion of the net pension asset/liability 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

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plan increased from 1.919% to 2.015% during the fiscal year and resulted in a deferred inflow of \$99,672. The City's proportion of the Fire Pension plan increased from 1.728% to 1.844% during the fiscal year and resulted in a deferred outflow of \$870,325.

For the year ended June 30, 2023, the City recognized pension expense of \$364,228 for the police pension plan and \$3,503,779 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	\$ 792,699	\$ 176,031	\$ 3,095,046	\$ 121,712
Change in assumptions	56,263	-	-	153,720
Net difference between projected and actual earnings on pension plan investments	1,576,950	-	2,801,815	-
Effect of City's proportion of plan	4,452	130,058	1,359,977	684,567
City contributions made subsequent to the measurement date	948,721	-	870,235	-
Total	\$ 3,379,085	\$ 306,089	\$ 8,127,073	\$ 959,999

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, 2024. 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
2024	\$ 476,976	\$ 1,700,003
2025	102,771	1,419,472
2026	(458,677)	495,251
2027	1,916,508	2,682,113
2028	86,697	-
	\$ 2,124,275	\$ 6,296,839

Actuarial Assumptions: The actuarial valuation that provided the total pension liability as of June 30, 2022 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, 2022 valuation was based on actuarial experience studies for a 5 year period of July 1, 2012, to June 30, 2017. The actuarial assumptions used for

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the fire pension plan's June 30, 2022 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, 2022, 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	3.34%	3.62%
Domestic equity	4.69%	5.66%
International equity	8.34%	8.34%
Real estate	7.64%	7.64%
Private equity	9.66%	0.00%
Other assets	0.00%	5.08%

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. For the Firefighter plan, prior to July 1, 2021, the Plan was allocated 36% of the Statewide insurance premium tax. The State has passed legislation that changes the allocation percentage as follows:

25.2% effective September 1, 2020

36.0% effective July 1, 2021

37.8% effective July 1, 2022

36.0% effective July 1, 2027

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)	\$ 4,682,216	\$ (1,616,064)	\$ (6,939,651)
City's share of fire plan net pension liability	31,067,302	24,109,773	18,290,140

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 contributed 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 during the measurement period ended

June 30, 2022. 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, 2023, the City recorded revenues of \$803,034 for the police pension plan and \$1,888,651 for the firefighter's pension plan on an accrual basis at the government-wide level. On-behalf contributions by the state on a modified accrual basis at the fund level for the police pension plan was \$862,297 and for the fire pension plan was \$2,107,111. These are also reported as retirement expense on a modified accrual basis.

C. Aggregate Pension Information

	Oklahoma Police Pension & Retirement System	Oklahoma Firefighter's Pension & Retirement System	Total
Net pension liability	\$ -	\$ 24,109,773	\$ 24,109,773
Net pension asset	1,616,064	-	1,616,064
Deferred outflows of resources	3,379,085	8,127,073	11,506,158
Deferred inflows of resources	306,089	959,999	1,266,088
Pension expense	364,228	3,503,779	3,868,007

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 2023 range from \$49 to \$412 for active employees, \$607 to \$2,245 for retired participants, and \$620 to \$2,290 for COBRA participants.

Employees Covered by Benefit Terms: At June 30, 2022, the following employees were covered by the benefit terms.

Active plan members	511
Inactive employees or beneficiaries currently receiving benefit payments	38
	<u>549</u>

Total OPEB Liability: The City's total OPEB liability of \$7,238,596 was measured as of June 30, 2022 and was determined by an actuarial valuation performed as of June 30, 2022.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

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Discount rate	4.09 percent based on the yield for 20-year municipal bonds on the measurement date (S&P Muni 20 GO 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 2022 experience study
Turnover	OkMRF 2022 experience study
Healthcare cost trend	Plan year dependent rates graded from 5.94% in 2022 to 3.94% in 2075. The same trend is applied to retiree contributions. Healthcare trend was developed using the Society of Actuaries Getzen healthcare economics model (2022).
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 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, 2022, the 20-year bond rates increased from 2.16% to 4.09%.

Changes in the Total OPEB Liability:

Balance at June 30, 2022	\$ 7,453,026
Changes for the year:	
Service cost	456,754
Interest	168,516
Changes of benefit terms	-
Differences between expected and actual experience	68,410
Change of assumptions	(691,863)
Expected net benefit payments	<u>(216,247)</u>
Net changes	<u>(214,430)</u>
Balance at June 30, 2023	<u>\$ 7,238,596</u>

The change of assumptions were related to: 1) change in the discount rate from the beginning of the measurement period to the end of the measurement period (an increase from 2.16% to 4.09% from June 30, 2021 to June 30, 2022); 2) Retiree contribution trend and healthcare trend for the next year was changed to reflect an increase of 30%.

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:

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	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB liability	\$ 7,953,471	\$ 7,238,596	\$ 6,602,833

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 4.94% Grading to 2.94%	Healthcare Cost Trend Rates 5.94% Grading to 3.94%	1% Increase 6.94% Grading to 4.97%
Total OPEB liability	\$ 6,525,096	\$ 7,238,596	\$ 8,082,273

OPEB Expense and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2023, the City recognized OPEB expense of \$498,359. At June 30, 2023, 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	\$ 529,746	\$ (1,078,672)
Differences between expected and actual experience	150,245	(268,044)
Contributions subsequent to the measurement date	213,549	-
Total Deferrals	<u>\$ 893,540</u>	<u>\$ (1,346,716)</u>

The \$213,549 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, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Amount
2024	\$ (126,911)
2025	(83,550)
2026	(51,464)
2027	(79,760)
2028	(103,535)
Thereafter	(221,505)
	<u>\$ (666,725)</u>

VI. RISK MANAGEMENT

As of June 30, 2023, claims outstanding against the City and its public authorities were \$1,388,909 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, workers' compensation, and unemployment. The City has a reinsurance policy which limits the City's liability for major medical to \$150,000 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, 2023 and 2022 were as follows:

		Beginning Liability Balance		Current Year Claims & Changes in Estimate		Claims Payments		Ending Liability Balance
2023	\$	2,232,821	\$	8,150,648	\$	8,994,560	\$	1,388,909
2022		1,901,253		9,525,560		9,193,992		2,232,821

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 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, 2022. No draws were made on the certificate of deposit held in escrow through 2022.

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 future.

Activity in the Hospital's accrued employee health and workers' compensation claims liability for years ended December 31, 2022 and 2021 is summarized as follows:

		Beginning Liability Balance		Current Year Claims & Changes in Estimate		Claims Payments		Ending Liability Balance
2022	\$	2,377,168	\$	13,576,196	\$	14,128,408	\$	1,824,956
2021	\$	4,487,698	\$	14,093,340	\$	16,203,870	\$	2,377,168

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, 2023, since the specific legally required costs of retirement have not yet been identified.

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 \$9,000,000 2022 General Obligation bonds used to provide financing for the relocation and construction of a new fire station building. The bonds of \$9,000,000 are due in payments commencing June 2024 through June 2042. The total principal and interest payable for the remainder of the life of these bonds is \$12,935,400. Ad valorem taxes received in the current year were \$586,080. Debt service payments of \$412,200 in the current fiscal year were 70.33% 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, 2023, sales tax revenues were \$9,979,678, and net revenues were \$31,075,893. The following is a summary of the debt issues included in this pledge of revenues as of June 30, 2023:

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Debt Issue	Issue Amount	Issue Date	Maturity Date	Remaining Principal and Interest	Current Year Principal and Interest
2002 OWRB SRF Note	4,876,086	Dec 2002	Sept 2022	\$ -	\$ 122,214
2005 OWRB Fixed Rate Note	7,620,000	Jun 2005	Mar 2025	989,521	494,758
2009 OWRB DWSRF Note	11,645,000	Nov 2009	Sept 2032	5,516,631	654,719
2009 OWRB CWSRF Note	1,875,000	Nov 2009	Sept 2030	596,811	79,535
Series 2014A Revenue Bonds	61,830,000	Aug 2014	Oct 2042	81,467,750	4,098,350
2016 OWRB DWSRF Note	29,900,000	Jun 2016	Sept 2046	24,198,618	1,523,777
2017 OWRB DWSRF Note	12,600,000	Sept 2017	Sept 2048	6,760,075	580,912
2023 OWRB CWSRF Note	10,500,000	Jan 2023	Mar 2054	5,962,775	15,315

X. 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. Details of the business acquisitions are below:

In 2009, the Hospital acquired Stillwater Surgery Center, LLC, which is being amortized over 15 years. Amortization expense is estimated to be approximately \$388,000 annually through 2024.

In 2016, the Hospital acquired assets and the oncology practice of Oklahoma Oncology and Hematology, Inc., and Oklahoma Cancer Specialists which is being amortized over ten years. Amortization expense is approximately \$300,000 annually through 2026.

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, 2022 were as follows:

Deferred outflows of resources	\$ 12,293,360
Accumulated amortization	(9,738,247)
	<u>\$ 2,555,113</u>

XI. 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; a 12% ownership in LifeCare Association Insurance Exchange; 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 \$319,000 to purchase its professional liability (medical malpractice) and general liability insurance from Tecumseh during the year ended December 31, 2022. The Hospital's investment in Tecumseh was approximately \$1,180,000 at December 31, 2022.

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 \$1,147,000 as of December 31, 2022.

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, 2022, the Hospital paid approximately \$1,059,000 in rent for the right to utilize the building space. The Hospital's investment in Bushwood was approximately \$6,858,000 at December 31, 2022. During the year ended December 31, 2022, the Hospital received a distribution of \$520,000 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 \$313,000 at December 31, 2022.

Upper Midwest Consolidated Services Center, LLC (UMCSC) is a health care supply purchasing and management organization. The Hospital's investment in UMCSC was approximately \$184,000 at December 31, 2022.

Lifecare Association Insurance Exchange (LAIE) is a joint venture between certain hospitals in Oklahoma, organized to collaborate and share expenses to create a captive insurance company for property insurance coverage. The Hospital's investment in LAIE was approximately \$937,000 as of December 31, 2022. Effective July 1, 2021, the Authority purchased its property insurance coverage from LAIE. For the year ended December 31, 2021, the Hospital paid approximately \$245,000 to LAIE for the coverage.

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

XII. 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, 2023, the SEDA abated sales tax totaling \$433,914 to 2 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 Tax Increment Financing District #3	3.4%	\$14,622
Development of a retail center in undeveloped parts of the City	96.6%	\$419,292

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

XIII. SUBSEQUENT EVENTS

Primary Government:

The Stillwater Economic Development Authority extended the note payable with Great Plains National Bank for \$7,000,000 on July 25, 2023 with a new maturity date of July 28, 2028. The loan has an initial interest rate of 6.00%, with 4 annual interest payments beginning July 25, 2024, with interest calculated on the unpaid principal balances using an interest rate based on the collateralized certificate of deposit rate plus 2.00 percentage points. The final payment will be for principal and interest on the unpaid balance. As a result of the extension of this note payable, the City has classified the balance as non-current at June 30, 2023.

The City incurred a note payable (with a nonappropriation clause) for \$1,398,570 with BOK Financial Equipment Finance, Inc. on September 27, 2023, at an interest rate of 6.13%, maturing on October 1, 2028. Proceeds of the note will be used for equipment purchases. Monthly payments will be \$27,123 beginning November 1, 2023.

XIV. 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. 99, "Omnibus 2022" – The Statement enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. This Statement addresses a variety of topics including derivatives, leases, public-private and public-public partnerships, subscription-based information technology arrangements, LIBOR, and others. The effective dates for the City for these various topics range from immediately to June 30, 2024.

GASB Statement No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62" – This Statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for the City in the fiscal year ended June 30, 2024.

GASB Statement No. 101, "Compensated Absences" – This Statement updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for the City in the fiscal year ended June 30, 2025.



Facilities Maintenance

"We greatly appreciate our Facilities Maintenance staff for their continuous efforts and hard work to keep our facilities clean, safe and sanitized. Their level of professionalism and customer service embody the City's standard of quality."

– Brady Moore, Assistant City Manager

REQUIRED SUPPLEMENTARY **INFORMATION**



Convenience Collection Center

In 2023, the Convenience Collection Center collected more than 800 tons of recyclable materials.



CITY OF STILLWATER, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

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, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT BUDGETARY BASIS	Budget to GAAP Difference	Actual Amount GAAP Basis
REVENUES					
Sales and use tax	\$ 39,420,000	\$ 43,920,000	\$ 44,867,281	\$ -	\$ 44,867,281
Other taxes	3,302,000	3,302,000	4,037,970	-	4,037,970
Intergovernmental	50,000	5,244,164	1,209,508	2,969,408	4,178,916
Charges for services	513,000	513,000	550,262	-	550,262
Fines and forfeits	526,800	526,800	686,027	-	686,027
Fees and rentals	419,210	419,210	482,400	-	482,400
Investment income	-	-	(2,978)	-	(2,978)
Licenses and permits	264,500	264,500	319,506	-	319,506
Other miscellaneous revenue	2,228,900	3,092,146	2,680,034	(1,451,745)	1,228,289
Total revenues	46,724,410	57,281,820	54,830,010	1,517,663	56,347,673
EXPENDITURES					
Public Safety:					
Police:					
Personal services	11,821,553	11,970,453	11,867,488	2,793,920	14,661,408
Materials and supplies	763,575	835,002	779,279	-	779,279
Contract services	562,209	730,055	636,986	-	636,986
Fire:					
Personal services	7,750,518	7,922,240	7,613,998	3,277,939	10,891,937
Materials and supplies	245,400	326,546	248,369	-	248,369
Contract services	468,523	690,318	249,896	9,778	259,674
Total public safety	21,611,778	22,474,614	21,396,016	6,081,637	27,477,653
Recreation and culture:					
Parks and recreation:					
Personal services	652,132	588,232	516,926	110,660	627,586
Materials and supplies	74,354	52,083	42,584	-	42,584
Contract services	1,036,930	878,864	789,178	8,561	797,739
Library:					
Personal services	991,538	991,538	980,718	205,512	1,186,230
Materials and supplies	109,850	118,529	113,487	-	113,487
Contract services	106,171	462,072	364,000	2,710	366,710
Total recreation and culture	2,970,975	3,091,318	2,806,893	327,443	3,134,336
General government:					
Personal services	8,977,973	11,818,348	10,711,430	(7,876,458)	2,834,972
Materials and supplies	132,615	207,935	150,472	-	150,472
Contract services	6,425,852	9,614,143	3,502,411	(1,175,348)	2,327,063
Total general government	15,536,440	21,640,426	14,364,313	(9,051,806)	5,312,507
Financial administration:					
Personal services	635,338	542,979	505,981	208,484	714,465
Materials and supplies	24,625	34,205	28,924	-	28,924
Contract services	58,805	112,680	60,376	64,615	124,991
Total financial administration	718,768	689,864	595,281	273,099	868,380

(continued...)

CITY OF STILLWATER, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT BUDGETARY BASIS	Budget to GAAP Difference	Actual Amount GAAP Basis
Streets and highways:					
Personal services	2,757,840	2,349,940	2,244,312	598,198	2,842,510
Materials and supplies	509,910	582,307	564,875	-	564,875
Contract services	662,155	906,937	649,593	-	649,593
Total streets and highways	3,929,905	3,839,184	3,458,780	598,198	4,056,978
Health and welfare:					
Health:					
Materials and supplies	15,350	23,350	19,672	-	19,672
Contract services	30,200	22,200	20,909	-	20,909
Community development:					
Personal services	898,524	845,124	815,357	172,904	988,261
Materials and supplies	21,150	21,650	14,917	-	14,917
Contract services	96,667	96,167	30,463	-	30,463
Total health and welfare	1,061,891	1,008,491	901,318	172,904	1,074,222
Debt service:					
Police	-	-	-	5,758	5,758
Fire	-	-	-	39,714	39,714
Parks & recreation	-	-	-	2,280	2,280
Library	-	-	-	26,841	26,841
General government	-	-	-	307,388	307,388
Financial administration	-	-	-	29,123	29,123
Total economic development	-	-	-	411,104	411,104
Capital outlay:					
Fire	-	98,500	37,881	-	37,881
Recreation and culture	-	442,514	344,997	-	344,997
General government	-	5,292,958	624,586	-	624,586
Streets and highways	-	1,701,434	1,236,184	-	1,236,184
Health and welfare	-	508,151	8,151	-	8,151
Total capital outlay	-	8,043,557	2,251,799	-	2,251,799
Total expenditures	45,829,757	60,787,454	45,774,400	(1,187,421)	44,586,979
Excess (deficiency) of revenues over (under) expenditures	894,653	(3,505,634)	9,055,610	2,705,084	11,760,694
OTHER FINANCING SOURCES (USES)					
Transfers in	25,711,605	27,650,302	22,665,440	(7,929,543)	14,735,897
Transfers out	(26,190,381)	(33,205,606)	(31,751,489)	4,629,092	(27,122,397)
Proceeds from long-term lease	-	-	232,282	-	232,282
Total other financing sources (uses)	(478,776)	(5,555,304)	(8,853,767)	(3,300,451)	(12,154,218)
Net change in fund balance	415,877	(9,060,938)	201,843	(595,367)	(393,524)
FUND BALANCE, beginning of year	-	22,972,201	22,972,201	-	22,972,201
FUND BALANCE, end of year	\$ 415,877	\$ 13,911,263	\$ 23,174,044	\$ (595,367)	\$ 22,578,677

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 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, 2023 the City complied, in all material respects, with the applicable budget laws.

CITY OF STILLWATER, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

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,

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	2.015%	1.919%	2.027%	1.913%	1.922%	1.905%	1.929%	1.927%	1.788%
City's proportionate share of the net pension liability (asset)	\$ (1,616,064)	\$ (9,203,474)	\$ 2,327,809	\$ (122,109)	\$ (915,585)	\$ 146,562	\$ 2,954,182	\$ 78,571	\$ (601,984)
City's covered payroll	\$ 7,220,731	\$ 6,487,104	\$ 6,483,780	\$ 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	(22.38%)	(141.87%)	35.902%	(2.00%)	(15.74%)	2.62%	50.29%	1.45%	(12.03%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	117.01%	95.80%	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.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	1.844%	1.728%	1.824%	1.706%	1.687%	1.802%	1.763%	1.733%	1.742%
City's proportionate share of the net pension liability	\$ 24,109,773	\$ 11,382,311	\$ 22,470,976	\$ 18,023,156	\$ 18,994,082	\$ 22,668,491	\$ 21,542,978	\$ 18,399,430	\$ 17,914,151
City's covered payroll	\$ 6,102,793	\$ 5,558,376	\$ 5,559,569	\$ 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	395.06%	204.78%	404.19%	343.94%	383.11%	446.48%	425.45%	394.20%	385.20%
Plan fiduciary net position as a percentage of the total pension liability	69.49%	84.24%	69.98%	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.

CITY OF STILLWATER, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 948,721	\$ 938,695	\$ 843,322	\$ 842,890	\$ 795,457	\$ 756,167	\$ 726,443	\$ 763,592	\$ 705,649
Contributions in relation to the statutorily required contribution	(948,721)	(938,695)	(843,322)	(842,890)	(795,457)	(756,167)	(726,443)	(763,592)	(705,649)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 7,297,854	\$ 7,220,731	\$ 6,487,104	\$ 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%	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.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 870,235	\$ 854,391	\$ 778,175	\$ 778,342	\$ 733,622	\$ 694,101	\$ 710,808	\$ 708,897	\$ 653,459
Contributions in relation to the statutorily required contribution	(870,235)	(854,391)	(778,175)	(778,342)	(733,622)	(694,101)	(710,808)	(708,897)	(653,459)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 6,215,964	\$ 6,102,793	\$ 5,558,376	\$ 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%	14%	14%	14%

Notes to Schedule:

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

CITY OF STILLWATER, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

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

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 456,754	\$ 432,790	\$ 351,194	\$ 319,735	\$ 289,621	\$ 326,718
Interest	168,516	170,569	247,914	240,241	204,729	160,852
Experience Gain/(Loss)	68,410	59,209	(423,902)	(23,365)	140,297	-
Changes of assumptions	(691,863)	(384,456)	550,856	430,376	(304,645)	(459,374)
Expected net benefit payments	(216,247)	(220,694)	(125,017)	(120,931)	(100,180)	(91,192)
Net change in total OPEB liability	(214,430)	57,418	601,045	846,056	229,822	(62,996)
Balances at Beginning of Year	<u>7,453,026</u>	<u>7,395,608</u>	<u>6,794,563</u>	<u>5,948,507</u>	<u>5,718,685</u>	<u>5,781,681</u>
Balances End of Year	<u>\$ 7,238,596</u>	<u>\$ 7,453,026</u>	<u>\$ 7,395,608</u>	<u>\$ 6,794,563</u>	<u>\$ 5,948,507</u>	<u>\$ 5,718,685</u>
Covered employee payroll	\$ 32,052,000	\$ 32,589,000	\$ 30,900,000	\$ 30,819,000	\$ 28,460,000	\$ 28,450,000
Total OPEB liability as a percentage of covered-employee payroll	22.58%	22.87%	23.93%	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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

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 was adjusted for change in demographics of participants

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

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

Future retirees were assumed to take Plan A upon retirement

Changes of assumptions in fiscal year 2021 relates mainly to the following:

Discount rate changed from 3.50% to 2.21%

Changes of assumptions in fiscal year 2022 relates mainly to the following:

Discount rate changed from 2.21% to 2.16%

Changes of assumptions in fiscal year 2023 relates mainly to the following:

Discount rate changed from 2.16% to 4.09%

Retiree contribution trend and healthcare trend for next year was changed to reflect an increase of 30%

OTHER SUPPLEMENTARY INFORMATION

Stillwater[®] OKLAHOMA
stillwaterok.gov



Stillwater Regional Airport

Facebook - @FlyStillwaterOK 

Instagram - stillwater_regional_airport 

X - @FlyStillwaterOK 



CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2023

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS
For the fiscal year ended June 30, 2023

	Capital Project Fund Transportation Improvement Fund				Capital Project Fund City Capital Fund			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES								
Investment income	\$ -	\$ -	\$ 373,419	\$ 373,419	\$ -	\$ -	99,609	\$ 99,609
Intergovernmental	-	-	-	-	-	231,524	231,523	(1)
Charges for service	-	-	20,438	20,438	-	-	-	-
Other miscellaneous revenue	-	-	10,594	10,594	-	-	-	-
Total revenues	-	-	404,451	404,451	-	231,524	331,132	99,608
EXPENDITURES								
Streets and highways:								
Personal services	-	-	-	-	-	-	-	-
Materials and supplies	350,000	350,000	-	350,000	-	-	-	-
Contract services	-	588,835	-	588,835	-	-	-	-
Total expenditures	350,000	938,835	-	938,835	-	-	-	-
Debt service:								
Emergency management	-	-	-	-	1,355,000	1,355,000	1,355,000	-
Capital outlay:								
Parks and recreation	-	-	-	-	-	384,271	352,868	31,403
Finance	-	-	-	-	-	31,095	30,198	897
General government	-	-	-	-	-	985,287	594,999	390,288
Police	-	-	-	-	-	421,870	9,093	412,777
Fire	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-
Streets and sewers	-	14,638,680	3,310,324	11,328,356	-	1,340,273	527,462	812,811
Emergency management	-	-	-	-	-	1,463,607	6,506,482	(5,042,875)
Total capital outlay	-	14,638,680	3,310,324	11,328,356	-	4,626,403	8,021,102	(3,394,699)
Excess (deficiency) of revenues over (under) expenditures	(350,000)	(15,577,515)	(2,905,873)	12,671,642	(1,355,000)	(5,749,879)	(9,044,970)	(3,295,091)
OTHER FINANCING SOURCES (USES)								
Proceeds from long-term debt	-	-	-	-	-	-	6,397,875	6,397,875
Transfers in	9,000,000	9,750,000	9,979,678	229,678	-	4,151,028	4,151,028	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	9,000,000	9,750,000	9,979,678	229,678	-	4,151,028	10,548,903	6,397,875
Net change in fund balance	8,650,000	(5,827,515)	7,073,805	12,901,320	(1,355,000)	(1,598,851)	1,503,933	3,102,784
FUND BALANCE, beginning of year	5,811,353	14,451,872	14,451,872	-	2,945,123	6,199,479	6,199,479	-
FUND BALANCE, end of year	<u>\$ 14,461,353</u>	<u>\$ 8,624,357</u>	<u>\$ 21,525,677</u>	<u>\$ 12,901,320</u>	<u>\$ 1,590,123</u>	<u>\$ 4,600,628</u>	<u>\$ 7,703,412</u>	<u>\$ 3,102,784</u>

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 Ordinance 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.

G.O. Bond Fund – to account for 2022 general obligation bond proceeds to be used for construction of new fire station.

Sinking Fund – 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, 2023

City of Stillwater
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Fund Community Development Block Grant	Special Revenue Fund Tax Increment District #3	Special Revenue Fund Stillwater Public Library Trust	Capital Project Fund G.O. Bond Fund	Debt Service Fund Sinking Fund	Permanent Fund Mabel King Trust	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ (30,677)	\$ 12,545	\$ 56,687	\$ 8,911,960	\$ 667,191	\$ 55,881	\$ 9,673,587
Investments	-	-	668,595	-	-	-	668,595
Due from other governments	297,465	97,618	-	-	6,483	-	401,566
Accrued interest receivable	-	732	261	24,193	2,176	149	27,511
Total assets	<u>\$ 266,788</u>	<u>\$ 110,895</u>	<u>\$ 725,543</u>	<u>\$ 8,936,153</u>	<u>\$ 675,850</u>	<u>\$ 56,030</u>	<u>\$ 10,771,259</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 58,437	\$ -	\$ -	\$ 37,499	\$ -	\$ -	\$ 95,936
Total liabilities	<u>58,437</u>	<u>-</u>	<u>-</u>	<u>37,499</u>	<u>-</u>	<u>-</u>	<u>95,936</u>
Deferred Inflows of Resources:							
Unavailable revenue-property taxes	-	81,039	-	-	4,480	-	85,519
Total deferred inflows of resources	<u>-</u>	<u>81,039</u>	<u>-</u>	<u>-</u>	<u>4,480</u>	<u>-</u>	<u>85,519</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	50,000	50,000
Restricted:							
Debt service	-	-	-	-	671,370	-	671,370
Capital improvements	208,351	-	-	8,898,654	-	-	9,107,005
TIF projects	-	29,856	-	-	-	-	29,856
Library books	-	-	-	-	-	6,030	6,030
Library purposes	-	-	725,543	-	-	-	725,543
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>208,351</u>	<u>29,856</u>	<u>725,543</u>	<u>8,898,654</u>	<u>671,370</u>	<u>56,030</u>	<u>10,589,804</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 266,788</u>	<u>\$ 110,895</u>	<u>\$ 725,543</u>	<u>\$ 8,936,153</u>	<u>\$ 675,850</u>	<u>\$ 56,030</u>	<u>\$ 10,771,259</u>

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2023

City of Stillwater
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Fund Community Development Block Grant	Special Revenue Fund Tax Increment District #3	Special Revenue Fund Stillwater Public Library Trust	Capital Project Fund G.O. Bond Fund	Debt Service Fund Sinking Fund	Permanent Fund Mabel King Trust	Total-Other Governmental Funds
REVENUES							
Taxes	\$ -	\$ 1,190,984	\$ -	\$ -	\$ 586,080	\$ -	\$ 1,777,064
Intergovernmental	548,096	-	-	-	-	-	548,096
Investment income (loss)	-	5,686	77,797	195,378	17,447	1,184	297,492
Miscellaneous	-	-	28,752	-	-	-	28,752
Total revenues	548,096	1,196,670	106,549	195,378	603,527	1,184	2,651,404
EXPENDITURES							
Current:							
Public safety	-	-	-	12,028	-	-	12,028
Recreation and culture	-	-	1,498	-	-	-	1,498
General government	-	387,895	-	-	-	-	387,895
Financial administration	-	-	-	-	-	-	-
Streets and sewers	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	412,200	-	412,200
Capital Outlay	562,245	-	-	159,146	-	-	721,391
Total Expenditures	562,245	387,895	1,498	171,174	412,200	-	1,535,012
Excess (deficiency) of revenues over expenditures	(14,149)	808,775	105,051	24,204	191,327	1,184	1,116,392
OTHER FINANCING SOURCES (USES)							
Transfers in	222,500	-	-	-	-	-	222,500
Transfers out	(883)	(856,775)	-	-	(193,256)	-	(1,050,914)
Total other financing sources and uses	221,617	(856,775)	-	-	(193,256)	-	(828,414)
Net change in fund balances	207,468	(48,000)	105,051	24,204	(1,929)	1,184	287,978
Fund balances - beginning	883	77,856	620,492	8,874,450	673,299	54,846	10,301,826
Fund balances - ending	\$ 208,351	\$ 29,856	\$ 725,543	\$ 8,898,654	\$ 671,370	\$ 56,030	\$ 10,589,804

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2023

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2023

	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
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 900,000	\$ 900,000	\$ 1,190,984	\$ 290,984
Intergovernmental	-	802,000	548,096	(253,904)	-	-	-	-
Investment income	-	-	-	-	-	-	5,686	5,686
Other miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	-	802,000	548,096	(253,904)	900,000	900,000	1,196,670	296,670
EXPENDITURES								
General government:								
Contract services	-	-	-	-	300,000	300,000	387,895	(87,895)
Debt service:	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total general government	-	-	-	-	300,000	300,000	387,895	(87,895)
Capital Outlay:								
General government	-	630,000	434,445	195,555	-	-	-	-
Streets and highway	-	394,500	127,800	266,700	-	-	-	-
Total capital outlay	-	1,024,500	562,245	462,255	-	-	-	-
Total expenditures	-	1,024,500	562,245	462,255	300,000	300,000	387,895	(87,895)
Excess (deficiency) of revenues over (under) expenditures	-	(222,500)	(14,149)	208,351	600,000	600,000	808,775	208,775
OTHER FINANCING SOURCES (USES)								
Transfers in	-	222,500	222,500	-	-	-	-	-
Transfers out	(883)	(883)	(883)	-	(856,775)	(856,775)	(856,775)	-
Total other financing sources (uses)	(883)	221,617	221,617	-	(856,775)	(856,775)	(856,775)	-
Net change in fund balance	(883)	(883)	207,468	208,351	(256,775)	(256,775)	(48,000)	208,775
FUND BALANCE, beginning of year	883	883	883	-	256,775	77,856	77,856	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 208,351	\$ 208,351	\$ -	\$ (178,919)	\$ 29,856	\$ 208,775

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2023

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2023

	Capital Project Fund G.O. Bond 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
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 122,000	\$ 534,200	\$ 586,080	\$ 51,880
Intergovernmental	-	-	-	-	-	-	-	-
Investment income	-	-	195,378	195,378	-	-	17,447	17,447
Other miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	-	-	195,378	195,378	122,000	534,200	603,527	69,327
EXPENDITURES								
Public safety								
Contract services	-	137,552	12,028	125,524	-	-	-	-
Debt service:								
General government	-	-	-	-	-	412,200	412,200	-
Capital Outlay:								
General government	-	8,862,448	159,146	8,703,302	-	-	-	-
Total expenditures	-	9,000,000	171,174	8,828,826	-	412,200	412,200	-
Excess (deficiency) of revenues over (under) expenditures	-	(9,000,000)	24,204	9,024,204	122,000	122,000	191,327	69,327
OTHER FINANCING SOURCES (USES)								
Proceeds from long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(193,256)	(193,256)	(193,256)	-
Total other financing sources (uses)	-	-	-	-	(193,256)	(193,256)	(193,256)	-
Net change in fund balance	-	(9,000,000)	24,204	9,024,204	(71,256)	(71,256)	(1,929)	69,327
FUND BALANCE, beginning of year	-	8,874,450	8,874,450	-	337,246	673,299	673,299	-
FUND BALANCE, end of year	\$ -	\$ (125,550)	\$ 8,898,654	\$ 9,024,204	\$ 265,990	\$ 602,043	\$ 671,370	\$ 69,327

(Continued)

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2023

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2023

	Permanent Fund Mabel King Trust				Stillwater Public Library Trust			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Investment income	-	-	1,184	1,184	-	-	77,797	77,797
Other miscellaneous revenue	-	-	-	-	-	-	28,752	28,752
Total revenues	-	-	1,184	1,184	-	-	106,549	106,549
EXPENDITURES								
Recreation and culture:								
Materials and supplies	-	-	-	-	-	6,000	1,498	4,502
Debt service:	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total general government	-	-	-	-	-	6,000	1,498	4,502
Capital Outlay:								
Recreation and culture	-	-	-	-	-	-	-	-
Total capital outlay	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	6,000	1,498	4,502
Excess (deficiency) of revenues over (under) expenditures	-	-	1,184	1,184	-	(6,000)	105,051	111,051
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	1,184	1,184	-	(6,000)	105,051	111,051
FUND BALANCE, beginning of year	-	-	54,846	54,846	-	620,492	620,492	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 56,030	\$ 56,030	\$ -	\$ 614,492	\$ 725,543	\$ 111,051

Stillwater Emergency Management



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STATISTICAL SECTION

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Statistical Section

This section of the City's ACFR 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 99-103.*
- **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 104-111.*
- **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 112-115.*
- **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 116-119.*
- **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 120-121.*

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 86,794,143	\$ 82,961,714	\$ 85,669,817	\$ 86,929,623	\$ 82,592,444	\$ 80,699,900	\$ 81,356,779	\$ 80,806,176	\$ 78,737,372	\$ 81,470,006
Restricted for capital projects	63,053	62,758	62,633	62,415	323,382	374,262	331,935	243,410	9,034	208,351
Restricted for pensions	-	7,112,182	7,706,462	7,834,767	8,374,505	9,478,658	10,056,817	0	-	1,309,975
Restricted for debt service	316,318	230,786	209,523	188,857	139,552	152,309	162,401	306,175	673,299	671,370
Restricted for street improvements	2,804,030	3,776,439	341,711	5,099,248	9,168,945	10,841,975	11,773,957	13,665,321	14,451,872	21,492,626
Restricted for specific operating activities	3,189,626	2,968,212	2,497,975	2,392,909	651,332	673,213	1,124,923	1,694,392	1,338,666	3,120,181
Restricted for permanent fund - nonexpendable	-	-	-	-	-	-	50,000	50,000	50,000	50,000
Unrestricted	7,485,506	(15,893,431)	(16,308,980)	(19,618,348)	(18,555,667)	(7,805,126)	(5,014,097)	3,992,326	6,875,700	6,847,929
Total governmental activities net position	\$ 100,652,676	\$ 81,218,660	\$ 80,179,141	\$ 82,889,471	\$ 82,694,493	\$ 94,415,191	\$ 99,842,715	\$ 100,757,800	\$ 102,135,943	\$ 115,170,438
Business-type activities:										
Net investment in capital assets	\$ 100,788,701	\$ 109,014,991	\$ 126,387,848	\$ 125,458,599	\$ 129,490,943	\$ 129,044,368	\$ 136,958,864	\$ 144,901,186	\$ 145,490,174	\$ 150,289,969
Restricted for capital projects	637,596	2,282,192	1,655,304	808,415	862,552	886,016	908,232	944,789	985,783	1,017,844
Restricted for debt service	344,724	1,056,953	1,057,398	1,542,846	2,055,472	1,932,356	1,945,838	1,978,202	2,019,266	2,079,163
Restricted for specific operating activities	2,712	2,712	2,712	2,460	0	-	-	-	-	-
Unrestricted	66,683,251	71,072,050	70,145,589	85,816,412	95,413,569	99,550,852	99,291,393	111,390,692	116,673,727	130,564,214
Total business-type activities net position	\$ 168,456,984	\$ 183,428,898	\$ 199,248,851	\$ 213,628,732	\$ 227,822,536	\$ 231,413,592	\$ 239,104,327	\$ 259,214,869	\$ 265,168,950	\$ 283,951,190
Primary government:										
Net investment in capital assets	\$ 187,582,844	\$ 191,976,705	\$ 212,057,665	\$ 212,388,222	\$ 212,083,387	\$ 209,744,268	\$ 218,315,643	\$ 225,707,362	\$ 224,227,546	\$ 231,759,975
Restricted for capital projects	700,649	2,344,950	1,717,937	870,830	1,185,934	1,260,278	1,240,167	1,188,199	994,817	1,226,195
Restricted for pensions	-	7,112,182	7,706,462	7,834,767	8,374,505	9,478,658	10,056,817	-	-	1,309,975
Restricted for debt service	661,042	1,287,739	1,266,921	1,731,703	2,195,024	2,084,665	2,108,239	2,284,377	2,692,565	2,750,533
Restricted for street improvements	2,804,030	3,776,439	341,711	5,099,248	9,168,945	10,841,975	11,773,957	13,665,321	14,451,872	21,492,626
Restricted for specific operating activities	3,192,338	2,970,924	2,500,687	2,395,369	651,332	673,213	1,124,923	1,694,392	1,338,666	3,120,181
Restricted for permanent fund - nonexpendable	-	-	-	-	-	-	50,000	50,000	50,000	50,000
Unrestricted	74,168,757	55,178,619	53,836,609	66,198,064	76,857,902	91,745,726	94,277,296	115,383,018	123,549,427	137,412,143
Total primary government net position	\$ 269,109,660	\$ 264,647,558	\$ 279,427,992	\$ 296,518,203	\$ 310,517,029	\$ 325,828,783	\$ 338,947,042	\$ 359,972,669	\$ 367,304,893	\$ 399,121,628

CITY OF STILLWATER, OKLAHOMA
CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
Public Safety	\$ 18,468,117	\$ 20,409,139	\$ 20,487,015	\$ 22,567,312	\$ 23,165,578	\$ 20,283,955	\$ 25,232,995	\$ 27,887,768	\$ 24,276,320	\$ 26,982,491
Cultural, parks and recreation	5,927,464	4,441,026	4,642,710	4,461,890	4,209,854	3,594,568	3,735,748	3,226,164	4,544,400	3,945,000
General government	4,661,263	4,263,765	4,446,150	5,328,156	5,545,663	6,051,174	5,633,505	6,263,176	6,965,822	7,424,719
Financial administration	609,518	714,638	732,799	747,028	621,538	480,187	614,702	627,071	737,819	860,711
Streets and highways	9,463,507	13,933,432	15,088,869	12,932,517	10,246,691	9,937,457	11,192,640	10,766,813	10,598,146	8,727,689
Engineering and public works administration	493,598	594,723	0	-	-	-	-	-	-	-
Economic development	739,409	14,916	27,903	13,316	25,381	24,562	7,805	5,127	-	-
Health and welfare	2,192,472	1,642,867	1,157,110	960,396	1,023,771	1,028,832	1,074,399	919,985	1,339,667	1,126,175
Interest on long-term debt	173,262	140,679	108,120	76,111	44,113	12,129	(19,671)	(50,163)	(30,311)	616,833
Total governmental activities expenses	42,728,610	46,155,185	46,690,676	47,086,726	44,882,589	41,412,864	47,472,123	49,645,941	48,431,863	49,683,618
Business-type activities:										
Electric, water, wastewater, and sanitation operations	53,624,597	58,016,108	53,378,815	61,965,058	63,234,363	65,532,689	62,740,400	80,879,025	88,079,435	85,101,682
Stillwater Public Golf Authority	-	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	15,000	0	1,686,158	-	-
Business area development	772,631	1,970,265	1,979,446	1,909,145	1,831,101	1,467,073	1,549,034	3,277,158	1,780,870	2,011,569
Airport operations	2,714,304	2,676,008	2,625,889	2,875,967	3,572,997	3,620,279	6,527,106	-	5,454,546	6,692,989
Total business-type activities expenses	57,111,532	62,662,381	57,984,150	66,750,170	68,638,461	70,635,041	70,816,540	85,842,341	95,314,851	93,806,240
Total primary government expenses	\$ 99,840,142	\$ 108,817,566	\$ 104,674,826	\$ 113,836,896	\$ 113,521,050	\$ 112,047,905	\$ 118,288,663	\$ 135,488,282	\$ 143,746,714	\$ 143,489,858
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety	\$ 354,296	\$ 2,290,884	\$ 2,622,099	\$ 2,679,216	\$ 2,619,775	\$ 2,743,417	\$ 2,841,723	\$ 3,170,639	2,117,493	3,223,829
Cultural, parks and recreation	1,218,766	1,121,462	1,064,755	914,995	712,549	274,101	166,543	194,895	131,783	266,084
General government	638,624	934,955	554,497	1,362,082	1,296,850	1,099,376	1,119,503	519,323	1,100,510	489,614
Financial administration	1,026,063	1,207,448	1,132,852	1,036,065	1,131,545	1,136,937	801,154	571,347	815,144	818,870
Streets and highways	437,901	483,411	555,381	1,107,030	405,717	392,285	407,476	452,487	466,625	413,708
Health and welfare	282,297	227,846	302,888	430,744	262,807	426,387	270,528	258,701	304,682	264,184
Operating grants and contributions	1,075,844	571,493	526,732	79,813	198,989	524,836	3,000,657	1,943,963	1,528,637	1,017,972
Capital grants and contributions	660,101	600,714	2,327,602	5,599,043	1,232,531	1,149,352	1,353,885	1,374,572	263,356	2,878,312
Total governmental activities program revenues	5,693,892	7,438,213	9,086,806	13,208,988	7,860,763	7,746,691	9,961,469	8,485,927	6,728,230	9,372,573

CITY OF STILLWATER, OKLAHOMA
CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS (1)
(accrual basis of accounting)
 (continued)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charges for services:										
Electric, water, wastewater, and sanitation operations	\$ 72,927,436	\$ 75,491,830	\$ 73,148,660	\$ 80,475,384	\$ 81,778,637	\$ 79,224,262	\$ 76,947,432	\$ 94,254,430	\$ 93,934,928	\$ 99,801,644
Stillwater Public Golf Authority	-	-	-	-	-	-	-	-	-	-
Business area development	28,130	29,303	169,335	204,548	14,783	848	1,512	935	1,048	605
Airport operations	1,582,906	1,410,731	1,132,097	1,363,750	1,657,585	1,641,714	1,443,053	1,539,353	2,519,307	3,379,483
Operating grant and contributions	-	-	-	-	-	61,392	323,914	801,946	1,260,327	1,213,934
Capital grants and contributions	296,813	764,017	115,450	1,845,117	2,246,048	2,403,555	6,383,537	11,656,049	4,901,172	6,174,278
Total business-type activities program revenues	74,835,285	77,695,881	74,565,542	83,888,799	85,697,053	83,331,771	85,099,448	108,252,713	102,616,782	110,569,944
Total primary government program revenues	\$ 82,273,498	\$ 86,782,687	\$ 83,652,348	\$ 91,749,562	\$ 93,557,816	\$ 91,078,462	\$ 95,060,917	\$ 116,738,640	\$ 109,345,012	\$ 119,942,517
Net (Expense)/Revenue										
Governmental activities	\$ (37,034,718)	\$ (38,716,972)	\$ (37,603,870)	\$ (33,877,738)	\$ (37,021,826)	\$ (33,666,173)	\$ (37,510,654)	\$ (41,160,014)	\$ (41,703,633)	\$ (40,311,045)
Business-type activities	17,723,753	15,033,500	17,581,392	17,138,629	17,058,592	12,696,730	14,282,908	22,410,372	7,301,931	16,763,704
Total primary government net expense	\$ (19,310,965)	\$ (23,683,472)	\$ (20,022,478)	\$ (16,739,109)	\$ (19,963,234)	\$ (20,969,443)	\$ (23,227,746)	\$ (18,749,642)	\$ (34,401,702)	\$ (23,547,341)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 31,096,996	\$ 29,926,023	\$ 30,250,927	\$ 29,800,331	\$ 31,288,009	\$ 30,791,644	\$ 31,005,552	\$ 33,118,168	\$ 37,423,088	\$ 44,867,281
Property taxes	1,296,462	1,196,973	1,170,237	987,082	978,693	927,799	1,205,509	1,465,530	733,849	1,805,264
Franchise and public service taxes	1,729,912	1,710,990	1,663,781	1,719,692	1,728,885	2,049,701	1,999,500	2,078,756	2,239,293	2,261,842
E911 taxes	64,278	90,535	76,503	48,274	65,245	62,591	61,217	59,566	60,375	54,951
Hotel/motel taxes	970,100	787,488	736,485	819,592	842,623	777,659	641,945	624,718	874,248	1,721,177
Investment income	(99,634)	168,627	186,077	58,500	103,431	234,296	345,279	269,882	(485,727)	775,781
Miscellaneous	-	-	-	-	-	-	44,334	11,250	102,611	943,452
Transfers-internal activity	1,452,784	939,980	2,480,341	3,154,597	2,218,075	10,543,181	7,601,376	2,234,771	1,033,941	915,792
Special item - close out of retirement fund	-	-	-	-	-	-	-	1,766,951	-	-
Total governmental activities	36,510,898	34,820,616	36,564,351	36,588,068	37,224,961	45,386,871	42,904,712	41,629,592	41,981,678	53,345,540
Business-type activities:										
Investment income	181,875	375,015	715,402	171,150	334,844	1,385,880	1,508,512	476,365	(538,677)	3,352,242
Miscellaneous	584,669	503,379	3,500	224,699	(631,707)	51,627	(499,308)	(541,424)	224,768	(417,914)
Transfers-internal activity	(1,452,784)	(939,980)	(2,480,341)	(3,154,597)	(2,218,075)	(10,543,181)	(7,601,376)	(2,234,771)	(1,033,941)	(915,792)
Total business-type activities	(686,240)	(61,586)	(1,761,439)	(2,758,748)	(2,514,938)	(9,105,674)	(6,592,172)	(2,299,830)	(1,347,850)	2,018,536
Total primary government	\$ 35,824,658	\$ 34,759,030	\$ 34,802,912	\$ 33,829,320	\$ 34,710,023	\$ 36,281,197	\$ 36,312,540	\$ 39,329,762	\$ 40,633,828	\$ 55,364,076
Change in Net Position										
Governmental activities	\$ (523,820)	\$ (3,896,356)	\$ (1,039,519)	\$ 2,710,330	\$ 203,135	\$ 11,720,698	\$ 5,394,058	\$ 469,578	\$ 278,045	\$ 13,034,495
Business-type activities	17,037,513	14,971,914	15,819,953	14,379,881	14,543,654	3,591,056	7,690,736	20,110,542	5,954,081	18,782,240
Total primary government	\$ 16,513,693	\$ 11,075,558	\$ 14,780,434	\$ 17,090,211	\$ 14,746,789	\$ 15,311,754	\$ 13,084,794	\$ 20,580,120	\$ 6,232,126	\$ 13,816,735

CITY OF STILLWATER, OKLAHOMA
FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Non-spendable	\$ 127,598	\$ 113,209	\$ 110,496	\$ 116,940	\$ 61,077	\$ 38,909	\$ 45,440	\$ 31,363	\$ 39,725	\$ 38,792
Restricted for public safety	98,393	100,321	95,790	72,571	95,185	92,613	99,805	98,535	87,231	145,507
Restricted for economic development	936,095	788,185	360,813	299,183	556,147	580,600	500,929	-	-	-
Restricted for sales tax transfer	2,155,138	2,079,706	2,041,372	1,955,910	-	-	-	-	-	-
Restricted for capital improvements	-	-	-	65,245	65,245	241,369	241,369	241,369	8,151	-
Restricted for visitor and event recruitment	-	-	-	-	-	-	-	392,502	548,241	1,307,618
Restricted for opioid settlement	-	-	-	-	-	-	-	-	-	197,280
Committed to public safety	458,395	509,846	567,333	612,968	-	-	-	-	-	-
Committed to capital improvements	-	-	-	-	-	486,577	587,131	722,006	878,905	284,231
Committed to stormwater	-	-	-	-	-	477,583	505,643	615,373	684,256	799,245
Assigned to self insurance	1,898,069	1,492,683	1,679,512	1,790,911	1,177,988	758,544	1,319,885	1,082,694	278,069	1,386,693
Assigned to recreation and culture	176,613	158,969	144,517	118,186	64,567	66,039	65,425	13,294	27,397	67,810
Assigned to special event	-	-	-	-	-	128,533	43,253	31,832	32,292	12,757
Assigned to public safety	-	-	-	-	-	517,621	618,376	406,954	466,035	476,323
Assigned to community rehab	-	-	-	-	-	17,893	18,932	23,397	42,202	72,357
Assigned to Stillwater utilities (1)	-	-	-	-	-	2,918,978	5,029,679	-	207,655	-
Assigned to budget appropriation	-	-	-	-	-	6,866,627	5,561,419	8,474,640	7,744,242	6,045,636
Unassigned	10,814,025	8,940,922	6,442,469	2,478,143	5,663,427	-	-	12,433,775	11,927,800	11,744,428
Total general fund	\$ 16,664,326	\$ 14,183,841	\$ 11,442,302	\$ 7,510,057	\$ 7,683,636	\$ 13,191,886	\$ 14,637,286	\$ 24,567,734	\$ 22,972,201	\$ 22,578,677
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Restricted for debt service	316,318	230,786	209,523	188,857	139,552	152,309	162,401	306,175	673,299	671,370
Restricted for capital improvements	2,867,083	3,839,197	404,344	5,161,663	9,427,082	10,974,868	11,864,523	13,667,362	23,327,205	30,632,682
Restricted for TIF projects	-	-	-	-	-	-	-	556,775	77,856	29,856
Restricted for library books	-	-	-	-	-	-	4,232	4,568	4,846	6,030
Restricted for library purposes	-	-	-	-	-	-	519,957	642,012	620,492	725,543
Assigned for capital improvements	-	-	-	-	-	2,979,724	5,026,307	6,097,082	6,199,479	7,703,412
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 3,183,401	\$ 4,069,983	\$ 613,867	\$ 5,350,520	\$ 9,566,634	\$ 14,106,901	\$ 17,627,420	\$ 21,323,974	\$ 30,953,177	\$ 39,818,893

(1) Per the SUA Transfer Policy, transfers from the SUA not needed to balance the City's General Fund shall be returned to the SUA.

CITY OF STILLWATER, OKLAHOMA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Taxes	\$ 35,156,665	\$ 33,690,619	\$ 33,867,464	\$ 33,417,379	\$ 34,864,045	\$ 34,641,363	\$ 34,713,615	\$ 37,454,183	\$ 41,404,107	50,682,315
Intergovernmental	1,222,484	715,097	524,126	541,595	439,114	636,609	2,988,724	1,882,763	1,514,605	4,958,535
Charges for service	584,908	614,263	671,485	799,313	566,985	529,946	578,575	578,124	625,213	550,262
Fines and forfeits	742,037	881,790	1,162,590	1,045,956	1,123,676	1,084,493	715,114	489,762	725,291	686,027
Fees and rentals	1,197,563	1,123,113	1,087,411	1,051,225	806,716	497,038	452,428	500,159	401,218	482,400
Investment income	(99,686)	168,575	186,025	58,378	102,982	233,772	344,899	269,872	(485,760)	668,027
Licenses and permits	311,218	264,840	377,683	383,629	243,017	278,769	328,791	291,463	357,396	319,506
Other miscellaneous revenues	1,113,058	1,091,427	692,754	1,743,092	1,499,104	1,345,334	1,258,572	625,832	1,430,116	1,387,588
Total revenues	40,228,247	38,549,724	38,569,538	39,040,567	39,645,639	39,247,324	41,380,718	42,092,158	45,972,186	59,734,660
Expenditures										
Current:										
Public safety	17,685,468	19,004,743	19,387,415	19,848,498	19,932,996	20,174,962	21,218,588	21,847,026	24,828,297	27,489,681
Recreation and culture	5,252,317	3,814,270	4,062,328	3,878,892	3,498,288	2,968,130	3,026,598	2,817,057	3,064,432	3,135,834
General government	3,643,832	3,727,050	4,001,412	4,509,539	5,268,836	5,976,425	5,259,527	5,702,891	5,838,901	5,700,402
Financial administration	600,062	735,423	844,480	688,490	641,620	473,228	612,456	638,336	713,241	868,380
Streets and highways	2,535,981	4,233,578	4,507,411	3,889,539	3,723,263	3,773,407	4,207,694	3,921,156	3,949,101	4,056,978
Operations	492,586	594,143	-	-	-	-	-	-	-	-
Economic development	755,344	14,916	27,903	13,316	25,381	24,562	9,316	6,062	1,048	-
Health and welfare	1,803,795	1,637,285	1,118,418	966,336	1,014,849	1,020,186	1,089,365	933,975	1,048,112	1,074,222
Debt service:										
Principal retirements	815,000	810,000	805,000	800,000	800,000	795,000	795,000	350,000	33,579	1,627,987
Interest and fiscal charges	239,200	206,600	174,200	142,000	110,000	78,000	46,200	14,400	528	550,317
Capital outlay	7,189,350	6,305,599	11,182,912	5,713,051	1,445,208	3,744,972	8,230,398	6,919,872	8,890,749	14,304,616
Total expenditures	41,012,935	41,083,607	46,111,479	40,449,661	36,460,441	39,028,872	44,495,142	43,150,775	48,367,988	58,808,417
Excess of revenues over (under) expenditures	(784,688)	(2,533,883)	(7,541,941)	(1,409,094)	3,185,198	218,452	(3,114,424)	(1,058,617)	(2,395,802)	926,243
Other Financing Sources (Uses)										
Issuance of debt	-	-	-	-	-	-	-	-	9,395,532	6,630,157
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Transfers in	18,020,242	19,047,247	18,999,377	19,339,107	19,316,085	23,948,610	25,483,216	20,273,998	22,115,500	29,089,103
Transfers out	(16,603,058)	(18,107,267)	(17,655,091)	(17,125,605)	(18,111,590)	(14,118,545)	(17,881,839)	(18,039,227)	(21,081,560)	(28,173,311)
Total other financing sources (uses)	1,417,184	939,980	1,344,286	2,213,502	1,204,495	9,830,065	7,601,377	2,234,771	10,429,472	7,545,949
Special Item - proceeds from close out of retirement plan	-	-	-	-	-	-	-	12,450,842	-	-
Net change in fund balances	\$ 632,496	\$ (1,593,903)	\$ (6,197,655)	\$ 804,408	\$ 4,389,693	\$ 10,048,517	\$ 4,486,953	\$ 13,626,996	\$ 8,033,670	\$ 8,472,192
Debt service as a percentage of noncapital expenditures	2.70%	2.84%	2.44%	2.48%	2.56%	2.40%	2.06%	0.91%	0.08%	4.67%

CITY OF STILLWATER, OKLAHOMA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
(accrual basis of accounting)

Fiscal Year	Sales & Use Taxes	Property Taxes	Franchise and Public		E911 Taxes	Lodging Tax	Total Taxes	Sales Tax as Percentage of
			Service Taxes					Total Taxes
2014	31,096,996	1,296,462	1,729,912		64,278	970,100	35,157,748	88.45%
2015	29,926,023	1,196,973	1,710,990		90,535	787,488	33,712,009	88.77%
2016	30,250,927	1,170,237	1,663,781		76,503	736,485	33,897,933	89.24%
2017	29,800,331	987,082	1,719,692		48,274	819,592	33,374,971	89.29%
2018	31,288,009	978,693	1,728,885		65,245	842,623	34,903,455	89.64%
2019	30,791,644	927,799	2,049,701		62,591	777,659	34,609,394	88.97%
2020	31,271,335	1,205,509	1,722,916		61,217	641,945	34,902,922	89.60%
2021	33,118,169	1,465,530	2,078,756		59,566	624,718	37,346,739	88.68%
2022	37,423,088	733,849	2,239,293		60,375	874,248	41,330,853	90.55%
2023	44,867,281	1,805,264	2,261,842		54,951	1,721,177	50,710,515	88.48%

CITY OF STILLWATER, OKLAHOMA
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
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	354,003	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%
2021	345,443	35,155	8,641	389,239	4,539	1,893	382,807	1.83	3,414,377	11.21%
2022	366,696	34,323	8,935	409,954	4,392	2,125	403,437	0.30	3,596,088	11.22%
2023	386,436	36,028	8,513	430,977	4,351	2,507	424,119	1.34	3,780,500	11.22%

The assessed value of the taxable property as certified by the Payne County Assessor to be used for the 2024 fiscal year is as follows:

	Real Property	Personal Property	Public Service Property	Total Valuation	Homestead Exemption	Other Exemptions	Net Total Valuation	Total Direct Tax Rate	Total Estimated Actual Value
2024	\$ 398,231	\$ 35,342	\$ 8,242	\$ 441,815	\$ 4,373	\$ 2,676	\$ 434,766	2.47	\$ 3,875,570

(1) Source: Payne County Assessor

CITY OF STILLWATER, OKLAHOMA
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>
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
2021	1.83	65.46	15.47	16.43	99.19
2022	0.30	66.99	15.47	16.43	99.19
2023	1.34	67.99	15.47	16.43	101.23

The direct and overlapping tax rates for FY 2024 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>
2024	2.47	67.10	15.47	16.43	101.47

(1) Source: Payne County Assessor

CITY OF STILLWATER, OKLAHOMA
PRINCIPAL PROPERTY TAX PAYERS (1)
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	2023			2014		
		Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank
Stillwater Ranch Holdings, LLC	Retirement community development	\$ 6,375,767	1.33%	1			
Tradan Heights Stillwater, LLC	Apartments	\$ 5,962,389	1.24%	2			
One On 4th St, LLC	Apartments	5,926,491	1.23%	3			
Stillwater Development, LLC	Real estate developer	5,259,307	1.09%	4			
Brookside Stillwater, LLC	Apartments	5,165,812	1.07%	5			
Links at Stillwater	Apartments/golf/fitness development	3,911,051	0.81%	6	\$ 2,780,113	0.96%	2
213 W Elm, LLC	Apartments	3,774,345	0.79%	7			
Wal-Mart Real Estate	Discount supercenter	3,665,531	0.76%	8	2,326,243	0.81%	4
Tailwind Stillwater, LLC	Apartments	2,872,649	0.60%	9			
1200 N Perkins Property, LLC	Apartments	2,865,843	0.60%	10			
Breckenridge Group Stillwater OK LLC	Off campus student housing				3,387,771	1.17%	1
Lakeview Pointe	Shopping center				2,393,520	0.83%	3
Sifty One at Tradan Heights	Apartments				2,222,478	0.77%	5
Campus Crest at Stillwater	Apartments				2,015,497	0.70%	6
ASCO Aerospace USA	Manufacturer of aerospace components				1,692,578	0.59%	7
Lowes Home Center, Inc.	Home improvement store				1,568,205	0.54%	8
Henry Wells White Barn	Apartments/golf				1,375,405	0.48%	9
Stillwater Retirement, LLC	Senior living				1,237,021	0.43%	10
		<u>\$ 45,779,185</u>	<u>9.52%</u>		<u>\$ 20,998,831</u>	<u>7.28%</u>	

(1) Source: Payne County Assessor

CITY OF STILLWATER, OKLAHOMA
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
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
2021	699	639	91%	96
2022	121	159	131%	22
2023	569	565	99%	21

(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 2023 are \$2,003 in current taxes and \$2,450 in delinquent taxes.

CITY OF STILLWATER, OKLAHOMA
TAXABLE SALES BY CATEGORY (1)
 LAST TEN FISCAL YEARS
(in thousands of dollars)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Retail trade	\$ 483,038	\$ 480,420	\$ 480,512	\$ 459,539	\$ 469,452	\$ 467,503	\$ 507,064	\$ 536,154	\$ 579,134	589,883
Accommodation and food services	148,363	148,904	154,198	154,052	161,040	161,562	150,159	155,762	197,648	200,441
Wholesale	70,324	51,578	42,187	38,811	44,628	38,728	34,891	35,898	45,024	49,228
Utilities	44,616	46,131	41,983	43,885	45,169	46,255	42,656	44,177	52,142	59,768
Information	25,105	25,393	25,041	24,427	23,039	22,658	22,728	22,471	24,706	23,677
Education services	18,517	14,818	4,801	11,449	27,145	23,582	81	90	109	155
Manufacturing	16,697	14,454	17,096	15,074	15,060	11,880	5,503	12,466	15,429	17,567
Unclassified	8,847	7,592	26,363	15,627	3,107	2,229	3,368	2,546	2,528	4,338
Other services (except Public Administration)	7,190	7,801	7,847	7,692	7,966	8,661	8,513	8,913	10,194	11,033
Real estate, rental, and leasing	13,102	12,796	11,966	14,289	13,262	14,454	11,351	10,191	11,501	14,574
Arts, entertainment, and recreation	3,995	3,955	3,898	4,349	4,061	4,267	6,364	6,244	8,305	8,053
Professional, scientific, and technical services	3,002	2,800	2,670	2,789	3,034	3,169	3,519	4,520	5,180	4,572
Transportation and warehousing	2,496	2,435	2,630	2,935	2,887	2,740	2,647	3,517	3,419	3,906
Finance and insurance	2,349	292	252	356	468	583	584	697	548	542
Construction	1,392	1,609	1,172	2,123	1,469	1,584	1,817	1,734	2,422	2,498
Mining, quarrying, and oil and gas extraction	842	755	127	46	3	104	20	72	140	186
Administrative, support, waste management, and rem	261	269	306	382	635	523	380	433	404	1,214
Agriculture, forestry, fishing, and hunting	55	70	64	72	82	103	173	154	153	258
Health care and social assistance	27	17	20	337	615	372	241	858	515	370
Public administration	3	5	(8)	(2)	0	32	4	175	6	65
All other outlets	-	-	-	-	-	-	-	-	-	-
Total	\$850,221	\$822,094	\$823,125	\$798,232	\$823,122	\$810,989	\$802,063	\$847,074	\$959,507	\$992,328
City general sales tax rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Transferable to SUA	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Dedicated sales tax - transportation projects (2)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	1.0%
Total tax rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4.0%

(1) Source: Oklahoma Tax Commission

(2) Dedicated sales tax of 1.0% was effective July 1, 2022. This additional tax was to expire September 30, 2026 but was extended until June 30, 2032.

Note: The State of Oklahoma retains 0.5% of the sales tax collected as an administrative fee.

CITY OF STILLWATER, OKLAHOMA
DIRECT AND OVERLAPPING SALES TAX RATES (1)
 LAST TEN CALENDAR YEARS

Fiscal Year	City of Stillwater (2)	State of Oklahoma	Payne County (3)
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%
2021	3.50%	4.50%	0.813%
2022	3.50%	4.50%	0.813%
2023	4.00%	4.50%	0.813%

(1) Sales tax is a major revenue source of the General Fund for 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 4.00% effective July 1, 2022. The additional 0.50% is dedicated to fund transportation (street) projects. This additional tax will expire June 30, 2032.

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

		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Commercial:	Average monthly customers	2,336	2,369	2,387	2,430	2,448	2,466	2,483	2,484	2,529	2,540
	Annual sales	\$ 17,063,666	\$ 18,115,939	\$ 17,426,665	\$ 18,255,860	\$ 18,531,334	\$ 18,413,545	\$ 17,029,618	\$ 17,036,886	\$ 20,098,237	\$ 23,373,889
	Percentage of total annual sales	39%	39%	39%	40%	40%	39%	39%	38%	39%	40%
Residential:	Average monthly customers	17,996	18,278	18,576	18,526	18,619	18,853	18,981	19,195	19,407	19,599
	Annual sales	\$ 21,896,747	\$ 22,477,571	\$ 21,431,632	\$ 22,043,277	\$ 22,787,588	\$ 22,873,131	\$ 21,963,322	\$ 22,543,574	\$ 25,630,084	\$ 29,781,644
	Percentage of total annual sales	50%	48%	48%	48%	49%	49%	50%	51%	50%	51%
Industrial/Institutional:	Average monthly customers	5	5	5	5	5	5	5	5	5	5
	Annual sales	\$ 5,086,290	\$ 5,991,449	\$ 5,587,646	\$ 5,435,577	\$ 5,547,897	\$ 5,432,937	\$ 4,958,654	\$ 4,852,467	\$ 5,564,744	\$ 5,190,362
	Percentage of total annual sales	12%	13%	13%	12%	12%	12%	11%	11%	11%	9%

CITY OF STILLWATER, OKLAHOMA

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

AS OF JUNE 30, 2023

(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>
Stillwater Independent School District #16 (3) Debt repaid with property taxes	\$ 56,385	82.28%	\$ 46,396
City of Stillwater direct debt Debt repaid with property taxes	\$ 9,000	100.00%	\$ 9,000
Total direct and overlapping debt			<u><u>\$ 55,396</u></u>

(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.

(3) Sources: assessed value data, school and county amounts - Payne County Assessor's Office

CITY OF STILLWATER, OKLAHOMA
RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-type Activities				Debt as				
	General Obligation Bonds	Lease and SBITA Obligations (1)	Revenue Bonds	Notes Payable	Direct Borrowing -		Total Primary Government	Personal Income (in thousands of dollars)	Percentage of		Total Debt Per Capita
					Notes Payable	Lease and SBITA Obligations (1)			Personal Income	Population	
2014	5,597,899	-	-	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	3,067,772	3.4%	50,299	2,063.84
2020	413,396	-	63,031,277	38,226,074	2,650,462	-	104,321,209	3,243,810	3.2%	48,394	2,155.66
2021	-	-	61,357,314	39,947,530	3,152,707	-	104,457,551	3,531,531	3.0%	48,134	2,170.14
2022	9,351,254	63,254	59,613,352	37,452,467	2,682,795	21,724	109,184,846	3,684,949	3.0%	49,160	2,221.01
2023	9,333,588	608,964	57,789,389	40,803,897	10,320,905	60,557	118,856,743	**	**	**	**

** Data not available at time of publication

(1) Amounts were recognized with the implementation of GASB statement 87 in FY22 and GASB statement 96 in FY23.

CITY OF STILLWATER, OKLAHOMA
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 (1)	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				
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	48,394	5.19	3,349,544	0.07
2021	-	-	-	-	48,134	-	3,414,377	-
2022	9,351,254	9,351,254	673,299	8,677,955	49,160	176.52	3,596,088	2.41
2023	9,333,588	9,333,588	671,370	8,662,218	**	**	3,780,500	2.29

** Data not available at time of publication

CITY OF STILLWATER, OKLAHOMA
PLEDGED REVENUE COVERAGE (1)
 LAST TEN FISCAL YEARS
(dollars in thousands)

Oklahoma Water Resources Board Notes and 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
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	-	-	-	-
2019	83,389	48,522	34,867	3,661	3,549	4.84	-	-	-	-
2020	80,975	44,822	36,153	3,743	3,564	4.95	-	-	-	-
2021	97,230	62,172	35,058	4,249	3,572	4.48	-	-	-	-
2022	95,925	68,252	27,673	4,264	3,528	3.55	-	-	-	-
2023	105,778	65,070	40,708	5,178	3,376	4.76	-	-	-	-

(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
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities:										
Public safety	199.0	202.5	202.0	203.8	196.5	200.5	193.0	206.0	206.0	203.5
Recreation and culture (1) (2)	80.5	67.3	51.5	60.0	35.0	33.5	32.0	32.0	32.0	33.5
General government	56.5	50.3	55.3	51.3	53.5	54.0	56.0	53.5	50.5	52.0
Financial administration	14.8	17.0	17.0	17.0	15.0	15.0	14.0	13.5	14.5	15.5
Streets and highways	26.0	29.0	42.0	37.0	35.0	34.0	34.0	37.0	40.0	37.0
Engineering and public works administration	6.0	6.0	7.0	6.0	5.0	5.5	6.5	6.5	6.5	7.0
Health and welfare	18.0	20.0	18.0	13.0	13.5	13.5	12.0	12.0	13.0	12.5
Business-type activities:										
Electric, water, and wastewater operations	146.8	158.3	156.8	157.3	145.5	159.5	153.5	137.0	146.5	151.5
Sanitation operations	30.0	29.0	31.0	28.0	27.0	28.0	29.0	28.0	28.0	30.0
Airport operations	5.8	5.8	10.8	11.5	10.5	15.5	17.0	16.0	18.5	19.0
Total	583.3	585.0	591.3	584.8	536.5	559.0	547.0	541.5	555.5	561.5

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.

CITY OF STILLWATER, OKLAHOMA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</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	23	23	23	23	23	23	23	23	23	23
Tennis courts	10	7	8	8	8	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)	215	216	234	234	234	234	235	236	237	212
Traffic signals	64	65	65	67	67	67	67	67	67	67
Business-type activities:										
Electric										
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	20.8	21.3	21.3	21.3	24.1	25.7	24.3	24.3	24.3	24.3
Water										
Water plant	1	1	1	1	1	1	1	1	1	1
Water storage towers (away from plant)	6	6	13	13	14	12	13	12	12	12
Wastewater										
Wastewater plant	1	1	1	1	1	1	1	1	1	1
Lift stations	15	15	15	16	16	16	16	16	16	17

Sources: Various City departments

CITY OF STILLWATER, OKLAHOMA
OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities:										
Public safety										
Traffic citations	2,779	2,574	4,719	5,980	5,511	5,668	5,782	2,339	3,172	2,818
Parking tickets	14,709	11,135	12,243	10,565	13,110	9,531	8,160	4,242	9,714	9,099
Police calls for service	31,548	33,241	39,508	38,496	40,573	38,999	33,232	27,597	62,017	34,924
Animals handled by Animal Welfare	2,465	2,081	1,977	2,161	2,088	2,076	2,062	1,237	1,544	1,635
Fire calls for service	4,130	4,453	4,678	5,362	5,859	4,721	3,588	3,530	4,132	4,100
Recreation and culture										
Acres mowed (1)	5,490	4,829	4,829	16,524	18,103	13,970	16,016	13,821	9,864	9,351
Program participants (2)	2,618	1,990	2,368	2,469	2,048	2,065	1,849	0	87	326
Senior Center daily average attendance (2)	25	63	65	53	56	50	47	31	40	45
Multi Arts participants (3)	-	-	-	-	-	-	-	-	-	-
Swimming pool admissions (4)	10,840	11,431	10,723	10,751	-	-	-	-	-	-
Lakeside Golf Course - rounds of golf (5)	29,563	27,651	27,103	26,952	18,824	-	-	-	-	-
Volumes in library (6)	111,072	101,941	98,312	92,134	87,916	100,035	72,071	83,487	79,274	79,366
Total circulation of library materials (6)	353,860	362,895	373,257	368,164	352,953	374,176	331,493	322,190	345,025	357,006
Community Center admissions (2)	159,548	138,807	123,538	125,715	136,735	183,689	81,510	23,670	62,900	59,165
General government										
Supported micro-computers by IT	450	450	450	450	450	475	475	477	482	520
Helpdesk/trouble calls by IT	2,100	2,050	2,800	2,500	2,800	3,200	3,325	3,300	3,300	3,450
Ordinances drafted	35	35	36	26	31	31	15	22	21	26
Financial administration										
Computer generated accounts payable checks	2,399	2,374	2,414	2,876	2,721	2,249	2,229	2,643	4,360	4,732
Budget revisions/amendments processed	289	271	281	404	361	449	527	752	873	744
Requisitions reviewed	1,639	1,515	1,295	1,390	1,119	1,018	1,979	4,190	4,062	4,265
Municipal court cases	7,263	6,532	8,009	6,957	7,346	8,375	7,703	3,530	4,100	3,785
Streets and highways										
Feet of striping (7)	31,680	54,269	106,305	15,750	30,320	12,364	15,284	21,329	18,658	24,824
Signs made	736	250	451	541	1,095	1,115	1,116	1,118	1,492	903
Crack sealant (blocks) (8)	6,237	16,475	9,090	88	76	16	147	6	0	81
Slurry sealant (blocks)	-	8	-	-	-	-	-	-	-	-
Concrete replacement (cu. yds.)	1,252	1,425	516	974	923	1,006	727	700	720	593
Health and welfare										
Developments reviewed	66	66	65	67	74	103	120	120	129	100
Permits issued	3,124	2,784	2,760	3,040	2,181	2,064	2,728	2,961	2,790	2,688
Code enforcement inspections (9)	8,114	6,061	5,204	811	2,230	3,334	1,040	1,260	1,616	508
High grass and weed cases (9)	309	635	699	101	143	279	121	315	254	279
Trees and shrubs planted	42	-	-	501	450	10	8	-	-	550

CITY OF STILLWATER, OKLAHOMA
OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (continued)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Business-type activities:										
Electric, water, and wastewater operations										
Electric connections	20,336	20,624	20,476	20,921	21,071	21,324	21,470	21,684	21,941	22,143
Water connections	16,607	17,015	17,077	18,695	18,779	18,783	18,856	18,980	19,230	19,366
Waterline repairs (10)	340	300	189	216	225	225	191	278	376	382
Water treated (million gallons)	2,321	2,400	4,472	2,586	2,209	1,849	1,877	2,402	2,437	2,434
Sewage treated (million gallons)	1,905	1,799	1,776	1,671	1,596	1,746	1,728	1,655	1,851	1,483
Sanitation operations										
Landfill usage (tons)	18,602	19,006	19,076	20,200	21,072	21,041	21,079	22,107	22,147	22,650
Yard waste hauled (tons)	1,040	1,424	1,233	992	1,121	1,185	1,185	838	616	1,102
Fleet operations										
Vehicles maintained	539	573	575	580	495	507	522	522	533	568
Fleet job orders completed	4,540	5,095	3,886	2,256	2,166	2,223	2,199	2,300	2,215	2,117
Airport operations										
Air traffic operations (avg month)	4,911	5,526	5,765	5,899	6,520	6,154	5,096	6,314	6,601	6,448

(1) Acres mowed times number of times mowed.

(2) 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 effective June 2020 reopening City Hall, the Stillwater Community Center, the Stillwater Public Library, and City Park facilities; however, the Senior Activity Center, the Swimming Pool at Couch Park, and City programs remained closed. On February 26, 2021, the Mayor issued a proclamation reopening the Senior Activity Center and the Swimming Pool.

(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) 2016 measurement includes contracted longline striping

(8) Measured in lbs. in 2014-2016.

(9) Measured based on number of contacts in 2014-2016 & 2018; 2017 & 2019-2023 measured per case.

(10) Includes water main and service line repairs.

Sources: Various City departments

CITY OF STILLWATER, OKLAHOMA
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	5,351	1	21%	5,659	1	19%
Stillwater Medical Center	1,367	2	5%	886	2	3%
Stillwater Public Schools	915	3	4%	809	3	3%
City of Stillwater	558	4	2%	583	4	2%
Wal-Mart (2)	355	5	1%	505	5	2%
Stan Clark Companies	270	6	1%	145	10	0%
Oncue Marketing	207	7	1%	171		
OK State Dept. of Career Tech	206	8	1%	240	6	1%
Stillwater Designs/Kicker Audio	196	9	1%	185	7	1%
National Standard	174	10	1%	175	8	1%
Simmons Bank (3)	45			150	9	0%
Others:						
Meridian Technology Center	143			124		
Frontier Electronics	132			102		
ASCO Aerospace USA	135			0		

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

(2) Current year excludes Wal-Mart location on 6th street

(3) In May 2018, BankSNB converted to Simmons Bank

CITY OF STILLWATER, OKLAHOMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Education Level in Years of							
		Personal Income (in thousands of dollars)	Per Capita Personal Income (2)	Median Age (3)	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			
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	3,067,772	38,276	25.5	93.6%	43.7%	6,512	30,765	2.9%
2020	48,394	3,243,810	40,487	25.6	93.3%	44.7%	6,029	26,252	4.4%
2021	48,134	3,531,531	43,952	25.6	93.1%	45.5%	6,259	26,589	2.6%
2022	49,160	3,684,949	45,416	**	**	**	6,486	26,624	3.4%
2023	**	**	**	**	**	**	6,278	27,077	3.0%

** 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.



Stillwater Electric Utility

The average electric utility customer used approximately 10,847 kilowatts an hour in 2023.

OTHER REPORTS

Stillwater[®] OKLAHOMA
stillwaterok.gov

Utility & Billing Services

The Utility & Billing Services Department handles more than 25,000 billing accounts each month.





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

To the Honorable Mayor and Members of the City Council
City of 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 City of Stillwater, Oklahoma (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 11, 2023. 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.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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

HSPG & ASSOCIATES, PC

objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

HSPG & Associates, P.C.

December 11, 2023



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