



FY22

City of Stillwater
Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

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!



ANNUAL COMPREHENSIVE FINANCIAL REPORT

And Accompanying Independent Auditor's Report
Fiscal Year Ended June 30, 2022

Prepared by:
Department of Finance

Christy Cluck,
Director of Finance

Melissa Reames,
Deputy City Manager/Chief Financial Officer



Stillwater Fire Department



Facebook - @StwFire



Instagram - @StwFire

#StwFire



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CITY OF STILLWATER, OKLAHOMA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 Fiscal Year Ended June 30, 2022

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INTRODUCTORY SECTION





Waste Water Treatment Plant

The Waste Water Treatment Plant discharges about 4.8 million gallons of treated water per day, removing 98% of all suspended solids.



Office of City Manager
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Stillwater, OK 74076-1449

Office: 405.372.0025
Web: stillwater.org

LETTER OF TRANSMITTAL

Date: December 15, 2022

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, 2022, 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, BT&Co., P.A. (BT&Co), was selected by the City Council upon recommendation from the City's Audit Committee to perform the fiscal year 2022 audit. BT&Co issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2022. 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,

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

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 Public Library Trust (Library Trust) are reported as three enterprise funds, an internal service fund and a governmental fund, respectively, of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government. The Stillwater Medical Center Authority is reported as a discretely presented proprietary component unit. The reporting entity is described in Note I to the combined financial statements in the financial section of this report.

THE BUDGET CYCLE

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

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

The following process is required to adopt the annual budget:

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

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

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

STILLWATER'S ECONOMY AND REVENUE OUTLOOK

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

New construction projects completed in fiscal year 2022 included several new sorority and fraternity houses near the Oklahoma State University campus as well as four new warehouse facilities, a new bank facility and 179 new single and two-family homes. Construction and development for new residential subdivisions continues in the southwest and northeast portions of Stillwater creating an additional 220 residential lots.

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, 2022 was 3.5% with 0.5% dedicated to transportation, 1.0% dedicated to the Stillwater Utilities Authority, and 2.0% undedicated to the general fund. Over the last five fiscal years, sales and use taxes combined have averaged \$32.6 million. This average includes the dedicated sales tax of 1.5%. Sales and use tax collections combined have been stable with an average annual growth of 5.0%. Fiscal year 2022 saw a significant increase in sales and use tax of 13.0% over fiscal year 2021; however, the growth is in response to inflationary increases in the price of consumer goods and is quickly offset by inflationary increases in the price of procured goods and services by the City.

MAJOR INITIATIVES

Infrastructure: In February 2022, the Stillwater voters passed an additional 1/2 cent sales tax dedicated to transportation improvements bringing the total to 1 cent dedicated to transportation improvements. Council appointed a citizen committee to work with staff on setting priorities for repair, replacement, and expansion of roads, sidewalks and alternative transportation lanes. While the passage of the additional funding certainly facilitates projects moving forward, the economic climate is not conducive to achieving stated goals as was originally

anticipated. Staff continues to explore additional funding sources through grants to augment the increase in sales tax revenues.

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.

Economic Development: The City of 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 2022, the City Council amended the Tax Increment Financing District #3 Project Plan to include Tax Increment Financing District #5 in support of USA Rare Earth locating in Stillwater. This manufacturing company will create 100+ quality jobs in addition to millions of dollars invested in the community. Fiscal year 2022 also saw redevelopment agreements entered into for a convention center/hotel, dining establishments in downtown Stillwater and small business enhancements geared to the refurbishment of building exteriors.

Quality of Life: Fiscal year 2022 brought progress in the area of quality of life for the Stillwater community. The adaptive playground at Strickland Park was completed and has become a place that all ages and abilities can gather. A donor came forward to create an event fund space on Block 34, a city block in downtown Stillwater, that will include a public green, 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 progressing on the block at the end of fiscal year 2022.

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, 2021. 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 consecutive years. We believe that our current report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the dedicated services of the Finance Department with special thanks to the Director of Finance, Christy Cluck, the Accounting Manager, Jared Thulin, and the professional assistance of Crawford and Associates, P.C. and the City's independent auditors, BT&Co., P.A. In addition, thanks are extended to the members of the Audit Committee for their review and oversight of the audit process and to the members of the City Council for their interest and support in strengthening and improving the fiscal policies of the City. The City will strive to continue to provide its citizens with quality services, management and financial reporting.

Respectfully submitted,



Norman McNickle
City Manager



Melissa Reames
Deputy City Manager/
Chief Financial Officer



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, 2021

Christopher P. Morill

Executive Director/CEO

CITY OFFICIALS AND AUDIT COMMITTEE

As of June 30, 2022

Mayor and City Council



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

NORMAN McNICKLE
City Manager

MELISSA REAMES
Deputy City Manager/
Chief Financial Officer

PATTI OSMUS
Assistant to the City Manager

DAWN JONES
Director of Communications/
Public Information Officer

KIMBERLY CARNLEY
Interim City Attorney

TERESA KADAVY
City Clerk

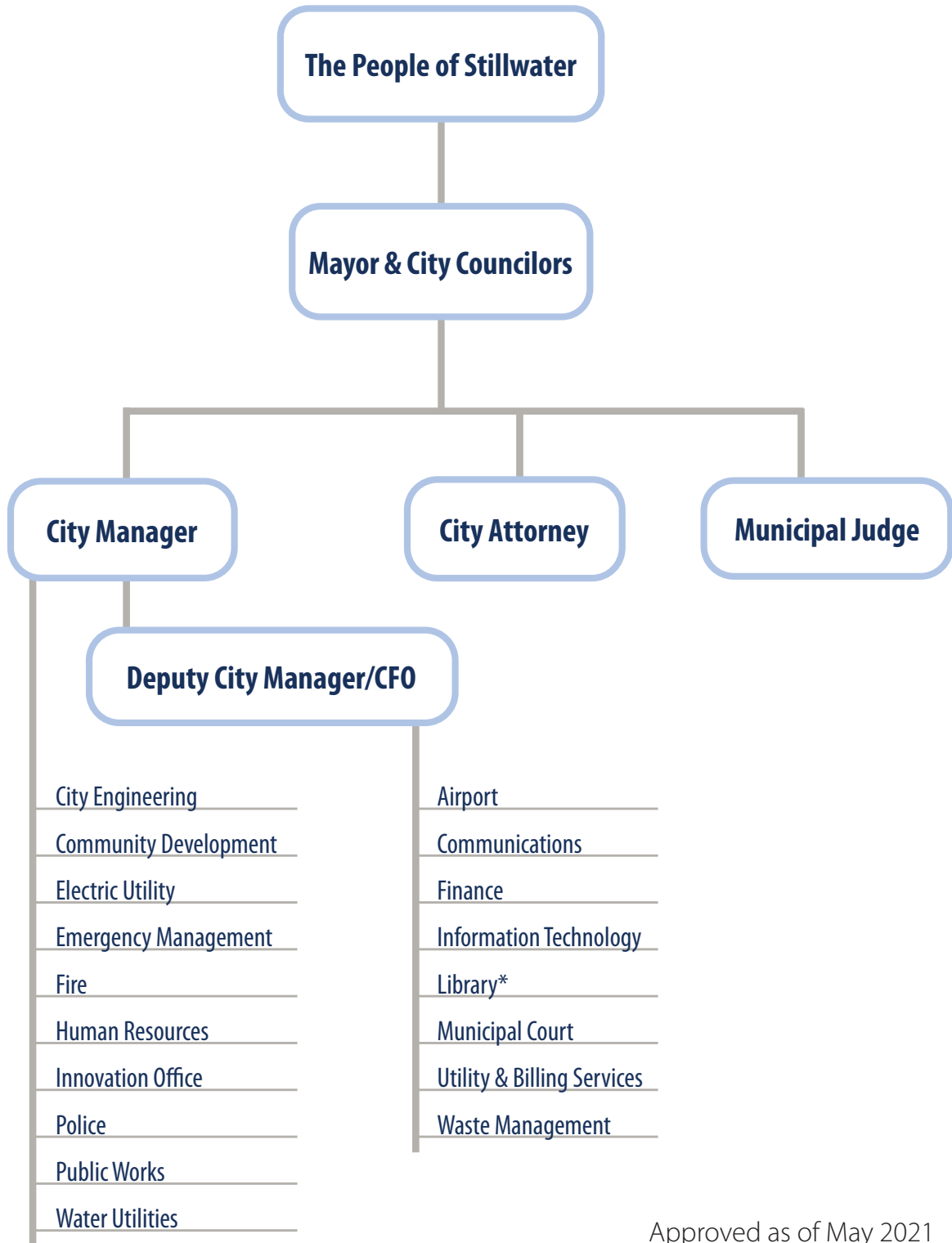
Department of Finance

CHRISTY CLUCK
Director of Finance

JARED THULIN
Accounting Manager

MICHELLE WILHELM
Finance Manager

ORGANIZATION CHART — GENERAL GOVERNMENT

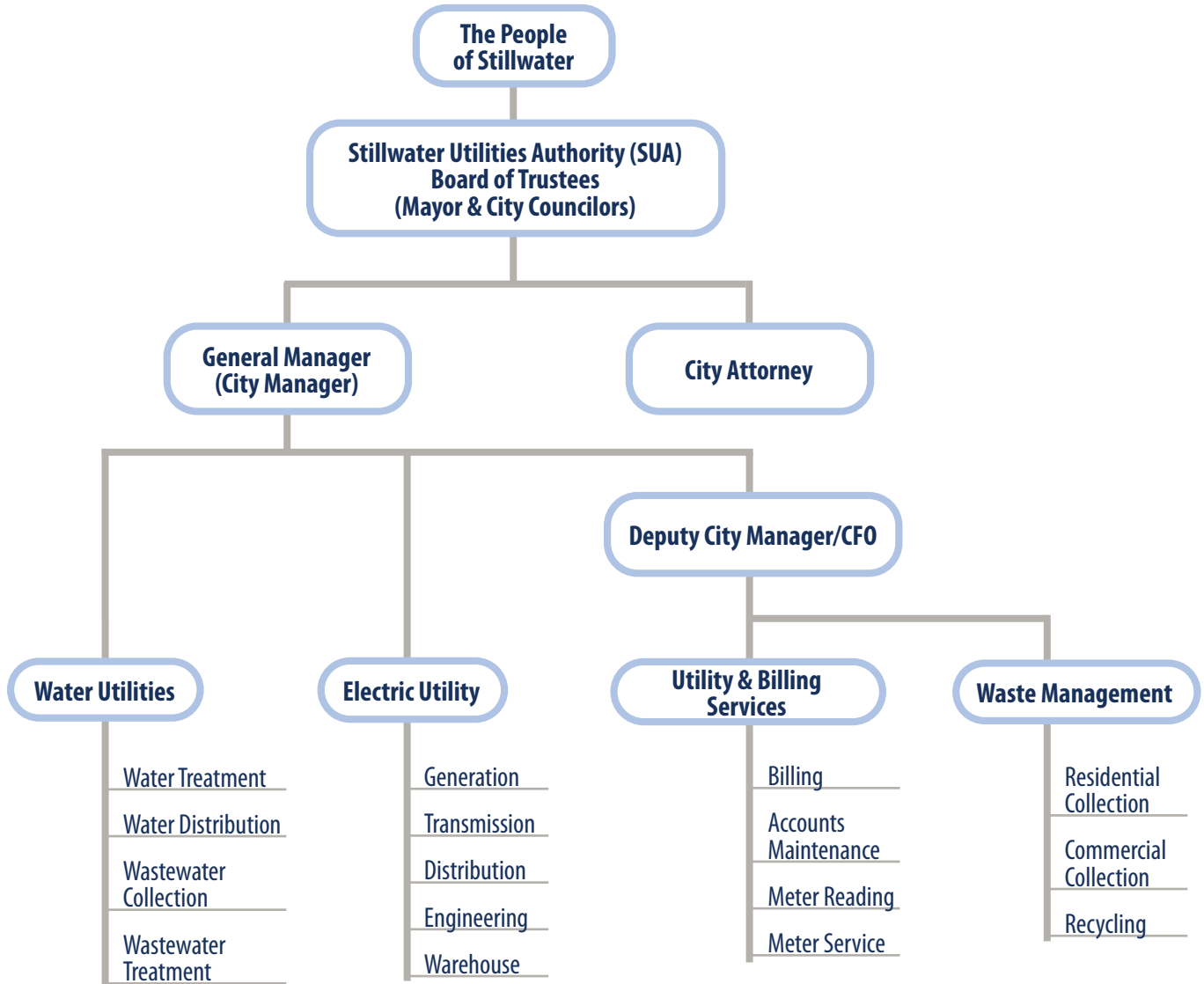


*As provided in Section 3–6 of the Stillwater City Charter, the Library Board has supervision and control of the public library including appointment of the Library Director and setting policies for the administration of the Library.

Approved as of May 2021

Norman McNickle, City Manager

ORGANIZATION CHART — STILLWATER UTILITIES AUTHORITY (SUA)



Approved as of May 2021

Norman McNickle

Norman McNickle, City Manager

FINANCIAL 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 

Twitter - @StwOKPolice 



INDEPENDENT AUDITORS' REPORT

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, 2022, 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 accompanying 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, 2022, 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 (SMCA) discretely presented component unit as June 30, 2022, and the respective changes 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 SMCA, is based solely on the report of the other auditor.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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.

Emphasis of Matter

As discussed in Note VII to the financial statements, the June 30, 2021, financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

An Independently Owned Member, RSM US Alliance

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

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 within one year after the date that the financial statements are issued or available to be issued.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 and the required supplementary information 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 schedules and statements listed under supplementary information in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 auditors' 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 15, 2022 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 City's internal control over financial reporting and compliance.

BT&Co, P.A.

December 15, 2022
Topeka, Kansas



Stillwater Regional Airport

Facebook - @FlyStillwaterOK 

Twitter - @FlyStillwaterOK 

#FlySWO

FlyStillwaterOK.com

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

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, 2022. Please consider the information presented here in conjunction with the letter of transmittal in the Introductory Section of this report and the financial statements, which follow this management's discussion and analysis.

Overview of the Financial Statements in this Annual Report

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

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

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

Government-wide Financial Statements

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

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

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

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

1. Governmental activities – Most of the City's basic services are reported here, including the police, fire, administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
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 fund* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are

generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the government-wide Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position. In fact, the City's proprietary funds are the same as the business-type activities reported in the government-wide statements, but the fund financial statements provide more detail and additional information, such as cash flows.

Notes to the Financial Statements

The notes provide additional information that is essential to gain understanding of the data provided in the government-wide and fund financial statements. The notes to the Financial Statements can be found following the Statement of Cash Flows for Proprietary Funds.

Net Position

For the year ended June 30, 2022, 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, restated	\$ 101,858	\$ 259,215	\$ 361,073
Increase	278	5,954	6,232
Ending net position	<u>\$ 102,136</u>	<u>\$ 265,169</u>	<u>\$ 367,305</u>

The above numbers reflect an increase of 0.3% in restated net position for governmental activities and an increase of 2.3% in net position for business-type activities. Overall, the net position for both governmental and business-type activities increased 1.7% for this fiscal year. Beginning net position for the governmental activities was restated due to an understatement of statutory interest for the firefighters pension plan.

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

CITY OF STILLWATER, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2022

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 71,703	\$ 49,671	\$148,267	\$131,249	\$219,970	\$180,920
Capital assets	79,666	80,806	241,867	244,686	321,533	325,492
Total assets	151,369	130,477	390,134	375,935	541,503	506,412
Deferred Outflows	7,686	9,854	368	405	8,054	10,259
Liabilities:						
Long-term liabilities	28,529	32,554	105,232	109,798	133,761	142,352
Other liabilities	9,446	4,574	15,332	7,041	24,778	11,615
Total liabilities	37,975	37,128	120,564	116,839	158,539	153,967
Deferred Inflows	18,944	2,445	4,769	286	23,713	2,731
Net position:						
Net investment in capital assets	78,737	80,806	145,490	144,901	224,227	225,707
Restricted	16,523	15,959	3,005	2,923	19,528	18,882
Unrestricted	6,876	3,993	116,674	111,391	123,550	115,384
Total net position	\$102,136	\$100,758	\$265,169	\$259,215	\$367,305	\$359,973

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 prior year governmental activities balances have not been restated for the effects of understatement of statutory interest for the firefighters pension plan.

The largest portion of the City's net position, 61.1%, 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, 5.3%, 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, 2022

Changes in Net Position

Governmental activities increased the City's net position by \$0.3 million which contributed to a 0.3% increase of the net position of the City. Business-type activities increased the City's net position by \$6.0 million which contributed a 2.3% 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	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 4,936	\$ 5,167	\$ 96,455	\$ 95,795	\$ 101,391	\$ 100,962
Operating grants and contributions	1,529	1,944	1,260	802	2,789	2,746
Capital grants and contributions	263	1,375	4,901	11,656	5,164	13,031
General revenues:						
Sales and use taxes	37,423	33,118	-	-	37,423	33,118
Other taxes	3,908	4,229	-	-	3,908	4,229
Other general revenues	(351)	281	(314)	(65)	(665)	216
Total revenues	47,708	46,114	102,302	108,188	150,010	154,302
Program expenses:						
General government	6,966	6,263	-	-	6,966	6,263
Financial administration	738	627	-	-	738	627
Public safety	24,276	27,888	-	-	24,276	27,888
Streets and sewers	10,598	10,767	-	-	10,598	10,767
Recreation and culture	4,544	3,226	-	-	4,544	3,226
Economic development	-	5	-	-	-	5
Health and welfare	1,340	920	-	-	1,340	920
Interest on long-term debt	2	(50)	-	-	2	(50)
Stillwater Utilities Authority	-	-	88,079	80,879	88,079	80,879
Business area development	-	-	1,781	1,686	1,781	1,686
Airport operations	-	-	5,454	3,277	5,454	3,277
Total expenses	48,464	49,646	95,314	85,842	143,778	135,488
Increase/(decrease) in net position before transfers	(756)	(3,532)	6,988	22,346	6,232	18,814
Net transfers	1,034	2,235	(1,034)	(2,235)	-	-
Special item - close out of retirement fund	-	1,767	-	-	-	1,767
Increase in net position	\$ 278	\$ 470	\$ 5,954	\$ 20,111	\$ 6,232	\$ 20,581
Net position - beginning of year, as previously stated	100,758	100,288	259,215	239,104	359,973	339,392
Cumulative effect of error correction	1,100	-	-	-	1,100	-
Net position - beginning of year, as restated	101,858	100,288	259,215	239,104	361,073	339,392
Net position - end of year	\$ 102,136	\$ 100,758	\$ 265,169	\$ 259,215	\$ 367,305	\$ 359,973

Governmental Activities: Sales and use tax received in Fiscal Year 2022 increased from the prior year by \$4.3 million or 13.0%. Grant and contributions decreased in Fiscal Year 2022 due to the Coronavirus Aid, Relief and Economic Securities Act (CARES) grant coming to an end in Fiscal Year 2021. Public safety expenses decreased by \$3.6 million due to the net effect of an increase in health insurance, workers compensation and personnel expenses of \$3.0 million offset by a decrease in pension expense of \$7.3 million.

Business-type Activities: Charges for services of the business-type activities remained steady, only increasing \$0.7 million in 2022. The decrease of \$6.8 million in capital grants and contributions is due to a decrease in the amount of grant receipts for airport projects and the generator project at the water treatment plant as many projects are complete or nearing completion. Expenses of the SUA increased by \$7.2 million in 2022. This is the result of an increase in costs associated with the February 2021 Winter Storm event. The SUA's power provider, GRDA, allocated costs to its customers. The SUA's proportionate share of the costs was \$7.1 million.

Fund Financial Highlights

The General Fund's fund balance decreased from Fiscal Year 2021 by \$1.6 million. This is due to overall increases in health insurance and public safety personnel expenditures as well as increases to transfers out to other funds. Although sales and use taxes were up \$4.3 million, or 13.0%, the portion of the sales tax dedicated to transportation projects (half-cent) and the SUA (one-cent) were required to be transferred to those funds resulting in increases to the transfers out.

The Transportation Fund received a transfer from the General Fund of a half-cent sales tax dedicated for transportation improvements. The Transportation Fund's fund balance increased from Fiscal Year 2021 by \$0.8 million due to increases in this transfer and fewer capital expenditures during the year.

The net position of the SUA has increased by \$1.2 million or 0.5% as the result of Fiscal Year 2022 operations.

The net position of the Airport Fund increased \$3.9 million or 12.8% due mainly to \$4.8 million in capital contributions.

General Fund Budgetary Highlights

The City's adopted budget for Fiscal Year 2022 included revenues in the General Fund of \$36.2 million, which is relatively unchanged from budgeted revenues in Fiscal Year 2021. Fiscal Year 2022 budgeted expenditures were more than the amounts approved in the previous year by \$0.8 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 \$21.5 million due to \$8.7 million in budget carryovers from Fiscal Year 2021, \$9.2 million in new grants awarded and \$2.8 million in public safety personnel and city-wide health insurance cost increases.

The differences between the final budgeted revenue and actual revenue collections for Fiscal Year 2022 amounted to \$5.6 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 American Rescue Plan Act (ARPA) grant.

The difference between the final budgeted expenditures and actual expenditures for Fiscal Year 2022 amounted to \$19.5 million under budget. This variance is due to incomplete capital projects at the end of the fiscal year that were subsequently re-appropriated in Fiscal Year 2023 and position vacancies across all departments.

Capital Assets

At June 30, 2022, the City had \$321.5 million invested in capital assets including police and fire equipment, buildings, park facilities, water and wastewater lines, electric systems, and roads. The following is a summary of changes in capital assets and debt administration for the year ended June 30, 2022. 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, 2022

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021*	2022	2021	2022	2021
Land	\$ 16,099	\$ 15,056	\$ 2,504	\$ 2,504	\$ 18,603	\$ 17,560
Buildings	24,368	24,263	94,216	94,192	118,584	118,455
Other improvements	13,976	13,710	50,601	38,577	64,577	52,287
Equipment	29,826	28,241	81,607	79,502	111,433	107,743
Infrastructure	171,370	170,900	217,449	206,515	388,819	377,415
Intangible assets	-	-	1,604	1,700	1,604	1,700
Leased assets	97	85	36	-	133	85
Construction-in-progress	2,848	2,391	18,640	33,301	21,488	35,692
	258,584	254,646	466,657	456,291	725,241	710,937
Less depreciation/amortization	178,918	173,755	224,790	211,605	403,708	385,360
Totals	\$ 79,666	\$ 80,891	\$ 241,867	\$ 244,686	\$ 321,533	\$ 325,577

* - Restated for effect of GASB 87 implementation

Debt Administration

At June 30, 2022, the City had \$109.4 million in long term debt. These debts are further detailed in the chart below. More detailed information on the City's long-term debt activity can be found in Note III of the notes to the financial statements.

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021*	2022	2021*	2022	2021
General obligation bonds	\$ 9,351	\$ -	\$ -	\$ -	\$ 9,351	\$ -
Direct obligation-notes payable	-	-	2,683	3,153	2,683	3,153
Lease obligations	63	85	22	-	85	85
Notes and bonds payable	-	-	97,066	101,305	97,066	101,305
Refundable grant obligations	8	25	199	213	207	238
Totals	\$ 9,422	\$ 110	\$ 99,970	\$ 104,671	\$ 109,392	\$ 104,781

* - Restated for effect of GASB 87 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 2023 were increased by \$8.0 million and \$0.6 million, respectively, to account for an additional half-cent transportation sales tax approved by the voters in February 2022 as well as upward trends in overall sales and use tax collections. As of the date of this report, sales and use tax collected in Fiscal Year 2023 has been up each month over the same periods in Fiscal Year 2022. Through November 2022, sales and use tax collections are up \$2.8 million (18.9%) from the same months in Fiscal Year 2021.

Cost of service studies for the electric, water, wastewater and solid waste utilities were completed in the Spring of 2020 and presented to the SUA's Board of Trustees in the Fall of 2020. No action was taken to adjust electric, water or wastewater rates. Resolution SUA-2020-8 was adopted on December 7, 2020 to revise the rate structure for solid waste collection services, and the rate structure was effective January 1, 2021. Resolution SUA-2022-5 was adopted on April 18, 2022 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. Updated rate studies for the electric, water and wastewater utilities was approved by the Authority on October 17, 2022.

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, 2022

**Statement of Net Position
June 30, 2022**

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-type Activities	Total	Stillwater Medical Center Authority
ASSETS				
Cash and cash equivalents	\$ 50,158,862	\$ 99,667,074	\$ 149,825,936	\$ 20,533,671
Investments	2,694,240	13,978,700	16,672,940	131,700,918
Accounts receivable, net of allowance	529,464	14,010,146	14,539,610	47,814,319
Internal balances	626,314	(626,314)	-	-
Interest receivable	276,897	142,797	419,694	-
Other receivable	-	8,333	8,333	-
Inventory	39,725	5,251,737	5,291,462	8,089,518
Intergovernmental receivable	7,610,680	2,274,576	9,885,256	-
Leases receivable	563,287	4,468,952	5,032,239	-
Other assets	-	-	-	39,810,392
Restricted cash and cash equivalents	-	4,539,522	4,539,522	5,183,645
Restricted investments	-	4,552,056	4,552,056	-
Capital assets:				
Non-depreciable	18,947,299	22,673,983	41,621,282	44,308,596
Depreciable, net of depreciation	60,718,665	219,192,847	279,911,512	124,868,853
Investment in joint ventures	-	-	-	9,589,313
Net pension asset	9,203,474	-	9,203,474	-
Total Assets	151,368,907	390,134,409	541,503,316	431,899,225
DEFERRED OUTFLOWS OF RESOURCES				
Pension	7,060,024	-	7,060,024	-
Other postemployment benefits	625,707	367,479	993,186	-
Business acquisition	-	-	-	3,892,076
Total deferred outflow of resources	7,685,731	367,479	8,053,210	3,892,076
LIABILITIES				
Accounts payable and other accrued expenses	1,407,552	13,499,861	14,907,413	11,753,052
Accrued liabilities	3,644,368	606,555	4,250,923	21,034,618
Accrued interest payable	1,182	923,785	924,967	-
Estimated amounts due to third-party payors	-	-	-	14,267,928
Unearned revenue	4,392,494	302,305	4,694,799	-
Long-term liabilities:				
Due within one year	607,415	6,395,831	7,003,246	5,709,539
Due in more than one year	11,844,252	96,078,089	107,922,341	78,795,148
Other postemployment benefits	4,695,406	2,757,620	7,453,026	-
Net pension liabilities	11,382,311	-	11,382,311	-
Total Liabilities	37,974,980	120,564,046	158,539,026	131,560,285
DEFERRED INFLOWS				
Leases	569,566	4,418,457	4,988,023	-
Pension	17,777,462	-	17,777,462	-
Other postemployment benefits	596,687	350,435	947,122	-
Total deferred inflow of resources	18,943,715	4,768,892	23,712,607	-
NET POSITION				
Net investment in capital assets	78,737,372	145,490,174	224,227,546	88,187,006
Restricted for:				
Debt service	673,299	2,019,266	2,692,565	-
Capital projects	9,034	985,783	994,817	-
Street improvements	14,451,872	-	14,451,872	-
Permanent Fund - nonexpendable	50,000	-	50,000	7,224,309
Specific operating activities	1,338,666	-	1,338,666	300,000
Unrestricted	6,875,700	116,673,727	123,549,427	208,519,701
Total Net Position	\$ 102,135,943	\$ 265,168,950	\$ 367,304,893	\$ 304,231,016

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

**Statement of Activities
For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Component Unit Stillwater Medical Center Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental Activities								
Public safety	\$ 24,276,320	\$ 2,117,493	\$ 93,821	\$ 25,212	\$ (22,039,794)	\$ -	\$ (22,039,794)	\$ -
Cultural, parks and recreation	4,544,400	131,783	328,251	29,023	(4,055,343)	-	(4,055,343)	-
General government	6,965,822	1,100,510	959,999	67,718	(4,837,595)	-	(4,837,595)	-
Financial administration	737,819	815,144	-	-	77,325	-	77,325	-
Streets and highways	10,598,146	466,625	146,566	141,403	(9,843,552)	-	(9,843,552)	-
Health and welfare	1,339,667	304,682	-	-	(1,034,985)	-	(1,034,985)	-
Interest on long-term debt	1,710	-	-	-	(1,710)	-	(1,710)	-
Total governmental activities	48,463,884	4,936,237	1,528,637	263,356	(41,735,654)	-	(41,735,654)	-
Business-type activities								
Electric, utilities, waste utilities and waste management operations	88,079,435	93,934,928	58,190	434,346	-	6,348,029	6,348,029	-
Business area development	1,780,870	1,048	-	-	-	(1,779,822)	(1,779,822)	-
Airport operations	5,454,546	2,519,307	1,202,137	4,466,826	-	2,733,724	2,733,724	-
Total business-type activities	95,314,851	96,455,283	1,260,327	4,901,172	-	7,301,931	7,301,931	-
Total primary government	\$ 143,778,735	\$ 101,391,520	\$ 2,788,964	\$ 5,164,528	(41,735,654)	7,301,931	(34,433,723)	
Component Units								
Medical Center	\$ 286,687,800	\$ 301,147,597	\$ -	\$ 10,859,424				25,319,221
General revenues:								
Taxes:								
Sales and use taxes					37,423,088	-	37,423,088	-
Property tax					733,849	-	733,849	-
Franchise and public service tax					2,239,293	-	2,239,293	-
E911 tax					60,375	-	60,375	-
Lodging tax					874,248	-	874,248	-
Unrestricted investment earnings					(453,706)	(538,677)	(992,383)	9,498,597
Miscellaneous					102,611	224,768	327,379	-
Transfers					1,033,941	(1,033,941)	-	-
Total general revenues and transfers					42,013,699	(1,347,850)	40,665,849	9,498,597
Change in net position					278,045	5,954,081	6,232,126	34,817,818
Net position - beginning, restated					101,857,898	259,214,869	361,072,767	269,413,198
Net position - ending					\$ 102,135,943	\$ 265,168,950	\$ 367,304,893	\$ 304,231,016

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Transportation Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 20,391,698	\$ 13,760,006	\$ 15,901,571	\$ 50,053,275
Investments	2,132,384	-	561,856	2,694,240
Accounts receivable, net	529,464	-	-	529,464
Due from other funds	617,980	822,329	-	1,440,309
Due from other governments	7,054,259	-	556,421	7,610,680
Accrued interest receivable	268,106	6,047	2,744	276,897
Leases receivable	563,287	-	-	563,287
Inventories	39,725	-	-	39,725
Total assets	<u>\$ 31,596,903</u>	<u>\$ 14,588,382</u>	<u>\$ 17,022,592</u>	<u>\$ 63,207,877</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 807,060	\$ 136,510	\$ 463,968	\$ 1,407,538
Accrued liabilities	1,976,239	-	-	1,976,239
Due to other funds	822,329	-	-	822,329
Unearned revenue	4,392,494	-	-	4,392,494
Total liabilities	<u>7,998,122</u>	<u>136,510</u>	<u>463,968</u>	<u>8,598,600</u>
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	-	-	57,319	57,319
Unavailable revenue-court fines	26,314	-	-	26,314
Unavailable revenue-grant proceeds	30,700	-	-	30,700
Leases	569,566	-	-	569,566
Total deferred inflows of resources	<u>626,580</u>	<u>-</u>	<u>57,319</u>	<u>683,899</u>
Fund balances:				
Nonspendable	39,725	-	50,000	89,725
Restricted				
Debt service	-	-	673,299	673,299
Police equipment	70,266	-	-	70,266
Police undercover operations	16,965	-	-	16,965
Capital improvements	8,151	14,451,872	8,875,333	23,335,356
TIF projects	-	-	77,856	77,856
Library books	-	-	4,846	4,846
Library purposes	-	-	620,492	620,492
Visitor and event recruitment	548,241	-	-	548,241
Committed				
Capital improvements	878,905	-	-	878,905
Stormwater	684,256	-	-	684,256
Assigned				
Self insurance	278,069	-	-	278,069
Parks and recreation	27,397	-	-	27,397
Special event	32,292	-	-	32,292
Capital improvements	-	-	6,199,479	6,199,479
Fire equipment	465,148	-	-	465,148
Police equipment	887	-	-	887
Homebuyer's assistance program	42,202	-	-	42,202
Stillwater Utilities Authority by resolution	207,655	-	-	207,655
Budget appropriation	7,744,242	-	-	7,744,242
Unassigned	11,927,800	-	-	11,927,800
Total fund balances	<u>22,972,201</u>	<u>14,451,872</u>	<u>16,501,305</u>	<u>53,925,378</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 31,596,903</u>	<u>\$ 14,588,382</u>	<u>\$ 17,022,592</u>	<u>\$ 63,207,877</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, 2022

**Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2022**

Total fund balance, governmental funds \$ 53,925,378

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 \$178,918,814 79,220,464

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	114,333
Pension related deferred outflows	7,060,024
OPEB related deferred outflows	625,707
Net pension asset	9,203,474

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 551,087

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	(9,351,254)
Lease payable	(63,254)
Accrued compensated absences	(3,028,826)
Net pension liability	(11,382,311)
Pension related deferred inflows	(17,777,462)
Total OPEB liability	(4,695,406)
OPEB related deferred inflows	(596,687)
Accrued interest payable	(1,182)
Accrued workers compensation claims	(1,668,142)

Net Position of Governmental Activities in the Statement of Net Position \$ 102,135,943

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Transportation Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Sales and use taxes	\$ 37,423,088	\$ -	\$ -	\$ 37,423,088
Other taxes	3,173,916	-	807,103	3,981,019
Intergovernmental	1,021,915	-	492,690	1,514,605
Charges for services	625,213	-	-	625,213
Fines and forfeitures	725,291	-	-	725,291
Fees and rentals	401,218	-	-	401,218
Licenses and permits	357,396	-	-	357,396
Investment income (loss)	(541,563)	71,519	16,305	(453,739)
Miscellaneous	1,403,783	-	26,333	1,430,116
Total revenues	<u>44,590,257</u>	<u>71,519</u>	<u>1,342,431</u>	<u>46,004,207</u>
EXPENDITURES				
Current:				
Public safety	24,702,747	-	125,550	24,828,297
Recreation and culture	3,062,452	-	1,980	3,064,432
General government	5,631,523	-	207,378	5,838,901
Financial administration	713,241	-	-	713,241
Streets and highways	3,949,101	-	-	3,949,101
Economic development	1,048	-	-	1,048
Health and welfare	1,048,112	-	-	1,048,112
Debt Service:				
Principal	33,579	-	-	33,579
Interest and other charges	528	-	-	528
Capital Outlay	1,165,366	4,103,344	3,622,039	8,890,749
Total Expenditures	<u>40,307,697</u>	<u>4,103,344</u>	<u>3,956,947</u>	<u>48,367,988</u>
Excess (deficiency) of revenues over expenditures	<u>4,282,560</u>	<u>(4,031,825)</u>	<u>(2,614,516)</u>	<u>(2,363,781)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	12,257	-	9,351,254	9,363,511
Transfers in	14,091,124	4,818,376	3,206,000	22,115,500
Transfers out	(19,981,474)	-	(1,100,086)	(21,081,560)
Total other financing sources and uses	<u>(5,878,093)</u>	<u>4,818,376</u>	<u>11,457,168</u>	<u>10,397,451</u>
Net change in fund balances	<u>(1,595,533)</u>	<u>786,551</u>	<u>8,842,652</u>	<u>8,033,670</u>
Fund balances - beginning	24,567,734	13,665,321	7,658,653	45,891,708
Fund balances - ending	<u>\$ 22,972,201</u>	<u>\$ 14,451,872</u>	<u>\$ 16,501,305</u>	<u>\$ 53,925,378</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, 2022

**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, 2022**

Net change in fund balances - total governmental funds: \$ 8,033,670

Amounts reported for Governmental Activities in the Statement of Activities
 are different because:

Governmental funds report capital outlays as expenditures while
 governmental activities report depreciation expense to allocate those
 expenditures over the life of the assets:

Capital asset purchases capitalized	3,763,310
Capital assets donated	234,332
Depreciation expense	(5,222,429)

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.

3,595,646

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

Unavailable revenue	(320,234)
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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:

Bond proceeds	(9,000,000)
Bond premium received	(351,254)
Lease obligation incurred	(12,257)
Lease obligation principal payments	33,579

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	(1,182)
Accrued compensated absences change	42,185
Total OPEB liability and related deferrals change	(209,281)
Workers comp liability change	(308,082)

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	42
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Change in net position of governmental activities	<u>\$ 278,045</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, 2022

**Statement of Net Position
Proprietary Funds
June 30, 2022**

	Enterprise Funds				Governmental Activities: Internal Service Funds
	Stillwater Utilities Authority	Airport Fund	Other Non Major Enterprise Funds	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 96,377,183	\$ 2,319,601	\$ 970,290	\$ 99,667,074	\$ 105,587
Restricted cash and cash equivalents	2,863,970	-	-	2,863,970	-
Accounts receivables, net of allowance	14,355,143	96,947	-	14,452,090	-
Lease receivable, current	57,446	130,482	-	187,928	-
Advanced to other funds	-	-	-	-	8,333
Other receivable	-	-	8,333	8,333	-
Intergovernmental receivable	-	1,097,623	735,008	1,832,631	-
Due from other funds	136,070	-	-	136,070	-
Interest receivable	133,231	9,542	24	142,797	-
Inventories	5,076,137	175,600	-	5,251,737	-
Total current assets	118,999,180	3,829,795	1,713,655	124,542,630	113,920
Noncurrent assets:					
Restricted cash and cash equivalents	1,675,552	-	-	1,675,552	-
Investments	13,978,700	-	-	13,978,700	-
Restricted investments	4,552,056	-	-	4,552,056	-
Lease receivable, noncurrent	1,162,844	3,118,180	-	4,281,024	-
Capital assets, nondepreciable	18,483,232	4,190,751	-	22,673,983	445,500
Capital assets, net of accumulated depreciation	190,931,045	28,232,689	29,113	219,192,847	-
Total noncurrent assets	230,783,429	35,541,620	29,113	266,354,162	445,500
Total assets	349,782,609	39,371,415	1,742,768	390,896,792	559,420
DEFERRED OUTFLOWS OF RESOURCES					
Other postemployment benefits	367,479	-	-	367,479	-
LIABILITIES					
Current liabilities:					
Accounts payable	12,549,802	933,206	16,853	13,499,861	-
Accrued liabilities	563,868	42,687	-	606,555	-
Current portion of compensated absences	169,805	13,177	-	182,982	-
Due to other funds	-	154,050	600,000	754,050	-
Accrued interest payable	923,785	-	-	923,785	-
Unearned revenue	-	302,305	-	302,305	-
Current portion of lease obligations	11,156	1,795	-	12,951	-
Current portion of customer deposits payable	756,301	821	-	757,122	-
Current portion of long-term debt obligations	5,243,582	-	-	5,243,582	8,333
Current portion of advances from other funds	-	-	8,333	8,333	-
Current portion of refundable grant obligations	-	-	199,194	199,194	-
Total current liabilities	20,218,299	1,448,041	824,380	22,490,720	8,333
Noncurrent liabilities:					
Noncurrent portion of compensated absences	820,607	53,908	-	874,515	-
Noncurrent portion of lease obligations	8,773	-	-	8,773	-
Noncurrent portion of customer deposits payable	689,769	-	-	689,769	-
Noncurrent portion of long-term debt obligations	94,505,032	-	-	94,505,032	-
Other postemployment benefits liability	2,757,620	-	-	2,757,620	-
Total noncurrent liabilities	98,781,801	53,908	-	98,835,709	-
Total liabilities	119,000,100	1,501,949	824,380	121,326,429	8,333
DEFERRED INFLOW OF RESOURCES					
Lease receivables	1,199,249	3,219,208	-	4,418,457	-
Other postemployment benefits	350,435	-	-	350,435	-
Total deferred inflow of resources	1,549,684	3,219,208	-	4,768,892	-
NET POSITION					
Net investment in capital assets	113,792,853	31,668,208	29,113	145,490,174	445,500
Restricted for debt service	2,019,266	-	-	2,019,266	-
Restricted for capital projects	985,783	-	-	985,783	-
Unrestricted	112,802,402	2,982,050	889,275	116,673,727	105,587
Total net position	\$ 229,600,304	\$ 34,650,258	\$ 918,388	\$ 265,168,950	\$ 551,087

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2022**

	Enterprise Funds				Governmental Activities: Internal Service Funds
	Stillwater Utilities Authority	Airport Fund	Other Non Major Enterprise Funds	Total	
OPERATING REVENUES					
Charges for services, net of bad debt expense	\$ 80,593,661	\$ 2,018,985	\$ -	\$ 82,612,646	\$ -
Operating grants and contributions	-	848,852	-	848,852	-
Other	13,096,227	657,361	1,048	13,754,636	10
Total operating revenues	<u>93,689,888</u>	<u>3,525,198</u>	<u>1,048</u>	<u>97,216,134</u>	<u>10</u>
OPERATING EXPENSES					
Operations and maintenance	72,538,575	4,005,751	1,778,902	78,323,228	-
Depreciation	11,868,809	1,448,781	1,968	13,319,558	-
Total Operating Expenses	<u>84,407,384</u>	<u>5,454,532</u>	<u>1,780,870</u>	<u>91,642,786</u>	<u>-</u>
Operating income (loss)	<u>9,282,504</u>	<u>(1,929,334)</u>	<u>(1,779,822)</u>	<u>5,573,348</u>	<u>10</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue (expenses)	(566,593)	22,104	5,812	(538,677)	32
Miscellaneous revenue (expenses)	(31,278)	-	-	(31,278)	-
Gain (Loss) on capital asset disposal	-	(2,820)	-	(2,820)	-
Interest expense	(3,340,948)	(14)	-	(3,340,962)	-
Total non-operating revenue (expenses)	<u>(3,938,819)</u>	<u>19,270</u>	<u>5,812</u>	<u>(3,913,737)</u>	<u>32</u>
Income (loss) before contributions and transfers	5,343,685	(1,910,064)	(1,774,010)	1,659,611	42
Capital contributions	508,300	4,820,111	-	5,328,411	-
Transfers in	9,636,753	1,033,083	2,543,261	13,213,097	-
Transfers out	(14,247,038)	-	-	(14,247,038)	-
Change in net position	1,241,700	3,943,130	769,251	5,954,081	42
Total net position - beginning, restated	228,358,604	30,707,128	149,137	259,214,869	551,045
Total net position - ending	<u>\$ 229,600,304</u>	<u>\$ 34,650,258</u>	<u>\$ 918,388</u>	<u>\$ 265,168,950</u>	<u>\$ 551,087</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, 2022

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Enterprise Funds				Internal Service Funds
	Stillwater Utilities Authority	Airport Fund	Other Non Major Enterprise Funds	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers, including deposits	\$ 78,169,701	\$ 2,717,392	\$ -	\$ 80,887,093	\$ -
Payments to suppliers	(47,947,130)	(2,577,602)	(1,333,535)	(51,858,267)	-
Payments to employees	(15,407,941)	(1,105,892)	-	(16,513,833)	-
Payments of business development incentives	-	-	(452,867)	(452,867)	-
Payments from (to) other funds	(1,378,604)	46,811	233,334	(1,098,459)	-
Other receipts	13,075,187	-	(733,960)	12,341,227	10
Net cash provided by (used in) operating activities	<u>26,511,213</u>	<u>(919,291)</u>	<u>(2,287,028)</u>	<u>23,304,894</u>	<u>10</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	9,482,823	1,033,083	2,543,261	13,059,167	-
Operating subsidies and transfers to other funds	(13,227,132)	-	-	(13,227,132)	-
Net cash provided by (used in) noncapital financing activities	<u>(3,744,309)</u>	<u>1,033,083</u>	<u>2,543,261</u>	<u>(167,965)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from capital debt	298,003	-	16,666	314,669	-
Capital contributions	280,532	4,798,911	-	5,079,443	-
Purchase of capital assets	(5,332,421)	(4,616,067)	-	(9,948,488)	-
Principal paid on capital debt	(5,077,478)	-	-	(5,077,478)	-
Interest paid on capital debt	(3,603,897)	(14)	-	(3,603,911)	-
Net cash provided by (used in) capital and related financing activities	<u>(13,435,261)</u>	<u>182,830</u>	<u>16,666</u>	<u>(13,235,765)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of investments	(5,000,000)	-	-	(5,000,000)	-
Interest received	650,211	13,067	5,819	669,097	32
Net cash provided by (used in) investing activities	<u>(4,349,789)</u>	<u>13,067</u>	<u>5,819</u>	<u>(4,330,903)</u>	<u>32</u>
Net increase in cash and cash equivalents	4,981,854	309,689	278,718	5,570,261	42
Balances-beginning of year	95,934,851	2,009,912	691,572	98,636,335	105,545
Balances-end of year	<u>\$ 100,916,705</u>	<u>\$ 2,319,601</u>	<u>\$ 970,290</u>	<u>\$ 104,206,596</u>	<u>\$ 105,587</u>
Reconciliation to Statement of Net Position:					
Cash and cash equivalents	\$ 96,377,183	\$ 2,319,601	\$ 970,290	\$ 99,667,074	\$ 105,587
Restricted cash and cash equivalents	2,863,970	-	-	2,863,970	-
Restricted cash and cash equivalents, non-current	1,675,552	-	-	1,675,552	-
Total cash and cash equivalents, end of year	<u>\$ 100,916,705</u>	<u>\$ 2,319,601</u>	<u>\$ 970,290</u>	<u>\$ 104,206,596</u>	<u>\$ 105,587</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ 9,282,504	\$ (1,929,334)	\$ (1,779,822)	\$ 5,573,348	\$ 10
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	11,868,809	1,448,781	1,968	13,319,558	-
Change in assets and liabilities:					
Receivables, net	(2,519,766)	(56,638)	-	(2,576,404)	-
Inventories	(269,163)	(129,774)	-	(398,937)	-
Accounts and other payables	7,963,083	429,319	(24,166)	8,368,236	-
Accrued liabilities	87,093	10,851	-	97,944	-
Leased assets and related lease obligations	(12,187)	-	-	(12,187)	-
Lease receivables and related deferral	(21,041)	(29,454)	-	(50,495)	-
Due from other governments	-	(640,073)	(735,008)	(1,375,081)	-
Due from other funds	-	46,811	-	46,811	-
Other postemployment benefits-liabilities	21,245	1,795	-	23,040	-
Other postemployment benefits-deferred outflows	37,997	-	-	37,997	-
Other postemployment benefits-deferred inflows	63,669	-	-	63,669	-
Due to other funds	-	-	250,000	250,000	-
Unearned revenue	-	(80,453)	-	(80,453)	-
Customer meter deposits payable	-	(1,188)	-	(1,188)	-
Accrued compensated absences	8,970	10,066	-	19,036	-
Net cash provided by (used in) operating activities	<u>\$ 26,511,213</u>	<u>\$ (919,291)</u>	<u>\$ (2,287,028)</u>	<u>\$ 23,304,894</u>	<u>\$ 10</u>
Non-cash Activities:					
Contributed capital assets	\$ 227,768	\$ -	\$ -	\$ 227,768	\$ -
Capital assets transferred to (from) other funds	31,277	(21,200)	-	10,077	-
Borrowings under leases	304,500	-	-	304,500	-
Premium amortization	233,962	-	-	233,962	-
Change in fair value of investments	(1,306,242)	-	-	(1,306,242)	-
Total Non-cash Activities	<u>\$ (508,735)</u>	<u>\$ (21,200)</u>	<u>\$ -</u>	<u>\$ (529,935)</u>	<u>\$ -</u>

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 nonmajor enterprise fund.

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

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

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

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

C. Basis of Presentation

1. **Government-wide Financial Statements:** The statement of net position and statement of activities display information about the City as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.
2. **Fund Financial Statements:** The reporting entity is organized into funds, each of which is considered a separate accounting entity. Separate financial statements are provided for the two fund categories which are governmental and proprietary. For the governmental and proprietary fund categories, an emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:
 - Total assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10% of the corresponding fund category total, and
 - Total assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental funds and enterprise funds combined.

The funds of the City are described below:

- a. **General Fund:** The general fund is the primary operating fund of the City government and will always be classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special Revenue Fund:** Special revenue funds are used to account for the proceeds of specific revenue sources, other than capital projects, that are legally restricted to expenditures for specified purposes or otherwise segregated for accounting purposes. The Community Development Block Grant Fund, the Tax Increment District #3 Fund and the Stillwater Public Library Trust Fund are the only special revenue funds active during the fiscal year ending June 30, 2022.
- c. **Debt Service Fund:** The debt service fund is used to account for the accumulation of ad-valorem taxes levied by the City for the payment of long-term debt principal, interest, and related costs.
- d. **Capital Projects Fund:** A capital projects fund is used to account for the resources restricted for the acquisition or construction of specific capital projects or items. The Transportation Improvement Fund, the City Capital Fund, and the G.O. Bond Fund are the only capital project funds active during the fiscal year ending June 30, 2022.
- 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, 2022.
- f. **Enterprise Fund:** An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, management control, accountability, or other purpose. The reporting entity includes the following enterprise funds:
 - Stillwater Utilities Authority
 - Airport

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- Stillwater Economic Development Authority
- Stillwater Block 34 Trust

g. Internal Service Fund: The internal service fund is the SPWA and accounts for acquisition and financing of physical facilities. Debt service requirements are provided from charges billed to the benefited fund.

Governmental Funds	Description
Major:	
General Fund	Accounts for all financial resources except those required to be accounted for in another fund.
Transportation Improvement Fund	Accounts for the expenditures for street and other transportation projects as approved by the voters in 2001, 2006 and 2015. Financing is provided by the 1/2 cent sales tax also approved by the voters.
Non-Major:	
Community Development Block Grant Fund	Accounts for funds used for improvements in the community. Funding is provided by the Community Development Block Grant Small Cities Set Aside program and local matching funds.
Tax Increment District #3	Accounts for funds used for improvements in the downtown/campus link project area as defined in Ordinance No. 3407. Funding is provided by incremental ad-valorem and sales tax revenue.
Stillwater Public Library Trust	Accounts for funds used for the benefit of the Stillwater Public Library. Funding is provided by contributions.
City Capital Fund	Accounts for funds assigned for the purchase of capital assets.
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.

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.
Non-Major:	
Stillwater Economic Development Authority	Accounts for expenditures for economic development. Financing provided from federal grants, federal loans, City contributions and citizen participation.
Stillwater Block 34 Trust	Accounts for expenditures for development of Block 34. Funding provided by donations and grants.
Internal Service Funds	
Stillwater Public Works Authority	Accounts for the acquisition and financing of physical facilities. Debt service requirements are provided from charges billed to the benefited fund.

D. Measurement Focus and Basis of Accounting

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

The government-wide statement of net position and statement of activities are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The governmental funds financial statements are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means revenues are collectible within the current period or within 60 days of the end of the fiscal year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest and accrued compensated absences which are recorded when due.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

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

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

- 2. Assets Internally Designated:** Assets internally designated consist of cash and cash equivalents set aside by the SUA Board of Trustees for the following purposes:
 - Operation, maintenance, and upgrade of the water system
 - Operation, maintenance, and upgrade of the wastewater system
 - Operation, maintenance, and upgrade of the solid waste collection service
 - Offset future potential operating cost increases and/or future substantial capital expenditure requirements

At the Board's discretion the assets may be used for other purposes. As of June 30, 2022, cash and cash equivalents in the amount of \$100,635,061 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 \$611,178 in the governmental activities are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, and court fines.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues, since they are both measurable and available. Non-exchange revenues collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Proprietary fund receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable of \$1,061,266 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 \$8,412,000 for uncollectible accounts receivable based upon historical trends and the existing economic conditions.

- 5. Restricted Assets:** Proceeds from debt and related sinking fund accounts and contributions from governmental grantors to the Enterprise Funds are classified as restricted assets, since their use is restricted by applicable bond indentures and grant agreements. Customer utilities deposits held by the City are classified as restricted assets.
- 6. Inventories:** Inventories consist primarily of materials and supplies and are stated at weighted average cost. The consumption method of accounting is used by the governmental funds; therefore, inventory purchases are recorded in these funds as expenditures as they are used. Inventories are adjusted to annual physical counts.
- 7. Bond Premiums/Discounts:** Debt discount and premium are amortized using the straight-line method, which approximates the effective interest method, over the life of the applicable debt. Amortized debt discount and premium are reported as a component of interest expense.
- 8. Capital Assets:** The accounting treatment for property, plant, and equipment depends on whether the assets are used in governmental fund operations and similar discretely presented component unit operations or proprietary fund operations and similar discretely presented component unit operations and whether they are reported in the government-wide or fund financial statements.

- a. Government-wide Financial Statements: In the government-wide financial statements, property, plant, and equipment are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, donated works of art and similar assets, and capital assets received in a service concession arrangement. These three groups of assets are reported at acquisition value rather than fair value. The threshold for capitalization of assets is \$5,000. All land acquired by the city is capitalized.

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. 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, 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).
- b. Fund Financial Statements: Deferred inflows of resources arise in governmental funds using the modified accrual basis of accounting to indicate that, although an enforceable legal claim to resources exists, those resources are not available within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City's General Fund has deferred inflows related to grant proceeds and municipal court fines receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. The Debt Service Fund has deferred inflows related to property taxes receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. The TIF Fund has deferred inflows related to ad valorem tax receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. The General Fund also has 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: 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.

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, 2022, the statement of net position reports restricted net position in the amount of \$19,527,920, of which \$931,027 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, 2022, 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 three and one-half cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The Tax Commission receives the sales tax approximately one month after collection by vendors. The entire sales tax is recorded as revenue within the General Fund. Upon receipt, the General Fund distributes the dedicated portion of the sales tax as follows:

- Two cents retained by the General Fund for operations.
- One cent transferred to the SUA as required by revenue bond indentures. The proceeds are used in accordance with the trust indenture and current bond indentures.
- Half cent transferred to the Transportation Improvement Fund to be used for transportation improvement projects as approved by the voters in 2001, 2006 and 2015. This tax expires on September 30, 2026.

2. **Property Tax:** Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonds and court-assessed judgments. Property taxes attach an enforceable lien on property as of January 1. Taxes are levied annually on November 1 and are due one-half by December 31 and one-half by March 31. The Tax Assessor’s office bills and collects the property taxes and remits to the City its portion. Property taxes not paid prior to April are considered delinquent.

Property tax levied during the fiscal year ended June 30, 2022 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:

Activity	Program Revenue
Public safety	Fire and police fines assessed for training, rural fire run fees, operating and capital grants from the Department of Homeland Security, the U.S. Department of Justice, and 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, capital grants from the Federal Highway Administration, and donations
General government	Operating grants, 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, and operating grants and capital contributions
Health and welfare	Trade licenses and permits

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

4. **Operating Revenues and Expenses:** Operating revenues and expenses for proprietary funds and similar discretely presented component units are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

5. Expenditures/Expenses

- a. **Government-wide Financial Statements:** In the government-wide financial statements, expenses are reported on the accrual basis and are classified by function for both governmental and business-type activities.
- b. **Fund Financial Statements:** In the fund financial statements, governmental funds report expenditures of financial resources which are classified as follows:
 - Current (further classified by function)
 - Debt service
 - Capital outlay

Proprietary funds report expenses relating to use of economic resources.

G. Internal and Interfund Balances and Activities

1. **Government-wide Financial Statements:** In the process of aggregating the financial information for the government-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified. Interfund services provided and used are not eliminated in the process of consolidation. The eliminations or reclassifications, if any, in the government-wide statements are as follows:
 - Internal balances – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
 - Internal activities – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities.
2. **Fund Financial Statements:** Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:
 - Interfund loans – amounts provided with a requirement for repayment are reported as interfund receivables and payables.
 - Interfund services – sales or purchases of goods and services between funds are reported as revenue and expenditures/expenses
 - Interfund reimbursements – repayments from funds responsible for certain expenditures or expenses to the funds that initially paid for them are not reported as reimbursements. Rather, the reimbursements are reported as adjustments to expenditures/expenses in the respective funds.
 - Interfund transfers – flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

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. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring, among other things, 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. Since the Hospital has a December 31 yearend, they were not required to implement GASB 87 yet and are still reporting capital leases. The Hospital will implement GASB 87 for the year ended December 31, 2022.

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, 2022, 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
Lodging tax	Economic development
Stormwater fee	Stormwater management purposes
Police training fee	Training of police department employees
Water tie-on charge	Financing future construction of extensions and improvements to the water distribution system

For the year ended June 30, 2022, 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, 2022, 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, 2022.

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, 2022, available sales tax and revenues, as defined by the bond indenture, was \$95,924,846; the bond coverage requirement is operating and maintenance excluding depreciation or \$68,252,268 plus 125% of primary principal and interest plus 100% of subordinate principal and interest or \$8,816,411. Excess coverage was \$18,856,167 about 2 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, 2022, 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, 2022 the City's bank balance of \$146,831,853 was not exposed to custodial credit risk. At December 31, 2021, \$3,613,000 of the Hospital's bank balance of \$5,630,000 was uninsured and uncollateralized.

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

- Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The City's investment policy does not address interest rate risk. The Hospital's investment policy limits its investment portfolio to an average overall portfolio duration no greater than 7.5 years.
- Credit Risk – Investment credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy does not address credit risk. The Hospital's policy is to limit its 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, 2021, 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, 2022. 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, 2022, the City and Hospital had only Level 1 and Level 2 investments which are summarized in the table below. Investments classified as Level 1 inputs are valued using quoted prices in active markets for identical securities, and investments classified as Level 2 inputs are valued using benchmark curves, benchmarking of like securities, sector groupings and matrix pricing. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

For the year ended June 30, 2022, The City and Hospital had only Level 1 and Level 2 investments which are summarized below:

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Type	Fair Value	Fair Value Measurement Basis		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
City:				
Certificates of deposit	\$ 14,207,065	\$ -	\$ 14,207,065	\$ -
Money market mutual funds	2,745,655	2,745,655	-	-
U.S. agency obligations	21,847,656	-	21,847,656	-
Mutual funds	395,151	395,151	-	-
Hospital:				
U.S. Treasury obligations	\$ 395,263	\$ 395,263	\$ -	\$ -
Money market mutual funds	22,843,316	22,843,316	-	-
Mutual funds - fixed income	75,643,177	75,643,177	-	-
Mutual funds - domestic equities	39,624,110	39,624,110	-	-
Mutual funds - international equities	13,926,923	13,926,923	-	-

The City had the following investments at June 30, 2022:

Type	Credit Rating	Fair Value	Maturities in Years		
			Less than 1	1-5	6-10
Primary Government:					
Certificates of deposit	(1)	\$ 14,207,065	\$ -	\$ 14,207,065	\$ -
Money market mutual funds	AAAm (2)	2,695,999	2,695,999	-	-
Money market mutual funds	(1)	49,656	49,656	-	-
U.S. agency obligations	AA+ (2)	21,847,656	-	6,594,510	15,253,146
Mutual funds	(1)	395,151	395,151	-	-
		<u>\$ 39,195,527</u>	<u>\$ 3,140,806</u>	<u>\$ 20,801,575</u>	<u>\$ 15,253,146</u>

(1) not subject to rating
(2) Standard and Poor's

The Hospital had the following investments at December 31, 2021:

Type	Credit Rating	Fair Value	Maturities in Years			
			Less than 1	1-5	6-10	More than 10
U.S. Treasury obligations	(1)	\$ 395,263	\$ -	\$ 247,084	\$ 148,179	\$ -
Money market mutual funds	AAAm (2)	22,843,316	22,843,316	-	-	-
Mutual funds-fixed income	(1)	75,643,177	31,845,907	29,019,099	14,242,172	535,999
Mutual funds-domestic equities	(1)	39,624,110	39,624,110	-	-	-
Mutual funds-international equities	(1)	13,926,923	13,926,923	-	-	-
		<u>\$ 152,432,789</u>	<u>\$ 108,240,256</u>	<u>\$ 29,266,183</u>	<u>\$ 14,390,351</u>	<u>\$ 535,999</u>

(1) not subject to rating

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, 2022 is below:

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	Primary Government	Stillwater Medical Center Authority Component Unit	Total
Carrying Values:			
Deposits	\$ 136,394,927	\$ 4,985,445	\$ 141,380,372
Investments	39,195,527	152,432,789	191,628,316
Total	<u>\$ 175,590,454</u>	<u>\$ 157,418,234</u>	<u>\$ 333,008,688</u>
Reconciliation to the Government-Wide Statement of Net Position:			
Cash and cash equivalents:			
Unrestricted	\$ 149,825,936	\$ 20,533,671	\$ 170,359,607
Restricted	4,539,522	5,183,645	9,723,167
Investments:			
Unrestricted	16,672,940	131,700,918	148,373,858
Restricted	4,552,056	-	4,552,056
Total	<u>\$ 175,590,454</u>	<u>\$ 157,418,234</u>	<u>\$ 333,008,688</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 68%, use taxes are 7%, lodging taxes are 2% and grant revenues are 14% 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 and wages payable.

D. Restricted Assets

Certain assets of the SUA are restricted in their use by bond and note indentures. Cash and cash equivalents, classified as current, in the amount of \$2,019,267 at June 30, 2022 have been restricted in use to the service of debt. Investments, classified as noncurrent, in the amount \$4,552,056 at June 30, 2022 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, 2022 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 \$931,027 at June 30, 2022 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, 2022 cash and cash equivalents, classified as current, in the amount of \$88,403 were restricted for this purpose.

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Customer deposits received for water or electric service are restricted in their use toward the customer's final bill. As of June 30, 2022 cash and cash equivalents in the amount of \$1,446,070, of which \$756,301 is classified as current and \$689,769 is classified as non-current, have been restricted for customer deposits.

E. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Restated Balance				Balance at June
	at June 30, 2021	Additions	Deletions	Transfers	30, 2022
PRIMARY GOVERNMENT:					
<u>Governmental Activities</u>					
Capital assets not being depreciated:					
Land	\$ 15,055,732	\$ 1,043,679	\$ -	\$ -	\$ 16,099,411
Construction work in progress	2,391,150	752,356	-	(295,618)	2,847,888
Total capital assets not being depreciated	17,446,882	1,796,035	-	(295,618)	18,947,299
Other capital assets:					
Buildings	24,262,884	105,259	-	-	24,368,143
Improvements other than buildings	13,709,777	82,386	(11,671)	195,649	13,976,141
Machinery and equipment	28,241,339	1,531,787	(46,757)	99,969	29,826,338
Infrastructure	170,900,109	469,917	-	-	171,370,026
Total other capital assets at historical cost	237,114,109	2,189,349	(58,428)	295,618	239,540,648
Less accumulated depreciation for:					
Buildings	12,772,813	527,594	-	-	13,300,407
Improvements other than buildings	10,796,356	318,146	(11,671)	-	11,102,831
Machinery and equipment	21,692,543	1,086,555	(46,757)	-	22,732,341
Infrastructure	128,493,103	3,256,454	-	-	131,749,557
Total accumulated depreciation	173,754,815	5,188,749	(58,428)	-	178,885,136
Leased assets - Equipment	84,576	12,257	-	-	96,833
Less accumulated amortization - Equipment	-	33,680	-	-	33,680
Total leased assets being amortized, net	84,576	(21,423)	-	-	63,153
Other capital assets, net	63,443,870	(3,020,823)	-	295,618	60,718,665
Total capital assets, net	\$ 80,890,752	\$ (1,224,788)	\$ -	\$ -	\$ 79,665,964
<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	33,300,793	7,945,001	(165,411)	(22,440,322)	18,640,061
Total capital assets not being depreciated	37,334,715	7,945,001	(165,411)	(22,440,322)	22,673,983
Other capital assets:					
Buildings	94,191,957	-	-	24,144	94,216,101
Improvements other than buildings	38,577,356	-	(70,978)	12,094,666	50,601,044
Machinery and equipment	79,502,139	1,934,213	(33,737)	204,268	81,606,883
Intangible assets	74,054	-	-	-	74,054
Infrastructure	206,611,240	753,295	(33,073)	10,117,244	217,448,706
Total other capital assets at historical cost	418,956,746	2,687,508	(137,788)	22,440,322	443,946,788
Less accumulated depreciation for:					
Buildings	58,101,796	2,224,174	-	-	60,325,970
Improvements other than buildings	23,091,243	1,298,553	(70,978)	-	24,318,818
Machinery and equipment	28,038,263	3,272,609	(30,917)	-	31,279,955
Infrastructure	102,299,692	6,511,288	(33,073)	-	108,777,907
Amortization for intangible assets	74,054	-	-	-	74,054
Total accumulated depreciation	211,605,048	13,306,624	(134,968)	-	224,776,704
Leased assets:					
Land	-	10,424	-	-	10,424
Equipment	-	25,273	-	-	25,273
Total leased assets being amortized	-	35,697	-	-	35,697
Less accumulated amortization:					
Land	-	4,170	-	-	4,170
Equipment	-	8,764	-	-	8,764
Total accumulated amortization	-	12,934	-	-	12,934
Total lease assets being amortized, net	-	22,763	-	-	22,763
Other capital assets, net	207,351,698	(10,596,353)	(2,820)	22,440,322	219,192,847
Total capital assets, net	\$ 244,686,413	\$ (2,651,352)	\$ (168,231)	\$ -	\$ 241,866,830

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COMPONENT UNITS:	Balance at				Balance at
	December 31, 2020	Additions	Deletions	Transfers	December 31, 2021
<u>Stillwater Medical Center Authority</u>					
Capital assets not being depreciated:					
Land	\$ 4,470,073	\$ 770,619	\$ -	\$ -	\$ 5,240,692
Construction work in progress	42,004,405	20,197,329	-	(23,133,830)	39,067,904
Total capital assets not being depreciated	46,474,478	20,967,948	-	(23,133,830)	44,308,596
Other capital assets:					
Land improvements	4,074,672	-	-	-	4,074,672
Building, improvements and fixed equipment	119,505,563	3,507,223	(166,509)	23,133,830	145,980,107
Major moveable equipment	113,406,750	4,943,351	(318,656)	-	118,031,445
Total other capital assets at historical cost	236,986,985	8,450,574	(485,165)	23,133,830	268,086,224
Less accumulated depreciation for:					
Land improvements	1,799,243	114,411	-	-	1,913,654
Building, improvements and fixed equipment	50,194,607	3,823,286	(116,402)	-	53,901,491
Major moveable equipment	79,377,214	8,142,897	(117,885)	-	87,402,226
Total accumulated depreciation	131,371,064	12,080,594	(234,287)	-	143,217,371
Other capital assets, net	105,615,921	(3,630,020)	(250,878)	23,133,830	124,868,853
Total capital assets, net	\$ 152,090,399	\$ 17,337,928	\$ (250,878)	\$ -	\$ 169,177,449

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

Primary Government:

Governmental Activities

Public safety	\$ 606,302
Recreation and culture	532,719
General government	815,297
Financial administration	4,306
Health and welfare	2,274
Streets and highways	3,261,531
Total depreciation expense for governmental activities	\$ 5,222,429

Business-type Activities

Stillwater Utilities Authority	\$ 11,868,809
Airport (includes amortization of intangible assets)	1,448,781
Stillwater Economic Development Authority	1,968
Total depreciation expense for business-type activities	\$ 13,319,558

Component Units:

Stillwater Medical Center Authority	\$ 12,080,594
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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, 2022 are as follows:

	Due To		Due From		
	Transportation Improvement Fund	General Fund	General Fund	SUA	Total
General Fund	\$ 822,329	\$ -	\$ -	\$ -	\$ 822,329
Airport	-	17,980	136,070	-	154,050
NM Enterprise Fund	-	600,000	-	-	\$ 600,000
	\$ 822,329	\$ 617,980	\$ 136,070	\$ -	\$ 1,576,379

The Stillwater Public Works Authority made an advance to the Stillwater Economic Development Authority as a requirement under a grant/loan received by the Oklahoma Department of Commerce. The balance of this advance at June 30, 2022 was \$8,333 and will be paid within one year.

G. Interfund Transfers

Interfund transfers are made on an annual basis to comply with sales tax provisions and contracts and to supplement fund balances as needed. Of the City’s three and one-half cent sales tax, one cent is designated for the SUA and one-half cent is designated for the Transportation Improvement Fund (see Note I.F). Both are transferred to their respective funds on a monthly basis upon receipt by the General Fund. The General Fund also transferred \$1.0 million to the Airport Fund to meet capital and operating needs of the fund, \$1.6 million to the SEDA to meet contractual obligations related to economic development initiatives, \$4.8 million to the Transportation Improvement Fund for street capital projects, and \$2.8 million to the City Capital Fund to fund capital improvement projects. The SUA transferred \$13.9 million to the General Fund to meet operating needs of the fund and \$0.4 million to the City Capital Fund to fund capital improvement projects. A summary of the interfund transfers reported in the fund financial statements for the year ended June 30, 2022, is summarized in the table below:

Transfer In	Transfer Out			Total
	General Fund	Stillwater Utilities Authority Fund	Nonmajor Governmental	
General Fund	\$ -	\$ 13,891,038	\$ 200,086	\$14,091,124
Stillwater Utilities Authority Fund	9,636,753	-	-	9,636,753
Airport Fund	1,033,083	-	-	1,033,083
Nonmajor Enterprise Fund	1,643,261	-	900,000	2,543,261
Transportation Improvement Fund	4,818,377	-	-	4,818,377
Nonmajor Governmental Fund	2,850,000	356,000	-	3,206,000
	<u>\$ 19,981,474</u>	<u>\$ 14,247,038</u>	<u>\$ 1,100,086</u>	<u>\$35,328,598</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 \$420,979.

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, 2022, 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	351,254
Total general obligation bonds payable	<u>\$ 9,351,254</u>

Current portion	\$ -
Noncurrent portion	9,351,254
Total general obligation bonds payable	<u>\$ 9,351,254</u>

Accrued Compensated Absences

Current portion	\$ 568,412
Noncurrent portion	2,460,414
Total accrued compensated absences	<u>\$ 3,028,826</u>

Refundable Grant Obligations - SPWA

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

	\$ 8,333
Total refundable grant obligations	<u>\$ 8,333</u>

Current portion	\$ 8,333
Noncurrent portion	-
Total refundable grant obligations	<u>\$ 8,333</u>

Lease Obligations Payable

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, 2022 was \$8,813 with accumulated amortization of \$2,452. This is included with Equipment within the Lease Assets class shown above.

	\$ 6,378
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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 \$88,020. Monthly payments between \$131 and \$19,406 are made at interest rates between 0.387% to 0.972%. The value of the right to use assets as of June 30, 2022 was \$88,020 with accumulated amortization of \$31,228. This is included with Equipment within the Lease Assets class shown above.

	\$ 56,876
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Total lease obligations payable	<u>\$ 63,254</u>
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Current portion	\$ 30,670
Noncurrent portion	32,584
Total revenue bonds payable	<u>\$ 63,254</u>

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Business-type Activities: As of June 30, 2022, 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	\$54,870,000
Plus: unamortized debt premium	<u>4,743,352</u>
Total revenue bonds payable	<u>\$59,613,352</u>
Current portion	\$ 1,823,963
Noncurrent portion	<u>57,789,389</u>
Total revenue bonds payable	<u>\$59,613,352</u>

Notes Payable

2002 OWRB SRF Note Payable dated December 19, 2002, original amount of \$4,876,086, secured by utility revenues, no interest plus an administrative fee of 0.5%, semiannual installments of principal commencing March 15, 2003 through September 15, 2022	\$ 121,902
2005 OWRB Fixed Rate Note Payable dated June 29, 2005, original amount of \$7,620,000, secured by utility revenues, 2.6% interest plus an administrative fee of 0.5%, semiannual installments of principal and interest commencing September 15, 2005 through March 15, 2025	1,466,801
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	5,546,265
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	607,521
2016 Oklahoma Water Resources Board (OWRB) SRF Note Payable dated June 27, 2016, not to exceed \$29,900,000, secured by utility revenues, 1.82% interest plus an administrative fee of 0.5%, semiannual principal installments commence the earlier of March 15, 2017 or construction completion. Construction is ongoing.	22,969,458
2017 Oklahoma Water Resources Board (OWRB) SRF Note Payable dated September 22, 2017, not to exceed \$12,600,000, secured by utility revenues, 2.18% interest plus an administrative fee of 0.5%, semiannual principal installments commence the earlier of March 15, 2019 or construction completion. Construction is ongoing.	6,109,187
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	<u>631,333</u>
Total notes payable	<u>\$37,452,467</u>
Current portion	\$ 2,628,419
Noncurrent portion	<u>34,824,048</u>
Total notes payable	<u>\$37,452,467</u>

Direct Obligations – SUA 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 \$14.7 million with a fixed interest rate determined at the time of funding. Total borrowings under this credit agreement at June 30, 2022 amounted to \$14.7 million. The collateral for this debt are the equipment assets purchased. Default provisions include 1) declaring

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all rental payments immediately due and payable; 2) take possession of the collateralized equipment, sell or lease such equipment, require SUA to pay difference, if any, between the 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

\$1,658,000 note payable with Bank of America for equipment, fixed interest rate of 1.9920%, monthly installments commencing December 26, 2019 through November 26, 2024 \$ 821,976

\$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 1,610,795

\$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 250,024

Total direct obligations - notes payable \$ 2,682,795

Current portion \$ 791,200

Noncurrent portion 1,891,595

Total direct obligations - notes payable \$ 2,682,795

Accrued Compensated Absences

Current portion \$ 182,982

Noncurrent portion 874,515

Total accrued compensated absences \$ 1,057,497

Deposits Subject to Refund

Current portion \$ 757,122

Noncurrent portion 689,769

Total deposits subject to refund \$ 1,446,891

Refundable Grant Obligations:

Current portion \$ 199,194

Noncurrent portion -

Total refundable grant obligations \$ 199,194

Lease Obligations Payable

CLO - Kaw Lake Land - 30 month lease for use of land. Original liability of \$10,424 with annual fixed payments of \$5,250 with an interest rate of 0.727%. The value of the right to use asset as of June 30, 2022 was \$10,424 with accumulated amortization of \$4,170. This is included with Land within the Lease Assets class shown above. \$ 5,212

SUA Copier and printer leases - dated from July 1, 2021 thru July 6, 2021 with terms from 19 - 56 months. An initial liability was recorded in the amount of \$21,692. Monthly payments between \$80 and \$199 are made at interest rates between 0.514% to 1.059%. The value of the right to use assets as of June 30, 2022 was \$21,692 with accumulated amortization of \$7,011. This is included with Equipment within the Lease Assets class shown above \$ 14,717

Airport Copier lease - 24 month lease for the use of a copier. An initial liability was recorded in the amount of \$3,581. Monthly payments of \$184 are made at an interest rate of 0.514%. The value of the right to use asset as of June 30, 2022 was \$3,581 with accumulated amortization of \$1,752. This is included with Equipment within the Lease Assets class shown above \$ 1,795

Total lease obligations payable \$ 21,724

Current portion \$ 12,951

Noncurrent portion 8,773

Total revenue bonds payable \$ 21,724

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2. Component Unit: As of June 30, 2022, the long-term debt of the component unit, Stillwater Medical Center Authority, consisted of the following:

Notes Payable

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

\$ 16,000,000

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

30,000,000

Total Notes Payable (Noncurrent)

\$ 46,000,000

Promissory Notes:

SMC entered into a Series 2020 Hospital Revenue Note in the original amount of \$10,000,000 dated June 30, 2020, which bears interest annually at 1.48%. The Series 2020 Hospital Revenue Note is payable in monthly principal and interest installments through June 30, 2025. The Series 2020 Hospital Revenue Note is secured by the gross revenues of the Hospital and the assets held by the trustee.

7,078,444

SMC entered into a Series 2021A Hospital Revenue Note in the original amount of \$26,041,096 dated April 13, 2021, which bears interest annually at 2.2%. The Series 2021A Hospital Revenue Note is payable in monthly principal and interest installments through April 13, 2028. The Series 2021A Hospital Revenue Note is secured by the gross revenues of the Hospital. In an event of default, outstanding amounts become immediately due if the Hospital is unable to make payment.

24,739,041

SMC entered into a Series 2021B Hospital Revenue Note in the original amount of \$4,000,000 dated June 25, 2021, which bears interest annually at 1.7%. The Series 2021B Hospital Revenue Note is payable in monthly principal and interest installments through June 25, 2026. The Series 2021B Hospital Revenue Note is secured by the gross revenues of the Hospital and the assets held by trustee. In an event of default, outstanding amounts become immediately due if the Hospital is unable to make payment.

3,616,427

Total Promissory Notes

\$ 35,433,912

Current portion

\$ 4,333,974

Noncurrent portion

31,099,938

Total Notes Payable

\$ 35,433,912

Capital Lease Obligations

Total cost of capital assets financed by outstanding lease obligations

\$ 11,993,000

Less: accumulated depreciation

(9,272,000)

Net capital assets financed by lease obligations

\$ 2,721,000

Capital leases issued for equipment, interest rates from 0% and 1.69%, installments payable through 2025

\$ 3,070,775

Current portion

\$ 1,375,565

Noncurrent portion

1,695,210

Total capital leases

\$ 3,070,775

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.

K. Changes in Long-Term Liabilities

Changes in the long-term liabilities for the year ended June 30, 2022 are summarized below:

	Restated Balance			Balance at June 30,		Amounts Due
	at June 30, 2021	Additions	Reductions	2022	2022	Within One Year
PRIMARY GOVERNMENT:						
<u>Governmental Activities</u>						
General obligations bonds	\$ -	\$ 9,351,254	\$ -	\$ 9,351,254	\$ -	\$ -
Refundable grant obligations-direct borrowing	24,999	-	16,666	8,333	8,333	8,333
Lease obligations - direct borrowing	84,576	12,257	33,579	63,254	30,670	30,670
Accrued compensated absences	3,071,012	526,226	568,412	3,028,826	568,412	568,412
Total governmental activities	<u>\$ 3,180,587</u>	<u>\$ 9,889,737</u>	<u>\$ 618,657</u>	<u>\$ 12,451,667</u>	<u>\$ 607,415</u>	<u>\$ 607,415</u>
<u>Business-type Activities</u>						
Notes payable	\$ 39,947,530	\$ 298,003	\$ 2,793,066	\$ 37,452,467	\$ 2,628,419	\$ 2,628,419
Revenue bonds payable, net	61,357,314	-	1,743,962	59,613,352	1,823,963	1,823,963
Notes payable-direct borrowing	3,152,707	304,500	774,412	2,682,795	791,200	791,200
Refundable grant obligations-direct borrowing	213,244	-	14,050	199,194	199,194	199,194
Lease obligations - direct borrowing	-	35,697	13,973	21,724	12,951	12,951
Accrued compensated absences	1,038,461	202,018	182,982	1,057,497	182,982	182,982
Deposits subject to refund	1,352,273	895,960	801,342	1,446,891	757,122	757,122
Total business-type activities	<u>\$ 107,061,529</u>	<u>\$ 1,736,178</u>	<u>\$ 6,323,787</u>	<u>\$ 102,473,920</u>	<u>\$ 6,395,831</u>	<u>\$ 6,395,831</u>
COMPONENT UNIT:						
<u>Stillwater Medical Center Authority</u>						
Revenue bonds payable, net	\$ 27,541,916	\$ -	\$ 27,541,916	\$ -	\$ -	\$ -
Note Payable	9,033,590	30,041,096	3,640,774	35,433,912	4,333,974	4,333,974
Promissory notes	46,000,000	-	-	46,000,000	-	-
Capital lease obligations	3,356,556	1,092,769	1,378,550	3,070,775	1,375,565	1,375,565
Total component unit	<u>\$ 85,932,062</u>	<u>\$ 31,133,865</u>	<u>\$ 32,561,240</u>	<u>\$ 84,504,687</u>	<u>\$ 5,709,539</u>	<u>\$ 5,709,539</u>

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,	Direct Borrowing -				Future Minimum Lease Payments for Lease Obligations	
	Refundable Grant Obligation		General Obligation Bonds		Principal	Interest
	Principal	Interest	Principal	Interest		
2023	\$ 8,333	\$ -	\$ -	\$ 411,700	\$ 30,670	\$ 379
2024	-	-	470,000	411,700	25,751	171
2025	-	-	470,000	388,200	3,922	45
2026	-	-	470,000	364,700	2,493	17
2027	-	-	470,000	341,200	418	1
2028 - 2032	-	-	2,350,000	1,353,500	-	-
2033 - 2037	-	-	2,350,000	780,100	-	-
2038 - 2042	-	-	2,420,000	296,000	-	-
Total	\$ 8,333	\$ -	\$ 9,000,000	\$ 4,347,100	\$ 63,254	\$ 613

Business-type Activities:

Year ending June 30,	Revenue Bonds Payable		Notes Payable		Direct Borrowings - Notes Payable		Future Minimum Lease Payments for Lease Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2023	\$ 1,590,000	\$ 2,508,350	\$ 2,628,419	\$ 887,706	\$ 791,200	\$ 32,496	\$ 12,951
2024	1,665,000	2,435,300	2,532,023	827,293	803,259	20,437	3,711	69
2025	1,735,000	2,358,625	2,554,674	770,125	611,112	9,197	3,747	33
2026	1,820,000	2,269,750	2,082,051	713,394	471,999	3,034	1,315	5
2027	1,910,000	2,176,500	2,103,044	657,831	5,225	5	-	-
2028-2032	10,915,000	9,521,550	10,470,685	2,450,555	-	-	-	-
2033-2037	13,755,000	6,582,625	7,062,103	1,388,439	-	-	-	-
2038-2042	17,510,000	2,764,000	4,983,330	670,128	-	-	-	-
2043-2047	3,970,000	79,400	3,036,138	125,141	-	-	-	-
Total	\$ 54,870,000	\$ 30,696,100	\$ 37,452,467	\$ 8,490,612	\$ 2,682,795	\$ 65,169	\$ 21,724	\$ 259

COMPONENT UNIT:

Stillwater Medical Center Authority

Year ending December 31,	Promissory Notes/Notes Payable		Capital Leases
	Principal	Interest	Principal and Interest
2022	\$ 4,333,974	\$ 1,305,587	\$ 1,401,153
2023	4,541,338	1,232,599	1,344,050
2024	4,756,868	1,152,737	256,667
2025	4,359,827	1,066,724	90,844
2026	5,558,898	978,463	-
2027-2031	33,958,568	2,417,627	-
2032-2036	6,134,101	1,269,189	-
2037-2041	6,514,897	888,394	-
2042-2046	6,919,331	483,959	-
2047-2049	4,356,110	85,718	-
Total	\$ 81,433,912	\$ 10,880,997	\$ 3,092,714

Less amount representing interest

(21,939)

Present value of future minimum lease payments

\$ 3,070,775

IV. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

A. Non-uniformed Employees

- 1. Defined Contribution Plan:** All full-time, non-uniformed City employees are provided pension benefits through a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). The employee begins participation on the date of employment. Employees are required to contribute a minimum of 3% of their salary with an optional maximum of up to 100% of their salary, subject to Internal Revenue Service limitations. The City's contribution is determined by the city council each year, based on a minimum of 6% of employee salaries. The City's contribution for each employee begins vesting after 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, 2022, was \$2,007,839 which consisted of \$875,220 (net of \$392,027 in forfeitures) from the City and \$1,132,619 from employees.

The Hospital contributes to a defined contribution pension plan covering substantially all employees. Pension expense is recorded for the amount of the Hospital's required contributions, determined in accordance with the terms of the plan. The plan is administered by the Hospital's Board of Trustees. The plan provides retirement and death benefits to plan members and their beneficiaries. Benefit provisions are contained in the plan document and were established and can be amended by action of the Hospital's governing body. Contribution rates for plan members and the Hospital, expressed as a percentage of covered payroll, were 3% for 2021. Contributions actually made by plan members and the Hospital aggregated approximately \$2,558,000 and \$4,865,000, respectively, during 2021.

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, 2022 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, 2022 was \$15,138 which consisted of \$10,092 from the City and \$5,046 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 4545 N. Lincoln Blvd., Suite 265 Oklahoma City, OK 73105-3414
Authority establishing contribution obligations and benefits	State statute	State statute
Eligibility to participate	All full-time officers, employed by a participating municipality, not less than 21 years of age or more than 45 years of age when hired	All full-time or voluntary firefighters of a participating municipality hired before age 45
Employee's required contribution rate (percent of covered payroll)	8%	9%
City's required contribution rate (percent of covered payroll)	13%	14%
State obligation	State appropriation to fund the unfunded actuarial accrued liability	State appropriation to fund the unfunded actuarial accrued liability
Periods required to vest	10 years	10 years
Eligibility and benefits for distribution (full-time)	20 years credited service, 2.5% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; reduced benefits if vested at or after age 50 or after 10 but before 20 years of credited service	20 years credited service for members hired before November 1, 2013, 22 years of credited service and 50 years old for members hired on or after November 1, 2013; 50% of final average compensation; benefits continue to accrue for service up to 30 years at the rate of 2.5% per year of service; no benefits are extended for early retirement
Deferred retirement option	Yes. 20 years credited service with additional option to participate in deferred compensation plan (Louisiana Plan)	Yes. 20 years credited service with continued service for a maximum of 30 years
Provisions for:		
Cost of living adjustments (normal retirement)	Yes	Yes
Death (duty, non-duty, post-retirement)	Yes	Yes
Disability (duty, non-duty)	Yes	Yes
Cost of living allowances	Yes	Yes

Contributions required by state statute:

Fiscal Year	Oklahoma Police Pension & Retirement System			Oklahoma Firefighter's Pension & Retirement System		
	City's Required Contribution	Percent Contributed		City's Required Contribution	Percent Contributed	
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%	
2018	756,167	100%		694,101	100%	

Pension Liability, Expense, and Deferred Inflows and Outflows of Resources: At June 30, 2022, the City reported an asset of \$9,203,474 for its proportionate share of the collective net pension asset of the Oklahoma Police Pension and Retirement System and a liability of \$11,382,311 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, 2021 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

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total of all employer cash basis contributions for the fiscal year. The City's proportion of the Police Pension plan decreased from 2.027% to 1.919% during the fiscal year and resulted in a deferred outflow of \$3,801. The City's proportion of the Fire Pension plan decreased from 1.824% to 1.728% during the fiscal year and resulted in a deferred inflow of \$810,449.

For the year ended June 30, 2022, the City recognized pension expense of \$(1,858,904) for the police pension plan and \$67,883 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	\$ 132,140	\$ 363,260	\$ 4,128,107	\$ 199,892
Change in assumptions	139,955	-	-	252,459
Net difference between projected and actual earnings on pension plan investments	-	6,713,616	-	9,048,451
Effect of City's proportion of plan	6,023	41,880	860,713	1,157,904
City contributions made subsequent to the measurement date	938,695	-	854,391	-
Total	\$ 1,216,813	\$ 7,118,756	\$ 5,843,211	\$ 10,658,706

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, 2023. 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
2023	\$ (1,545,450)	\$ (942,587)
2024	(1,354,790)	(1,110,356)
2025	(1,711,039)	(1,373,733)
2026	(2,245,486)	(2,243,210)
2027	16,127	-
	\$ (6,840,638)	\$ (5,669,886)

Actuarial Assumptions: The actuarial valuation that provided the total pension liability as of June 30, 2021 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.

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The actuarial assumptions used for the police pension plan's June 30, 2021 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 the fire pension plan's June 30, 2021 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, 2021, are summarized in the following table:

Asset Class	Oklahoma Police	Oklahoma Firefighter's
	Pension & Retirement System	Pension & Retirement System
	Long-term Expected Real Rate of Return	Long-term Expected Real Rate of Return
Fixed income	3.22%	3.53%
Domestic equity	4.55%	5.73%
International equity	8.50%	8.50%
Real estate	7.97%	7.97%
Private equity	9.36%	0.00%
Other assets	0.00%	4.73%

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)	\$ (3,451,581)	\$ (9,203,474)	\$ (14,067,129)
City's share of fire plan net pension liability	17,787,219	11,382,311	6,020,094

Non-employer Contributing Entity: For the City's police and firefighters pension plans, the State of Oklahoma is considered to be a non-employer contributing entity. The State contributed 9.8% of the

insurance premium tax collected through its taxing authority to the police pension plan and 25.2% of the insurance premium tax collected to the firefighter’s pension plan during the measurement period ended June 30, 2021. 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, 2022, the City recorded revenues of \$544,247 for the police pension plan and \$1,260,378 for the firefighter’s pension plan.

C. Aggregate Pension Information

	Oklahoma Police Pension & Retirement System		Oklahoma Firefighter's Pension & Retirement System		Total
Net pension liability	\$	-	\$	11,382,311	\$ 11,382,311
Net pension asset		9,203,474		-	9,203,474
Deferred outflows of resources		1,216,813		5,843,211	7,060,024
Deferred inflows of resources		7,118,756		10,658,706	17,777,462
Pension expense		(1,858,904)		67,883	(1,791,021)

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 2022 range from \$49 to \$412 for active employees, \$493 to \$2,245 for retired participants, and \$503 to \$2,290 for COBRA participants.

Employees Covered by Benefit Terms: At June 30, 2021, the following employees were covered by the benefit terms.

Active plan members	512
Inactive employees or beneficiaries currently receiving benefit payments	39
	<u>551</u>

Total OPEB Liability: The City’s total OPEB liability of \$7,453,026 was measured as of June 30, 2021 and was determined by an actuarial valuation performed as of June 30, 2021.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2021 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	2.16 percent based on the yield for 20-year municipal bonds on the measurement date (Bond Buyers' index)
Pay increases	3.00 percent (the inflation component of pay increases used to determine the EAN actuarial liability and service cost of the OPEB plan)
Mortality	PubG-2010 for non-public safety; PubS-2010 for police and fire
Retirement rates	OkMRF 2017 experience study
Turnover	OkMRF 2017 experience study
Healthcare cost trend	Plan year dependent rates graded from 5.69% in 2021 to 4.87% in 2060. The same trend is applied to retiree contributions. Healthcare trend was developed using the Society of Actuaries Getzen healthcare economics model.
Participation	50% of currently covered employees are assumed to elect retiree medical coverage if they meet eligibility requirements (50% for police and firefighters). The acceptance rate for spouses of covered retirees is assumed to be 50%.
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, 2021, the 20-year bond rates decreased from 2.21% to 2.16%.

Changes in the Total OPEB Liability:

Balance at June 30, 2021	\$ 7,395,608
Changes for the year:	
Service cost	432,790
Interest	170,569
Changes of benefit terms	-
Differences between expected and actual experience	59,209
Change of assumptions	(384,456)
Expected net benefit payments	<u>(220,694)</u>
Net changes	<u>57,418</u>
Balance at June 30, 2022	<u>\$ 7,453,026</u>

The change of assumptions were related to: 1) change in the discount rate from the beginning of the measurement period to the end of the measurement period (a decrease from 2.21% to 2.16% from June 30, 2020 to June 30, 2021).

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:

	<u>1% Decrease</u> (1.16%)	<u>Discount Rate</u> (2.16%)	<u>1% Increase</u> (3.16%)
Total OPEB liability	\$ 8,290,433	\$ 7,453,026	\$ 6,714,170

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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	Healthcare Cost Trend Rates	1% Increase
	4.96%	5.96%	6.96%
	Grading to	Grading to	Grading to
	<u>3.87%</u>	<u>4.87%</u>	<u>5.87%</u>
Total OPEB liability	\$ 6,612,520	\$ 7,453,026	\$ 8,457,576

OPEB Expense and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2022, the City recognized OPEB expense of \$548,439. At June 30, 2022, 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	\$ 660,643	\$ (620,401)
Differences between expected and actual experience	116,296	(326,721)
Contributions subsequent to the measurement date	216,247	-
Total Deferrals	<u>\$ 993,186</u>	<u>\$ (947,122)</u>

The \$216,247 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ (54,919)
2024	(54,919)
2025	(11,557)
2026	20,527
2027	(7,771)
Thereafter	(61,544)
	<u>\$ (170,183)</u>

VI. RISK MANAGEMENT

As of June 30, 2022, claims outstanding against the City and its public authorities were \$2,232,821 and are accrued under the heading “Accrued Liabilities” in the accompanying financial statements. Liabilities were accrued for workers’ compensation claims and employee health insurance claims. The City is self-insured for group medical, general liability, workers’ compensation, unemployment, and property damage. The City has a reinsurance policy which limits the City’s liability for major medical to \$130,000 per individual. The City purchases conventional insurance for excess losses for general liability and property damage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The claims liability for health claims incurred but not reported is estimated by management using a five-month claims lag analysis. The claims liability for workers’ compensation claims and judgments is estimated using information provided by a third party administrator based on their opinion of probable outcome of litigation. The balance of the claim liability is expected to be paid within the next year and is included in accrued liabilities on the statement of net position. All claims are paid from the consolidated cash account, funded by the General Fund. Changes in the balances of claims liabilities for the years ended June 30, 2022 and 2021 were as follows:

	Beginning Liability Balance	Current Year Claims & Changes in Estimate	Claims Payments	Ending Liability Balance
2022	\$ 1,901,253	\$ 9,525,560	\$ 9,193,992	\$ 2,232,821
2021	2,120,106	6,649,606	6,868,459	1,901,253

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

The Hospital is self-insured for health claims of participating employees and dependents up to an annual aggregate amount of approximately \$300,000. The Hospital purchases annual stop-loss insurance coverage for claims in excess of the aggregate annual amount of \$350,000.

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, 2021. No draws were made on the certificate of deposit held in escrow through 2021.

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

Activity in the Hospital’s accrued employee health and workers’ compensation claims liability for years ended December 31, 2021 and 2020 is summarized as follows:

	Beginning Liability Balance	Current Year Claims & Changes in Estimate	Claims Payments	Ending Liability Balance
2021	\$ 2,491,667	\$ 15,227,729	\$ 15,342,228	\$ 2,377,168
2020	\$ 1,277,536	\$ 12,984,961	\$ 11,770,830	\$ 2,491,667

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, 2022, since the specific legally required costs of retirement have not yet been identified. The City anticipates identifying those specific legally required costs and obtaining an estimate of those costs in a subsequent fiscal year.

The Hospital has commitments for non-cancellable operating leases for equipment and building space which expire in various years through December 2027. These leases generally contain renewal options for periods ranging from five to ten years and require the Hospital to pay all executory costs (property taxes, maintenance, and insurance). Future minimum lease payments at December 31, 2021, were approximately:

Fiscal Year	Amount
2022	\$ 1,523,000
2023	1,128,000
2024	1,134,000
2025	1,139,000
2026	1,895,000
2027	401,000
Total	<u>\$ 7,220,000</u>

Provider Relief Fund - During the year ended December 31, 2021, the Hospital received approximately \$10,859,000 of distributions from the CARES Act Provider Relief Fund and COVID-19 grants. These distributions from the Provider Relief Fund are not subject to repayment, provided the Hospital is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by the U.S. Department of Health and Human Services (HHS).

The Hospital is accounting for such payments as conditional contributions. Payments are recognized as contribution revenue once the applicable terms and conditions required to retain the funds have been met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the effect of the pandemic on the Hospital’s operating revenues and expenses through December 31, 2021, the Hospital recognized approximately \$10,859,000 related to the Provider Relief Fund distributions and these payments are recorded as capital grants and contributions in the accompanying statement of activities.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

The Hospital will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the effect of the pandemic on the Hospital’s revenues and expenses. The terms and conditions governing the Provider Relief Fund are complex and subject to interpretation and change. If the Hospital is unable to attest to or comply with current or future terms and conditions, the Hospital’s ability to retain some or all of the distributions received may be affected. Additionally, the amounts recorded in the financial statements compared to the Hospital’s Provider Relief Fund reporting could differ. The Provider Relief Fund is subject to government oversight, including potential audits.

VIII. PRIOR PERIOD ADJUSTMENT

The City restated beginning net position as shown below:

	Stillwater Utilities Authority	SEDA	Governmental Activities
Beginning net position as previously stated	\$ 228,008,604	\$ 499,127	\$ 100,757,800
Understatement of interfund receivable/payable	350,000	(350,000)	-
Understatement of statutory interest for fire pension plan	-	-	1,100,098
Beginning net position as restated	\$ 228,358,604	\$ 149,127	\$ 101,857,898

IX. 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 construction and remodel 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 \$13,347,100. Ad valorem taxes received in the current year were \$181,342. Debt service payments of \$0 in the current fiscal year were 0% 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, 2022, sales tax revenues were \$9,636,753, and net revenues were \$18,145,542. The following is a summary of the debt issues included in this pledge of revenues as of June 30, 2022:

Debt Issue	Issue Amount	Issue Date	Maturity Date	Remaining Principal and Interest	Current Year Principal and Interest
2002 OWRB SRF Note	\$ 3,413,483	Feb 2002	Sept 2021	\$ -	\$ 85,555
2002 OWRB SRF Note	4,876,086	Dec 2002	Sept 2022	122,214	245,352
2005 OWRB Fixed Rate Note	7,620,000	Jun 2005	Mar 2025	1,484,279	494,738
2009 OWRB DWSRF Note	11,645,000	Nov 2009	Sept 2032	6,293,010	654,910
2009 OWRB CWSRF Note	1,875,000	Nov 2009	Sept 2030	676,347	79,535
Series 2014A Revenue Bonds	61,830,000	Aug 2014	Oct 2042	85,566,100	4,095,850
2016 OWRB DWSRF Note	29,900,000	Jun 2016	Sept 2046	29,243,509	1,552,703
2017 OWRB DWSRF Note	12,600,000	Sept 2017	Sept 2048	7,340,991	583,806

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 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 2017, the Hospital acquired Bristol Hospice and Homecare – Stillwater, LLC, which is being amortized over five years. Amortization expense is approximately \$90,000 annually through 2022.

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

The carrying basis and accumulated amortization of recognized deferred outflows of resources related to government acquisitions at December 31, 2021 were as follows:

Deferred outflows of resources	\$ 16,221,821
Accumulated amortization	(12,329,745)
	<u>\$ 3,892,076</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 13% 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 \$306,000 to purchase its professional liability (medical malpractice) and general liability insurance from Tecumseh during the year ended December 31, 2021. The Hospital’s investment in Tecumseh was approximately \$1,180,000 at December 31, 2021.

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 \$793,000 as of December 31, 2021.

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, 2021, the Hospital paid approximately \$822,000 in rent for the right to utilize the building space. The Hospital’s investment in Bushwood was approximately \$6,474,000 at December 31, 2021. During the year ended December 31, 2021, the Hospital received a distribution of \$42,000 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, 2021.

Upper Midwest Consolidated Services Center, LLC (UMCSC) is a health care supply purchasing and management organization. The Hospital’s investment in UMCSC was \$75,000 at December 31, 2021.

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 \$755,000 as of December 31, 2021. Effective July 1, 2021, the Authority purchased its property insurance coverage from LAIE. For the year ended December 31, 2021, the Hospital paid approximately \$148,000 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, 2022, the SEDA abated sales tax totaling \$438,817 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
Commercial development which generates tax and other revenue to fund government services	6.2%	\$26,991
Development of a retail center in undeveloped parts of the City	93.8%	\$411,826

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

XIII. SUBSEQUENT EVENTS

Hospital Component Unit:

In February 2022, the Hospital entered into a Series 2022A Hospital Revenue Note in the original amount of \$40,000,000, which bears interest annually at 2.80%. The Series 2022A Hospital Revenue Note is payable in monthly principal and interest installments through January 31, 2037.

In March 2022, the Hospital entered into a Series 2022B Hospital Revenue Note in the original amount of \$8,000,000, which bears interest annually at 2.50%. The Series 2022B Hospital Revenue Note is payable in monthly principal and interest installments through March 16, 2029. The proceeds from this note will be used to fund the Hospital’s participation in a new market tax credit transaction with the purpose of acquiring eligible equipment for use in the Hospital’s operations.

Primary Government:

Subsequent events were evaluated through December 15, 2022. There are no events to report.

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. 91, "Conduit Debt Obligations" – This statement provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement will become effective for the City in the fiscal year ended June 30, 2023.

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

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

GASB Statement No. 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.



Stillwater Public Library

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REQUIRED SUPPLEMENTARY
INFORMATION



Strickland Park PlayAbility 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
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2022

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, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT BUDGETARY BASIS	Budget to GAAP Difference	Actual Amount GAAP Basis
REVENUES					
Sales and use tax	\$ 30,824,000	\$ 35,324,000	\$ 37,423,088	\$ -	\$ 37,423,088
Other taxes	2,453,000	2,453,000	3,173,916	-	3,173,916
Intergovernmental	50,000	9,452,144	1,021,915	-	1,021,915
Charges for services	496,000	496,000	625,213	-	625,213
Fines and forfeits	448,600	448,600	725,291	-	725,291
Fees and rentals	427,790	427,790	405,851	-	405,851
Investment income	-	-	(541,563)	-	(541,563)
Licenses and permits	244,350	244,350	352,763	-	352,763
Other miscellaneous revenue	1,213,000	2,526,891	2,560,060	(1,156,277)	1,403,783
Total revenues	<u>36,156,740</u>	<u>51,372,775</u>	<u>45,746,534</u>	<u>(1,156,277)</u>	<u>44,590,257</u>
EXPENDITURES					
Public Safety:					
Police:					
Personal services	11,275,022	11,607,622	11,871,298	2,112,293	13,983,591
Materials and supplies	563,137	649,676	544,945	-	544,945
Contract services	515,710	563,905	517,146	-	517,146
Fire:					
Personal services	7,253,802	7,543,765	7,960,576	1,294,571	9,255,147
Materials and supplies	218,550	242,390	232,072	-	232,072
Other services and charges	213,976	195,890	169,846	-	169,846
Total public safety	<u>20,040,197</u>	<u>20,803,248</u>	<u>21,295,883</u>	<u>3,406,864</u>	<u>24,702,747</u>
Recreation and culture:					
Parks and recreation:					
Personal services	590,501	512,001	489,894	124,209	614,103
Materials and supplies	68,754	51,292	31,247	-	31,247
Contract services	934,730	817,704	764,795	-	764,795
Library:					
Personal services	1,019,498	936,312	907,338	230,673	1,138,011
Materials and supplies	105,650	92,951	89,666	-	89,666
Contract services	113,367	560,138	424,630	-	424,630
Total recreation and culture	<u>2,832,500</u>	<u>2,970,398</u>	<u>2,707,570</u>	<u>354,882</u>	<u>3,062,452</u>
General government:					
Personal services	8,942,183	10,636,972	10,368,045	(7,558,010)	2,810,035
Materials and supplies	129,742	269,552	218,905	-	218,905
Contract services	4,879,116	8,234,393	4,140,961	(1,538,378)	2,602,583
Debt service	-	-	34,107	-	34,107
Total general government	<u>13,951,041</u>	<u>19,140,917</u>	<u>14,762,018</u>	<u>(9,096,388)</u>	<u>5,665,630</u>
Financial administration:					
Personal services	632,825	522,450	457,725	177,441	635,166
Materials and supplies	22,885	26,785	20,411	-	20,411
Contract services	56,685	8,866,233	57,664	-	57,664
Total financial administration	<u>712,395</u>	<u>9,415,468</u>	<u>535,800</u>	<u>177,441</u>	<u>713,241</u>

(continued...)

CITY OF STILLWATER, OKLAHOMA
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT BUDGETARY BASIS	Budget to GAAP Difference	Actual Amount GAAP Basis
Streets and highways:					
Personal services	2,692,508	2,371,419	2,227,886	722,089	2,949,975
Materials and supplies	912,997	440,341	425,335	-	425,335
Contract services	583,429	838,850	573,791	-	573,791
Total streets and highways	<u>4,188,934</u>	<u>3,650,610</u>	<u>3,227,012</u>	<u>722,089</u>	<u>3,949,101</u>
Health and welfare:					
Health:					
Personal services	-	-	-	-	-
Materials and supplies	15,000	11,153	10,390	-	10,390
Contract services	23,900	22,223	22,200	-	22,200
Community development:					
Personal services	690,277	646,577	639,209	213,677	852,886
Materials and supplies	12,700	16,400	11,510	-	11,510
Contract services	95,267	174,950	151,126	-	151,126
Total health and welfare	<u>837,144</u>	<u>871,303</u>	<u>834,435</u>	<u>213,677</u>	<u>1,048,112</u>
Economic development:					
Personal services	-	-	-	-	-
Materials and supplies	-	-	-	-	-
Contract services	-	-	1,048	-	1,048
Total economic development	<u>-</u>	<u>-</u>	<u>1,048</u>	<u>-</u>	<u>1,048</u>
Capital outlay:					
Police	-	7,678	5,880	-	5,880
Fire	-	267,951	267,951	-	267,951
Recreation and culture	-	567,196	308,034	-	308,034
General government	-	53,862	65,221	-	65,221
Financial administration	-	-	-	-	-
Streets and highways	-	6,068,771	285,062	-	285,062
Health and welfare	-	241,369	233,218	-	233,218
Total capital outlay	<u>-</u>	<u>7,206,827</u>	<u>1,165,366</u>	<u>-</u>	<u>1,165,366</u>
Total expenditures	<u>42,562,211</u>	<u>64,058,771</u>	<u>44,529,132</u>	<u>(4,221,435)</u>	<u>40,307,697</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,405,471)</u>	<u>(12,685,996)</u>	<u>1,217,402</u>	<u>3,065,158</u>	<u>4,282,560</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	26,339,389	27,359,524	22,362,126	(8,271,002)	14,091,124
Transfers out	(20,559,068)	(25,649,068)	(25,039,125)	5,057,651	(19,981,474)
Proceeds from long-term lease	-	-	12,257	-	12,257
Total other financing sources (uses)	<u>5,780,321</u>	<u>1,710,456</u>	<u>(2,664,742)</u>	<u>(3,213,351)</u>	<u>(5,878,093)</u>
Net change in fund balance	<u>(625,150)</u>	<u>(10,975,540)</u>	<u>(1,447,340)</u>	<u>(148,193)</u>	<u>(1,595,533)</u>
FUND BALANCE, beginning of year	<u>-</u>	<u>24,567,734</u>	<u>24,567,734</u>	<u>-</u>	<u>24,567,734</u>
FUND BALANCE, end of year	<u>\$ (625,150)</u>	<u>\$ 13,592,194</u>	<u>\$ 23,120,394</u>	<u>\$ (148,193)</u>	<u>\$ 22,972,201</u>

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, 2022 the City complied, in all material respects, with the applicable budget laws.

CITY OF STILLWATER, OKLAHOMA
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2022

**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,								
	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	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)	\$ (9,203,474)	\$ 2,327,809	\$ (122,109)	\$ (915,585)	\$ 146,562	\$ 2,954,182	\$ 78,571	\$ (601,984)
City's covered payroll	\$ 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	(141.87%)	35.902%	(2.00%)	(15.74%)	0.461%	9.423%	0.241%	(1.96%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	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.
 For the period that ends on the measurement date of the pension liability.

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

	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	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	\$ 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	\$ 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	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	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.
 For the period that ends on the measurement date of the pension liability.

CITY OF STILLWATER, OKLAHOMA
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2022

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 938,695	\$ 843,322	\$ 842,890	\$ 795,457	\$ 756,167	\$ 726,443	\$ 763,592	\$ 705,649
Contributions in relation to the statutorily required contribution	<u>(938,695)</u>	<u>(843,322)</u>	<u>(842,890)</u>	<u>(795,457)</u>	<u>(756,167)</u>	<u>(726,443)</u>	<u>(763,592)</u>	<u>(705,649)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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
Contributions as a percentage of covered payroll	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*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 854,391	\$ 778,175	\$ 778,342	\$ 733,622	\$ 694,101	\$ 710,808	\$ 708,897	\$ 653,459
Contributions in relation to the statutorily required contribution	<u>(854,391)</u>	<u>(778,175)</u>	<u>(778,342)</u>	<u>(733,622)</u>	<u>(694,101)</u>	<u>(710,808)</u>	<u>(708,897)</u>	<u>(653,459)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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
Contributions as a percentage of covered payroll	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, 2022

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

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


OTHER SUPPLEMENTARY INFORMATION



Stillwater Emergency Management

 Facebook - @StwSema

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SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - TRANSPORTATION IMPROVEMENT FUND
For the fiscal year ended June 30, 2022

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNT</u>	<u>Variance from Final Budget</u>
REVENUES				
Investment income	\$ -	\$ -	\$ 71,519	\$ 71,519
Other miscellaneous revenue	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>71,519</u>	<u>71,519</u>
EXPENDITURES				
Streets and sewers:				
Personal services	-	-	-	-
Materials and supplies	-	350,000	-	350,000
Contract services	-	588,290	-	588,290
Capital outlay	<u>-</u>	<u>12,828,580</u>	<u>4,103,344</u>	<u>8,725,236</u>
Total expenditures	<u>-</u>	<u>13,766,870</u>	<u>4,103,344</u>	<u>9,663,526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(13,766,870)</u>	<u>(4,031,825)</u>	<u>9,735,045</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,000,000	4,550,000	4,818,376	268,376
Transfers out	<u>(15,098)</u>	<u>(15,098)</u>	<u>-</u>	<u>15,098</u>
Total other financing sources (uses)	<u>3,984,902</u>	<u>4,534,902</u>	<u>4,818,376</u>	<u>283,474</u>
Net change in fund balance	<u>3,984,902</u>	<u>(9,231,968)</u>	<u>786,551</u>	<u>10,018,519</u>
FUND BALANCE, beginning of year	<u>4,936,765</u>	<u>13,665,321</u>	<u>13,665,321</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 8,921,667</u>	<u>\$ 4,433,353</u>	<u>\$ 14,451,872</u>	<u>\$ 10,018,519</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.

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

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, 2022

City of Stillwater
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Fund Community Development Block Grant	Special Revenue Fund Tax Increment District #3	Special Revenue Fund Stillwater Public Library Trust	Capital Project Fund City Capital Fund	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	\$ (489,117)	\$ 78,144	\$ 58,492	\$ 6,526,060	\$ 9,000,000	\$ 673,170	\$ 54,822	\$ 15,901,571
Investments	-	-	561,856	-	-	-	-	561,856
Due from other governments	490,000	63,731	-	2,690	-	-	-	556,421
Accrued interest receivable	-	227	144	2,220	-	129	24	2,744
Total assets	\$ 883	\$ 142,102	\$ 620,492	\$ 6,530,970	\$ 9,000,000	\$ 673,299	\$ 54,846	\$ 17,022,592
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ 6,927	\$ -	\$ 331,491	\$ 125,550	\$ -	\$ -	\$ 463,968
Total liabilities	-	6,927	-	331,491	125,550	-	-	463,968
Deferred Inflows of Resources:								
Unavailable revenue-property taxes	-	57,319	-	-	-	-	-	57,319
Total deferred inflows of resources	-	57,319	-	-	-	-	-	57,319
Fund Balances:								
Nonspendable	-	-	-	-	-	-	50,000	50,000
Restricted:								
Debt service	-	-	-	-	-	673,299	-	673,299
Capital improvements	883	-	-	-	8,874,450	-	-	8,875,333
TIF projects	-	77,856	-	-	-	-	-	77,856
Library books	-	-	-	-	-	-	4,846	4,846
Library purposes	-	-	620,492	-	-	-	-	620,492
Assigned	-	-	-	6,199,479	-	-	-	6,199,479
Total fund balances	883	77,856	620,492	6,199,479	8,874,450	673,299	54,846	16,501,305
Total liabilities, deferred inflows of resources and fund balances	\$ 883	\$ 142,102	\$ 620,492	\$ 6,530,970	\$ 9,000,000	\$ 673,299	\$ 54,846	\$ 17,022,592

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

City of Stillwater
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Fund Community Development Block Grant	Special Revenue Fund Tax Increment District #3	Special Revenue Fund Stillwater Public Library Trust	Capital Project Fund City Capital Fund	Capital Project Fund G.O. Bond Fund	Debt Service Fund Sinking Fund	Permanent Fund Mabel King Trust	Total-Other Governmental Funds
REVENUES								
Taxes	\$ -	\$ 625,761	\$ -	\$ -	\$ -	\$ 181,342	\$ -	\$ 807,103
Intergovernmental	490,000	-	-	2,690	-	-	-	492,690
Investment income (loss)	-	2,698	(45,873)	25,746	-	33,456	278	16,305
Miscellaneous	-	-	26,333	-	-	-	-	26,333
Total revenues	490,000	628,459	(19,540)	28,436	-	214,798	278	1,342,431
EXPENDITURES								
Current:								
Public safety	-	-	-	-	125,550	-	-	125,550
Recreation and culture	-	-	1,980	-	-	-	-	1,980
General government	-	207,378	-	-	-	-	-	207,378
Financial administration	-	-	-	-	-	-	-	-
Streets and sewers	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-
Capital Outlay	490,000	-	-	3,132,039	-	-	-	3,622,039
Total Expenditures	490,000	207,378	1,980	3,132,039	125,550	-	-	3,956,947
Excess (deficiency) of revenues over expenditures	-	421,081	(21,520)	(3,103,603)	(125,550)	214,798	278	(2,614,516)
OTHER FINANCING SOURCES (USES)								
Proceeds from long-term debt	-	-	-	-	9,000,000	351,254	-	9,351,254
Transfers in	-	-	-	3,206,000	-	-	-	3,206,000
Transfers out	(1,158)	(900,000)	-	-	-	(198,828)	-	(1,100,086)
Total other financing sources and uses	(1,158)	(900,000)	-	3,206,000	9,000,000	152,326	-	11,457,168
Net change in fund balances	(1,158)	(478,919)	(21,520)	102,397	8,874,450	367,124	278	8,842,652
Fund balances - beginning	2,041	556,775	642,012	6,097,082	-	306,175	54,568	7,658,653
Fund balances - ending	\$ 883	\$ 77,856	\$ 620,492	\$ 6,199,479	\$ 8,874,450	\$ 673,299	\$ 54,846	\$ 16,501,305

CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2022

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2022

	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	\$ 625,761	\$ (274,239)
Intergovernmental	-	927,000	490,000	(437,000)	-	-	-	-
Investment income	-	-	-	-	-	-	2,698	2,698
Other miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	-	927,000	490,000	(437,000)	-	900,000	628,459	(271,541)
EXPENDITURES								
General government:								
Contract services	-	-	-	-	-	300,000	207,378	92,622
Debt service:	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total general government	-	-	-	-	-	300,000	207,378	92,622
Capital Outlay:								
Recreation and culture	-	-	-	-	-	-	-	-
Streets and sewers	-	927,000	490,000	437,000	-	-	-	-
Total capital outlay	-	927,000	490,000	437,000	-	-	-	-
Total expenditures	-	927,000	490,000	437,000	-	300,000	207,378	92,622
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	600,000	421,081	(178,919)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(1,158)	(1,158)	(1,158)	-	-	(900,000)	(900,000)	-
Total other financing sources (uses)	(1,158)	(1,158)	(1,158)	-	-	(900,000)	(900,000)	-
Net change in fund balance	(1,158)	(1,158)	(1,158)	-	-	(300,000)	(478,919)	(178,919)
FUND BALANCE, beginning of year	1,158	2,041	2,041	-	-	556,775	556,775	-
FUND BALANCE, end of year	\$ -	\$ 883	\$ 883	\$ -	\$ -	\$ 256,775	\$ 77,856	\$ (178,919)

(Continued)

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2022

	Capital Project Fund City Capital Fund				Debt Service Fund Sinking Fund			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 230,000	\$ 230,000	\$ 181,342	\$ (48,658)
Intergovernmental	-	234,214	2,690	(231,524)	-	-	-	-
Investment income	-	-	25,746	25,746	-	-	33,456	33,456
Other miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	-	234,214	28,436	(205,778)	230,000	230,000	214,798	(15,202)
EXPENDITURES								
General government:								
Contract services	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total general government	-	-	-	-	-	-	-	-
Capital Outlay:								
Community resources	207,000	766,639	378,468	388,171	-	-	-	-
Finance	33,500	35,786	3,160	32,626	-	-	-	-
General government	619,778	1,434,248	712,667	721,581	-	-	-	-
Police	1,187,600	1,159,922	1,092,552	67,370	-	-	-	-
Fire	-	7,761	-	7,761	-	-	-	-
Library	5,500	5,500	5,500	-	-	-	-	-
Streets and sewers	587,500	2,848,021	731,088	2,116,933	-	-	-	-
Emergency management	100,000	322,262	208,604	113,658	-	-	-	-
Total capital outlay	2,740,878	6,580,139	3,132,039	3,448,100	-	-	-	-
Total expenditures	2,740,878	6,580,139	3,132,039	3,448,100	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(2,740,878)	(6,345,925)	(3,103,603)	3,242,322	230,000	230,000	214,798	(15,202)
OTHER FINANCING SOURCES (USES)								
Proceeds from long-term debt	-	-	-	-	-	-	351,254	351,254
Transfers in	-	3,206,000	3,206,000	-	-	-	-	-
Transfers out	-	-	-	-	(198,928)	(198,928)	(198,928)	-
Total other financing sources (uses)	-	3,206,000	3,206,000	-	(198,928)	(198,928)	152,326	351,254
Net change in fund balance	(2,740,878)	(3,139,925)	102,397	3,242,322	31,072	31,072	367,124	336,052
FUND BALANCE, beginning of year	3,298,933	6,097,082	6,097,082	-	498,446	306,175	306,175	-
FUND BALANCE, end of year	\$ 558,055	\$ 2,957,157	\$ 6,199,479	\$ 3,242,322	\$ 529,518	\$ 337,247	\$ 673,299	\$ 336,052

(Continued)

CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2022

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2022

	Capital Project Fund G.O. Bond Fund			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Other miscellaneous revenue	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Public Safety:				
Contract services	-	-	125,550	(125,550)
Total public safety	<u>-</u>	<u>-</u>	<u>125,550</u>	<u>(125,550)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>125,550</u>	<u>(125,550)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(125,550)</u>	<u>(125,550)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from long-term debt	<u>-</u>	<u>-</u>	<u>9,000,000</u>	<u>9,000,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>9,000,000</u>	<u>9,000,000</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>8,874,450</u>	<u>8,874,450</u>
FUND BALANCE, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,874,450</u>	<u>\$ 8,874,450</u>

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2022

	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	-	-	278	278	-	-	(45,873)	(45,873)
Other miscellaneous revenue	-	-	-	-	-	390	26,333	25,943
Total revenues	-	-	278	278	-	390	(19,540)	(19,930)
EXPENDITURES								
Recreation and culture:								
Materials and supplies	-	-	-	-	-	-	1,980	(1,980)
Debt service:	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total general government	-	-	-	-	-	-	1,980	(1,980)
Capital Outlay:								
Recreation and culture	-	-	-	-	-	-	-	-
Total capital outlay	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	1,980	(1,980)
Excess (deficiency) of revenues over (under) expenditures	-	-	278	278	-	390	(21,520)	(21,910)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	278	278	-	390	(21,520)	(21,910)
FUND BALANCE, beginning of year	54,568	54,568	54,568	-	642,012	642,012	642,012	-
FUND BALANCE, end of year	\$ 54,568	\$ 54,568	\$ 54,846	\$ 278	\$ 642,012	\$ 642,402	\$ 620,492	\$ (21,910)

NONMAJOR PROPRIETARY FUNDS

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

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

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

**Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2022**

	Stillwater Economic Development Authority	Block 34 Trust Authority	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 970,280	\$ 10	\$ 970,290
Intergovernmental receivable	735,008	-	735,008
Interest receivable	24	-	24
Other receivable	8,333	-	8,333
Total current assets	<u>1,713,645</u>	<u>10</u>	<u>1,713,655</u>
Noncurrent assets:			
Investments	-	-	-
Restricted cash and cash equivalents	-	-	-
Restricted investments	-	-	-
Advanced to other funds	-	-	-
Capital assets, non depreciable	-	-	-
Capital assets, net of accumulated depreciation	29,113	-	29,113
Total noncurrent assets	<u>29,113</u>	<u>-</u>	<u>29,113</u>
Total assets	<u>1,742,758</u>	<u>10</u>	<u>1,742,768</u>
LIABILITIES			
Current liabilities:			
Accounts payable	16,853	-	16,853
Due to other funds	600,000	-	600,000
Current portion of advances from other funds	8,333	-	8,333
Current portion of refundable grant obligations	199,194	-	199,194
Total current liabilities	<u>824,380</u>	<u>-</u>	<u>824,380</u>
Noncurrent liabilities:			
Noncurrent portion of compensated absences	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>824,380</u>	<u>-</u>	<u>824,380</u>
NET POSITION			
Net investment in capital assets	29,113	-	29,113
Unrestricted	889,265	10	889,275
Total net position	<u>\$ 918,378</u>	<u>\$ 10</u>	<u>\$ 918,388</u>

**Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended June 30, 2022**

	Stillwater Economic Development Authority	Block 34 Trust Authority	Total
REVENUES			
Charges for services	\$ -	\$ -	\$ -
Operating grants and contributions	-	-	-
Miscellaneous	1,048	-	1,048
Total operating revenues	<u>1,048</u>	<u>-</u>	<u>1,048</u>
OPERATING EXPENSES			
Economic development	1,778,902	-	1,778,902
Depreciation	1,968	-	1,968
Total operating expenses	<u>1,780,870</u>	<u>-</u>	<u>1,780,870</u>
Operating income (loss)	<u>(1,779,822)</u>	<u>-</u>	<u>(1,779,822)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	5,812	-	5,812
Total non-operating revenue (expenses)	<u>5,812</u>	<u>-</u>	<u>5,812</u>
Income (loss) before transfers	(1,774,010)	-	(1,774,010)
Transfers in	2,543,261	-	2,543,261
Change in net position	<u>769,251</u>	<u>-</u>	<u>769,251</u>
Total net position - beginning, restated	<u>149,127</u>	<u>10</u>	<u>149,137</u>
Total net position - ending	<u>\$ 918,378</u>	<u>\$ 10</u>	<u>\$ 918,388</u>

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

**Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2022**

	Stillwater Economic Development Authority	Block 34 Trust Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers	\$ (1,333,535)	\$ -	\$ (1,333,535)
Payments of business development incentives	(452,867)	-	(452,867)
Payments from other funds	233,334	-	233,334
Other receipts	(733,960)	-	(733,960)
Net cash provided by (used in) operating activities	<u>(2,287,028)</u>	<u>-</u>	<u>(2,287,028)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	2,543,261	-	2,543,261
Net cash provided by noncapital financing activities	<u>2,543,261</u>	<u>-</u>	<u>2,543,261</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt	16,666	-	16,666
Net cash provided by capital and related financing activities	<u>16,666</u>	<u>-</u>	<u>16,666</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	5,819	-	5,819
Net cash provided by investing activities	<u>5,819</u>	<u>-</u>	<u>5,819</u>
Net increase in cash and cash equivalents	278,718	-	278,718
Balances-beginning of year	691,562	10	691,572
Balances-end of year	<u>\$ 970,280</u>	<u>\$ 10</u>	<u>\$ 970,290</u>
Reconciliation to Combining Statement of Net Position:			
Cash and cash equivalents	\$ 970,280	\$ 10	\$ 970,290
Total cash and cash equivalents, end of year	<u>\$ 970,280</u>	<u>\$ 10</u>	<u>\$ 970,290</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:			
Operating income (loss)	\$ (1,779,822)	\$ -	\$ (1,779,822)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	1,968	-	1,968
Change in assets and liabilities:			
Due from other governments	(735,008)	-	(735,008)
Accounts and other payables	(24,166)	-	(24,166)
Due to other funds	250,000	-	250,000
Net cash provided by (used in) operating activities	<u>\$ (2,287,028)</u>	<u>\$ -</u>	<u>(2,287,028)</u>

STATISTICAL SECTION



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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 87,319,852	\$ 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
Restricted for capital projects	53,919	63,053	62,758	62,633	62,415	323,382	374,262	331,935	243,410	9,034
Restricted for pensions	-	-	7,112,182	7,706,462	7,834,767	8,374,505	9,478,658	10,056,817	-	-
Restricted for debt service	327,051	316,318	230,786	209,523	188,857	139,552	152,309	162,401	306,175	673,299
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
Restricted for specific operating activities	1,263,008	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
Restricted for permanent fund - nonexpendable	-	-	-	-	-	-	-	50,000	50,000	50,000
Unrestricted	12,314,626	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
Total governmental activities net position	\$ 101,278,456	\$ 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
Business-type activities:										
Net investment in capital assets	\$ 100,709,423	\$ 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
Restricted for capital projects	601,298	637,596	2,282,192	1,655,304	808,415	862,552	886,016	908,232	944,789	985,783
Restricted for debt service	159,714	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
Restricted for specific operating activities	2,712	2,712	2,712	2,712	2,460	-	-	-	-	-
Unrestricted	50,165,806	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
Total business-type activities net position	\$ 151,638,953	\$ 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
Primary government:										
Net investment in capital assets	\$ 188,029,275	\$ 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
Restricted for capital projects	655,217	700,649	2,344,950	1,717,937	870,830	1,185,934	1,260,278	1,240,167	1,188,199	994,817
Restricted for pensions	-	-	7,112,182	7,706,462	7,834,767	8,374,505	9,478,658	10,056,817	-	-
Restricted for debt service	486,765	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
Restricted for street improvements	0	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
Restricted for specific operating activities	1,265,720	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
Restricted for permanent fund - nonexpendable	-	-	-	-	-	-	-	50,000	50,000	50,000
Unrestricted	62,480,432	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
Total primary government net position	\$ 252,917,409	\$ 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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
Public Safety	\$ 17,133,051	\$ 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
Recreation and culture	5,505,481	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
General government	5,047,562	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
Financial administration	621,148	609,518	714,638	732,799	747,028	621,538	480,187	614,702	627,071	737,819
Streets and sewers	7,334,958	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
Engineering and public works administration	475,008	493,598	594,723	-	-	-	-	-	-	-
Economic development	621,820	739,409	14,916	27,903	13,316	25,381	24,562	7,805	5,127	-
Health and welfare	1,298,401	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
Interest on long-term debt	206,045	173,262	140,679	108,120	76,111	44,113	12,129	(19,671)	(50,163)	(30,311)
Total governmental activities expenses	38,243,474	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
Business-type activities:										
Electric, water, wastewater, and sanitation operations	50,680,617	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
Stillwater Public Golf Authority	-	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	15,000	-	1,686,158	-
Business area development	494,190	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
Airport operations	2,749,481	2,714,304	2,676,008	2,625,889	2,875,967	3,572,997	3,620,279	6,527,106	5,454,546	5,454,546
Total business-type activities expenses	53,924,288	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
Total primary government expenses	\$ 92,167,762	\$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety	\$ 447,420	\$ 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
Recreation and culture	1,284,758	1,218,766	1,121,462	1,064,755	914,995	712,549	274,101	166,543	194,895	131,783
General government	815,659	638,624	934,955	554,497	1,362,082	1,296,850	1,099,376	1,119,503	519,323	1,100,510
Financial administration	1,058,148	1,026,063	1,207,448	1,132,852	1,036,065	1,131,545	1,136,937	801,154	571,347	815,144
Streets and sewers	674,190	437,901	483,411	555,381	1,107,030	405,717	392,285	407,476	452,487	466,625
Health and welfare	163,907	282,297	227,846	302,888	430,744	262,807	426,387	270,528	258,701	304,682
Operating grants and contributions	177,373	1,075,844	571,493	526,732	79,813	198,989	524,836	3,000,657	1,943,963	1,528,637
Capital grants and contributions	927,215	660,101	600,714	2,327,602	5,599,043	1,232,531	1,149,352	1,353,885	1,374,572	263,356
Total governmental activities program revenues	5,548,670	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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for services:										
Electric, water, wastewater, and sanitation operations	\$ 65,531,694	\$ 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
Stillwater Public Golf Authority	-	-	-	-	-	-	-	-	-	-
Business area development	23,207	28,130	29,303	169,335	204,548	14,783	848	1,512	935	1,048
Airport operations	1,623,080	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
Operating grant and contributions	-	-	-	-	-	-	61,392	323,914	801,946	1,260,327
Capital grants and contributions	3,932,591	296,813	764,017	115,450	1,845,117	2,246,048	2,403,555	6,383,537	11,656,049	4,901,172
Total business-type activities program revenues	71,110,572	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
Total primary government program revenues	\$ 76,804,464	\$ 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
Net (Expense)/Revenue										
Governmental activities	\$ (32,694,804)	\$ (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)
Business-type activities	17,186,284	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
Total primary government net expense	\$ (15,508,520)	\$ (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)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 28,249,872	\$ 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
Property taxes	1,310,488	1,296,462	1,196,973	1,170,237	987,082	978,693	927,799	1,205,509	1,465,530	733,849
Franchise and public service taxes	1,564,301	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
E911 taxes	60,338	64,278	90,535	76,503	48,274	65,245	62,591	61,217	59,566	60,375
Hotel/motel taxes	805,941	970,100	787,488	736,485	819,592	842,623	777,659	641,945	624,718	874,248
Investment income	74,677	(99,634)	168,627	186,077	58,500	103,431	234,296	345,279	269,882	(485,727)
Miscellaneous	-	-	-	-	-	-	-	44,334	11,250	102,611
Transfers-internal activity	2,710,147	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
Special item - close out of retirement fund	-	-	-	-	-	-	-	-	1,766,951	-
Total governmental activities	34,775,764	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
Business-type activities:										
Investment income	(167,141)	181,875	375,015	715,402	171,150	334,844	1,385,880	1,508,512	476,365	(538,677)
Miscellaneous	420,681	584,669	503,379	3,500	224,699	(631,707)	51,627	(499,308)	(541,424)	224,768
Transfers-internal activity	(2,710,147)	(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)
Total business-type activities	(2,456,607)	(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)
Total primary government	\$ 32,319,157	\$ 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
Change in Net Position										
Governmental activities	\$ 2,080,960	\$ (523,820)	\$ (3,896,356)	\$ (1,039,519)	\$ 2,710,330	\$ 203,135	\$ 11,720,698	\$ 5,394,058	\$ 469,578	\$ 278,045
Business-type activities	14,729,677	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
Total primary government	\$ 16,810,637	\$ 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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Non-spendable: inventories	\$ 142,282	\$ 127,598	\$ 113,209	\$ 110,496	\$ 116,940	\$ 61,077	\$ 38,909	\$ 45,440	\$ 31,363	\$ 39,725
Restricted for public safety	114,724	98,393	100,321	95,790	72,571	95,185	92,613	99,805	98,535	87,231
Restricted for economic development	668,398	936,095	788,185	360,813	299,183	556,147	580,600	500,929	-	-
Restricted for sales tax transfer	2,070,451	2,155,138	2,079,706	2,041,372	1,955,910	-	-	-	-	-
Restricted for capital improvements	-	-	-	-	65,245	65,245	241,369	241,369	241,369	8,151
Restricted for visitor and event recruitment	-	-	-	-	-	-	-	-	392,502	548,241
Committed to public safety	283,254	458,395	509,846	567,333	612,968	-	-	-	-	-
Committed to capital improvements	-	-	-	-	-	-	486,577	587,131	722,006	878,905
Committed to stormwater	-	-	-	-	-	-	477,583	505,643	615,373	684,256
Assigned to self insurance	1,233,143	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
Assigned to recreation and culture	172,350	176,613	158,969	144,517	118,186	64,567	66,039	65,425	13,294	27,397
Assigned to special event	-	-	-	-	-	-	128,533	43,253	31,832	32,292
Assigned to public safety	-	-	-	-	-	-	517,621	618,376	406,954	466,035
Assigned to community rehab	-	-	-	-	-	-	17,893	18,932	23,397	42,202
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
Unassigned	10,848,896	10,814,025	8,940,922	6,442,469	2,478,143	5,663,427	-	-	12,433,775	11,927,800
Total general fund	\$ 15,533,498	\$ 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
All other governmental funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
Restricted for debt service	327,051	316,318	230,786	209,523	188,857	139,552	152,309	162,401	306,175	673,299
Restricted for capital improvements	3,300,332	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
Restricted for TIF projects	-	-	-	-	-	-	-	-	556,775	77,856
Restricted for library books	-	-	-	-	-	-	-	4,232	4,568	4,846
Restricted for library purposes	-	-	-	-	-	-	-	519,957	642,012	620,492
Assigned for capital improvements	-	-	-	-	-	-	2,979,724	5,026,307	6,097,082	6,199,479
Unassigned	54,350	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 3,681,733	\$ 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

(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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 31,991,402	\$ 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
Intergovernmental	408,338	1,222,484	715,097	524,126	541,595	439,114	636,609	2,988,724	1,882,763	1,514,605
Charges for service	802,270	584,908	614,263	671,485	799,313	566,985	529,946	578,575	578,124	625,213
Fines and forfeits	793,076	742,037	881,790	1,162,590	1,045,956	1,123,676	1,084,493	715,114	489,762	725,291
Fees and rentals	1,357,756	1,197,563	1,123,113	1,087,411	1,051,225	806,716	497,038	452,428	500,159	401,218
Investment income	74,525	(99,686)	168,575	186,025	58,378	102,982	233,772	344,899	269,872	(485,760)
Licenses and permits	319,497	311,218	264,840	377,683	383,629	243,017	278,769	328,791	291,463	357,396
Other miscellaneous revenues	1,219,642	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
Total revenues	36,966,506	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
Expenditures										
Current:										
Public safety	16,537,022	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
Recreation and culture	4,858,451	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
General government	3,670,808	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
Financial administration	602,812	600,062	735,423	844,480	688,490	641,620	473,228	612,456	638,336	713,241
Streets and sewers	2,415,451	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
Operations	471,523	492,586	594,143	-	-	-	-	-	-	-
Economic development	562,422	755,344	14,916	27,903	13,316	25,381	24,562	9,316	6,062	1,048
Human services	1,255,899	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
Debt service:										
Principal retirements	820,000	815,000	810,000	805,000	800,000	800,000	795,000	795,000	350,000	33,579
Interest and fiscal charges	272,000	239,200	206,600	174,200	142,000	110,000	78,000	46,200	14,400	528
Capital outlay	7,689,227	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
Total expenditures	39,155,615	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
Excess of revenues over (under) expenditures	(2,189,109)	(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)
Other Financing Sources (Uses)										
Proceeds of refunding bonds and other debt	-	-	-	-	-	-	-	-	-	9,395,532
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Transfers in	16,838,631	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
Transfers out	(14,128,484)	(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)
Total other financing sources (uses)	2,710,147	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
Special Item - proceeds from close out of retirement plan	-	-	-	-	-	-	-	-	12,450,842	-
Net change in fund balances	\$ 521,038	\$ 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
Debt service as a percentage of noncapital expenditures	3.42%	2.70%	2.84%	2.44%	2.48%	2.56%	2.40%	2.06%	0.91%	0.08%

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

<u>Fiscal Year</u>	<u>Sales & Use Taxes</u>	<u>Property Taxes</u>	<u>Franchise and Public Service Taxes</u>	<u>E911 Taxes</u>	<u>Hotel/Motel Taxes</u>	<u>Total Taxes</u>	<u>Sales Tax as Percentage of Total Taxes</u>
2013	28,249,872	1,310,488	1,564,301	60,338	805,941	31,990,940	88.31%
2014	31,096,996	1,296,462	1,729,912	64,278	970,100	35,157,748	88.45%
2015	29,926,023	1,196,973	1,710,990	90,535	787,488	33,712,009	88.77%
2016	30,250,927	1,170,237	1,663,781	76,503	736,485	33,897,933	89.24%
2017	29,800,331	987,082	1,719,692	48,274	819,592	33,374,971	89.29%
2018	31,288,009	978,693	1,728,885	65,245	842,623	34,903,455	89.64%
2019	30,791,644	927,799	2,049,701	62,591	777,659	34,609,394	88.97%
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%

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	Net Total Valuation	Total Direct Tax Rate	Total Estimated Actual Value	Ratio of Total
										Assessed to Actual Value
2013	\$ 242,749	\$ 22,543	\$ 8,953	\$ 274,245	\$ 5,173	\$ -	\$ 269,072	4.90	\$ 2,405,658	11.18%
2014	252,163	23,619	6,481	282,263	5,054	1,033	276,176	4.69	2,475,991	11.15%
2015	261,644	27,453	5,718	294,815	4,925	1,156	288,734	4.16	2,586,096	11.16%
2016	271,254	31,739	7,588	310,581	4,838	1,288	304,455	3.78	2,724,395	11.18%
2017	286,207	32,288	7,158	325,653	4,777	1,287	319,589	3.25	2,856,605	11.19%
2018	304,725	33,681	7,326	345,732	4,719	1,223	339,790	2.75	3,032,737	11.20%
2019	318,548	33,965	7,626	360,139	4,686	1,450	354,003	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%

The assessed value of the taxable property as certified by the Payne County Assessor to be used for the 2023 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

(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>
2013	4.90	64.53	15.47	16.43	101.33
2014	4.69	68.92	15.47	16.43	105.51
2015	4.16	68.54	15.47	16.43	104.60
2016	3.78	68.95	15.47	16.43	104.63
2017	3.25	68.01	15.47	16.43	103.16
2018	2.75	66.37	15.47	16.43	101.02
2019	2.72	66.55	15.47	16.43	101.17
2020	2.73	66.69	15.47	16.43	101.32
2021	1.83	65.46	15.47	16.43	99.19
2022	0.30	66.99	15.47	16.43	99.19

The direct and overlapping tax rates for FY 2023 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>
2023	1.34	67.99	15.47	16.43	101.23

(1) Source: Payne County Assessor

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

Taxpayer	Type of Business	2022			2013		
		Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank
Stillwater Ranch Holdings, LLC	Retirement community development	\$ 6,072,159	1.40%	1			
Brookside Stillwater, LLC	Apartments	4,919,821	1.14%	2			
Links at Stillwater	Apartments/golf/fitness development	3,724,810	0.86%	3	\$ 2,647,727	0.96%	1
Stillwater Development, LLC	Real estate developer	3,716,524	0.86%	4			
213 W Elm, LLC	Apartments	3,594,614	0.83%	5			
One On 4th St, LLC	Apartments	3,579,413	0.83%	6			
Wal-Mart Real Estate	Discount supercenter	3,442,362	0.80%	7	2,487,633	0.90%	3
ASCO Aerospace USA	Manufacturer of aerospace components	3,289,759	0.76%	8			
HPI Tradan Heights	Apartments	2,982,112	0.69%	9			
Tailwind Stillwater, LLC	Real estate developer	2,735,856	0.63%	10			
Sifty One at Tradan Heights	Apartments				2,594,123	0.94%	2
Lakeview Pointe	Shopping center				2,393,520	0.87%	4
Campus Crest at Stillwater	Apartments				2,015,497	0.73%	5
National Standard Co	Manufacturer of steel cord for radial tires				1,831,375	0.66%	6
Oklahoma Natural Gas	Gas Utility				1,748,753	0.63%	7
Armstrong World Industries	Manufacturer of floor coverings				1,634,993	0.59%	8
Lowes Home Center, Inc.	Home improvement store				1,490,321	0.54%	9
Southwestern Bell Telephone	Telephone utility				1,231,581	0.45%	10
		<u>\$ 38,057,430</u>	<u>8.80%</u>		<u>\$ 20,075,523</u>	<u>7.27%</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
		Amount	Percentage of Levy	Years' Levies (1)
2013	1,314	1,294	98%	17
2014	1,296	1,275	98%	21
2015	1,202	1,160	97%	16
2016	1,150	1,078	94%	62
2017	1,013	992	98%	38
2018	934	895	96%	44
2019	962	922	96%	38
2020	1,008	976	97%	29
2021	699	639	91%	96
2022	121	159	131%	22

(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, 2022 are \$500 in current taxes and \$13,700 in delinquent taxes.

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

	<u>2013</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>
Retail trade	\$ 445,548	\$ 483,038	\$ 480,420	\$ 480,512	\$ 459,539	\$ 469,452	\$ 467,503	\$ 507,064	\$ 536,154	\$ 579,134
Accommodation and food services	137,002	148,363	148,904	154,198	154,052	161,040	161,562	150,159	155,762	197,648
Wholesale	44,145	70,324	51,578	42,187	38,811	44,628	38,728	34,891	35,898	45,024
Utilities	42,350	44,616	46,131	41,983	43,885	45,169	46,255	42,656	44,177	52,142
Information	23,014	25,105	25,393	25,041	24,427	23,039	22,658	22,728	22,471	24,706
Education services	18,567	18,517	14,818	4,801	11,449	27,145	23,582	81	90	109
Manufacturing	14,419	16,697	14,454	17,096	15,074	15,060	11,880	5,503	12,466	15,429
Unclassified	-	8,847	7,592	26,363	15,627	3,107	2,229	3,368	2,546	2,528
Other services (except Public Administration)	11,425	7,190	7,801	7,847	7,692	7,966	8,661	8,513	8,913	10,194
Real estate, rental, and leasing	8,911	13,102	12,796	11,966	14,289	13,262	14,454	11,351	10,191	11,501
Arts, entertainment, and recreation	4,925	3,995	3,955	3,898	4,349	4,061	4,267	6,364	6,244	8,305
Professional, scientific, and technical services	2,228	3,002	2,800	2,670	2,789	3,034	3,169	3,519	4,520	5,180
Transportation and warehousing	1,809	2,496	2,435	2,630	2,935	2,887	2,740	2,647	3,517	3,419
Finance and insurance	1,522	2,349	292	252	356	468	583	584	697	548
Construction	1,094	1,392	1,609	1,172	2,123	1,469	1,584	1,817	1,734	2,422
Mining, quarrying, and oil and gas extraction	60	842	755	127	46	3	104	20	72	140
Administrative, support, waste management, and rem	-	261	269	306	382	635	523	380	433	404
Agriculture, forestry, fishing, and hunting	346	55	70	64	72	82	103	173	154	153
Health care and social assistance	39	27	17	20	337	615	372	241	858	515
Public administration	-	3	5	(8)	(2)	-	32	4	175	6
All other outlets	889	-	-	-	-	-	-	-	-	-
Total	\$758,293	\$850,221	\$822,094	\$823,125	\$798,232	\$823,122	\$810,989	\$802,063	\$847,074	\$959,507
City general sales tax rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Transferable to SUA	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Dedicated sales tax - transportation projects (2)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Total tax rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

(1) Source: Oklahoma Tax Commission

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

Note: The State of Oklahoma retains 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)
2013	3.50%	4.50%	0.813%
2014	3.50%	4.50%	0.813%
2015	3.50%	4.50%	0.813%
2016	3.50%	4.50%	0.813%
2017	3.50%	4.50%	0.813%
2018	3.50%	4.50%	0.813%
2019	3.50%	4.50%	0.813%
2020	3.50%	4.50%	0.813%
2021	3.50%	4.50%	0.813%
2022	3.50%	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 3.50% effective October 1, 2001. The additional 0.50% is dedicated to fund transportation (street) projects. This additional tax will expire September 30, 2026.

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

CITY OF STILLWATER, OKLAHOMA
ELECTRIC UTILITY CUSTOMERS AND SALES BY TYPE
 LAST TEN FISCAL YEARS

		<u>2013</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>
Commercial:	Average monthly customers	2,316	2,336	2,369	2,387	2,430	2,448	2,466	2,483	2,484	2,529
	Annual sales	\$ 15,756,870	\$ 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
	Percentage of total annual sales	39%	39%	39%	39%	40%	40%	39%	39%	38%	39%
Residential:	Average monthly customers	17,549	17,996	18,278	18,576	18,526	18,619	18,853	18,981	19,195	19,407
	Annual sales	\$ 20,035,777	\$ 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
	Percentage of total annual sales	49%	50%	48%	48%	48%	49%	49%	50%	51%	50%
Industrial/Institutional:	Average monthly customers	5	5	5	5	5	5	5	5	5	5
	Annual sales	\$ 4,933,893	\$ 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
	Percentage of total annual sales	12%	12%	13%	13%	12%	12%	12%	11%	11%	11%

CITY OF STILLWATER, OKLAHOMA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1) (2)
AS OF JUNE 30, 2022
(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	\$ 45,225	82.37%	\$ 37,252
City of Stillwater direct debt Debt repaid with property taxes	\$ 9,000,000	100.00%	\$ 9,000,000
Total direct and overlapping debt			<u><u>\$ 9,037,252</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			Total Primary Government	Personal Income (in thousands of dollars)	Debt as Percentage of		Total Debt Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Personal Income			Population		
2013	\$ 6,476,120	\$ -	\$ 25,779,455	\$ 3,233,271	\$ 35,488,846	\$ 2,878,256	1.2%	47,186	752.11	
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	59,613,352	37,460,800	2,682,795	109,108,201	**	**	**	**	

** Data not available at time of publication

(1) Due to the nature of the COVID-19 Pandemic, the United States Census Bureau has delayed the release of some 2020 demographic information until a later date.

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				
2013	\$ 6,476,120	\$ 6,476,120	\$ 327,051	\$ 6,149,069	47,186	130.32	\$ 2,405,658	2.56
2014	5,597,899	5,597,899	316,318	5,281,581	48,406	109.11	2,475,991	2.13
2015	4,724,678	4,724,678	230,786	4,493,892	48,967	91.77	2,586,096	1.74
2016	3,856,281	3,856,281	209,523	3,646,758	49,504	73.67	2,724,395	1.34
2017	2,993,059	2,993,059	188,857	2,804,202	49,829	56.28	2,856,605	0.98
2018	2,129,838	2,129,838	139,552	1,990,286	50,391	39.50	3,032,737	0.66
2019	1,271,617	1,271,617	152,309	1,119,308	50,299	22.25	3,159,123	0.35
2020	413,396	413,396	162,401	250,995	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	**	**	3,596,088	2.41

** Data not available at time of publication

(1) Due to the nature of the COVID-19 Pandemic, the United States Census Bureau has delayed the release of some 2020 demographic information until a later date.

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

Fiscal Year	Oklahoma Water Resources Board Notes and 2005 and 2014 Revenue Bonds						2007 and 2010 Revenue Notes (2)			
	Utility Operating Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service			Pledged Transportation Sales Tax	Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage
2013	68,835	39,663	29,172	2,654	520	9.19	1,876	1,675	223	0.99
2014	77,396	42,098	35,298	1,190	481	21.12	2,093	1,740	174	1.09
2015	78,625	45,920	32,705	1,190	2,281	9.42	2,050	1,805	123	1.06
2016	77,026	43,485	33,541	1,214	3,289	7.45	2,051	1,880	69	1.05
2017	83,843	47,075	36,768	1,759	3,303	7.26	874	960	14	0.90
2018	85,941	47,599	38,342	3,598	3,458	5.43	-	-	-	-
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	-	-	-	-

(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>2013</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>
Governmental activities:										
Public safety	197.0	199.0	202.5	202.0	203.8	196.5	200.5	193.0	206.0	206.0
Recreation and culture (1) (2)	72.3	80.5	67.3	51.5	60.0	35.0	33.5	32.0	32.0	32.0
General government	45.0	56.5	50.3	55.3	51.3	53.5	54.0	56.0	53.5	50.5
Financial administration	18.5	14.8	17.0	17.0	17.0	15.0	15.0	14.0	13.5	14.5
Streets and highways	26.0	26.0	29.0	42.0	37.0	35.0	34.0	34.0	37.0	40.0
Engineering and public works administration	11.0	6.0	6.0	7.0	6.0	5.0	5.5	6.5	6.5	6.5
Health and welfare	16.5	18.0	20.0	18.0	13.0	13.5	13.5	12.0	12.0	13.0
Business-type activities:										
Electric, water, and wastewater operations	142.3	146.8	158.3	156.8	157.3	145.5	159.5	153.5	137.0	146.5
Sanitation operations	30.0	30.0	29.0	31.0	28.0	27.0	28.0	29.0	28.0	28.0
Airport operations	5.3	5.8	5.8	10.8	11.5	10.5	15.5	17.0	16.0	18.5
Total	563.8	583.3	585.0	591.3	584.8	536.5	559.0	547.0	541.5	555.5

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>2013</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>
Governmental activities:										
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
Recreation and culture										
Athletic fields	24	23	23	23	23	23	23	23	23	23
Tennis courts	10	10	7	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 highways										
Streets (miles)	215	215	216	234	234	234	234	235	236	237
Traffic signals	62	64	65	65	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	20.2	20.8	21.3	21.3	21.3	24.1	25.7	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)	5	6	6	13	13	14	12	13	12	12
Wastewater										
Wastewater plant	1	1	1	1	1	1	1	1	1	1
Lift stations	15	15	15	15	16	16	16	16	16	16

Sources: Various City departments

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities:										
Public safety										
Traffic citations	3,065	2,779	2,574	4,719	5,980	5,511	5,668	5,782	2,339	3,172
Parking tickets	16,610	14,709	11,135	12,243	10,565	13,110	9,531	8,160	4,242	9,714
Police calls for service	33,213	31,548	33,241	39,508	38,496	40,573	38,999	33,232	27,597	62,017
Animals handled by Animal Welfare	2,398	2,465	2,081	1,977	2,161	2,088	2,076	2,062	1,237	1,544
Fire calls for service	4,077	4,130	4,453	4,678	5,362	5,859	4,721	3,588	3,530	4,132
Recreation and culture										
Acres mowed (1)	5,490	5,490	4,829	4,829	16,524	18,103	13,970	16,016	13,821	9,864
Program participants (2)	5,100	2,618	1,990	2,368	2,469	2,048	2,065	1,849	0	87
Senior Center daily average attendance (2)	22	25	63	65	53	56	50	47	31	40
Multi Arts participants (3)	-	-	-	-	-	-	-	-	-	-
Swimming pool admissions (4)	10,804	10,840	11,431	10,723	10,751	-	-	-	-	-
Lakeside Golf Course - rounds of golf (5)	31,237	29,563	27,651	27,103	26,952	18,824	-	-	-	-
Volumes in library (6)	110,728	111,072	101,941	98,312	92,134	87,916	100,035	72,071	83,487	79,274
Total circulation of library materials (6)	360,423	353,860	362,895	373,257	368,164	352,953	374,176	331,493	322,190	345,025
Community Center admissions (2)	137,541	159,548	138,807	123,538	125,715	136,735	183,689	81,510	23,670	62,900
General government										
Supported micro-computers by IT	450	450	450	450	450	450	475	475	477	482
Helpdesk/trouble calls by IT	2,500	2,100	2,050	2,800	2,500	2,800	3,200	3,325	3,300	3,300
Ordinances drafted	52	35	35	36	26	31	31	15	22	21
Financial administration										
Computer generated accounts payable checks	2,218	2,399	2,374	2,414	2,876	2,721	2,249	2,229	2,643	4,360
Budget revisions/amendments processed	317	289	271	281	404	361	449	527	752	873
Requisitions reviewed	1,228	1,639	1,515	1,295	1,390	1,119	1,018	1,979	4,190	4,062
Municipal court cases	7,568	7,263	6,532	8,009	6,957	7,346	8,375	7,703	3,530	4,100
Streets and highways										
Feet of striping (7)	25,200	31,680	54,269	106,305	15,750	30,320	12,364	15,284	21,329	18,658
Signs made	814	736	250	451	541	1,095	1,115	1,116	1,118	1,492
Crack sealant (blocks) (8)	49	6,237	16,475	9,090	88	76	16	147	6	0
Slurry sealant (blocks)	40	-	8	-	-	-	-	-	-	-
Concrete replacement (cu. yds.)	1,169	1,252	1,425	516	974	923	1,006	727	700	720
Health and welfare										
Developments reviewed	73	66	66	65	67	74	103	120	120	129
Permits issued	3,285	3,124	2,784	2,760	3,040	2,181	2,064	2,728	2,961	2,790
Code enforcement inspections (9)	7,059	8,114	6,061	5,204	811	2,230	3,334	1,040	1,260	1,616
High grass and weed cases (9)	40	309	635	699	101	143	279	121	315	254
Trees and shrubs planted	50	42	-	-	501	450	10	8	-	-

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

	<u>2013</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>
Business-type activities:										
Electric, water, and wastewater operations										
Electric connections	21,399	20,336	20,624	20,476	20,921	21,071	21,324	21,470	21,684	21,941
Water connections	16,256	16,607	17,015	17,077	18,695	18,779	18,783	18,856	18,980	19,230
Waterline repairs (10)	349	340	300	189	216	225	225	191	278	376
Water treated (million gallons)	2,407	2,321	2,400	4,472	2,586	2,209	1,849	1,877	2,402	2,437
Sewage treated (million gallons)	1,825	1,905	1,799	1,776	1,671	1,596	1,746	1,728	1,655	1,851
Sanitation operations										
Landfill usage (tons)	18,605	18,602	19,006	19,076	20,200	21,072	21,041	21,079	22,107	22,147
Yard waste hauled (tons)	1,071	1,040	1,424	1,233	992	1,121	1,185	1,185	838	616
Fleet operations										
Vehicles maintained	494	539	573	575	580	495	507	522	522	533
Fleet job orders completed	4,284	4,540	5,095	3,886	2,256	2,166	2,223	2,199	2,300	2,215
Airport operations										
Air traffic operations (avg month)	4,945	4,911	5,526	5,765	5,899	6,520	6,154	5,096	6,314	6,601

- (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 2013-2016 & 2018; 2017 & 2019-2021 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	4,855	1	20%	4,771	1	16%
Stillwater Medical Center	1,357	2	6%	869	2	3%
Stillwater Public Schools	902	3	4%	827	3	3%
City of Stillwater	580	4	2%	512	4	1%
Wal-Mart (2)	380	5	2%	374	5	1%
Oncue Marketing	277	6	1%	150		
Stan Clark Companies	228	7	1%	165	10	1%
OK State Dept. of Career Tech	199	8	1%	180	6	1%
Stillwater Designs/Kicker Audio	195	9	1%	177	7	1%
National Standard	171	10	1%	173	8	1%
Simmons Bank (3)	50			173	8	1%
Others:						
Meridian Technology Center	134			135		
Frontier Electronics	128			104		
ASCO Aerospace USA	121			0		
Armstrong World Industries (4)	0			114		

- (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
- (4) Manufacturing plant closed July 15, 2022

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

Fiscal Year	Population (1)	Personal Income (in thousands of dollars)	Per Capita Personal Income (2)	Median Age (3)	Education Level in Years of Schooling (3)		K-12 School Enrollment (4)	Post-Secondary Enrollment (4)	Unemployment Rate (5)
					Percentage High- School Graduate or Higher	Percentage Bachelor's Degree or Higher			
2013	47,186	2,878,256	37,146	23.7	94.0%	48.7%	6,147	26,312	5.5%
2014	48,406	2,991,209	38,028	23.7	94.5%	48.5%	6,212	27,974	4.8%
2015	48,967	2,912,363	36,757	23.7	95.2%	48.7%	6,285	28,030	4.2%
2016	49,504	2,854,057	29,093	23.6	95.1%	48.4%	6,137	27,842	4.2%
2017	49,829	2,882,278	29,450	23.8	95.2%	48.4%	6,742	28,119	3.5%
2018	50,391	2,987,591	37,195	25.5	94.4%	47.7%	6,524	27,557	3.9%
2019	50,299	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	**	**	**	6,259	26,589	2.6%
2022	**	**	**	**	**	**	6,486	26,624	3.4%

** Data not available at time of publication

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

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

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

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

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



Facilities Maintenance

“We appreciate our Facilities Maintenance staff for their nonstop efforts to keep our facilities clean, sanitized and safe for everyone. Their professionalism, customer service and standard of quality ensure we are able to serve the great residents of Stillwater.”

– Norman McNickle, City Manager

OTHER REPORTS





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stillwater, Oklahoma (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 15, 2022. Our report includes a reference to other auditors who audited the financial statements of Stillwater Medical Center Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

BT&Co, P.A.

December 15, 2022
Topeka, Kansas



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