



2015

CITY OF STILLWATER
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015



COVER / THE BRONCO BUSTER

In 2015, the City of Stillwater began constructing a mini-roundabout at the intersection of Main Street and 10th Avenue. Its purpose was to improve the sight lines and pedestrian crossing distance at the intersection while also accommodating on-street parking.

After the concept was approved, the Board of Directors for the Business Improvement District #1, known as Downtown Stillwater, decided to take advantage of the mini-roundabout's center island to create a welcome point for the south end of town. The Board purchased a reproduction of The Bronco Buster, a 1865 sculpture by famed American artist Frederic Remington. The statue, along with natural landscaping and a year-round water feature, creates a dramatic streetscape appropriate for Downtown Stillwater.

With its lifelike quality and vigorous energy, The Bronco Buster portrays a rugged cowboy fighting to stay in the saddle of a rearing bronco with a stirrup swinging free, a quirt in one hand and a fistful of mane and reins in the other.

STILL PIONEER





**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
And Accompanying Independent Auditor's Report
For the Fiscal Year Ended June 30, 2015

Prepared by
Department of Finance

Melissa Reames
Chief Financial Officer

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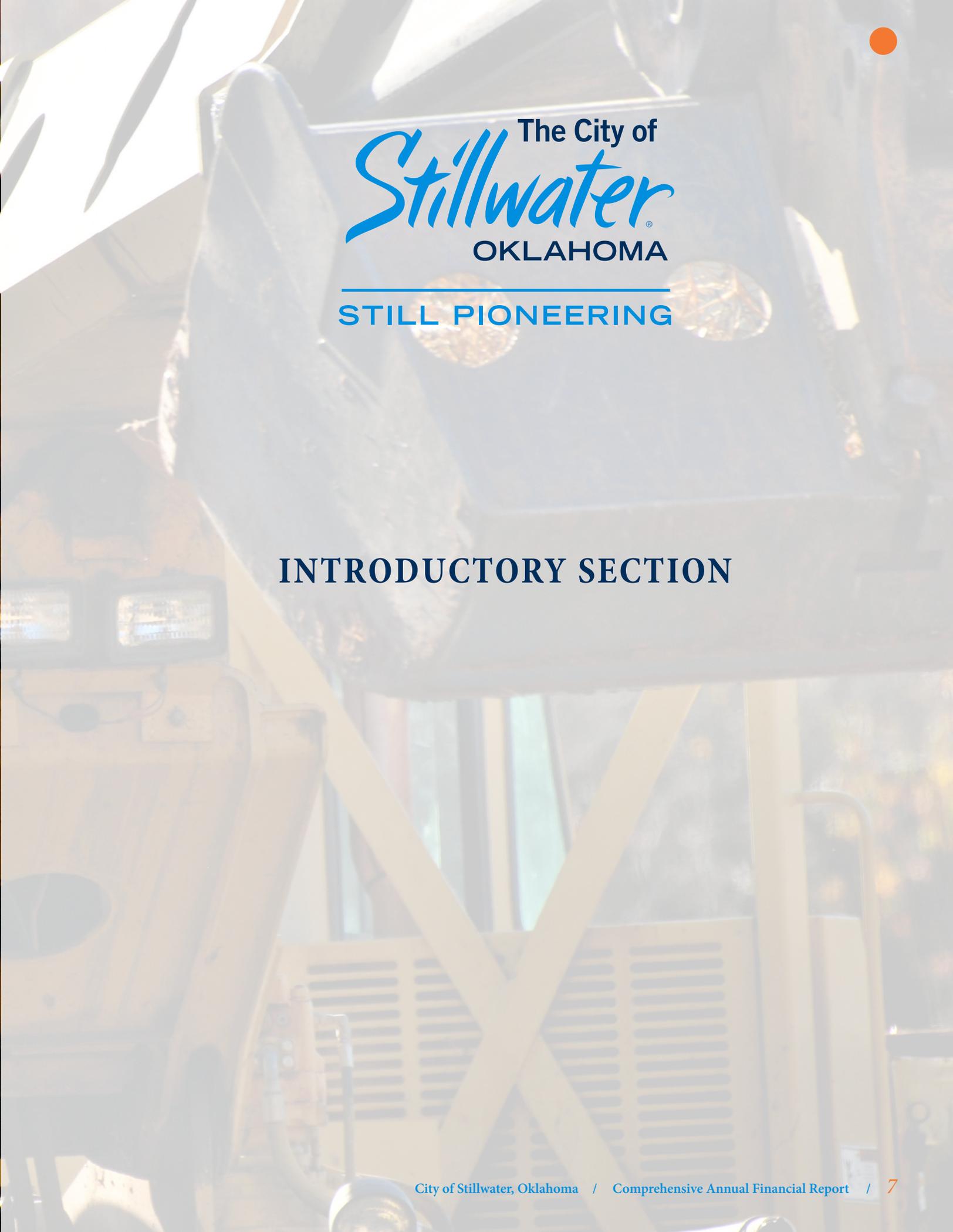
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The City of
Stillwater[®]
OKLAHOMA

STILL PIONEERING

INTRODUCTORY SECTION





LETTER OF TRANSMITTAL

December 14, 2015

To the Honorable Mayor Gina J. Noble, members of the City Council and the Citizens of the City of Stillwater, Oklahoma:

The comprehensive annual financial report of the City of Stillwater, for the fiscal year ended June 30, 2015, is submitted herewith. This report was prepared by the City's Department of Finance. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe 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. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Management's Discussion and Analysis.

OVERVIEW

REPORT FORMAT

Governmental Accounting Standards Board (GASB) Statement No. 34 implements a model of financial reporting for state and local governments designed to enhance the usefulness of the City's annual report. This report conforms to the standards prescribed in Statement No. 34 as modified by subsequent GASB statements.

For fiscal year 2015, the independent auditor's report on the internal control and compliance with applicable laws, is presented in a separate document which is available upon request.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITIONS AND OUTLOOK

The City of Stillwater, located in north central Oklahoma is a municipal corporation organized in 1891 under the applicable laws of the State of Oklahoma. The City currently has a land area of 28 square miles and a population of over 45,000. 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.

The City is governed under the council-manager form of government according to its charter adopted in 1960. 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 for staggered three-year terms. 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 economic outlook for the City of Stillwater and its residents is improving after the economic downturn in the most recent years. The City has a diverse economy with a high degree of stability. Stillwater is the county seat for Payne County and houses other governmental entities and educational centers that provide a stable labor force. Oklahoma State University is the City's largest employer and the City is also the headquarters for the Oklahoma Department of Career and Technology Education and the Meridian Technology Center. Employment in the state and local government sectors account for approximately 40% of local wage and salary jobs. In addition manufacturing and advanced technology companies cover a large share of the local economic base. The health care sector has been a contributor to local job growth in the past decade. Stillwater has experienced significant retail growth since 2008 with the addition of several national retailers. The retail additions have helped to broaden the city's regional trade influence. Going forward it is expected to have a positive effect on Stillwater's economy by helping to retain local dollars and contributing to the sales tax collections.

Stillwater's cost of living remains well below the state and U.S. average. Unemployment for Stillwater is consistently among the lowest in the U.S. and the surrounding county. Stillwater's unemployment rate continues to track downward while remaining one to two percentage points below the U.S. rate.



LETTER OF TRANSMITTAL

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THE REPORTING ENTITY AND ITS SERVICES

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 civil defense), general government functions, recreation and culture, streets and sewers, human services, sanitation, 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) and the Stillwater Public Works Authority (SPWA) are reported as two enterprise funds and an internal service fund, respectively, of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Stillwater Medical Center Authority is reported as a discretely presented proprietary component unit. The reporting entity is described in Note 1 to the combined financial statements in the financial section of this report.

FINANCIAL INFORMATION

INTERNAL CONTROLS

The responsibility for establishing and maintaining the internal control structure rests with the City. In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the evaluation of costs and benefits requiring estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

BUDGETARY CONTROL

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 category levels for personal services, materials and supplies, other services and charges, capital outlay and debt service for each department within each fund. The method of budget adoption and amendment process is described in Note 1 to the financial statements in the financial section of this report.

ACCOUNTING SYSTEM

The diverse nature of governmental operations and the necessity of complying with legal provisions require an accounting system unlike those used by commercial enterprises. Rather than establishing a single unified set of accounts for recording and summarizing all financial transactions, the accounts of the City are organized on the basis of funds, each of which constitutes a separate accounting entity. The funds used by the City are grouped into the following broad fund types:

Governmental Funds: These funds are used to account for the programs and activities of the governmental functions of the City and are comprised of the following:

General Fund: This fund serves as the main operating fund of the City. It is used for recording all financial resources except those required to be accounted for in another fund.



LETTER OF TRANSMITTAL

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Special Revenue Funds: These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Capital Project Funds: These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Fund: This fund is used to account for the accumulation of financial resources for payment of interest and principle debt and court-assessed judgments.

Proprietary Funds: These funds are used to account for ongoing organizations and activities that are similar to those found in the private sector and are comprised of the following:

Enterprise Funds: These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services on a continuing basis be financed or recovered primarily through user charges.

Internal Service Fund: This fund is used to account for services and/or commodities furnished by a designated program to other programs within the City, on a cost reimbursement basis.

Fiduciary Fund: This fund is used to administer resources received and held by a governmental unit as the trustee or as the agent for others. Use of this fund facilitates the discharge of responsibilities placed upon the governmental unit by virtue of law or other similar authority.

GENERAL FUND OPERATIONS

The General Fund accounts for all revenues and expenditures, which are not accounted for in other funds. It finances the traditional governmental functions and is the principal operating fund of the City. Police, Fire, Parks, Events and Recreation, Library, Community Center, Administration, and Development Services are all activities reported in the general fund.

ENTERPRISE FUND OPERATIONS & SIMILAR COMPONENT UNITS

The SUA, the Airport Fund, and the SEDA are classified as Enterprise Funds for reporting purposes. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and/or a determination of net income is desirable. Services accounted for in Enterprise Funds are tangible, and it is possible to determine the extent to which they benefit individual service consumers.

RISK MANAGEMENT

In 1986, the City Council directed that the City initiate a self-insurance program for the vehicle liability, general liability, and City property damage coverage. This action was initiated due to the City's low loss experience compared to high premiums and lower coverage offered by conventional and pooled insurance plans. The first full year of operation for the City's self-insurance program was fiscal year 1987-88.

The City had been self-insured for workers compensation and unemployment compensation coverage prior to the decision to implement a self-insurance program. To create a self-insurance fund for the City, the workers compensation and unemployment compensation funds were combined with the funds budgeted in the 1987 fiscal year for insurance premiums. Within this fund, accounts were created for the different types of losses the City could anticipate. Expenditures from the fund are determined by claims filed with the City during the year and approved for payment. Payment of claims \$25,000 and over require City Council approval. Payments of claims under \$25,000 require City Manager approval.

LETTER OF TRANSMITTAL

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The health benefit program for employees is self-funded using a third party administrator with the city maintaining stop loss coverage. Traditional property insurance is maintained on the city hall and library. Excess property coverage is maintained on the water utility as required by the bond indenture. Coverage for airport liability and hangar keeper's liability was added in 1995. In 1997, an excess liability program was established with the city continuing to administer claims. Coverage includes general liability, employee benefits liability, law enforcement liability, public entity management, EMT, and commercial auto.

The City has several policies and procedures regarding safety training of employees, hazardous material communications, accident reporting and investigation, and medical assistance. The City intends to limit their risk exposure through stringent enforcement of these policies.

CASH MANAGEMENT

The Chief Finance Officer is responsible for maintaining the City's investment portfolio and providing oversight for bond proceeds held by trustees. The City generally combines unrestricted cash for investment purposes. Cash temporarily idle during the year was invested in time deposits and U.S. Agency Notes. The City, SUA, SEDA and SPWA use interest bearing NOW checking accounts and higher yielding money market accounts as provided under Public Law 97-320 (sec. 327). The City's cash is deposited daily. Deposits are insured by federal depository insurance or collateralized.

RESERVE POLICY

The City has implemented a policy designed to add to the emergency reserves. This policy is an informal budgetary policy utilized at the direction of the City Manager with council agreement. The policy allows for the reserve to increase by the area's CPI index or 3% or whichever is greater on an annual basis as funds are available.

INDEPENDENT AUDIT

The Oklahoma State Statutes 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 also was designed to meet the requirements of the federal Single Audit Act of 1984, as amended in 1996, and related OMB circular A-133 and "Government Auditing Standards" issued by the Comptroller General of the United States. The independent certified public accountants that performed the audit were selected by the City Council.

The City's Audit Committee is a five-member advisory committee provided for under City Ordinance #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 auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in 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.

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 of Stillwater for its comprehensive annual financial report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.



LETTER OF TRANSMITTAL

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A Certificate of Achievement is valid for a period of one year only. The City of Stillwater has received a Certificate of Achievement for the last thirty-three 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.

Acknowledgments. The preparation of this report could not be accomplished without the dedicated services of the entire Department of Finance staff, with special thanks to Tammy Brown, Christy Cluck and Andrew Harrelson and the professional assistance of the City's independent auditors, Berberich Trahan & Company, 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 of Stillwater.

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

Respectfully submitted,

Dan Galloway
City Manager

Melissa Reames
CFO



8250



CITY OFFICIALS AND AUDIT COMMITTEE

As of June 30, 2015

Mayor and City Council



GINA NOBLE
Mayor



PAT DARLINGTON
Vice Mayor



JOE WEAVER
Councilor



ALANE ZANNOTTI
Councilor



MIGUEL NAJERA
Councilor

Audit Committee

KELLY COX
Committee Chair

ROD GOODNER
Member

JOHN KILLAM
Member

JERRY FRANKLIN
Member

JOE WEAVER
Ex-Officio
Council Member

City Administration

DAN GALLOWAY
City Manager

DAN BLANKENSHIP
Director of Stillwater
Utilities Authority

MELISSA REAMES
Chief Financial Officer

JOHN McCLENNY
Director of
Services

NORMAN McNICKLE
Director of
Public Safety

JOHN DORMAN
City Attorney

LYNDA REYNOLDS
Director of
Stillwater Public Library

GARY JOHNSON
Director of
Stillwater Regional Airport

JASON PEEK
Director of
Transportation

PAULA DENNISON
Director of
Development Services

BILL MILLIS
Director of
Water Utilities

J. TOM BRADLEY
Fire Chief

RYAN McCAGHREN
Police Chief

BRAD STEWART
Director of
Information Technology

ANGELA McLAUGHLIN
Director of
Economic Development

SHERRY FLETCHER
Director of Marketing
and Public Relations

Department of Finance–Accounting Division

TAMMY BROWN
Finance Manager

CHRISTY CLUCK
Finance Accounting Supervisor

ELIZABETH CHRZ
City Clerk

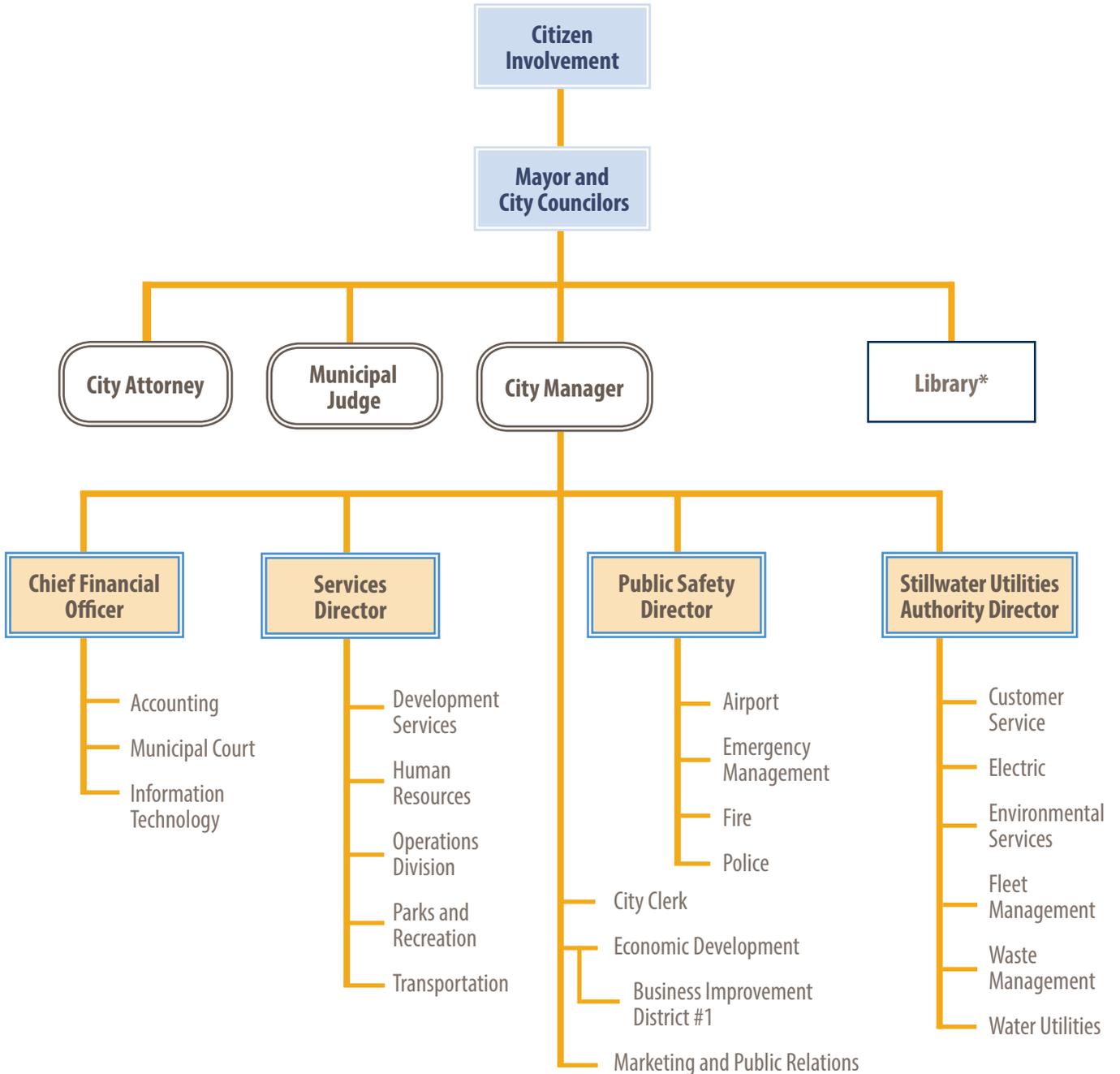
ANDREW HARRELSON
Senior Accountant

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



CITY ADMINISTRATION ORGANIZATION CHART

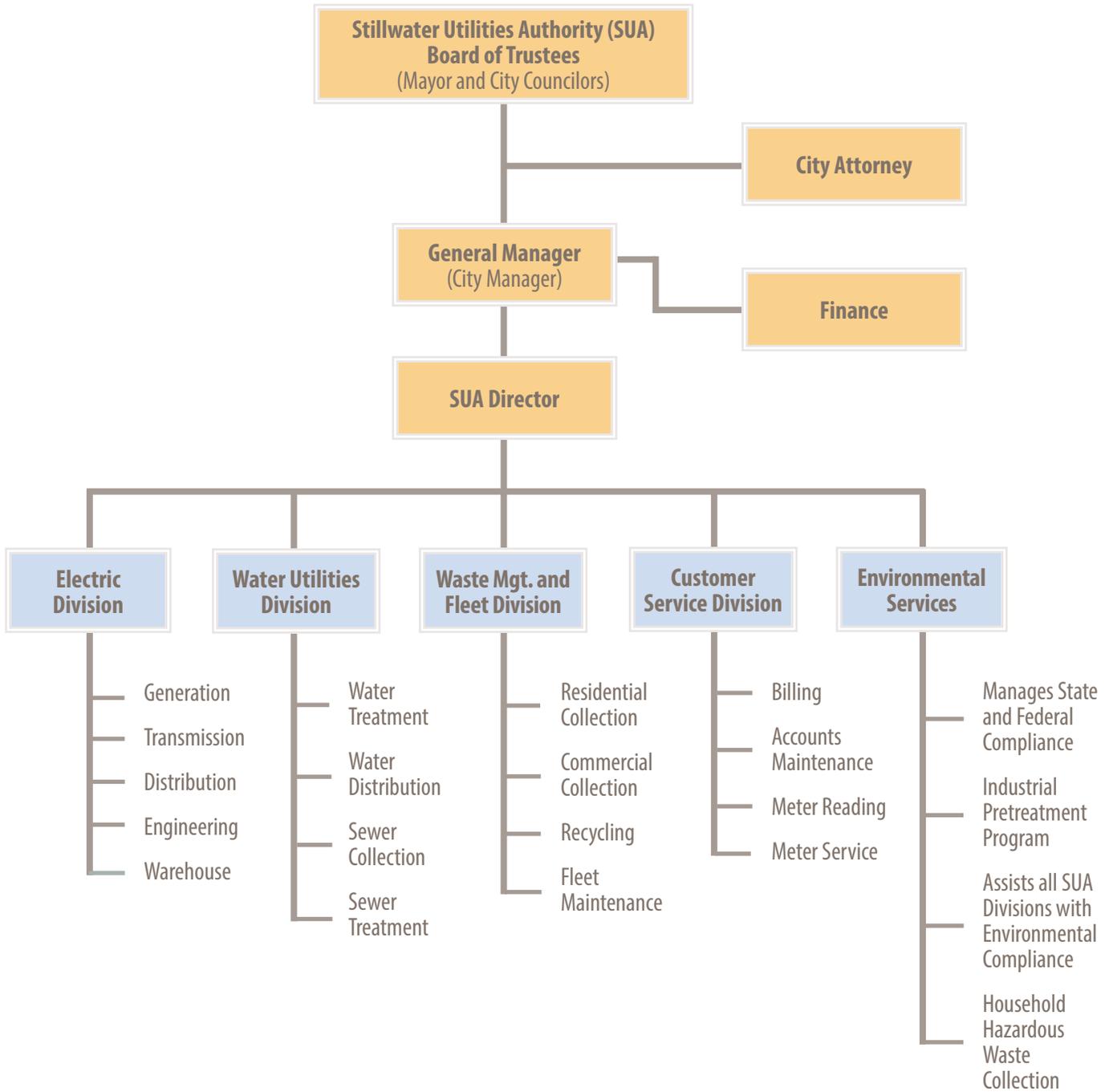
As of June 30, 2015



* 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.

STILLWATER UTILITIES AUTHORITY ORGANIZATION CHART

As of June 30, 2015





FINANCIAL SECTION



Celebrating 30 years

Stillwater's award-winning Sister Cities program began in 1985 and is an active part of the municipal government of the City of Stillwater. With a strong commitment to our sister city, Kameoka, Kyoto, Japan, we work to develop a wide range of cultural, educational and exchange programs that benefit both communities.

INDEPENDENT AUDITOR'S REPORT



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stillwater, Oklahoma (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

BERBERICH TRAHAN & CO., P.A.

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INDEPENDENT AUDITOR'S REPORT ... CONTINUED

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, on July 1, 2014, the City adopted Governmental Accounting Standards Board Statement No. 68: Accounting and Financial Reporting for Pensions and Governmental Accounting Standards Board Statement No. 71: Pension Transition for Contributions Made Subsequent to the Measurement Date. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

**INDEPENDENT AUDITOR'S REPORT ... CONTINUED****Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Berberich Trahan & Co, P.A.

December 14, 2015
Topeka, Kansas



QUALITY OF LIFE

The popular Dancing with Daddy event is now in its tenth year. And not to leave the boys out—the Mummy and Sons dance is now in its second year.



City of Stillwater, Oklahoma

Management Discussion and Analysis



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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

USING THE FINANCIAL STATEMENT IN THIS ANNUAL REPORT

This annual report consists of a series of 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. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole, including the SUA and component units, and present a longer-term view of the City’s finances. Included in this report are government-wide statements for each of two categories of activities – governmental and business-type, along with one discretely-presented component unit.

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. They present governmental activities and business-type activities separately and combined. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. These statements include all assets of the City, including infrastructure, as well as all liabilities, including long-term debt. Fund financial statements also report the City’s operations in more detail than the government-wide statements by providing information about the City’s most significant funds.

REPORTING THE CITY AS A WHOLE — STATEMENTS OF NET POSITION AND ACTIVITIES

This discussion and analysis is intended to serve as an introduction to the City of Stillwater’s basic financial statements. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer questions. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City’s net position and changes from the prior year. The City’s net position — the difference between the sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources — is one way to measure the City’s financial condition or position. Over time, increases or decreases in the City’s net position are indicators of whether its financial health is improving or deteriorating. However, other non-financial factors must be considered, such as changes in the City’s property tax base and the condition of the City’s roads, to assess the overall health of the City.

As mentioned above, in the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

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

Business-type activities — The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City’s electric, water, sewer and waste management utilities are reported here, along with the airport.

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

REPORTING THE CITY’S MOST SIGNIFICANT FUNDS — FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Stillwater, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City of Stillwater can be divided into two categories: governmental funds and proprietary funds.

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 an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic service 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.

The General Fund’s fund balance decreased from fiscal 2014 by \$2,480,485 in large part due to decreased sales and use tax.

The Transportation Fund receives a transfer from the general fund of a ½ percent sales tax dedicated for transportation improvements. The Transportation Fund’s fund balance increased from fiscal year 2014 by \$972,409 due to a reduction in expenditures on completed transportation capital projects.

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 Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position. In fact, the City’s enterprise funds, along with certain capital project funds, are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows. The net position of the Stillwater Utilities Authority (SUA) has increased by \$14.5 million or 9.5%. Operating revenues increased \$2.6 million. Increased consumption billed to customers and rate increases implemented for electric, water, wastewater, and solid waste collection contributed to the operating revenue increase. Operating expenses increased by \$3.8 million due to the rise in purchased power costs of \$2.4 million, \$1 million related to the issuance of debt and \$.4 million increase in personnel costs. Transfers to the City’s general fund increased \$1.1 million over the prior year.

THE CITY AS TRUSTEE

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

THE CITY AS A WHOLE

For the year ended June 30, 2015, the net position for the governmental activities and business-type activities changed as follows:

The City of Stillwater’s Net Position (expressed in \$000’s)			
	Governmental Activities	Business-type Activities	Total
Beginning net position	\$85,115	\$168,457	\$253,572
Increase/(Decrease)	(3,896)	14,972	11,076
Ending net position	\$81,219	\$183,429	\$264,648

The above numbers reflect a decrease of 4.6% in net position for governmental activities and an increase of 8.9% in net position for business-type activities. Overall, the net position for both governmental and business type activities increased 4.4% for this fiscal year.

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

The City of Stillwater's Net Position (expressed in \$000's)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
ASSETS:						
Current and other assets	\$30,436	\$24,168	\$146,246	\$81,273	\$176,682	\$105,441
Capital assets	87,686	92,392	139,908	122,279	227,594	214,671
Deferred Outflows	1,796	0	0	0	1,796	0
Total assets	119,918	116,560	286,154	203,552	406,072	320,112
LIABILITIES:						
Long-term liabilities	28,106	10,667	95,736	29,738	123,842	40,405
Other liabilities	5,017	5,240	6,989	5,356	12,006	10,596
Deferred Inflows	5,576	0	0	0	5,576	0
Total liabilities	38,699	15,907	102,725	35,094	141,424	51,001
NET POSITION:						
Net investment in capital assets	82,962	86,794	109,015	100,789	191,977	187,583
Restricted	7,038	6,373	3,342	985	10,380	7,358
Unrestricted	(8,781)	7,486	71,072	66,683	62,291	74,169
Total net position	\$81,219	\$100,653	\$183,429	\$168,457	\$264,648	\$269,110

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

The largest portion of the City's net position, 72.50%, reflects its investment in capital assets, less any related debt used to acquire those assets to provide services to citizens. 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, 3.92%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

GOVERNMENTAL ACTIVITIES

Governmental activities decreased the City of Stillwater’s net position by \$3,896,356, which contributed to a 1.5% decrease of the net position of the City of Stillwater. The following provides details of the decrease:

The City of Stillwater’s Net Position (expressed in \$000’s)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
REVENUES:						
Program revenues:						
Charges for services	\$6,266	\$3,958	\$76,932	\$74,538	\$83,198	\$78,496
Operating Grants and contributions	572	1,076	0	0	572	1,076
Capital grants and contributions	601	660	764	297	1,365	957
General revenues:						
Sales and Use taxes	29,926	31,097	0	0	29,926	31,097
Other taxes	3,786	4,061	0	0	3,786	4,061
Other general revenues	169	(100)	878	767	1,047	667
Total Revenues	41,320	40,752	78,574	75,602	119,894	116,354
PROGRAM EXPENSES:						
General Government	4,264	4,661	0	0	4,264	4,661
Financial Administration	715	610	0	0	715	610
Public Safety	20,409	18,468	0	0	20,409	18,468
Streets and Sewers	13,933	9,464	0	0	13,933	9,464
Engineering and Public Works Administration	595	494	0	0	595	494
Recreation and Culture	4,441	5,928	0	0	4,441	5,928
Economic Development	15	739	0	0	15	739
Health and Welfare	1,643	2,192	0	0	1,643	2,192
Interest on Long-term Debt	141	173	0	0	141	173
Stillwater Utilities Authority	0	0	58,016	53,625	58,016	53,625
Business Area Development	0	0	1,970	772	1,970	772
Airport Operations	0	0	2,676	2,714	2,676	2,714
Total Expenses	46,156	42,729	62,662	57,111	108,818	99,840
Increase/(Decrease) in Net Position Before Transfers						
	(4,836)	(1,977)	15,912	18,491	11,076	16,514
Net Transfers						
	940	1,453	(940)	(1,453)	0	0
Increase/(Decrease) in Net Position	\$(3,896)	\$(524)	\$14,972	\$17,038	\$11,076	\$16,514

Sales and use tax received in fiscal year 2015 resulted in a decrease from the prior year of \$1,170,973. Transfers from the SUA to the general fund decreased by \$512,804. Property taxes decreased by \$99,489. Increases in expenditures for public safety and streets and sewers of 10.5% and 47% respectively contributed to the decrease of net position for governmental activities.

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City of Stillwater's net position by \$14,971,914 which contributed a 5.9% increase in the net position of the City of Stillwater. Details are presented in the preceding chart.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of Stillwater's FY15 budgetary resources totaled \$38.1 million, an increase of about 12.8 percent from the City's FY14 budget. This increase in budgeted revenues is attributed to a steady increase in sales and use tax collections demonstrated over the past several years. In spite of a positive revenue forecast, the budget for fiscal year 2015 was approached in a conservative manner, with approved expenditures remaining relatively similar to the amounts approved in the previous year and focused on the delivery of core service operations. These core services are concentrated in the areas of public safety, infrastructure improvements and neighborhood street projects.

The differences between the original budget and the final amended budget amounted to \$17 million with \$14.8 million coming from budget carryovers from fiscal year 2014.

The differences between the final budget and the actual collections amounted to \$1.3 less than budget. Based on a review by the finance department, this was determined to be a normal variance.

CAPITAL ASSET & DEBT ADMINISTRATION

The following is a summary of changes in capital assets and debt administration for fiscal year 2015. More detailed information on capital asset activity and long-term debt activity is contained in the accompanying notes to the financial statements on pages 60 and 61 and pages 62 to 67, respectively.

CAPITAL ASSETS

At the end of June 30, 2015, the City had \$228 million invested in capital assets including police and fire equipment, buildings, park facilities, water and sewer lines, electric systems and roads.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$9,734	\$8,330	\$2,042	\$2,026	\$11,776	\$10,356
Buildings	24,158	24,158	4,945	4,945	29,103	29,103
Other Improvements	0	0	29,774	29,710	29,774	29,710
Equipment	22,081	21,791	30,906	28,607	52,987	50,398
Infrastructure	164,571	164,338	200,573	195,452	365,144	359,790
Intangible Assets	0	0	1,604	1,604	1,604	1,604
Construction-in-progress	3,914	3,587	24,004	6,263	27,918	9,850
	224,458	222,204	293,848	268,607	518,306	490,811
Less Depreciation	136,772	129,812	153,940	146,328	290,712	276,140
Totals	\$87,686	\$92,392	\$139,908	\$122,279	\$227,594	\$214,671



DEBT ADMINISTRATION

At year-end, the City had \$97 million in long term debt. These debts are further detailed below as follows:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$4,725	\$5,598	\$0	\$0	\$4,725	\$5,598
Capital Lease Obligations	0	0	3,258	2,443	3,258	2,443
Notes Payable	0	0	88,877	23,692	88,877	23,692
Refundable Grant Obligations	143	162	64	60	207	222
Totals	\$4,868	\$5,760	\$92,199	\$26,195	\$97,067	\$31,955

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

BUDGET AND REVENUE COLLECTIONS

FY15 revenue budgets were determined by performing trend analysis and comparing trends to the state and national indices. The City's finance department monitors revenue collections and, if warranted, makes reductions in expenditure budgets to prevent deficit spending. For FY16, the City has projected an approximate 1% increase in Sales Tax revenues. Capital expenditures are concentrated in the areas of public safety, infrastructure improvements and street projects. Total FY16 budgeted expenditures show a slight increase over the original FY15 budget. The budget maintains FY15 staffing levels and the associated employee benefits. The budget includes a reserve for emergencies and capital projects in the electric, water and wastewater utilities.

FISCAL YEAR 2016

General revenue fund collections for the first five months of fiscal year 2016 are slightly below budgeted revenue. There is uncertainty of whether this was caused by a decrease in oil prices, or if it was an ordinary slow down. This will be monitored going forward in determining the budget for the upcoming year.

ECONOMIC FACTORS

In July of 2012, ASCO Industries, a Belgium aerospace manufacturer, announced plans to bring up to 600 jobs to Stillwater, locating its operations in the former Mercruiser plant. ASCO designs and makes high strength aircraft components and assemblies for Airbus, Boeing, Bombardier and Embraer commercial jets. This is the second U.S. facility for the company. The company also has facilities in Germany, Brazil and Canada. Company officials indicated that one of the main factors in locating in Stillwater is Meridian Technology Center's ability to train industrial workers. The company completed renovation of the facility in 2015 and currently employs about 150 people. The company began production on certain lines in 2015. As new equipment arrives and the plant becomes fully productive for all lines, the remaining jobs will be added within the next two years.

In August 2014, the Stillwater Economic Development Authority and OK Stillwater Perkins, LLC entered into an agreement for the development of a retail center to serve as the catalyst for additional business and employment for the City and its residents. The City approved ordinance 3277 in October 2014 for the creation of sales tax increment district #1 as a method to assist with development financing. The terms of the agreement provide for the payment of development costs over a 15-year period or less from 1/2 of the undedicated 2 cent sales tax generated in the increment district. Tract I was completed in June 2015 with Academy Sports and Outdoors as the anchor store. Academy currently employs about 120 people.



The City's first Business Improvement District has welcomed more than 30 new businesses to Stillwater's downtown since its creation in December 2007. Several established businesses have improved their facades and some have relocated to the district. Several incentives have been created to encourage business growth within the district. The goals of the district are to: 1) Increase business activity within the district, which will result in economic growth for the area. 2) Become a destination place for Stillwater residents and visitors. 3) Establish Downtown Stillwater as the premier business, cultural and entertainment destination in Oklahoma. Current activity in the district includes creation of residential living properties above many of the retail properties in the area.

Oklahoma State University (OSU) has planned expansion projects representing over \$800 million dollars as part of the OSU's Master Plan 2025 generating a \$1.2 billion economic impact on the Stillwater area.

OSU continues to excel in the academic arena making the university attractive to students and faculty. After five years of significant growth, enrollment at OSU leveled off in Fall 2014. While total enrollment across Oklahoma's public institutions has fallen for Fall 2014, OSU market share of students has increased. The 25,854 students enrolled in Fall 2014 ranks as the second largest in institutional history. OSU welcomed 4,057 new freshmen this fall. This is an increase of 185 over the Fall 2013 new freshmen class and only the second time OSU has had a freshmen class over 4,000. In February of 2010, Oklahoma State President V. Burns Hargis announced the launch of "Branding Success: The Campaign for Oklahoma State University." The campaign goal is to raise \$1 billion to fund scholarships, faculty positions, research programs and facilities. Oklahoma State Alumnus and Philanthropist, T. Boone Pickens, announced he would provide a \$100 million testamentary challenge gift to fund a major endowment for scholarships. The target date for the campaign is December 31, 2015. In April 2013, the campaign surpassed the \$1 billion goal, however university officials have said the campaign will continue to its scheduled completion date due to a number of priority projects that remain to be funded and the generosity of donors so far.

Renovations to the student union have been completed and the renovation of the Atherton Hotel located on campus continues. Ground was broken for a new business building in 2015.

Commercial permits for calendar years 2013 and 2014 were 103 and 86, respectively. Single-family home building permits decreased from 92 in 2013 to 88 in 2014. There have been 81 commercial permits and 97 single-family residential permits issued as of Oct. 31, 2015.

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 or phone at (405) 742-8209.



PLACEMAKING

Main Street and 7th Avenue in Downtown Stillwater

City of Stillwater, Oklahoma
Statement of Net Position
June 30, 2015

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-type Activities	Total	Stillwater Medical Center Authority
ASSETS				
Cash and cash equivalents	\$15,635,553	\$54,584,109	\$70,219,662	\$20,407,362
Investments	0	9,062,723	9,062,723	44,352,933
Accounts receivable, net	551,792	10,524,568	11,076,360	18,007,198
Internal balances	540,201	(540,201)	0	0
Interest receivable	0	38,465	38,465	0
Installment loans receivable	57,500	159,228	216,728	0
Leasehold receivable	0	143,333	143,333	0
Inventories	113,209	4,939,380	5,052,589	2,737,510
Due from other governments	5,345,184	0	5,345,184	0
Other assets	0	0	0	1,936,112
Restricted cash and cash equivalents	0	63,217,197	63,217,197	1,783,717
Restricted investments	0	4,117,186	4,117,186	0
Capital assets:				
Land and construction in progress	13,648,020	27,575,941	41,223,961	4,905,010
Other capital assets, net of accumulated depreciation	74,038,372	112,331,706	186,370,078	51,003,679
Investments in joint ventures	0	0	0	2,060,660
Goodwill, net	0	0	0	6,418,127
Net pension assets	8,191,830	0	8,191,830	0
Total assets	118,121,661	286,153,635	404,275,296	153,612,308
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	1,795,563	0	1,795,563	0
LIABILITIES				
Accounts payable	1,791,936	5,497,509	7,289,445	2,896,732
Accrued liabilities	3,210,882	596,557	3,807,439	9,299,995
Accrued interest payable	14,483	894,571	909,054	0
Long-term liabilities:				
Due within one year	893,771	5,246,075	6,139,846	3,650,994
Due in more than one year	9,297,630	90,490,025	99,787,655	13,294,920
Net pension liabilities	17,914,151	0	17,914,151	0
Total liabilities	33,122,853	102,724,737	135,847,590	29,142,641
DEFERRED INFLOWS OF RESOURCES				
Pension related	5,575,711	0	5,575,711	0
NET POSITION				
Net investment in capital assets	82,961,714	109,014,991	191,976,705	38,655,032
Restricted for:				
Capital projects	62,758	2,282,192	2,344,950	0
Debt service	230,786	1,056,953	1,287,739	1,761,667
Street improvements	3,776,439	0	3,776,439	0
Specific operating activities	2,968,212	2,712	2,970,924	0
Unrestricted	(8,781,249)	71,072,050	62,290,801	84,052,968
Total net position	\$81,218,660	\$183,428,898	\$264,647,558	\$124,469,667

The accompanying notes are an integral part of this statement.

City of Stillwater, Oklahoma
Statement of Activities
For the Year Ended June 30, 2015

Function/Programs	Expenses	PROGRAM REVENUES			Net (Expense) Revenue and Changes in Net Position			COMPONENT UNIT
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Stillwater Medial Center Authority
PRIMARY GOVERNMENT								
Government Activities								
Public safety	\$20,409,139	\$2,290,884	\$516,905	\$0	\$(17,601,350)	\$0	\$(17,601,350)	\$0
Recreation and culture	4,441,026	1,121,462	54,588	0	(3,264,976)	0	(3,264,976)	0
General government	4,263,765	934,955	0	0	(3,328,810)	0	(3,328,810)	0
Financial administration	714,638	1,207,448	0	0	492,810	0	492,810	0
Street and sewers	13,933,432	483,411	0	600,714	(12,849,307)	0	(12,849,307)	0
Engineering and public works administration	594,723	0	0	0	(594,723)	0	(594,723)	0
Economic development	14,916	0	0	0	(14,916)	0	(14,916)	0
Health and welfare	1,642,867	227,846	0	0	(1,415,021)	0	(1,415,021)	0
Interest on long-term debt	140,679	0	0	0	(140,679)	0	(140,679)	0
Total governmental activities	46,155,185	6,266,006	571,493	600,714	(38,716,972)	0	(38,716,972)	0
BUSINESS-TYPE ACTIVITIES								
Electric, water, wastewater and sanitation operations								
	58,016,108	75,491,830	0	604,049	0	18,079,771	18,079,771	0
Business area development	1,970,265	29,303	0	154,973	0	(1,785,989)	(1,785,989)	0
Airport operations	2,676,008	1,410,731	0	4,995	0	(1,260,282)	(1,260,282)	0
Total business-type activities	62,662,381	76,931,864	0	764,017	0	15,033,500	15,033,500	0
Total primary government	\$108,817,566	\$83,197,870	\$571,493	\$1,364,731	(38,716,972)	15,033,500	(23,683,472)	0
COMPONENT UNIT								
Medical Center	\$129,669,593	\$141,882,079	\$4,542	\$0	\$0	\$0	\$0	\$12,217,028
General revenues								
Taxes:								
Sales and use taxes					\$29,926,023	\$0	\$29,926,023	\$0
Property taxes					1,196,973	0	1,196,973	0
Franchise and public service taxes					1,710,990	0	1,710,990	0
E911 taxes					90,535	0	90,535	0
Hotel/motel taxes					787,488	0	787,488	0
Investment Income					168,627	375,015	543,642	3,797,023
Miscellaneous					0	503,379	503,379	0
Transfers-internal activity					939,980	(939,980)	0	0
Total general revenues and transfers					34,820,616	(61,586)	34,759,030	3,797,023
Change in net position					(3,896,356)	14,971,914	11,075,558	16,014,051
Net position-beginning, as originally stated					100,652,676	168,456,984	269,109,660	108,455,616
Cumulative effect of a change in accounting principle					(15,537,660)	0	(15,537,660)	0
Net position-beginning, as restated					85,115,016	168,456,984	253,572,000	108,455,616
Net position-ending					\$81,218,660	\$183,428,898	\$264,647,558	\$124,469,667

The accompanying notes are an integral part of this statement.

City of Stillwater, Oklahoma
Balance Sheet
Governmental Funds
June 30, 2015

	General	Transportation Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$11,061,231	\$3,982,678	\$487,707	\$15,531,616
Due from other governments	5,270,526	0	74,658	5,345,184
Accounts receivable, net	550,103	1,689	0	551,792
Due from other funds	397,817	0	0	397,817
Inventories	113,209	0	0	113,209
Total assets	\$17,392,886	\$3,984,367	\$562,365	\$21,939,618
LIABILITIES				
Accounts payable	\$1,361,925	\$203,598	\$226,413	\$1,791,936
Accrued liabilities	1,701,069	3,370	0	1,704,439
Due to other funds	0	960	0	960
Unearned revenue-prepaid fees	28,541	0	0	28,541
Total liabilities	3,091,535	207,928	226,413	3,525,876
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	0	0	42,408	42,408
Unavailable revenue-court fines	117,510	0	0	117,510
Total deferred inflows of resources	117,510	0	42,408	159,918
FUND BALANCES				
Non-spendable: inventories	113,209	0	0	113,209
Restricted for:				
Debt service	0	0	230,786	230,786
Police equipment	57,391	0	0	57,391
Police undercover operations	42,930	0	0	42,930
Capital improvements	0	3,776,439	62,758	3,839,197
Visitor and event recruitment	788,185	0	0	788,185
Sales tax transfer	2,079,706	0	0	2,079,706
Committed to:				
Rural fire activities	482,532	0	0	482,532
Fire training activities	27,314	0	0	27,314
Assigned to:				
Self insurance	1,492,683	0	0	1,492,683
Parks and recreation	158,969	0	0	158,969
Unassigned	8,940,922	0	0	8,940,922
Total fund balances	14,183,841	3,776,439	293,544	18,253,824
Total liabilities, deferred inflows of resources, and fund balances	\$17,392,886	\$3,984,367	\$562,365	

Amounts reported for governmental activities in the Statement of Net Position are different because: Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$136,772,042 87,240,892

Certain long-term receivables are not available to pay for current fund liabilities and, therefore, are deferred in the funds 188,459

Installment note receivable received for sale of asset is not reported in the fund statements 57,500

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 549,448

Certain long-term liabilities are not due and payable from current financial resources and, therefore are not reported in the funds:

Net Pension Liabilities and associated deferred inflows and outflows of resources (13,502,469)

Accrued workers' compensation claims (1,506,443)

Accrued interest payable (14,483)

General obligation bonds payable (4,724,678)

Accrued compensated absences (2,408,969)

Accrued post employment obligations (2,914,421)

Net position of governmental activities \$81,218,660

The accompanying notes are an integral part of this statement.

City of Stillwater, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General	Transportation Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$32,515,036	\$0	\$1,175,583	\$33,690,619
Intergovernmental	106,684	0	608,413	715,097
Charges for services	614,263	0	0	614,263
Fines and forfeits	881,790	0	0	881,790
Fees and rentals	1,123,113	0	0	1,123,113
Investment income (loss)	150,651	17,924	0	168,575
Licenses and permits	264,840	0	0	264,840
Other miscellaneous revenues	1,091,427	0	0	1,091,427
Total revenues	36,747,804	17,924	1,783,996	38,549,724
EXPENDITURES				
Current				
Public safety	19,004,743	0	0	19,004,743
Recreation and culture	3,814,270	0	0	3,814,270
General government	3,727,050	0	0	3,727,050
Financial administration	735,423	0	0	735,423
Streets and sewers	4,148,756	84,822	0	4,233,578
Operations	594,143	0	0	594,143
Economic development	14,916	0	0	14,916
Human services	1,133,976	0	503,309	1,637,285
Debt service:				
Principal retirements	0	0	810,000	810,000
Interest and fiscal charges	0	0	206,600	206,600
Capital outlay	5,202,779	997,421	105,399	6,305,599
Total expenditures	38,376,056	1,082,243	1,625,308	41,083,607
Excess (deficiency) of revenues over (under) expenditures	(1,628,252)	(1,064,319)	158,688	(2,533,883)
OTHER FINANCING SOURCES (USES)				
Transfers in	14,946,946	4,100,301	0	19,047,247
Transfers out	(15,799,179)	(2,063,573)	(244,515)	(18,107,267)
Total other financing sources (uses)	(852,233)	2,036,728	(244,515)	939,980
Net change in fund balances	(2,480,485)	972,409	(85,827)	(1,593,903)
FUND BALANCES, beginning	16,664,326	2,804,030	379,371	19,847,727
FUND BALANCES, ending	\$14,183,841	\$3,776,439	\$293,544	\$18,253,824

...continued



City of Stillwater, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

...continued

Reconciliation to Statement of Activities:	
Net change in fund balances	\$(1,593,903)
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	2,023,693
Depreciation	(7,452,342)
Net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations)	722,999
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Unavailable revenue	100,221
Non-employer pension contributions	1,945,843
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	810,000
Internal Service Fund net revenue	62
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Accrued interest payable	65,921
Accrued compensated absences	(67,104)
Accrued workers' compensation claims	(192,653)
Accrued experience and investment differences for pension plans	89,348
Accrued post employment benefits	(348,441)
Change in net position-governmental activities	<u>\$(3,896,356)</u>
<i>The accompanying notes are an integral part of this statement.</i>	

City of Stillwater, Oklahoma
Statement of Net Position—Proprietary Funds
June 30, 2015

	BUSINESS-TYPE ACTIVITIES: ENTERPRISE FUNDS			Govern- mental Activities Internal Service Fund
	Stillwater Utilities Authority	Non Major Enterprise Funds	Totals	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$52,009,141	\$2,574,968	\$54,584,109	\$103,937
Investments	9,062,723	0	9,062,723	0
Restricted cash and cash equivalents	61,920,307	0	61,920,307	0
Accounts receivable, net of allowance for uncollectible accounts of	10,524,108	460	10,524,568	0
Due from other funds	0	0	0	11
Interest receivable	38,465	0	38,465	0
Installment loans receivable	0	159,228	159,228	0
Leasehold receivable	0	21,667	21,667	0
Inventories	4,916,488	22,892	4,939,380	0
Total current assets	138,471,232	2,779,215	141,250,447	103,948
NONCURRENT ASSETS				
Advances to other funds	0	0	0	143,333
Leasehold receivable	0	121,666	121,666	0
Restricted cash and equivalents	1,296,890	0	1,296,890	0
Restricted investments	4,117,186	0	4,117,186	0
Capital assets, non depreciable	26,431,929	1,144,012	27,575,941	445,500
Capital assets, net of accumulated depreciation	99,339,694	12,992,012	112,331,706	0
Total noncurrent assets	131,185,699	14,257,690	145,443,389	588,833
Total assets	269,656,931	17,036,905	286,693,836	692,781
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	5,143,871	353,638	5,497,509	0
Accrued liabilities	574,771	21,786	596,557	0
Current portion of compensated absences	51,272	5,472	56,744	0
Accrued interest payable	894,571	0	894,571	0
Current portion of customer deposits payable	766,469	0	766,469	0
Current portion of long-term debt obligations, net	4,359,013	0	4,359,013	21,667
Due to other funds	389,529	7,339	396,868	0
Current portion of advances from other funds	0	21,667	21,667	0
Current portion of refundable grant obligations	0	63,849	63,849	0
Total current liabilities	12,179,496	473,751	12,653,247	21,667
NONCURRENT LIABILITIES				
Noncurrent portion of customer deposits payable	630,049	11,680	641,729	0
Noncurrent portion of compensated absences	758,226	39,105	797,331	0
Noncurrent portion of refundable grant obligations	0	0	0	121,666
Noncurrent portion of advances from other funds	0	121,666	121,666	0
Noncurrent portion of long-term debt obligations, net	87,776,232	0	87,776,232	0
Other postemployment benefits	1,274,733	0	1,274,733	0
Total noncurrent liabilities	90,439,240	172,451	90,611,691	121,666
Total liabilities	102,618,736	646,202	103,264,938	143,333
NET POSITION				
Net investment in capital assets	94,878,967	14,136,024	109,014,991	445,500
Restricted:				
Restricted for debt service	1,056,953	0	1,056,953	0
Restricted donation	0	2,712	2,712	0
Restricted for capital projects	2,282,192	0	2,282,192	0
Unrestricted	68,820,083	2,251,967	71,072,050	103,948
Total net position	\$167,038,195	\$16,390,703	\$183,428,898	\$549,448

The accompanying notes are an integral part of this statement.

City of Stillwater, Oklahoma
Statement of Revenues, Expenses and
Changes in Fund Net Position—Proprietary Funds
For the Year Ended June 30, 2015

	BUSINESS-TYPE ACTIVITIES: ENTERPRISE FUNDS			Governmental Activities Internal Service Fund
	Stillwater Utilities Authority	Non Major Enterprise Funds	Totals	
OPERATING REVENUES				
Charges for services, net of bad debt expense	\$71,914,143	\$1,015,624	\$72,929,767	\$10
Other	3,577,687	424,410	4,002,097	0
Total operating revenues	75,491,830	1,440,034	76,931,864	10
OPERATING EXPENSES				
Operations and maintenance	49,766,394	3,680,835	53,447,229	0
Depreciation	6,818,274	965,438	7,783,712	0
Total operating expenses	56,584,668	4,646,273	61,230,941	0
Operating income (loss)	18,907,162	(3,206,239)	15,700,923	10
NONOPERATING REVENUES (EXPENSES)				
Investment income (loss)	369,412	5,603	375,015	52
Interest expense and fiscal charges	(467,581)	0	(467,581)	0
Debt issuance costs	(963,859)	0	(963,859)	0
Gain on disposal of asset	0	4,995	4,995	0
Miscellaneous	503,379	0	503,379	0
Net nonoperating revenues (expenses)	(558,649)	10,598	(548,051)	52
Income (loss) before capital contributions and transfers	18,348,513	(3,195,641)	15,152,872	62
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	604,049	154,973	759,022	0
Transfers in	10,250,753	3,498,276	13,749,029	0
Transfers out	(14,688,194)	(815)	(14,689,009)	0
Net capital contributions and transfers	(3,833,392)	3,652,434	(180,958)	0
Change in net position	14,515,121	456,793	14,971,914	62
Net position, beginning of year	152,523,074	15,933,910	168,456,984	549,386
Net position, end of year	\$167,038,195	\$16,390,703	\$183,428,898	\$549,448

The accompanying notes are an integral part of this statement.

City of Stillwater, Oklahoma
Statement of Cash Flows—Proprietary Funds
For the Year Ended June 30, 2015

	BUSINESS-TYPE ACTIVITIES: ENTERPRISE FUNDS			Govern- mental Activities Internal Service Fund
	Stillwater Utilities Authority	Non Major Enterprise Funds	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers, including deposits	\$71,554,232	\$1,015,804	\$72,570,036	\$0
Payments to suppliers	(35,063,255)	(2,516,338)	(37,579,593)	0
Payments to employees	(12,447,956)	(663,506)	(13,111,462)	0
Payments of business development incentives	0	(254,775)	(254,775)	0
Business development incentive loans issued	0	0	0	0
Collections of business development incentive loan principal	0	22,065	22,065	0
Inter fund activity—payments to other funds	(1,178,370)	(12,279)	(1,190,649)	0
Other receipts	3,577,687	425,804	4,003,491	10
Net cash provided by (used for) operating activities	26,442,338	(1,983,225)	24,459,113	10
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out to other funds	(13,671,374)	(815)	(13,672,189)	0
Transfers in from other funds	8,200,602	3,498,276	11,698,878	0
Net cash provided by (used for) noncapital financing activities	(5,470,772)	3,497,461	(1,973,311)	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	0	154,973	154,973	0
Debt issue costs paid	(963,859)	0	(963,859)	0
Purchases of capital assets	(20,235,886)	(253,902)	(20,489,788)	0
Disposal of assets	0	0	0	0
Proceeds from sale of capital assets	37,916	0	37,916	0
Proceeds from capital debt	68,417,490	0	68,417,490	0
Transfers in related to capital financing	2,050,151	0	2,050,151	0
Principal (paid) received on capital debt	(4,010,464)	18,333	(3,992,131)	0
Interest paid on capital debt	(2,492,489)	0	(2,492,489)	0
Net cash provided by (used for) capital and related financing activities	42,802,859	(80,596)	42,722,263	0
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(8,138,100)	0	(8,138,100)	0
Proceeds from maturity of investments	4,083,117	0	4,083,117	0
Interest received	219,448	5,385	224,833	52
Net cash provided by investing activities	(3,835,535)	5,385	(3,830,150)	52
Net increase (decrease) in cash and cash equivalents	59,938,890	1,439,025	61,377,915	62
CASH AND CASH EQUIVALENTS, beginning of year	55,287,448	1,135,943	56,423,391	103,813
CASH AND CASH EQUIVALENTS, end of year	\$115,226,338	\$2,574,968	\$117,801,306	\$103,875
Reconciliation of operating income (loss) to net cash provided (used for) operating activities				
Operating income (loss)	\$18,907,162	\$(3,206,239)	\$15,700,923	\$10
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	6,818,274	965,438	7,783,712	0
Changes in assets and liabilities				
Receivables, net	(137,195)	23,639	(113,556)	0
Inventories	146,262	27,041	173,303	0
Accounts and other payables	420,746	202,126	622,872	0
Accrued expenses	99,467	4,770	104,237	0
Other postemployment benefits	187,622	0	187,622	0
Net cash provided by (used for) operating activities	\$26,442,338	\$(1,983,225)	\$24,459,113	\$10
Non cash activities				
Capital assets contributed	\$604,049	\$0	\$604,049	\$0
Borrowings under capital lease	1,799,556	0	1,799,556	0
Premium amortization	206,400	0	206,400	0
Change in fair value of investments	125,798	0	125,798	0

The accompanying notes are an integral part of this statement.



City of Stillwater, Oklahoma
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2015

	Agency Fund
ASSETS	
Cash and cash equivalents	\$219,939
Certificates of deposit	107,112
Common stock mutual funds	173,026
Assessment receivables	16,115
Total assets	\$516,192
LIABILITIES	
Amounts held in escrow	\$516,192
Total liabilities	\$516,192

The accompanying notes are an integral part of this statement.



STILL WAGGING' DOG PARK

Located at 801 W. 11th Ave., Stillwaggin' Dog Park is a partnership between Oklahoma State University, the City of Stillwater and Rotary Clubs of Stillwater.



City of Stillwater, Oklahoma

Notes to Financial Statements

June 30, 2015



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

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

Based on the foregoing criteria, the accounts of the following organizations are included in the City’s reporting entity:

Blended Component Units

The following component units have been presented as blended component units because the governing body is substantially the same as the governing body of 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, designating the City Council as trustee for the benefit of the City in respect to water, sewer and electric service. The SUA leases, operates and maintains the water, sewer, electrical and waste management utilities pursuant to a renewable lease agreement and an operation and maintenance contract with the City. The operations, maintenance and debt of the SUA are funded from service charges and a one cent sales tax levied by the City and transferred to the SUA as the SUA has no taxing authority. The operations of SUA are reported in the accompanying basic financial statements as an enterprise fund.

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

Stillwater Economic Development Authority: The Stillwater Economic Development Authority (the “SEDA”) was established by resolution of the City Council on February 19, 1990 as the Stillwater Industrial Redevelopment Authority, pursuant to Title 60, Oklahoma Statutes 1981, Sections 176-180.4, inclusive as amended and supplemented (The “Public Trust Act”), Title 11, Oklahoma Statutes 1981, Sections 40-101 through 40-115, inclusive, as amended and supplemented (the “Central Business District Redevelopment Act”). The authority was renamed via an amendment to the trust on November 5, 2012 as the Stillwater Economic Development Authority. The SEDA is a public trust with the City as beneficiary and the City Councilors designated as trustees. The main purpose is the improvement of the economic climate of the trust beneficiary. Methods of improving the economic climate may include but are not limited to, assisting in acquisition of financial resources to improve availability of housing, redevelopment of blighted areas and other economic activities. The operations of the SEDA are reported in the accompanying basic financial statements as an enterprise fund.

Discretely Presented Component Units

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.

BASIS OF PRESENTATION

Government-wide Financial Statements: The statement of net position and statement of activities display information about the City as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements: The reporting entity is organized into funds, each of which is considered a separate accounting entity. Separate financial statements are provided for the three fund categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds with the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 % of the corresponding fund category total, and



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

The funds of the City are described below:

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.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources, other than capital projects, that are legally restricted to expenditures for specified purposes or otherwise segregated for accounting purposes. The Community Development Block Grant Fund is the only special revenue fund active during the fiscal year ending June 30, 2015.

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.

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 following fund is reported as a capital projects fund:

Transportation Improvement Fund

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises (a) 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 (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, management control, accountability or other purpose.

The reporting entity includes the following enterprise funds:

- Stillwater Utilities Authority
- Airport
- Stillwater Economic Development Authority

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.

Fiduciary Fund

The Fiduciary fund is used to account for assets held in a trustee or agency capacity for others and cannot be used to support the City's programs. The City has the following fiduciary or agency accounts:

- Property Rehabilitation Escrow
- Business Improvement District Assessments
- Right of Way Escrow
- Performance Guarantee Escrow
- Public Library Donations
- Bond Escheatment Escrow
- Sidewalk Escrow
- Street Assessments

Discretely Presented Component Units

A discretely presented component unit is a separate legal entity whose governing body (in majority) is appointed by the Mayor or City Council, but whose governing body is not substantially the same as the City Council nor is an entity established to provide services primarily to the primary government. Since this component unit is not as closely associated with the City as are the blended component units, it is reported in a discretely presented column on the government-wide financial statements labeled “Component Unit.” The reporting entity includes the following discretely presented component unit:

- Stillwater Medical Center Authority

Major Governmental Funds:	Description
General Fund	See previous description.
Transportation Improvement Fund	Accounts for the expenditures for street projects as approved by the voters in 2001 and other transportation projects. Financing is provided by the ½ cent sales tax also approved by the voters.
Major Enterprise Fund:	
Stillwater Utilities Authority (SUA)	Accounts for the operations of the electric, water, sewer and sanitation system under the Stillwater Utilities Authority, a public trust existing under a Trust Indenture dated April 1, 1979, which was created by an ordinance of the City.
Non-Major Funds:	
Governmental Funds:	
Special Revenue Fund: Community Development Block Grants	Accounts for funds used for the improvements in the community. Funding is provided by the Community Development Block Grant Small Cities Set Aside program, other state and federal grants and local matching funds.
Debt Service Fund	Accounts for the accumulation of ad-valorem taxes levied by the City for the payment of general long term debt principal, interest and related costs.
Capital Project Fund: Police/Municipal Building	Accounts for the resources restricted for the acquisition or construction of the Police/Municipal building.
Enterprise Funds:	
Airport	Accounts for the operation of the Stillwater Municipal Airport including capital additions and improvements financed through federal and state grant proceeds and City contributions.
Stillwater Economic Development Authority	Accounts for expenditures for industrial redevelopment. Financing provided from federal grants, federal loans, city contributions and citizen participation.
Internal Service Fund:	
Stillwater Public Works Authority	Accounts for acquisition and financing of physical facilities. Debt service requirements are provided from charges billed to the benefited fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

ASSETS, LIABILITIES AND NET POSITION OR EQUITY

Cash and Cash Equivalents— Cash in bank, cash on hand, and short-term investments with original maturities of ninety days or less are reported as cash and cash equivalents. The resources of the individual funds are general in purpose and combined to form a pool of investments which is managed by the Director of Finance. These pooled assets (comprised of Treasury repurchase agreements) 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 2).

Assets Internally Designated— Assets internally designated consist of cash and cash equivalents set aside by the Stillwater Utilities Authority Board of Trustees in anticipation of future potential operating cost increases and/or future substantial capital expenditure requirements and at the Board’s discretion may subsequently be used for other purposes. As of June 30, 2015, cash and cash equivalents in the amount of \$37,843,331 have been internally designated by the SUA trustees for this purpose.

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

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 \$902,292 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 usually 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 \$294,316 are based upon historical trends and the periodic aging of accounts receivable.

Receivables of the Stillwater Medical Center Authority consists of patient accounts receivable for service rendered. The Hospital provides an allowance of \$5,245,000 for uncollectible accounts receivable based upon historical trends and the existing economic conditions.

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.

Inventories— Inventories, consisting primarily of materials and supplies, 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 count. Inventories of proprietary funds consist primarily of materials, supplies and fuel oil and are reported at the lower of average cost or market.

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.

Capital Assets— The accounting treatment for property, plant and equipment (capital assets) 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by business-type activities was \$2,986,839. Of this amount, \$2,519,258 was capitalized on construction in progress during 2015.

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.

Government-Wide 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 which are recorded at their estimated fair value at the date of donation. 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.

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

Class of Asset	Estimated Useful Life
Buildings	10 to 70 Years
Other Improvements	2 to 70 Years
Equipment and vehicles	1 to 58 Years
Infrastructure	25 to 50 Years

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 the same as in the government-wide statements.

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.

All long-term debt to be repaid from governmental and similar discretely presented component unit resources and business-type and similar discretely presented component unit resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of accrued compensated absences, general obligation bonds payable, capital leases payable, notes payable, other post-employment benefits, net pension liabilities, and revenue bonds payable.

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.

Compensated Absences

Sick Pay— 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.

Vacation Pay— Employees are credited with vacation at various rates depending on length of employment. Nonuniformed 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.

The liability for these 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 fund financial statements. Compensated absences are paid as they are incurred by the applicable fund charged with the employee's compensation.

Deferred Inflows

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, that 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 of Stillwater General Fund has deferred inflows related to municipal court fines receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. The Debt Service Fund has deferred inflows related to property taxes receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. Both types of deferred inflows will be recognized as revenue in the next fiscal year when they are available.

Pensions

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

Equity Classifications

Government-Wide Financial Statements:

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets — This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, leases or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
2. Restricted — This component of net position consists of constraints placed on net position use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. 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.

Fund Financial Statements:

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2015, 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, and long-term notes receivable.



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 which 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 — is the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

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.

NEWLY ADOPTED STANDARDS

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

- GASB Statement No. 68, “Accounting and Financial Reporting for Pensions an amendment of GASB Statement No. 27” — The objective of this Statement is to improve financial reporting by state and local governments for pensions. The Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. (See Note No. 4) Implementation of this Statement resulted in a restatement of beginning net position of (\$15,537,660) made up of the following:

City of Stillwater proportionate share of Net Pension Asset (Liability):	
Oklahoma Police Pension & Retirement System	\$(2,109,222)
Oklahoma Firefighters Pension & Retirement System	(19,953,667)
Employee Retirement System of Stillwater, Oklahoma (Retiree only plan)	6,525,229
	<u>\$(15,537,660)</u>

- GASB Statement No. 69, “Government Combinations and Disposals of Government Operations” — This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement became effective for the City in the fiscal year ended June 30, 2015. This Statement did not have an impact on the City’s financial statements.



- GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date an Amendment of GASB Statement No. 68” —The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, “Accounting and Financial Reporting for Pensions.”

The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. The provisions of this Statement have been applied simultaneously with the provisions of Statement 68 which was effective for the City in the fiscal year ended June 30, 2015.

REVENUES, EXPENDITURES AND EXPENSES

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:

1. 2 cents retained by the General Fund for operations.
2. 1 cent transferred to the Stillwater Utilities Authority as required by revenue bond indentures. The proceeds are used in accordance with the trust indenture and current bond indentures.
3. ½ cent transferred to the Transportation Fund to be used for the projects approved by the voters in September 2001, other transportation projects and, as approved by voters in May 2007, debt service related to transportation projects.

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, 2015 was used to fund the annual debt service requirements of the 2010 General Obligation Refunding bonds.

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:



Public safety	Fire and police fines assessed for training, fire run fees, operating and capital grants from the Department of Homeland Security, U.S. Department of Justice, Oklahoma Highway Safety Grants and the Department of Juvenile Affairs and donations from outside contributors.
Recreation and culture	Park and recreation fees; capital and operating grants from the Oklahoma Department of Transportation, Department of Wildlife, and donations.
General government	Property rentals and donations.
Financial administration	Licenses and municipal court fines collected.
Streets and sewers	Capital grants, motor fuel tax and commercial vehicle tax revenues.
Health and welfare	Ambulance fees, permits, grants from the Oklahoma Department of Commerce and the Oklahoma Department of Forestry.
Economic Development	Donations.

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

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.

Expenditures/Expenses

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.

In the governmental fund financial statements, expenditures/expenses are classified as follows:

Governmental Funds-By Character: Current (further classified by function)
 Capital outlay
 Debt service

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

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.

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:

1. Interfund loans — amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services — sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.

3. Interfund reimbursements — repayments from funds responsible for certain expenditures or expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers — flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Government-Wide Financial Statements:

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide statements as follows:

1. 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.
2. 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.

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.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component units 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 follows:

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



DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

The City maintains a cash pool that is available for use by most funds, as discussed in Note 1. 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, 2015, the City and its public trusts complied, in all material respects, with these investment restrictions.

REVENUE RESTRICTIONS

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

Revenue Source	Legal Restrictions of Use
Sales Tax	See Note 1
Gasoline Excise & Commercial Vehicle Tax	Street and Alley Purposes
E-911 Revenue	E-911 Emergency Services Purposes
Ad-valorem Tax	Debt Service on Bonds and Judgments
Grants Revenue	Based upon Individual Grant Agreements
Hotel/Motel Tax	Economic Development
Storm Water Fee	Storm Water Management Purposes
Fire and Police Training Fee	Training of the fire and police departments

For the year ended June 30, 2015, the City complied, in all material respects, with these revenue restrictions.

DEBT RESTRICTIONS AND COVENANTS

[General Obligation Debt](#)

Article 10, Sections 26 and 27 of the Oklahoma Constitution limits the amount of outstanding general obligation bonded debt of the municipality for non-utility or non-street purposes to no more than 10% of net assessed valuation. For the year ended June 30, 2015, the City complied with this restriction.

[Other 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, 2015, no such debt was incurred by the City.

Revenue Bond Debt

The bond indenture relating to the revenue bond issue of the SUA contains a number of restrictions or covenants that are financial related. 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, 2015.

Requirement	Level of Compliance
a. Flow of funds: Sales Tax Account Bond Account	All required accounts have been established and are used per Bond Indenture requirements.
b. Reserve Account Requirement	The Bonds are secured by a Surety Policy issued by Ambac Assurance Corporation in lieu of capitalizing a Bond Fund Reserve,
c. Revenue Bond and Oklahoma Water Resources Board Note Requirement	For the year ended June 30, 2015, available sales tax and revenues, as defined by the bond indentures, was \$78,624,586; bond coverage requirement is operating and maintenance excluding depreciation or \$45,920,364 plus 125% of primary principal and interest plus 100% of subordinate principal and interest or \$3,470,914. Excess coverage was \$29,233,308 or over 8 times the required principal and interest coverage.

FUND EQUITY/ NET POSITION RESTRICTIONS

Deficit Prohibition

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, 2015, the City did not incur any fund balance deficits

3. DETAILED NOTES-TRANSACTION CLASSES/ACCOUNTS

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

DEPOSITS AND INVESTMENTS

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 City’s deposit policy 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, 2015 the City’s bank balance of \$49,127,111 was not exposed to custodial credit risk. At December 31, 2014, \$3,680,000 of the Hospital’s bank balance of \$11,387,000 was uninsured and uncollateralized.

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 generally limits its investment portfolio to maturities of three to five years with an average overall portfolio duration greater than 7.5 years.

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.

At June 30, 2015 the City had the following investments and maturities:

Type	Rating	Fair Value	MATURITIES IN YEARS			
			Less than 1	1-5	6-10	More than 10
Certificates of deposit	**	\$9,479,637	\$5,362,451	\$0	\$4,117,186	\$0
Mutual Fund	Not avail.	173,026	173,026	0	0	0
US Agencies-FHLMC	AA	7,718,864	0	0	0	7,718,864
		\$17,371,527	\$5,535,477	\$0	\$4,117,186	\$7,718,864

** Not subject to rating

At December 31, 2014, the Hospital's investments had the following investments and maturities:

Type	Fair Value	MATURITIES IN YEARS			
		Less than 1	1-5	6-10	More than 10
U.S. treasury obligations	\$1,172,872	\$0	\$651,854	\$205,090	\$315,928
U.S. agencies obligations	3,825,590	167,334	613,866	570,083	2,474,307
Corporate bonds	5,400,618	153,999	1,640,005	1,825,245	1,781,369
Money market mutual funds	20,979,905	20,979,905	0	0	0
Mutual funds	13,451,380	7,086,934	4,463,666	1,900,780	0
	44,830,365	\$28,388,172	\$7,369,391	\$4,501,198	\$4,571,604
Corporate stocks	12,349,967				
Accrued investment income	99,995				
	\$57,280,327				

Investment Credit Risk— Investment credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City’s investment policy does not address credit risk.

The Hospital’s policy is to limit its investments to a credit rating of no less than investment grade and an overall weighted-average rating of A by Standard and Poor’s (S & P) or an equivalent rating by another reputable institution. The corporate bonds of the Hospital have ratings ranging from not rated to AAA by Standard and Poor’s. The money market mutual funds of the Hospital are rated AAAM by Standard and Poor’s. Certain Hospital investments, which include U.S. agencies obligations and mutual funds were not rated by S & P.

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 fair value of the fixed income portfolio and to 5% of the fair value of the equity portfolio. At December 31, 2014, no investments exceeded 5% of the total value of all Hospital investments.

Custodial Risk— Custodial 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 has no custodial risk at June 30, 2015. The Hospital’s investment policy does not address how these securities are to be held.

Summary of Carrying Values

Carrying Amounts	Primary Government	Component Unit	Total
Deposits	\$129,745,318	\$9,263,685	\$139,009,003
Investments	17,371,527	57,280,327	74,651,854
	\$147,116,845	\$66,544,012	\$213,660,857
<i>Reconciliation to Government-wide Statement of Net Position</i>			
<i>Included in the Following captions:</i>			
Cash and cash equivalents	\$70,219,662	\$20,407,362	\$90,627,024
Investments	9,062,723	44,352,933	53,415,656
Restricted cash and cash equivalents	63,217,197	1,783,717	65,000,914
Restricted investments	4,117,186	0	4,117,186
Fiduciary funds	500,077	0	500,077
	\$147,116,845	\$66,544,012	\$213,660,857



ACCOUNTS RECEIVABLE

The accounts receivable of the governmental activities consist of franchise taxes, police fines, E-911, rural fire charges, development services fees, and stormwater fee receivables. Rural fire charges are 4%, police fines are 26%, development services charges are 8%, and cable franchise taxes are 19% of the total. The remaining receivables are intergovernmental and/or due from various customers. The accounts receivable of the business-type activities are amounts due from utility customers. All receivables are expected to be collected within one year.

ACCOUNTS PAYABLE

Accounts payable balances are payables to vendors. Accrued liabilities are salaries and wages payable as well as accrued insurance where applicable.

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 \$61,074,892 at June 30, 2015 have been restricted in use to the service of debt. Investments, classified as noncurrent, in the amount of \$4,117,186 at June 30, 2015 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, 2015 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 \$612,085 at June, 30 2015 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, SUA remits to the WPCATA on a monthly basis all money collected from said charge. As of June 30, 2015 cash and cash equivalents, classified as current, in the amount of \$78,946 were restricted for this purpose.

Customer deposits received for water or electric service are restricted in their use toward the customer's final bill. As of June 30, 2015 cash and cash equivalents in the amount of \$1,396,518, of which \$766,469 is classified as current and \$630,049 is classified as non-current, have been restricted for customer deposits.

CAPITAL ASSETS

Capital asset activity was as follows:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
PRIMARY GOVERNMENT:				
<i>Governmental Activities:</i>				
Capital assets not being depreciated:				
Land	\$8,330,226	\$1,403,998	\$0	\$9,734,224
Construction-in-progress	3,587,327	618,001	291,532	3,913,796
Total capital assets not being depreciated	11,917,553	2,021,999	291,532	13,648,020
Other capital assets:				
Buildings	24,157,929	0	0	24,157,929
Other improvements	164,337,958	232,879	0	164,570,837
Machinery and equipment	21,791,067	796,096	505,515	22,081,648
Total other capital assets at historical cost	210,286,954	1,028,975	505,515	210,810,414
Less accumulated depreciation for:				
Buildings	9,149,792	535,424	0	9,685,216
Other improvements	103,857,745	5,989,559	0	109,847,304
Machinery and equipment	16,804,928	927,359	492,765	17,239,522
Total accumulated depreciation	129,812,465	7,452,342	492,765	136,772,042
Other capital assets, net	80,474,489	(6,423,367)	12,750	74,038,372
Governmental activities capital assets, net	\$92,392,042	\$(4,401,368)	\$304,282	\$87,686,392
<i>Business-type Activities:</i>				
Capital assets not being depreciated:				
Land	\$2,025,595	\$15,926	\$0	\$2,041,521
Intangible assets	1,530,403	0	0	1,530,403
Construction-in-progress	6,262,538	21,401,181	3,659,702	24,004,017
Total capital assets not being depreciated	9,818,536	21,417,107	3,659,702	27,575,941
Other capital assets:				
Buildings	4,945,212	0	0	4,945,212
Other improvements	29,709,716	64,101	0	29,773,817
Machinery and equipment	28,606,748	2,683,965	384,556	30,906,157
Intangible assets	74,054	0	0	74,054
Utility plant in service	195,452,470	5,120,392	0	200,572,862
Total other capital assets at historical cost	258,788,200	7,868,458	384,556	266,272,102
Less accumulated depreciation for:				
Buildings	3,490,751	452,205	0	3,942,956
Other improvements	16,160,430	924,858	0	17,085,288
Machinery and equipment	16,333,555	1,502,309	171,289	17,664,575
Utility plant in service	110,269,183	4,904,340	0	115,173,523
Less amortization for intangible assets:	74,054	0	0	74,054
Total accumulated depreciation/amortization	146,327,973	7,783,712	171,289	153,940,396
Other capital assets, net	112,460,227	84,746	213,267	112,331,706
Business-type activities capital assets, net	\$122,278,763	\$21,501,853	\$3,872,969	\$139,907,647
COMPONENT UNITS:				
	Balance December 31, 2013	Increases	Decreases	Balance December 31, 2014
<i>Stillwater Medical Center Authority:</i>				
Capital assets not being depreciated:				
Land	\$4,470,073	\$0	\$0	\$4,470,073
Construction-in-progress	1,400,881	2,182,758	3,148,702	434,937
Total capital assets not being depreciated	5,870,954	2,182,758	3,148,702	4,905,010
Other capital assets:				
Land improvements	1,343,974	1,713,755	0	3,057,729
Building, improvements and fixed equipment	57,917,585	6,583,135	83,111	64,417,609
Major moveable equipment	61,432,699	3,663,283	303,194	64,792,788
Total other at capital assets	120,694,258	11,960,173	386,305	132,268,126
Less accumulated depreciation:	74,714,764	6,929,215	379,532	81,264,447
Other capital assets, net	45,979,494	5,030,958	6,773	51,003,679
Capital assets, net	\$51,850,448	\$7,213,716	\$3,155,475	\$55,908,689



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

PRIMARY GOVERNMENT:	
<i>Governmental Activities:</i>	
Public Safety	\$544,487
Recreation and Culture	739,360
General Government	610,885
Streets and Sewers	5,555,369
Health and Welfare	2,241
Total depreciation expense for governmental activities	<u>\$7,452,342</u>
<i>Business-type Activities:</i>	
Stillwater Utilities Authority	\$6,818,274
Airport (includes amortization of intangible assets)	963,205
Stillwater Economic Development Authority	2,233
Total depreciation expense for business-type activities	<u>\$7,783,712</u>
COMPONENT UNITS:	
Stillwater Medical Center Authority	<u>\$6,929,215</u>

INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivable and payable balances at June 30, 2015 were as follows:

Stillwater Public Works Authority advanced funds to Stillwater Economic Development Authority as a grant/loan requirement from the Oklahoma Department of Commerce. This advance will not be paid within one year.

Advances from	Advances to
Stillwater Public Works Authority	Non Major Enterprise Funds \$143,333

The interfund balances result from the normal operations of the various funds. All customer utility accounts are collected and deposited into the Stillwater Utilities Authority. The other funds routinely make payments to the City 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.

DUE FROM	DUE TO		Total
	General Fund	Internal Service Fund	
General Fund	\$0	\$11	\$11
Transportation Improvement fund	960	0	960
Non Major Proprietary funds	7,339	0	7,339
Stillwater Utilities Authority	389,529	0	389,529
	<u>\$397,828</u>	<u>\$11</u>	<u>\$397,839</u>

INTERFUND TRANSFERS

Interfund transfers were made to fund cash shortages in the various funds as needed. These shortages occurred due to operating expenditures exceeding fund revenues. Interfund transfers reported in the fund financial statements for the year ended June 30, 2015, consisted of the following:

TRANSFER IN	TRANSFER OUT					Total
	General Fund	Transportation Improvement Fund	Non Major Gov't Funds	Non Major Enterprise Funds	Stillwater Utilities Authority	
General Fund	\$0	\$13,422	\$244,515	\$815	\$14,688,194	\$14,946,946
Transp. Impr. Fund	4,100,301	0	0	0	0	4,100,301
Stillwater Utilities Authority	8,200,602	2,050,151	0	0	0	10,250,753
Non Major Enterprise Funds	3,498,276	0	0	0	0	3,498,276
	\$15,799,179	\$2,063,573	\$244,515	\$815	\$14,688,194	\$32,796,276

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.

Governmental Activities:

At June 30, 2015, the governmental activities long-term debt consisted of the following:

General Obligation Bonds:	
\$8,390,000 Refunding Bonds of 2010, due in annual installments ranging from \$795,000 to \$815,000 with a final payment of \$350,000 due June 1, 2021, interest rate of 4.00%	\$4,345,000
Plus unamortized premium	379,678
<u>Total general obligation bonds</u>	<u>\$4,724,678</u>
Current portion	805,000
Non-current portion	3,919,678
<u>Total general obligation bonds</u>	<u>\$4,724,678</u>

Accrued Compensated Absences-Governmental Activities:

Current portion	\$67,104
Non-current portion	2,341,865
<u>Total accrued compensated absences</u>	<u>\$2,408,969</u>

Stillwater Public Works Authority

Refundable Grant Obligations:

Grant from Oklahoma Department of Commerce in the original amount of \$400,000 with 0% per annum. The final installment will be October 31, 2023. This obligation is collateralized by a lease between SEDA and Nomadics, Inc.	
<u>Total refundable grant obligations</u>	<u>\$143,333</u>
Current portion	\$21,667
Non-current portion	121,666
<u>Total general obligation bonds</u>	<u>\$143,333</u>

Business-type Activities:

As of June 30, 2015, the long-term liabilities payable from business-type activities consisted of the following:

STILLWATER UTILITIES AUTHORITY: 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

\$61,830,000

Plus: Unamortized Debt Premium

6,381,090

Total Revenue Bonds Payable

\$68,211,090

Current portion

\$233,963

Noncurrent portion

67,977,127

Total Revenue Bonds Payable

\$68,211,090**STILLWATER UTILITIES AUTHORITY: Notes Payable:**

2002 Oklahoma Water Resources Board (OWRB) SRF Note Payable dated February 28, 2002, original amount of \$3,413,483 with no interest plus an administrative fee of 0.5%, semiannual installments of principal commencing March 15, 2002, through September 2021

\$1,109,382

2002 OWRB SRF Note Payable dated December 19, 2002, original amount of \$4,876,086 with no interest plus an administrative fee of 0.5%, semiannual installments of principal commencing March 15, 2003, through September 15, 2022

1,828,532

2005 OWRB fixed interest rate Note Payable dated June 29, 2005, original amount of \$7,620,000 with interest at 2.6% plus an administrative fee of 0.5%, semiannual installments of principal and interest commencing September 15, 2005, through March 15, 2025

4,399,526

2007 Revenue Note Payable dated December 5, 2007, original amount of \$6,010,000, secured by dedicated 1/2 cent sales tax revenues, interest rate of 3.68%, semiannual installments of principal and interest commencing December 1, 2008, through December 1, 2016

1,240,000

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 (ARRA) grant funds, secured by utility revenues, 2.84% interest plus an administrative fee of 0.5%, semiannual principal and interest commencing March 15, 2013 through September 15, 2032

8,603,368

2009 OWRB CWSRF Notes Payable dated November 24, 2009, original amount of \$1,875,000, \$578,999 in principal forgiveness from ARRA grant funds, secured by utility revenues, 2.34% interest plus an administrative fee of 0.5%, semiannual principal and interest commencing March 15, 2011 through September 15, 2030

1,008,004

2010 Revenue Note dated September 23, 2010, original amount of \$6,075,000, secured by dedicated 1/2 cent sales tax revenues, interest at 2.33%, semiannual installments of principal and interest commencing December 1, 2010 through December 1, 2016

1,600,000

United States Army Corp 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

877,659

Total notes payable

\$20,666,471

Current portion

\$3,126,034

Non-current portion

17,540,437

Total notes payable

\$20,666,471**Capital Lease Obligations:**

Total machinery and equipment financed by capital lease obligations

\$5,904,312

Less accumulated depreciation

(1,164,214)

Net assets financed by leases

\$4,740,098



Borrowings have been advanced pursuant to a credit agreement with Bank of America, N.A. that provides, for the purchase of equipment until December 31, 2015. Total borrowings are limited to \$6.9 million with a fixed interest rate determined at the time of funding. Total borrowing under this credit agreement at June 30, 2015 was \$4.3 million. Certain schedules under the Bank of America, N.A. master lease agreement were assigned to Capital One Public Financing, LLC on March 22, 2012. Those schedules are denoted with a (*) below.

\$245,932 capital lease with Capital One for equipment, fixed interest rate of 2.8172% monthly installments commencing August 30, 2010 through July 30, 2015*	4,389
\$223,024 capital lease with Capital One for equipment, fixed interest rate of 2.6612%, monthly installments commencing September 30, 2010 through August 30, 2015*	7,921
\$43,166 capital lease with Capital One for equipment, fixed interest rate of 2.6677%, monthly installments commencing October 15, 2010 through September 15, 2015*	2,298
\$313,375 capital lease with Capital One for equipment, fixed interest rate of 2.6612%, monthly installments commencing January 15, 2011 through December 15, 2015*	33,245
\$15,000 capital lease with Capital One for equipment, fixed interest rate of 2.9082%, monthly installments commencing April 30, 2011 through March 30, 2016*	2,391
\$19,548 capital lease with Capital One for equipment, fixed interest rate of 2.6612%, monthly installments commencing July 30, 2011 through June 30, 2016*	4,120
\$124,760 capital lease with Capital One for equipment, fixed interest rate of 2.4337%, monthly installments commencing October 30, 2011 through September 30, 2016*	32,646
\$258,550 capital lease with Capital One for equipment, fixed interest rate of 2.5442%, monthly installments commencing January 15, 2012 through December 15, 2016*	81,043
\$123,127 capital lease with Bank of America for equipment, fixed interest rate of 2.4857%, monthly installments commencing February 29, 2012 through January 30, 2017	40,668
\$92,387 capital lease with Bank of America for equipment, fixed interest rate of 2.4597%, monthly installments commencing June 15, 2012 through May 15, 2017	36,763
\$80,244 capital lease with Bank of America for equipment, fixed interest rate of 2.3687%, monthly installments commencing September 30, 2012 through August 30, 2017	35,964
\$62,427 capital lease with Bank of America for equipment, fixed interest rate of 2.3167%, monthly installments commencing October 30, 2012 through September 30, 2017	28,999
\$412,263 capital lease with Bank of America for equipment, fixed interest rate of 2.2972%, monthly installments commencing January 30, 2013 through December 30, 2017	212,165
\$223,323 capital lease with Bank of America for equipment, fixed interest rate of 2.3882%, monthly installments commencing March 30, 2013 through February 28, 2018	122,480
\$286,920 capital lease with Bank of America for equipment, fixed interest rate of 2.3362%, monthly installments commencing April 15, 2013 through March 15, 2018	161,940
\$78,040 capital lease with Bank of America for equipment, fixed interest rate of 2.3687%, monthly installments commencing May 15, 2013 through April 15, 2018	45,374
\$122,925 capital lease with Bank of America for equipment, fixed interest rate of 2.3362%, monthly installments commencing May 30, 2013 through April 30, 2018	71,450
\$524, 527 capital lease with Bank of America for equipment, fixed interest rate of 2.3622%, monthly installments commencing June 30, 2013 through May 30, 2018	313,489
\$324,915 capital lease with Bank of America for equipment, fixed interest rate of 2.4792%, monthly installments commencing January 30, 2014 through December 30, 2018	231,821
\$99,988 capital lease with Bank of America for equipment, fixed interest rate of 1.5800%, monthly installments commencing March 13, 2015 through February 13, 2020	93,565
\$95,660 capital lease with Bank of America for equipment, fixed interest rate of 1.5036%, monthly installments commencing April 16, 2015 through March 16, 2020	91,045

continued...

\$1,422,942 capital lease with Bank of America for equipment, fixed interest rate of 1.4871%, monthly installments commencing July 30, 2015 through April 30, 2020	1,422,942
\$180,966 capital lease with Bank of America for equipment, fixed interest rate of 1.4588%, monthly installments commencing July 9, 2015 through June 9, 2020	180,966
Total capital leases	<u>\$3,257,684</u>
Current portion	999,016
Non-current portion	<u>\$2,258,668</u>
Total capital leases	<u>\$3,257,684</u>

Accrued Compensated Absences – Business-type activities:

Current portion	\$56,744
Non-current portion	<u>797,331</u>
Total accrued compensated absences	<u>\$854,075</u>

Component Unit:

STILLWATER MEDICAL CENTER AUTHORITY

Revenue Bonds:

2014 Series Revenue bonds original issue amount of \$15,570,000, dated March 28, 2014, secured by gross revenues, personal property and trustee-held assets, interest rate of 1.69% , principal paid annually and interest paid semiannually through May 15, 2019

	<u>\$15,570,000</u>
Total revenue bonds	<u>\$15,570,000</u>
Current portion	\$3,020,000
Non-current portion	<u>12,550,000</u>
Total revenue bonds	<u>\$15,570,000</u>

Capital Lease Obligations:

Total capital assets financed by capital lease obligations	\$1,570,614
Less accumulated depreciation	<u>(510,299)</u>
Net assets financed by capital lease obligations	<u>\$1,060,315</u>
Capital leases issued for equipment, interest rates from 1.89% to 5.00%, installments payable through 2018	<u>\$1,375,914</u>
Current portion	\$630,994
Non-current portion	744,920
Total capital lease obligations	<u>\$1,375,914</u>

Applicability of Federal Arbitrage— Debt issuances of the City and Authority 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 a bond 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 non-compliance including taxability of interest retroactive to the date of the issue. The City's management believes the City is in compliance with these rules and regulations.

The following is a summary of the changes in long-term liabilities:

Type of Debt	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Amounts Due Within One Year
PRIMARY GOVERNMENT					
Governmental Activities					
General obligation bonds	\$5,597,899	\$0	\$873,221	\$4,724,678	\$805,000
Refundable grant obligations	161,666	0	18,333	143,333	21,667
Accrued compensated absences	2,341,865	1,347,922	1,280,818	2,408,969	67,104
Other post employment benefits obligations	2,565,980	664,611	316,170	2,914,421	0
Total governmental activities	\$10,667,410	\$2,012,533	\$2,488,542	\$10,191,401	\$893,771
Business-type Activities					
Capital lease obligations	\$2,442,643	\$1,799,556	\$984,515	\$3,257,684	\$999,016
Notes payable	23,692,419	0	3,025,948	20,666,471	3,126,034
Revenue bonds payable; net	0	68,417,490	206,400	68,211,090	233,963
Refundable grant obligation	60,236	258,388	254,775	63,849	63,849
Customer deposits	1,630,912	828,750	1,051,464	1,408,198	766,469
Accrued compensated absences	825,161	110,125	81,211	854,075	56,744
Other post employment benefits obligations	1,087,111	220,910	33,288	1,274,733	0
Total business-type activities	\$29,738,482	\$71,635,219	\$5,637,601	\$95,736,100	\$5,246,075
	Balance December 31, 2013	Addition	Reductions	Balance December 31, 2014	Amounts Due Within One Year
COMPONENT UNIT:					
Stillwater Medical Center Authority					
Revenue bonds payable; net	\$13,285,000	\$15,570,000	\$13,285,000	\$15,570,000	\$3,020,000
Capital lease obligations	1,284,636	254,160	162,882	1,375,914	630,994
	\$14,569,636	\$15,824,160	\$13,447,882	\$16,945,914	\$3,650,994

For governmental activities, compensated absences and net OPEB obligations are generally liquidated by the general fund.

Annual Debt Service Requirements-Primary Government

The annual debt service requirements to maturity, including principal and interest, for long-term liabilities as of June 30, 2015 are as follows:

GOVERNMENT ACTIVITIES				
Year Ending	<u>GENERAL OBLIGATIONS</u>		<u>REFUNDABLE GRANT OBLIGATIONS</u>	
June 30,	Principal	Interest	Principal	Interest
2016	\$805,000	\$173,800	\$21,677	\$0
2017	800,000	141,600	21,677	0
2018	800,000	109,600	21,677	0
2019	795,000	77,600	21,677	0
2020	795,000	45,800	21,667	0
2021-2024	350,000	14,000	34,998	0
Total	\$4,345,000	\$562,400	\$143,333	\$0

BUSINESS-TYPE ACTIVITIES						
Year Ending	<u>REVENUE BONDS</u>		<u>NOTES PAYABLE</u>		<u>CAPITAL LEASES</u>	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$0	\$2,843,050	\$3,126,034	\$543,841	\$999,016	\$55,516
2017	0	2,843,050	2,234,381	458,112	857,313	33,175
2018	1,295,000	2,823,625	1,302,434	413,965	690,351	17,369
2019	1,330,000	2,277,600	1,331,401	382,921	400,540	7,833
2020	1,385,000	2,723,300	1,360,402	351,829	310,464	2,140
2021-2025	7,940,000	12,547,725	6,083,118	1,247,701	0	0
2026-2030	9,970,000	10,473,000	3,355,467	630,160	0	0
2031-2035	12,525,000	7,559,950	1,873,234	107,908	0	0
2036-2040	15,915,000	4,360,875	0	0	0	0
2041-2045	11,470,000	700,000	0	0	0	0
Total	\$61,830,000	\$49,152,175	\$20,666,471	\$4,136,437	\$3,257,684	\$116,033

COMPONENT UNIT				
Year Ending	<u>REVENUE BONDS</u>		<u>CAPITAL LEASES</u>	
December 31,	Principal	Interest	Principal	Interest
2015	\$3,020,000	\$240,701	\$630,993	\$50,130
2016	3,070,000	189,112	518,188	33,389
2017	3,125,000	135,444	188,191	4,043
2018	3,150,000	81,682	38,542	254
2019	3,205,000	27,233	0	0
Total	\$15,570,000	\$674,172	\$1,375,914	\$87,816

4. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

NONUNIFORMED EMPLOYEES

Defined Contribution Plan — OMRF

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

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

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

The total contribution, net of forfeitures, for the year ended June 30, 2015, was \$1,970,653 which consisted of \$850,615 (net of \$167,042 in forfeitures) from the City and \$1,018,657 from employees.

The Hospital also participates in the Oklahoma Municipal Retirement Defined Contribution Plan. All full time employees of the Hospital are covered. The Hospital and employees contribute 6% and 3%, respectively of eligible salaries into the plan. Contributions, net of forfeitures, were approximately \$2,129,000 from the Hospital and \$1,171,000 from employees for the year ended December 31, 2014. Forfeitures of \$205,772 were applied to the Hospital's required 6% contribution.

Defined Contribution Plan — OMRF — City Manager Plan

The City also 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. The City contributes 13% to the plan and the employee contributes 3% to the plan. The total contributions for the year ended June 30, 2015 was \$25,037 which consisted of \$20,343 from the City and \$4,694 from employees.



Defined Benefit (Retiree) Plan

Plan Description - In 1985, the City replaced a defined benefit plan with the current defined contribution 401(a) plan. The assets of the defined benefit plan were apportioned to all eligible participants in the plan as of June 30, 1985, except those assets attributable to retired participants as of June 30, 1985, which were used to fund the future retirement benefits of such retired participants. This plan is closed to new entrants. The plan is administered and reported by the Oklahoma Municipal Retirement Fund (OMRF) as an agent multiple-employer plan. There have been no required employer contribution associated with this plan for the last 10 years. No additional employee contributions are required or allowed. Although this plan is considerably overfunded, the plan assets are not available for City operations until such time as the obligation to pay the two remaining retirees is exhausted.

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

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

Net Pension Assets:

The net pension asset of the Defined Benefit (Retiree Only) plan for the year ended June 30, 2015 was measured as of July 1, 2014 based on an actuarial valuation that determined the total pension liability as of that date.

Actuarial assumptions— The actuarial valuation that provided the total pension liability as of July 1, 2014 used the following assumptions:

Assumption	Rate
Inflation	3%
Salary increases	N/A
Investment rate of return	7.75%

* Net of pension plan investment expense; includes inflation

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3.0%). Best estimates of arithmetic real rate of return for each major asset class included in the pension plan’s target asset allocation as of July 1, 2014 are summarized in the following table:



Asset Class	Target Allocation	Real Return	Weighted Return
Large cap stocks	25%	5.40%	1.35%
Small/mid cap stocks	10%	7.50%	0.75%
Long/short equity	10%	6.10%	0.61%
International stocks	20%	5.10%	1.02%
Fixed income bonds	30%	2.60%	0.78%
Real estate	5%	4.80%	0.24%
Cash equivalents	0%	0.00%	0.00%
	100%		
	Average Real Return		4.75%
	Inflation		3.00%
	Long term expected return		7.75%

Discount rate — The discount rate used to measure the total pension liability was 7.75 percent. Because the pension plan’s fiduciary net position is projected to easily meet all projected future benefit payments, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments in the determination of pension liability.

Changes in the Net Pension Asset

City of Stillwater, Oklahoma Retiree Only Defined Benefit plan Changes in Net Pension Asset			
	Increase (decrease)		
	Total Pension Liability	Plan Net Fiduciary Position	Net Pension Liability (Asset)
Balance at 7/1/2013	\$31,265	\$6,556,494	\$(6,525,229)
Changes for the year:			
Interest cost	2,202		2,202
Net investment income		1,082,842	(1,082,842)
Benefit payments	(5,800)	(5,800)	0
Administrative expense		(16,023)	16,023
Net changes	(3,598)	1,061,019	(1,064,617)
Balance at 7/1/2014	\$27,667	\$7,617,513	\$(7,589,846)

Sensitivity of net pension asset to changes in the discount rate – The following shows the effect of a one percent increase or decrease from the 7.75% discount rate that was used to calculate the net pension asset.



City of Stillwater, Oklahoma			
Retiree Only Defined Benefit plan			
Sensitivity of Net Pension Asset to Changes in the Discount Rate			
	1% Decrease to 6.5%	Current Discount Rate 7.75%	1% Increase 8.5%
Total Pension Liability	\$28,814	\$27,667	\$26,614
Plan Net Fiduciary Position	7,617,513	7,617,513	7,617,513
Net Pension Asset	\$(7,588,699)	\$(7,589,846)	\$(7,590,899)

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

Pension expense and deferred inflows of resources related to pensions— Pension expense was reduced by \$586,952 in fiscal year 2015. The following shows what makes up the pension expense reduction:

City of Stillwater, Oklahoma	
Retiree Only Defined Benefit plan	
Pension Expense	
Interest cost	\$2,202
Expected return on plan investments	(485,760)
Administrative expenses	16,023
Amortization of deferred (inflows) and outflows:	
Investment (gains) and losses	(119,416)
Pension expense	\$(586,951)

Deferred Inflows are the result of investment gains. The total inflow associated with investment gains is \$597,080 of which \$119,416 is currently recognized. Deferred inflows of resources related to the plan will be recognized in pension expense as follows:

City of Stillwater, Oklahoma	
Retiree Only Defined Benefit plan	
Recognition of Deferred Inflows in Pension Expense	
Fiscal Year	Amount
2016	\$(119,416)
2017	(119,416)
2018	(119,416)
2019	(119,416)

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.

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



Retirement System Trend Information:

Trend Information

Contributions required by State statute:

Fiscal Year	OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM		OKLAHOMA FIREFIGHTER'S PENSION AND RETIREMENT SYSTEM	
	City's Required Contribution /Percentage Contributed		City's Required Contribution/Percentage Contributed	
2011	569,206	100%	583,934	100%
2012	612,606	100%	571,980	100%
2013	649,483	100%	577,517	100%
2014	650,255	100%	651,083	100%
2015	705,649	100%	663,084	100%

Pension liabilities, expense and deferred outflows and inflows of resources related to pensions – At June 30, 2015, the City reported an asset of \$601,984 for its proportionate share of the collective net pension asset of the Oklahoma Police Pension and Retirement System and a liability of \$17,914,151 for its proportionate share of the collective net pension liability of the Oklahoma Firefighter's Pension and Retirement System. For both cost-sharing plans of the City, the net pension liability was measured as of June 30, 2014 using an actuarial valuation to calculate the total pension liability as of that date. The City's proportion of the net pension liability represents the City's actual cash basis contributions for the fiscal year divided by the total of all employer cash basis contributions for the fiscal year. There is no change in the proportion or proportionate share of contributions for the fiscal year ended June 30, 2014.

For the year ended June 30, 2015, the City recognized pension expense of \$235,290 for the police pension plan and \$1,631,046 for the firefighters 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 AND RETIREMENT SYSTEM		OKLAHOMA FIREFIGHTER'S PENSION AND 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		\$270,454	\$426,830	
Net difference between projected and actual earnings on pension plan investments		2,115,879		\$2,711,712
City contributions made subsequent to the measurement date	\$705,649		663,084	
Total	\$705,649	\$2,386,333	\$1,089,914	\$2,711,712

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, 2016. Other deferred inflows and deferred outflows related to pensions will be recognized in pension expense as shown in the following chart:



Fiscal Year ending June 30,	OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM			OKLAHOMA FIREFIGHTER'S PENSION AND RETIREMENT SYSTEM			Total all cost-sharing plans
	Experience	Earnings	Total	Experience	Earnings	Total	
2016	\$55,995	\$528,970	\$584,965	\$(79,484)	\$677,928	\$598,444	\$1,183,409
2017	55,995	528,970	584,965	(79,484)	677,928	598,444	1,183,409
2018	55,995	528,970	584,965	(79,484)	677,928	598,444	1,183,409
2019	55,995	528,969	584,964	(79,484)	677,928	598,444	1,183,408
2020	46,474	0	46,474	(79,484)	0	(79,484)	(33,010)
Thereafter	0	0	0	(29,410)	0	(29,410)	(29,410)

Actuarial assumptions — The actuarial valuation that provided the total pension liability as of June 30, 2014 used the following assumptions:

Assumption	Oklahoma Police Pension & Retirement System	Oklahoma Firefighters Pension & Retirement System
Inflation	3.0%	3.0%
Salary increases	4.0%	3.5% – 9.0%
Investment rate of return	7.5%	7.5%

*Based on years of service; includes inflation

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

The actuarial assumptions used for both plans' June 30, 2014 valuations were based on actuarial experience studies for the respective plans for a 5 year period of July 1, 2007 through June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014, are summarized in the following table:

Assets Class	OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM	OKLAHOMA FIREFIGHTER'S PENSION AND RETIREMENT SYSTEM
	Long-term Expected Real Rate of Return	Long-term Expected Real Rate of Return
Fixed Income	2.83%	5.48%
Domestic equity	6.47%	9.61%
International equity	6.98%	9.24%
Real estate	5.50%	7.76%
Private equity	5.96%	
Commodities	3.08%	
Other assets		6.88%

Discount rate—For both cost sharing plans the discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium for the Police plan and 36% of the insurance premium for the Fire plan, as established by statute. Based on these assumptions, both of the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to 6.5%	Current Discount Rate 7.5%	1% increase to 8.5%
City's proportionate share of Police plan net pension liability (asset)	\$3,581,714	\$(601,984)	\$(4,127,911)
City's proportionate share of Fire plan net pension liability	23,392,099	17,914,151	13,321,496

Non-Employer contributing entity—For the City's police and firefighters pension plans, the State of Oklahoma is considered to be a non-employer contributing entity. The State contributes 14% of the insurance premium tax collected through its taxing authority to the police pension plan and 36% of the insurance premium tax collected to the firefighters pension plan. The City is required to recognize revenue for its share of the support provided by the State by multiplying the State's total contribution to each pension plan by the City's calculated proportionate share of the collective net pension liability or asset for each pension plan. For the year ended June 30, 2015, the City recorded revenues of \$560,163 for the police pension plan and \$1,385,680 for the firefighters pension plan.

5. RISK MANAGEMENT

As of June 30, 2015, claims outstanding against the City and its public authorities were \$2,115,584 and are accrued under the heading "Accrued Liabilities" in the accompanying financial statements. Liabilities were accrued for tort claims, general liability claims and employee health insurance claims. The City is self-insured for group medical, general liability, workers compensation, unemployment, and property damage. The City has a reinsurance policy which limits the City's liability for major medical to \$120,000 per individual. The City purchases conventional insurance for excess losses for general liability and property damage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The claims liability for health claims incurred but not reported is estimated by management using a five-month claims lag analysis. The claims liability for workers compensation claims and judgments is estimated using information provided by a third party administrator based on their opinion of probable outcome of litigation. The balance of the claim liability is expected to be paid within the next year and is included in accrued liabilities on the statement of net position. All claims are paid from the consolidated cash account, funded by the General Fund. Changes in the balances of claims liabilities during fiscal years 2014-2015 and 2013-2014 were as follows:

	Beginning Liability Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Liability Balance
2015-2014	\$1,637,920	\$6,445,343	\$5,967,679	\$2,115,584
2013-2014	1,773,238	4,436,853	4,572,171	1,637,920

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; employee disability and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to employee health care benefits and workers compensation 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 \$150,000 and any amounts over \$1,000,000. The Hospital purchases annual stop-loss insurance coverage for claims in excess of \$150,000 up to \$1,000,000.

The Hospital is self-insured for risks related to workers' compensation claims up to \$400,000 per occurrence with an annual liability of \$1,000,000 in the aggregate.

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 during 2014 and 2013 is summarized as follows:

	Beginning Liability Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Liability Balance
2014	\$1,519,448	\$6,802,669	\$7,112,725	\$1,209,392
2013	2,288,155	7,075,619	7,844,326	1,519,448

6. 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 sewer backup, police activities, employment disputes, and other claims seeking declaratory/injunctive relief. Although the outcome of these claims and lawsuits is not presently determinable, the amount of judgments could range from under \$25,000 to in excess of \$100,000. The City has not recorded any accrual for these claims.

In July 2006, SUA and Rural Water Corporation No 3 entered into a purchase agreement in which the Authority agreed to consolidate the two water distribution systems. In September 2010, the Rural Water Advisory Board, the Rural Water Corporation No 3 Board, and the Authority's Trustees approved amendment of the initial July 2006 purchase agreement. The amended agreement identifies specific improvements and upgrades to be made to the system and provides a timeline for completion. All improvements and upgrades are subject to funding availability.

The Hospital has commitments for noncancellable 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, 2014, were approximately:

2015	\$962,000
2016	972,000
2017	935,000
2018	868,000
2019	783,000
2020-2024	2,944,000
2025-2027	1,117,000
	\$8,581,000

7. POST-RETIREMENT BENEFITS

Plan Description In addition to the pension benefits described in Note 4, the City sponsors and administers a self-funded, single employer defined benefit plan providing post-retirement health care benefits to all employees who retire from the City on or after attaining age 55 with at least 10 years of service. 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. At June 30, 2015, twenty retiree-related participants (retirees, and/or spouses, and/or families) were participating in the City health care plan. There were ten retirees who met the eligibility requirements at June 30 who did not choose to participate. The City requires a monthly premium based on City-wide claim trends of the previous fiscal year. The premium rate for retirees is adjusted each July 1st. Upon monthly 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 his or her Medicare eligibility age (currently 65). If the spouse of a retiree is covered at the time the retiree comes off of the plan at age 65, that spouse is COBRA-eligible until age 65 or for 36 months, whichever is less. During the fiscal year ended June 30, 2015, net expenditures of \$151,539 were attributable to post-retirement health care. 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 administrators and the City's re-insurance agent. The required monthly contribution rates for plan members for fiscal year 2015 range from \$45 to \$375 for active employees, \$449 to \$1,658 for retired participants, and \$458 to \$1,691 for COBRA participants.

Annual OPEB Cost and Net OPEB Obligation The City’s annual other post-employment benefits (OPEB) cost in the first year of implementation of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions, was equal to the annual required contribution (ARC). In subsequent years, the annual OPEB cost has been equal to the ARC plus an adjustment if the ARC is not funded each year. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost of each year plus any unfunded actuarial liabilities as amortized over thirty years.

The following table shows the components of the City’s annual OPEB cost for the year, the amount contributed to the plan, and changes in the City’s net OPEB obligation to the retiree health plan:

Annual required contribution	\$746,704
Interest on prior year net OPEB obligation	138,817
Adjustment to annual required contribution	(254,350)
Annual OPEB cost	631,171
Employer contributions	95,108
Increase in net OPEB obligation	536,063
Beginning OPEB obligation	3,653,091
Ending OPEB obligation	\$4,189,154

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Net Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$631,171	\$95,108	15.0%	\$4,189,154
6/30/2014	643,619	70,002	11.0%	3,653,091
6/30/2013	584,575	55,679	10.0%	3,079,474

Funding Status and Funding Progress The unfunded actuarial liability is being amortized using a closed period level dollar amortization over 30 years, beginning July 1, 2008. As of June 30, 2015, the funded status of the retiree health plan was as follows:

Actuarial accrued liability (AAL)	\$6,208,752
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	\$6,208,752
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Annual covered payroll (active plan members)	\$26,770,000
UAAL as a percentage of annual covered payroll	25.0%



Actuarial Methods and Assumptions Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation as of July 1, 2014, the projected unit credit (PUC) actuarial cost method was used to measure accruing costs. Under the principals of the PUC method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated pro-rata to each year of service between entry age and assumed exit. The actuarial valuation utilized several significant assumptions affecting the valuation results including the medical claims costs assumptions, the medical trend assumptions, and the discount rate. The resulting annual required contribution was based on a 4.4% discount rate and a healthcare trend rate for both retirees and dependents graded from 4.62% in 2013 to 4.87% in 2060. Other assumptions used included inflation at 2.5%, real GNP growth of 1.7%, and an income multiplier of 1.4%. Additionally, it was assumed that 50% of future retired participants would opt for retiree health care coverage. It was also assumed that 50% of future retirees who opt for health care coverage would cover a spouse at retirement.

8. REVENUES PLEDGED

SUA has pledged future sales tax revenues to repay a \$6,010,000 note issued in December 2007 and a \$6,075,000 note issued in September 2010 to finance transportation improvement projects identified in the 2006 Transportation Sales Tax Ordinance. The notes are payable solely from sales tax revenue equal to one half of the one-half cent transportation sales tax collected by the City and transferred to SUA by way of the Sales Tax Agreement. Sales taxes are projected to produce 100 percent of the debt service requirements over the life of the notes. At June 30, 2015, total principal and interest remaining on the 2007 note is \$1,285,908, payable semiannually commencing December 2008 and concluding December 2016. Total principal and interest remaining on the 2010 note is \$1,637,455 payable semiannually commencing December 2010 and concluding December 2016. For the current year, total sales tax revenues were \$2,050,151.

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 the refunding of prior debt obligations of SUA and the Stillwater Public Golf Authority and refinanced outstanding balances of notes to the OWRB. The debt obligations are payable from the one cent sales tax revenue dedicated to SUA by City Ordinance No. 1835 and from net revenues derived from the existence and operation of the utility system to the extent sales tax revenue fails to cover the debt obligations. Pledged revenues are projected to produce 125 percent of the debt service requirements over the life of the debt. For the current year, sales tax revenues were \$8,200,602 and net revenues were \$24,503,620.

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 had pledged future ad valorem taxes to repay the \$8,500,000 2000 General Obligation bonds and the \$6,470,000 2001 General Obligation bonds used to provide financing for the construction and remodel of the City Hall/Police building. These bonds were refunded during the fiscal year ended June 30, 2010. The refunding bonds of \$8,390,000 are due in payments commencing June, 2011 through June, 2021. The total principal and interest payable for the remainder of the life of these bonds is \$4,907,400. Ad valorem taxes received in the current year were \$1,175,583. Debt service payments of \$1,016,200 in the current fiscal year were 86% of the total ad valorem taxes received.

The following is a summary of the debt issues requiring a pledge of revenues:

Debt Issue	Issue Amount	Issue Date	Maturity Date	Remaining Principal and Interest	Current Year Principal and Interest
2007 Revenue Bonds	\$6,010,000	Dec 2007	Dec 2016	\$1,285,908	\$858,180
2010 Revenue Bonds	6,075,000	Sept 2010	Dec 2016	1,637,455	1,091,164
2002 OWRB SRF Note	3,413,483	Feb 2002	Sept 2021	1,129,097	176,098
2002 OWRB SRF Note	4,876,086	Dec 2002	Sept 2022	1,865,665	252,791
2005 OWRB Fixed Rate Note	7,620,000	Jun 2005	Mar 2025	4,946,760	494,517
2009 OWRB DWSRF Note	11,645,000	Nov 2009	Sept 2032	11,476,788	655,817
2009 OWRB CWSRF Note	1,875,000	Nov 2009	Sept 2030	1,257,034	81,099
2010 Refunding General Obligation Bonds	8,390,000	June 2011	June 2021	4,907,400	978,800
Series 2014A Revenue Bonds	61,830,000	Aug 2014	Oct 2042	111,782,175	2,843,050

9. COMPONENT UNIT BUSINESS ACQUISITIONS AND ASSOCIATED GOODWILL

On December 21, 2009, the Hospital acquired 100% of the assets of Stillwater Surgery Center, L.L.C., an outpatient ambulatory surgery center providing surgery services to patients of the surrounding geographic area. The results of the surgery center’s operations have been included in the financial statements of the Hospital since that date.

The excess of the purchase price of the Stillwater Surgery Center, L.L.C. over the fair value of the assets and liabilities is attributable to goodwill. Goodwill will be amortized on the straight-line basis over 15 years. Amortization expense is estimated to be approximately \$388,000 each year through 2024.

On December 31, 2012, the Hospital acquired 100% of the assets of OrthoOklahoma, P.C. and W.S. & J. Management, L.L.C. (Ortho-Oklahoma). Ortho-Oklahoma is an orthopedic medical practice providing orthopedic surgery services to patients of the surrounding geographic area.

The excess of the purchase price of Ortho-Oklahoma over the fair value of the assets and liabilities is attributable to goodwill. Goodwill will be amortized on the straight-line basis over five years. Amortization expense is estimated to be approximately \$632,000 each year through 2017.



10. COMPONENT UNIT INVESTMENTS IN JOINT VENTURES

The Hospital's investments in joint ventures relate to a 10% ownership in Heartland Healthcare Reciprocal Risk Retention Group which is accounted for using the equity method of accounting; a 63% ownership in Stillwater Medical Center Imaging, LLC which is accounted for using the equity method (as the Hospital only controls 50% of the entity); and a 9% ownership in Fresenius Medical Care-Stillwater, LLC which is accounted for using the cost method.

Heartland Healthcare Reciprocal Risk Retention Group (Heartland) provides insurance coverage. The Hospital paid approximately \$207,000 to purchase its professional liability (medical malpractice) and general liability insurance from Heartland during the year ended December 31, 2014. The Hospital's investment in Heartland was \$833,506 at December 31, 2014.

Stillwater Medical Imaging, LLC (SMI) owns and operates MRI, CT and other imaging equipment. The Hospital purchases imaging services for its patients from the joint venture. Included in accrued expenses of the Hospital is approximately \$555,000 at December 31, 2014 due from the joint venture. During the year ended December 31, 2014, the Hospital earned approximately \$925,000 in fees from billing and collection services related to SMI. The Hospital's investment in SMI was \$965,379 at December 31, 2014.

Fresenius Medical Care-Stillwater, LLC provides dialysis services to residents of Stillwater and the surrounding area. The Hospital invested \$16,380 in additional capital contributions to Fresenius Medical Care-Stillwater, LLC during the year ended December 31, 2014. The Hospital's investment in Fresenius was \$261,775 at December 31, 2014.

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

11. SUBSEQUENT EVENTS

Governmental activities:

On November 10, 2015, the citizens of Stillwater voted to extend the ½ cent sales tax dedicated to transportation related expenditures. The extension is for a period of ten years through September, 2026.

Component Unit:

In February 2015, the Hospital purchased a physician clinic building for \$1,900,000 using cash and investment reserves.

In April 2015, the Hospital began construction on an estimated \$13,000,000 project to build a Medical Office Building/Support Services Building with an expected completion date of June 2016. The project is to be funded by cash and investment reserves.





12. RECENTLY ISSUED ACCOUNTING STANDARDS

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

- GASB Statement No. 72, “Fair Value Measurement and Application” — This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement will become effective for the City in the fiscal year ended June 30, 2016.
- GASB Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68” — This objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement will become effective for the City in the fiscal year ended June 30, 2016.
- GASB Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans” — The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability and replaces the requirements of GASB Statement No. 43, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans” and GASB Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”. This Statement also includes requirements for those OPEB plans in GASB Statement No. 25, “Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans” and GASB Statement No. 50, “Pension Disclosures”. This Statement will become effective for the City in the fiscal year ended June 30, 2017.
- GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” — The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions and replaces the requirements of GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions” and GASB Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”. This Statement will become effective for the City in the fiscal year ended June 30, 2018
- GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments” — The objective of this Statement is to identify the hierarchy of generally accepted accounting principles and supersedes GASB Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. This Statement will become effective for the City in the fiscal year ended June 30, 2016.
- GASB Statement No. 77, “Tax Abatement Disclosures” — This Statement requires governments that enter into tax abatement agreements to disclose information about the nature and magnitude of the agreements to increase transparency to financial statement users. This Statement will become effective for the City in the fiscal year ended June 30, 2017.





The City of
Stillwater[®]
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**REQUIRED SUPPLEMENTARY
INFORMATION**



City of Stillwater, Oklahoma
Schedule of Revenues, Expenditures and Changes in Fund
Balances — Budget and Actual (Budget Basis) — General Fund
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Sales tax	\$31,667,000	\$31,667,000	\$30,101,716	\$(1,565,284)
Other taxes	2,608,000	2,608,000	2,610,784	2,784
Intergovernmental	62,500	81,600	114,106	32,506
Charges for services	567,300	567,300	644,165	76,865
Fines and forfeits	788,500	788,500	802,413	13,913
Fees and rentals	1,277,550	1,277,550	1,096,903	(180,647)
Investment income	60,000	60,000	150,869	90,869
Licenses and permits	257,500	257,500	264,840	7,340
Other miscellaneous revenue	836,200	855,700	1,094,158	238,458
Total revenues	38,124,550	38,163,150	36,879,954	(1,283,196)
EXPENDITURES				
Current				
Public safety:				
Police:				
Personal services	10,867,301	11,431,736	10,727,878	703,858
Materials and supplies	792,753	826,165	651,925	174,240
Contract services	497,213	538,630	317,947	220,683
Fire:				
Personal services	7,408,197	7,530,781	6,906,817	623,964
Materials and supplies	328,868	325,134	209,968	115,166
Contract services	267,854	278,904	190,208	88,696
Total public safety	20,162,186	20,931,350	19,004,743	1,926,607
Recreation and culture:				
Parks and recreation:				
Personal services	2,158,332	1,262,340	1,199,580	62,760
Materials and supplies	654,722	526,596	436,447	90,149
Contract services	1,197,709	948,634	715,485	233,149
Library:				
Personal services	1,046,903	1,098,746	1,043,109	55,637
Materials and supplies	178,568	199,020	181,103	17,917
Contract services	146,150	270,799	238,546	32,253
Total recreation and culture	5,382,384	4,306,135	3,814,270	491,865
General government:				
Personal services	6,904,701	7,872,368	2,275,397	5,596,971
Materials and supplies	185,593	188,288	169,485	18,803
Contract services	3,933,509	3,853,001	1,282,168	2,570,833
Total general government	11,023,803	11,913,657	3,727,050	8,186,607
Financial administration:				
Personal services	806,824	806,377	669,717	136,660
Materials and supplies	58,100	60,300	48,580	11,720
Contract services	45,093	51,968	17,126	34,842
Total financial administration	910,017	918,645	735,423	183,222

...continued



Public works administration:				
Personal services	413,992	474,577	464,985	9,592
Materials and supplies	112,295	108,944	106,906	2,038
Contract services	26,500	28,651	22,252	6,399
Total public works administration	552,787	612,172	594,143	18,029
Street and sewers:				
Personal services	2,033,607	2,853,064	2,563,834	289,230
Materials and supplies	606,717	858,962	791,642	67,320
Contract services	701,098	1,187,569	793,280	394,289
Total street and sewers	3,341,422	4,899,595	4,148,756	750,839
Human services:				
Health:				
Materials and supplies	28,500	25,500	18,415	7,085
Contract services	27,500	28,500	21,379	7,121
Community development:				
Personal services	1,027,723	1,096,434	1,004,555	91,879
Materials and supplies	32,743	32,553	24,483	8,070
Contract services	178,300	157,790	65,144	92,646
Total human services	1,294,766	1,340,777	1,133,976	206,801
Economic development:				
Personal services	0	0	(986)	986
Materials and supplies	0	0	0	0
Contract services	0	0	15,902	(15,902)
Total economic development	0	0	14,916	(14,916)
Capital Outlay:				
Police	462,236	518,901	452,888	66,013
Fire	115,500	190,113	136,715	53,398
Recreation and culture	529,500	574,500	40,490	534,010
General government	248,527	732,283	478,894	253,389
Human services	0	39,397	100,279	(60,882)
Street and sewers	4,200,000	8,168,672	3,993,513	4,175,159
	5,555,763	10,223,866	5,202,779	5,021,087
Total expenditures	48,223,128	55,146,197	38,376,056	16,770,141
Excess (deficiency) of revenues over (under) expenditures	(10,098,578)	(16,983,047)	(1,496,102)	15,486,945
OTHER FINANCING SOURCES(USES):				
Transfers in	22,252,771	22,252,771	14,946,946	(7,305,825)
Transfers out	(20,030,675)	(20,030,675)	(15,799,179)	4,231,496
Total other financing sources (uses)	2,222,096	2,222,096	(852,233)	(3,074,329)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(7,876,482)	(14,760,951)	(2,348,335)	12,412,616
FUND BALANCES, beginning	16,664,326	16,664,326	16,664,326	0
FUND BALANCES, ending	\$8,787,844	\$1,903,375	14,315,991	\$12,412,616
Reconciliation to GAAP				
Changes in receivables			(132,150)	
Fund balances on the basis of GAAP			\$14,183,841	



City of Stillwater, Oklahoma

Notes To Required Supplementary Information

Budgetary Comparison Schedule

June 30, 2015



BUDGETARY COMPLIANCE

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. Current year amendments are not material in relation to the original appropriated amounts. The budget and actual comparisons presented in the financial statements include the legally amended budgets for the respective funds.

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

Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted at regular council meetings 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.

Formal budgetary integration is employed as a management control device during the year for the General Fund, special revenue funds, Debt Service Fund and the capital projects funds. Budgets are legally adopted for General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Internal Service Funds and Enterprise Funds.

Budgets as adopted by the City Council are prepared on a cash basis except for accrued expenses (other than vacation and sick pay) which are treated as expenditures.

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 with City Council approval. Supplemental appropriations must also be filed with the Office of State Auditor and Inspector.



All encumbered appropriations lapse at year end and are rebudgeted in the following budget year where appropriate. Unencumbered appropriations also lapse at year end.

The City prepared and adopted a legal annual budget for all funds.

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, 2015 the City complied, in all material respects, with the applicable budget laws.

Reconciliation of budgetary basis and GAAP basis amounts

The City Council adopts annual operating budgets for the General Fund, special revenue funds, Debt Service Fund and capital projects funds. The City budgets revenues on the basis of cash receipts. For financial reporting purposes, revenues are recognized when measurable and available. For budgetary and financial purposes, expenditures are recognized as incurred.

The following summary reconciles revenues for the year from the budgetary basis to the GAAP basis of reporting:

	General Fund
Revenues on budget basis	\$36,879,954
Revenues received during fiscal year and measurable and available at June 30, 2014	(5,912,645)
Revenues received during fiscal year and measurable and available at June 30, 2015	<u>5,780,495</u>
Revenues on GAAP basis	<u><u>\$36,747,804</u></u>



City of Stillwater, Oklahoma
Required Supplementary Information
Defined Benefit (Retiree) Plan
June 30, 2015

Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios

Total Pension Liability	
Interest cost	\$2,202
Benefit payments, including refunds of employee contributions	(5,800)
Net change in total pension liability	(3,598)
Total pension liability – beginning	31,265
Total pension liability – ending	\$27,667
Plan Net Fiduciary Position	
Net investment income	\$1,082,842
Benefit payments, including refunds of employee contribution	(5,800)
Administrative expense	(16,023)
Net change in plan fiduciary net position	1,061,019
Plan net fiduciary position – beginning	6,556,494
Plan net fiduciary position – ending	\$7,617,513
Net pension asset – ending	\$7,589,846
Plan net fiduciary position as percentage of total pension liability	27432.85%
Covered employee payroll	N/A
Net pension asset position as percentage of covered employee payroll	N/A





City of Stillwater, Oklahoma
Required Supplementary Information
June 30, 2015

COST-SHARING PENSION PLANS

Schedule of City's Proportionate Share of the Net Pension Liability (Asset)

	Oklahoma Police Pension & Retirement System	Oklahoma Firefighters Pension & Retirement System
City's proportion of the net pension liability (asset)	-1.788%	1.742%
City's proportionate share of the net pension liability (asset)	\$(601,984)	\$17,914,151
City's covered-employee payroll	\$30,762,413	\$30,762,413
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-1.957%	58.234%
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.530%	68.120%

City of Stillwater, Oklahoma
Required Supplementary Information
June 30, 2015

COST-SHARING PENSION PLANS

Schedule of City Contributions

	Oklahoma Police Pension & Retirement System	Oklahoma Firefighters Pension & Retirement System
Contractually required contributions	\$705,649	\$653,459
Contributions in relation to the contractually required contribution	(705,649)	(653,459)
Contribution deficiency (excess)	\$0	\$0
City's covered-employee payroll	\$30,762,413	\$30,762,413
Contributions as a percentage of covered-employee payroll	2.294%	2.124%

City of Stillwater, Oklahoma
Required Supplementary Information
June 30, 2015

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Assets (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (b/a)	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2014	\$6,208,752	\$0	\$6,208,752	0.0%	\$26,770,000	23%
7/1/2013	5,764,940	0	5,764,940	0.0%	26,240,000	22%
7/1/2012	5,792,018	0	5,792,018	0.0%	24,075,000	24%





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OTHER SUPPLEMENTARY INFORMATION



City of Stillwater, Oklahoma
Schedule of Revenues, Expenditures and Changes in Fund
Balances — Budget And Actual (Budget Basis)— Transportation Improvement Fund
For The Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget
REVENUES				
Investment income	\$0	\$0	\$17,924	\$17,924
Miscellaneous	0	0	0	0
Total revenues	0	0	17,924	17,924
EXPENDITURES				
Street and sewers:				
Personal services	155,645	157,495	78,403	79,092
Materials and supplies	8,850	6,929	5,649	1,280
Contract services	700	771	770	1
Total street and sewers	165,195	165,195	84,822	80,373
Capital outlay				
Street and sewers	2,344,987	4,967,891	997,421	3,970,470
Total expenditures	2,510,182	5,133,086	1,082,243	4,050,843
Excess (deficiency) of revenues over (under) expenditures	(2,510,182)	(5,133,086)	(1,064,319)	4,068,767
OTHER FINANCING SOURCES(USES):				
Transfers in	4,285,714	4,285,714	4,100,301	(185,413)
Transfers out	(2,169,587)	(2,169,587)	(2,063,573)	106,014
Total other financing sources (uses)	2,116,127	2,116,127	2,036,728	(79,399)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(394,055)	(3,016,959)	972,409	3,989,368
FUND BALANCES, beginning	2,804,030	2,804,030	2,804,030	0
FUND BALANCES, ending	\$2,409,975	\$(212,929)	\$3,776,439	\$3,989,368

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.

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

	Special Revenue Fund Community Development Block Grant	Debt Service Sinking Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$257,382	\$230,325	\$487,707
Due from other governments	31,789	42,869	74,658
Total assets	\$289,171	\$273,194	\$562,365
LIABILITIES			
Accounts payable	\$226,413	\$0	\$226,413
Total liabilities	226,413	0	226,413
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	0	42,408	42,408
FUND BALANCES			
Restricted for:			
Debt service	0	230,786	230,786
Capital projects	62,758	0	62,758
Total fund balances	62,758	230,786	293,544
Total liabilities, deferred inflows of resources, and fund balances	\$289,171	\$273,194	\$562,365

City of Stillwater, Oklahoma
Combining Statement Of Revenues, Expenditures And
Changes In Fund Balances — Nonmajor Governmental Funds
For The Year Ended June 30, 2015

	Special Revenue Fund Community Development Block Grant	Debt Service Sinking Fund	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$0	\$1,175,583	\$1,175,583
Intergovernmental	608,413	0	608,413
Total revenues	608,413	1,175,583	1,783,996
EXPENDITURES			
Current operating			
Public safety	503,309	0	503,309
Debt service			
Principal retirements	0	810,000	810,000
Interest and fiscal charges	0	206,600	206,600
Capital outlay	105,399	0	105,399
Total expenditures	608,708	1,016,600	1,625,308
Excess (deficiency) of revenues over (under) expenditures	(295)	158,983	158,688
OTHER FINANCING SOURCES (USES)			
Transfers out	0	(244,515)	(244,515)
Total other financing sources (uses)	0	(244,515)	(244,515)
Net change in Fund Balances	(295)	(85,532)	(85,827)
FUND BALANCES, beginning	63,053	316,318	379,371
FUND BALANCES, ending	\$62,758	\$230,786	\$293,544

City of Stillwater, Oklahoma
Budgetary Comparison Schedule — Nonmajor Governmental Funds
For The Year Ended June 30, 2015

REVENUES	Special Revenue Community Development Block Grant				Debt Service			
	BUDGETED AMOUNT		Variance From		BUDGETED AMOUNT		Variance From	
	Original	Final	Actual	Final Budget	Original	Final	Actual	Final Budget
Taxes	\$0	\$0	\$0	\$0	\$1,315,000	\$1,315,000	\$1,183,996	\$(131,004)
Intergovernmental	0	0	670,397	670,397	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0	0
Investment income	0	0	0	0	0	0	0	0
Total revenues	0	0	670,397	670,397	1,315,000	1,315,000	1,183,996	(131,004)
EXPENDITURES								
Current operating								
Streets and sewers	0	252,718	105,399	147,319	0	0	0	0
Public Safety	0	697,396	503,010	194,386				
Human services	0	29,897	299	29,598	0	0	0	0
Debt service								
Principal retirements	0	0	0	0	810,000	810,000	810,000	0
Interest and fiscal charges	0	0	0	0	206,600	206,600	206,600	0
Capital outlay	0	0	0	0	0	0	0	0
Total expenditures	0	980,011	608,708	371,303	1,016,600	1,016,600	1,016,600	0
Excess (deficiency) of revenues over (under) expenditures	0	(980,011)	61,689	1,041,700	298,400	298,400	167,396	(131,004)
OTHER FINANCING SOURCES (USES)								
Transfers in	0	0	0	0	0	0	0	0
Transfers out	0	0	0	0	(244,515)	(244,515)	(244,515)	0
Total other financing sources (uses)	0	0	0	0	(244,515)	(244,515)	(244,515)	0
Net change in Fund Balances	0	(980,011)	61,689	1,041,700	53,885	53,885	(77,119)	(131,004)
FUND BALANCES, beginning	0	0	0	0	407,602	407,602	407,602	0
FUND BALANCES, ending	\$0	\$(980,011)	\$61,689	\$1,041,700	\$461,487	\$461,487	\$330,483	\$(131,004)

NONMAJOR PROPRIETARY FUNDS

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

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

City of Stillwater, Oklahoma
Combining Statement of Net Position—Nonmajor Proprietary Funds
June 30, 2015

ASSETS	Airport	Stillwater Economic Development Authority	Total
CURRENT ASSETS			
Cash and cash equivalents	\$1,270,896	\$1,304,072	\$2,574,968
Accounts receivable, net of allowance	160	300	460
Installment loans receivable	0	159,228	159,228
Leasehold receivable	0	21,667	21,667
Inventories	22,892	0	22,892
Total current assets	1,293,948	1,485,267	2,779,215
NONCURRENT ASSETS			
Leasehold receivable	0	121,666	121,666
Capital assets, non depreciable	1,144,012	0	1,144,012
Capital assets, net of accumulated depreciation	12,958,918	33,094	12,992,012
Total noncurrent assets	14,102,930	154,760	14,257,690
Total assets	15,396,878	1,640,027	17,036,905
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	164,626	189,012	353,638
Accrued liabilities	14,201	7,585	21,786
Current portion of compensated absences	5,118	354	5,472
Due to other funds	4,514	2,825	7,339
Current portion of advances from other funds	0	21,667	21,667
Current portion of refundable grant obligations	0	63,849	63,849
Total current liabilities	188,459	285,292	473,751
NONCURRENT LIABILITIES			
Noncurrent portion of advances from other funds	0	121,666	121,666
Noncurrent portion of compensated absences	32,205	6,900	39,105
Noncurrent portion of customer deposits payable	11,680	0	11,680
Total noncurrent liabilities	43,885	128,566	172,451
Total liabilities	232,344	413,858	646,202
NET POSITION			
Net investment in capital assets	14,102,930	33,094	14,136,024
Restricted donation	0	2,712	2,712
Unrestricted	1,061,604	1,190,363	2,251,967
Total net position	\$15,164,534	\$1,226,169	\$16,390,703

City of Stillwater, Oklahoma
Combining Statement of Revenues, Expenses And
Changes in Fund Net Position—Nonmajor Proprietary Funds
For The Year Ended June 30, 2015

	Airport	Stillwater Economic Development Authority	Total
OPERATING REVENUES			
Charges for services	\$1,015,624	\$0	\$1,015,624
Other	395,107	29,303	424,410
Total operating revenues	1,410,731	29,303	1,440,034
OPERATING EXPENSES			
Operating and maintenance	1,712,803	1,968,032	3,680,835
Depreciation	963,205	2,233	965,438
Total operating expenses	2,676,008	1,970,265	4,646,273
Operating loss	(1,265,277)	(1,940,962)	(3,206,239)
NONOPERATING REVENUES (EXPENSES)			
Investment income	145	5,458	5,603
Gain on disposal of asset	4,995	0	4,995
Net nonoperating revenues (expenses)	5,140	5,458	10,598
Income (loss) before capital contributions and transfers	(1,260,137)	(1,935,504)	(3,195,641)
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions	0	154,973	154,973
Transfers in	1,206,912	2,291,364	3,498,276
Transfers out	0	(815)	(815)
Net capital contributions and transfers	1,206,912	2,445,522	3,652,434
Change in net position	(53,225)	510,018	456,793
Net position, beginning of year	15,217,759	716,151	15,933,910
Net position, end of year	\$15,164,534	\$1,226,169	\$16,390,703

City of Stillwater, Oklahoma
Combining Statement Of Cash Flows — Nonmajor Proprietary Funds
For The Year Ended June 30, 2015

	Airport	Stillwater Economic Development Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$1,015,804	\$0	\$1,015,804
Payments to suppliers	(1,284,912)	(1,231,426)	(2,516,338)
Payments to employees	(353,328)	(310,178)	(663,506)
Payments of business development incentives	0	(254,775)	(254,775)
Business development incentive loans issued	0	0	0
Collections of business development incentive loan principal	0	22,065	22,065
Inter activity-payments to other funds	2,441	(14,720)	(12,279)
Other receipts	395,107	30,697	425,804
Net cash used for operating activities	(224,888)	(1,758,337)	(1,983,225)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out to other funds	0	(815)	(815)
Transfers from other funds	1,206,912	2,291,364	3,498,276
Net cash provided by noncapital financing activities	1,206,912	2,290,549	3,497,461
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contribution	0	154,973	154,973
Purchases of assets	(253,902)	0	(253,902)
Principal received on capital debt	0	18,333	18,333
Net cash provided by (used for) capital activities	(253,902)	173,306	(80,596)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	145	5,240	5,385
Net cash provided by investing activities	145	5,240	5,385
Net increase in cash and cash equivalents	728,267	710,758	1,439,025
CASH AND CASH EQUIVALENTS, beginning of year	542,629	593,314	1,135,943
CASH AND CASH EQUIVALENTS, end of year	\$1,270,896	\$1,304,072	\$2,574,968
Reconciliation of operating loss to net cash used for operating activities			
Operating loss	\$(1,265,277)	\$(1,940,962)	\$(3,206,239)
Adjustments to reconcile operating loss to net cash used for operating activities			
Depreciation expense	963,205	2,233	965,438
Changes in assets and liabilities			
Receivables, net	180	23,459	23,639
Inventories	27,041	0	27,041
Accounts and other payables	44,972	157,154	202,126
Accrued expenses	4,991	(221)	4,770
Net cash used for operating activities	\$(224,888)	\$(1,758,337)	\$(1,983,225)



City of Stillwater, Oklahoma
Statement of Changes in Assets And Liabilities
Agency Fund
For The Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
ASSETS				
Cash and cash equivalents	\$112,086	\$183,582	\$161,337	\$134,331
Pooled investments	76,892	0	0	76,892
Other investments	276,723	270,388	258,257	288,854
Assessment receivable	11,142	158,732	153,759	16,115
Total assets	\$476,843	\$612,702	\$573,353	\$516,192
LIABILITIES				
Accounts payable	\$0	\$4,725	\$4,700	\$25
Amounts held in escrow	476,843	612,677	573,353	516,167
Total liabilities	\$476,843	\$617,402	\$578,053	\$516,192





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STATISTICAL SECTION



City of Stillwater, Oklahoma

Statistical



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

- **Financial Trends**— These schedules contain trend information to help the reader understand how the City's financial performance and well-being changed over time. *See pages 110–114.*
- **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 115–122.*
- **Debt Capacity**— These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and City's ability to issue additional debt in the future. *See pages 123–127.*
- **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 128–131.*
- **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 government. *See pages 132–133.*

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$70,865,043	\$75,874,538	\$78,005,755	\$82,079,030	\$87,623,606	\$84,399,362	\$85,208,395	\$87,319,852	\$86,794,143	\$82,961,714
Restricted for capital projects	182,859	156,719	99,216	14,093	703,907	6,633,915	578,769	37,603	63,053	62,758
Restricted for debt service	168,999	96,746	129,488	279,996	245,659	384,409	320,160	327,051	316,318	230,786
Restricted for street improvements	9,582,135	10,044,476	9,609,597	6,199,305	3,382,031	5,964,692	6,003,859	3,262,729	2,804,030	3,776,439
Restricted for specific operating activities	615,844	558,210	630,646	745,814	876,105	1,022,401	1,228,415	1,263,008	3,189,626	2,968,212
Unrestricted	5,620,201	4,075,193	1,575,602	787,697	3,537,015	(1,655,568)	5,857,898	9,068,213	7,485,506	(8,781,249)
Total governmental activities net position	\$87,035,081	\$90,805,882	\$90,050,304	\$90,105,935	\$96,368,323	\$96,749,211	\$99,197,496	\$101,278,456	\$100,652,676	\$81,218,660
Business-type activities										
Net investment in capital assets	\$77,374,975	\$80,898,110	\$84,155,142	\$88,903,110	\$92,324,322	\$92,794,475	\$95,439,173	\$100,709,423	\$100,788,701	\$109,014,991
Restricted for capital projects	0	0	54,756	54,756	1,827,220	5,017,007	741,699	601,298	637,596	2,282,192
Restricted for debt service	1,582,124	1,912,627	2,208,517	2,248,810	2,440,346	2,609,803	1,366,601	159,714	344,724	1,056,953
Restricted for specific operating activities	0	0	0	0	2,712	2,712	2,712	2,712	2,712	2,712
Unrestricted	24,471,836	21,526,947	22,594,009	22,271,698	23,198,816	28,632,774	39,359,091	50,165,806	66,683,251	71,072,050
Total business-type activities net position	\$103,428,935	\$104,337,684	\$109,012,424	\$113,478,374	\$119,793,416	\$129,056,771	\$136,909,276	\$151,638,953	\$168,456,984	\$183,428,898
Primary government										
Net investment in capital assets	\$148,240,018	\$156,772,648	\$162,160,897	\$170,982,140	\$179,947,928	\$177,193,837	\$180,647,568	\$188,029,275	\$187,582,844	\$191,976,705
Restricted for capital projects	182,859	156,719	153,972	68,849	2,531,127	11,650,922	1,320,468	638,901	700,649	2,344,950
Restricted for debt service	1,751,123	2,009,373	2,338,005	2,528,806	2,686,005	2,994,212	1,686,761	486,765	661,042	1,287,739
Restricted for street improvements	9,582,135	10,044,476	9,609,597	6,199,305	3,382,031	5,964,692	6,003,859	3,262,729	2,804,030	3,776,439
Restricted for specific operating activities	615,844	558,210	630,646	745,814	876,105	1,025,113	1,231,127	1,265,720	3,192,338	2,970,924
Unrestricted	30,092,037	25,602,140	24,169,611	23,059,395	26,735,831	26,977,206	45,216,989	59,234,019	74,168,757	62,290,801
Total primary government net position	\$190,464,016	\$195,143,566	\$199,062,728	\$203,584,309	\$216,159,027	\$225,805,982	\$236,106,772	\$252,917,409	\$269,109,660	\$264,647,558

**City of Stillwater, Oklahoma
Changes In Net Position
Last Ten Fiscal Years**
(accrual basis of accounting) (page 1)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
Public Safety	\$14,091,743	\$15,590,805	\$17,238,579	\$16,473,868	\$17,560,992	\$16,700,682	\$18,235,770	\$17,133,051	\$18,468,117	\$20,409,139
Recreation and culture	5,185,248	5,428,234	5,645,050	5,778,583	5,989,071	6,134,272	5,850,043	5,505,481	5,927,464	4,441,026
General government	2,522,896	3,466,609	3,811,781	4,362,965	4,289,502	3,750,252	4,067,084	5,047,562	4,661,263	4,263,765
Financial administration	751,577	635,329	648,327	614,382	732,379	627,877	619,486	621,148	609,518	714,638
Street and sewers	5,726,635	6,454,425	7,009,091	7,393,163	6,779,917	7,484,979	8,444,721	7,334,958	9,463,507	13,933,432
Engineering and public works administration	914,956	767,258	630,423	858,882	554,088	569,523	479,849	475,008	493,598	594,723
Tourism	370,356	0	0	0	0	0	0	0	0	0
Economic development	602,346	1,004,617	1,035,287	1,056,928	481,197	422,624	577,816	621,820	739,409	14,916
Health and welfare	1,441,499	1,593,649	1,669,649	1,786,891	1,793,027	1,534,775	1,885,038	1,298,401	2,192,472	1,642,867
Interest on long-term debt	628,333	578,703	528,335	478,827	463,252	271,253	238,855	206,045	173,262	140,679
Total governmental activities expenses	32,235,589	35,519,629	38,216,522	38,804,489	38,643,425	37,496,237	40,398,662	38,243,474	42,728,610	46,155,185
Business-type activities:										
Electric, water, wastewater and sanitation operations	43,453,117	46,993,426	45,651,630	45,926,941	45,446,929	49,122,135	52,823,732	50,680,617	53,624,597	58,016,108
Stillwater Public Golf Authority	1,101,923	1,194,269	1,204,793	1,149,566	399,188	0	0	0	0	0
Stillwater Industrial Redevelopment Authority	0	0	45,740	208,731	203,470	240,027	173,476	494,190	772,631	1,970,265
Business area development	2,161,111	2,113,932	2,670,192	2,032,704	1,884,854	2,132,392	2,695,168	2,749,481	2,714,304	2,676,008
Airport operations	46,716,151	50,301,627	49,572,355	49,317,942	47,934,441	51,494,554	55,692,376	53,924,288	57,111,532	62,662,381
Total business-type activities expenses	\$78,951,740	\$85,821,256	\$87,788,877	\$88,122,431	\$86,577,866	\$88,990,791	\$96,091,038	\$92,167,762	\$99,840,142	\$108,817,566
Program Revenues										
Governmental activities										
Charges for services:										
Public safety	\$171,172	\$164,246	\$189,049	\$261,425	\$416,131	\$282,866	\$261,900	\$447,420	\$354,296	\$2,290,884
Recreation and culture	831,725	757,084	765,242	781,810	1,170,983	1,433,340	1,397,513	1,284,758	1,218,766	1,121,462
General government	30,738	277,421	393,280	1,030,075	419,156	323,591	387,053	815,659	638,624	934,955
Financial administration	834,381	1,116,601	890,515	1,065,196	1,162,439	829,461	1,182,234	1,058,148	1,026,063	1,207,448
Streets and sewers	523,616	449,124	445,976	547,636	920,188	561,452	698,777	674,190	437,901	483,411
Economic Development	0	3,261	0	0	0	0	0	0	0	0
Health and welfare	1,257,203	1,412,587	1,408,365	1,235,782	891,780	693,700	29,551	163,907	282,297	227,846
Operating grants and contributions	178,129	119,845	120,693	213,327	129,901	178,380	310,693	177,373	1,075,844	571,493
Capital grants and contributions	822,889	2,166,742	853,309	783,066	1,171,658	784,756	805,756	927,215	660,101	600,714
Total governmental activities program revenues	4,649,853	6,466,911	5,066,429	5,918,317	6,282,236	5,087,546	5,073,477	5,548,670	5,693,892	7,438,213

**City of Stillwater, Oklahoma
Changes in Net Position
Last Ten Fiscal Years**

(Accrual Basis of Accounting) (page 2)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Electric, water, wastewater, and sanitation operations	\$48,197,848	\$51,315,037	\$52,517,022	\$53,076,534	\$56,340,873	\$61,199,054	\$65,532,650	\$65,531,694	\$72,927,436	\$75,491,830
Stillwater Public Golf Authority	820,232	697,495	730,872	724,559	280,237	0	0	0	0	0
Stillwater Industrial Redevelopment Authority	751	0	0	0	0	0	0	0	0	0
Business area development	0	0	2,712	10,480	22,766	15,671	23,328	23,207	28,130	29,303
Airport operations	1,156,881	1,150,365	1,509,281	1,169,831	1,180,915	1,429,150	1,637,831	1,623,080	1,582,906	1,410,731
Operating grants and contributions	100,640	0	0	0	0	0	0	0	0	0
Capital grants and contributions	1,276,045	2,185,284	2,155,469	3,288,383	7,884,246	2,507,495	3,407,199	3,932,591	296,813	764,017
Total business-type activities program revenues	51,552,397	55,348,181	56,915,356	58,269,787	65,709,037	65,151,370	70,601,008	71,110,572	74,835,285	77,695,881
Total primary government program revenues	\$56,202,250	\$61,815,092	\$61,981,785	\$64,188,104	\$71,991,273	\$70,238,916	\$75,674,485	\$76,659,242	\$80,529,177	\$85,134,094
Net (Expense)/Revenue										
Governmental activities	\$(27,585,736)	\$(29,052,718)	\$(33,150,093)	\$(32,886,172)	\$(32,361,189)	\$(32,408,691)	\$(35,325,185)	\$(32,694,804)	\$(37,034,718)	\$(38,716,972)
Business-type activities	4,836,246	5,046,554	7,343,001	8,951,845	17,774,596	13,656,816	14,908,632	17,186,284	17,723,753	15,033,500
Total primary government net expense	\$(22,749,490)	\$(24,006,164)	\$(25,807,092)	\$(23,934,327)	\$(14,586,593)	\$(18,751,875)	\$(20,416,553)	\$(15,508,520)	\$(19,310,965)	\$(23,683,472)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Sales and use taxes	\$21,824,709	\$22,857,240	\$23,860,004	\$24,129,712	\$23,410,504	\$24,389,442	\$25,787,401	\$28,249,872	\$31,096,996	\$29,926,023
Property taxes	1,368,897	1,315,487	1,343,353	991,643	1,377,028	1,448,266	1,343,480	1,310,488	1,296,462	1,196,973
Franchise and public service taxes	1,437,986	1,330,835	1,502,845	2,047,096	1,595,344	1,548,118	1,544,506	1,564,301	1,729,912	1,710,990
E911 taxes	93,739	84,444	81,681	81,928	81,621	66,529	63,870	60,338	64,278	90,535
Hotel/motel taxes	368,826	406,552	439,953	437,781	494,145	560,749	615,997	805,941	970,100	787,488
Investment income	382,339	616,842	464,024	105,909	29,969	104,666	78,162	74,677	(99,634)	168,627
Miscellaneous	514,193	532,498	587,117	0	0	0	0	0	0	0
Transfers - internal activity	4,758,359	5,679,621	4,115,538	5,147,735	11,634,966	4,671,809	8,217,054	2,710,147	1,452,784	939,980
Total governmental activities	30,749,048	32,823,519	32,394,515	32,941,804	38,623,577	32,789,579	37,650,470	34,775,764	36,510,898	34,820,616
Business-type activities:										
Investment income	908,708	1,212,709	847,390	232,822	144,148	114,643	275,937	(167,141)	181,875	375,015
Miscellaneous	237,068	329,107	599,887	429,018	31,263	163,705	350,312	420,681	584,669	503,379
Transfers - internal activity	(4,758,359)	(5,679,621)	(4,115,538)	(5,147,735)	(11,634,966)	(4,671,809)	(8,217,054)	(2,710,147)	(1,452,784)	(939,980)
Total business-type activities	(3,612,583)	(4,137,805)	(2,668,261)	(4,485,895)	(11,459,555)	(4,393,461)	(7,590,805)	(2,456,607)	(686,240)	(61,586)
Total primary government	\$27,136,465	\$28,685,714	\$29,726,254	\$28,455,909	\$27,164,022	\$28,396,118	\$30,059,665	\$32,319,157	\$35,824,658	\$34,759,030
Change in Net Position										
Governmental activities	\$3,163,312	\$3,770,801	\$(755,578)	\$55,632	\$6,262,388	\$380,888	\$2,325,285	\$2,080,960	\$(523,820)	\$(3,896,356)
Business-type activities	1,223,663	908,749	4,674,740	4,465,950	6,315,041	9,263,355	7,317,827	14,729,677	17,037,513	14,971,914
Total primary government	\$4,386,975	\$4,679,550	\$3,919,162	\$4,521,582	\$12,577,429	\$9,644,243	\$9,643,112	\$16,810,637	\$16,513,693	\$11,075,558

**City of Stillwater, Oklahoma
Fund Balances, Governmental Funds
Last Ten Fiscal Years**

(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Non-spendable: inventories	\$196,965	\$178,914	\$215,927	\$270,012	\$332,316	\$163,741	\$178,437	\$142,282	\$127,598	\$113,209
Restricted for public safety	111,150	102,174	103,845	105,158	104,082	100,713	107,914	114,724	98,393	100,321
Restricted for economic development	28,797	47,115	51,781	47,111	60,059	235,673	386,097	668,398	936,095	788,185
Restricted for sales tax transfer	1,496,905	1,543,166	1,617,836	1,647,182	1,647,181	1,654,153	1,654,153	2,070,451	2,155,138	2,079,706
Committed to public safety	236,210	230,006	259,093	323,533	379,648	522,274	555,967	283,254	458,395	509,846
Assigned to self insurance	1,072,554	1,484,580	855,704	855,704	606,958	828,670	280,841	1,233,143	1,898,069	1,492,683
Assigned to recreation and culture	99,291	76,976	105,920	111,504	125,484	150,445	167,036	172,350	176,613	158,969
Unassigned	3,160,167	1,317,341	219,459	(115,077)	3,730,961	5,806,453	8,518,485	10,848,896	10,814,025	8,940,922
Total general fund	\$6,402,039	\$4,980,272	\$3,429,565	\$3,245,127	\$6,986,689	\$9,462,122	\$11,848,930	\$15,533,498	\$16,664,326	\$14,183,841
All other governmental funds										
Restricted for debt service	\$168,999	\$96,746	\$129,488	\$279,996	\$245,659	\$384,409	\$320,160	\$327,051	\$316,318	\$230,786
Restricted for capital improvements	182,859	156,719	99,216	14,093	703,907	6,633,915	6,582,628	3,300,332	2,867,083	3,839,197
Unassigned	10,620,862	11,077,427	10,436,732	6,961,761	4,369,761	101,368	(57,525)	54,350	0	0
Total all other governmental funds	\$10,972,720	\$11,330,892	\$10,665,436	\$7,255,850	\$5,319,327	\$7,119,692	\$6,845,263	\$3,681,733	\$3,183,401	\$4,069,983

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

City of Stillwater, Oklahoma
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$24,995,004	\$25,893,302	\$27,326,131	\$27,682,289	\$26,963,407	\$28,024,398	\$29,371,854	\$31,991,402	\$35,156,665	\$33,690,619
Intergovernmental	245,939	308,548	422,028	373,768	493,720	963,136	533,384	408,338	1,222,484	715,097
Charges for service	1,653,785	1,468,896	1,357,411	1,427,691	1,343,284	1,449,277	650,145	807,270	584,908	614,263
Fines and forfeits	877,165	807,431	789,481	810,280	786,164	656,201	776,389	793,076	742,037	881,790
Fees and rentals	642,259	802,179	816,051	932,655	1,220,295	1,466,352	1,438,373	1,357,756	1,197,563	1,123,113
Investment income	377,479	609,562	458,761	103,463	29,323	104,175	77,854	74,525	(99,686)	168,575
Licenses and permits	222,355	303,354	246,636	242,593	207,401	187,563	268,209	319,497	311,218	264,840
Other miscellaneous revenues	686,876	1,092,042	1,328,187	1,428,570	1,392,714	726,410	880,825	1,219,642	1,113,058	1,091,427
Total revenues	29,700,862	31,285,314	32,744,686	33,001,309	32,436,308	33,577,512	33,997,033	36,966,506	40,228,247	38,549,724
Expenditures										
Current:										
Public safety	\$13,663,801	\$15,147,760	\$16,682,553	\$15,987,890	\$16,547,892	\$16,420,643	\$17,649,898	\$16,537,022	\$17,685,468	\$19,004,743
Recreation and culture	4,256,098	4,791,101	5,015,086	5,061,282	5,386,147	5,462,498	5,062,437	4,858,451	5,252,317	3,814,270
General government	2,172,095	2,624,051	2,986,340	3,603,225	3,027,262	2,837,873	3,330,545	3,670,808	3,643,832	3,727,050
Financial administration	614,774	612,413	578,968	578,460	703,529	600,203	591,712	602,812	600,062	735,423
Streets and sewers	2,025,858	2,375,075	2,621,006	2,658,212	2,663,639	2,380,470	2,670,103	2,415,451	2,535,981	4,233,578
Operations	882,005	741,181	583,597	872,035	553,600	589,376	478,606	471,523	492,586	594,143
Economic development	972,702	1,004,617	1,035,287	1,056,929	481,197	422,624	527,896	562,422	755,344	14,916
Human services	1,365,664	1,647,385	1,946,693	1,791,442	1,402,018	1,436,499	1,455,121	1,255,899	1,803,795	1,637,285
Debt service:										
Principal retirements	790,000	790,000	790,000	790,000	790,000	775,000	825,000	820,000	815,000	810,000
Interest and fiscal charges	632,465	582,865	532,525	483,045	432,225	385,408	305,000	272,000	239,200	206,600
Capital outlay	2,864,516	6,402,132	6,113,834	8,578,055	9,769,917	3,397,358	7,210,392	7,689,227	7,189,350	6,305,599
Total expenditures	30,239,978	36,718,580	38,885,889	41,460,575	41,257,426	34,707,952	40,106,710	39,155,615	41,012,935	41,083,607
Excess of revenues over (under) expenditures	(539,116)	(5,433,266)	(6,141,203)	(8,459,266)	(8,821,118)	(1,130,440)	(6,109,677)	(2,189,109)	(784,688)	(2,533,883)
Other Financing Sources (Uses)										
Proceeds of refunding bonds and other debt	0	0	0	0	9,105,336	53,488	0	0	0	0
Payment to refunded bond escrow agent	0	0	0	0	(8,392,089)	0	0	0	0	0
Proceeds from sale of assets	0	0	0	0	0	575,655	0	0	0	0
Transfers in	14,541,601	13,534,835	15,260,534	17,361,233	17,361,233	16,802,447	20,810,346	16,838,631	18,020,242	19,047,247
Transfers out	(9,783,242)	(9,165,164)	(11,335,494)	(12,495,991)	(12,495,991)	(12,025,352)	(12,588,290)	(14,128,484)	(16,603,058)	(18,107,267)
Total other financing sources (uses)	4,758,359	4,369,671	3,925,040	4,865,242	5,578,489	5,406,238	8,222,056	2,710,147	1,417,184	939,980
Net change in fund balances	\$4,219,243	\$(1,063,595)	\$(2,216,163)	\$(3,594,024)	\$(3,242,629)	\$4,275,798	\$2,112,379	\$521,038	\$632,496	\$(1,593,903)
Debt service as a percentage of noncapital expenditures	5.19%	4.51%	4.06%	3.84%	3.88%	3.71%	3.32%	3.42%	2.95%	2.60%

City of Stillwater, Oklahoma
Tax Revenues By Source, Governmental Funds
Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	Franchise and			E911 Taxes	Hotel/Motel Taxes	Total Taxes	Sales Tax as Percentage of Total Taxes
	Sales & Use Taxes	Property Taxes	Public Service Taxes				
2006	\$21,824,709	\$1,368,897	\$1,437,986	\$93,739	\$368,826	\$25,094,157	86.97%
2007	22,857,240	1,315,487	1,330,835	84,444	406,552	25,994,558	87.93%
2008	23,860,004	1,343,353	1,502,845	81,681	439,953	27,227,836	87.63%
2009	24,129,712	991,643	2,047,096	81,928	437,781	27,688,160	87.15%
2010	23,410,504	1,377,028	1,595,344	81,621	494,145	26,958,642	86.84%
2011	24,389,442	1,448,266	1,548,118	66,529	560,749	28,013,104	87.06%
2012	25,787,401	1,343,480	1,544,506	63,870	615,997	29,355,254	87.85%
2013	28,249,872	1,310,488	1,564,301	60,338	805,941	31,990,940	88.31%
2014	31,096,996	1,296,462	1,729,912	64,278	970,100	35,157,748	88.45%
2015	29,926,023	1,196,973	1,710,990	90,535	787,488	33,712,009	88.77%

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 Exemption	Net Total Valuation	Total Direct Tax Rate	Total Estimate Actual Value	Ratio of Total Assessed to Actual Value
2006	\$157,236	\$32,721	\$12,360	\$202,317	\$5,091		\$197,226	7.19	\$1,774,711	11.11%
2007	173,283	35,512	11,516	220,311	5,198		215,113	6.17	1,932,553	11.13%
2008	190,637	38,567	9,911	239,115	5,300		233,815	5.72	2,097,439	11.15%
2009	205,793	40,243	8,976	255,012	5,307		249,705	5.75	2,236,947	11.16%
2010	220,793	40,426	9,324	270,543	5,322		265,221	5.24	2,373,184	11.18%
2011	233,860	40,031	9,692	283,583	5,334		278,249	5.23	2,487,570	11.19%
2012	237,228	28,578	9,444	275,250	5,199		270,051	4.95	2,414,474	11.18%
2013	242,749	22,543	8,953	274,245	5,173		269,072	4.90	2,405,658	11.18%
2014	252,163	23,619	6,481	282,263	5,054	\$1,033	276,176	4.69	2,475,991	11.15%
2015	261,644	27,453	5,718	294,815	4,925	1,156	288,734	4.16	2,586,096	11.16%

The assessed value of the taxable property as certified by the Payne County Assessor to be used for the 2015-2016 fiscal year is as follows:

Fiscal Year	Real Property	Personal Property	Public Service Property	Total Valuation	Homestead Exemption	Other Exemption (2)	Net Total Valuation	Total Direct Tax Rate	Total Estimate Actual Value
2016	\$271,254	\$31,739	\$7,588	\$310,581	\$4,838	\$1,288	\$304,455	3.78	\$2,724,395

(1) Source: Payne County Assessor

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

City of Stillwater, Oklahoma
Direct and Overlapping Property Tax Rates (1)
Last Ten Fiscal Years

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

Fiscal Year	City of Stillwater Debt Service Fund	Independent School District No. 16	Meridian Technology Center	Payne County	Total
2006	7.19	63.71	15.00	16.00	101.90
2007	6.17	62.93	15.00	16.00	100.10
2008	5.72	64.17	15.00	16.00	100.89
2009	5.75	62.09	15.00	16.00	98.84
2010	5.24	63.20	15.00	16.00	99.44
2011	5.23	64.82	15.00	16.00	101.05
2012	4.95	68.96	15.47	16.43	105.81
2013	4.90	64.53	15.47	16.43	101.33
2014	4.69	68.92	15.47	16.43	105.51
2015	4.16	68.54	15.47	16.43	104.60

The direct and overlapping tax rates for FY 2015-2016 are as follows:

Fiscal Year	City of Stillwater Debt Service Fund	Independent School District No. 16	Meridian Technology Center	Payne County	Total
2016	3.78	68.95	15.47	16.43	104.63

(1) Source: Payne County Assessor

**City of Stillwater, Oklahoma
Principal Property Tax Payers (1)
Current Year and Nine Years Ago**

Taxpayer	Type of Business	2015			2006		
		2015 Assessed Valuation	Percentage of Total Assessed Valuation	Rank	2006 Assessed Valuation	Percentage of Total Assessed Valuation	Rank
ASCO Aerospace USA, LLC	Aerospace	\$7,350,293	2.41%	1			
Breckenridge Group Stillwater OK LLC	Off campus student housing	3,387,771	1.11%	2			
Links at Stillwater	Apartments/golf/fitness development	2,919,119	0.96%	3	\$3,038,272	1.41%	5
Lakeview Pointe	Shopping Center	2,513,196	0.83%	4			
Wal-Mart Real Estate	Discount supercenter	2,442,555	0.80%	5	1,854,438	0.86%	7
Fifty One at Tradan Heights	Apartments	2,222,478	0.73%	6			
Avenue East Apartments, LLC	Apartments	2,116,882	0.70%	7			
National Standard Co.	Manufacturer of steel cord for radial tires	2,093,240	0.69%	8	1,453,474	0.68%	8
Prime Place Apartments	Apartments	1,777,566	0.58%	9			
Lowes Home Center, Inc	Home improvement store	1,648,775	0.54%	10	1,354,751	0.63%	10
Oklahoma Natural Gas	Gas Utility				1,380,994	0.64%	9
Armstrong World Industries, Inc.	Manufacturer of floor coverings				5,067,566	2.36%	1
Southwestern Bell Telephone, LP	Telephone utility				4,288,947	1.99%	3
Brunswick Corporation	Manufacturer of stern-drive boat motors				4,691,667	2.18%	2
Chickasaw Telecom Services, Inc.	Telephone utility				2,272,246	1.06%	6
Quebecor World Inc.	Printer of magazines and advertising inserts				3,084,628	1.43%	4
		\$28,471,875	9.35%		\$28,486,983	13.24%	

(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 YEAR'S LEVIES (1)	
	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Amount
2006	\$1,417	101%	\$1,433	101%	\$18	
2007	1,320	97%	1,286	97%	19	
2008	1,344	96%	1,294	96%	64	
2009	1,436	89%	1,281	89%	151	
2010	1,389	98%	1,365	98%	21	
2011	1,456	98%	1,420	98%	40	
2012	1,337	98%	1,313	98%	47	
2013	1,314	98%	1,294	98%	17	
2014	1,296	98%	1,275	98%	21	
2015	1,202	97%	1,160	97%	16	

(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, 2015 are \$1 thousand in current taxes and \$7 thousand in delinquent taxes.

City of Stillwater, Oklahoma
Taxable Sales By Category (1)
Last Ten Fiscal Years
(in thousands of dollars)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Retail Trade*								\$445,548	\$483,038	\$480,420
Accommodation and Food Services*								137,002	148,363	148,904
Wholesale*								44,145	70,324	51,578
Utilities*								42,350	44,616	46,131
Information*								23,014	25,105	25,393
Education services	\$10,947	\$12,768	\$10,555	\$19,021	\$16,804	\$17,867	\$18,788	18,567	18,517	14,818
Manufacturing*								14,419	16,697	14,454
Unclassified*									8,847	7,592
Other services (except Public Administration)*								11,425	7,190	7,801
Real Estate, Rental, and Leasing*								8,911	13,102	12,796
Arts, Entertainment and Recreation*								4,925	3,995	3,955
Professional, Scientific and Technical Services*								2,228	3,002	2,800
Transportation and Warehousing*								1,809	2,496	2,435
Finance and Insurance*								1,522	2,349	292
Construction*								1,094	1,392	1,609
Mining, Quarrying, and Oil and Gas Extraction*								60	842	755
Administrative and Support and Waste Management and Remediation*								346	261	269
Agriculture, Forestry, Fishing and Hunting*								39	55	70
Health Care and Social Assistance*								39	27	17
Public Admin**									3	5
All other outlets	47,200	14,811	51,539	53,009	49,662	54,324	57,182	889		
General merchandise stores	141,576	144,281	165,326	168,961	163,369	163,683	171,170	0		
Eating and drinking places	79,720	84,125	88,711	95,953	95,055	100,179	108,943	0		
Miscellaneous retail	53,655	59,973	63,590	60,811	58,989	61,044	65,576	0		
Building material, hardware, garden supply	52,357	51,659	58,193	56,626	48,296	44,602	47,178	0		
Food stores	38,049	35,924	34,492	35,269	35,101	36,763	39,301	0		
Electric, gas, and sanitary services	36,563	39,310	38,680	39,300	39,922	39,611	40,763	0		
Wholesale trade 0 durable goods	28,128	25,108	26,072	27,365	23,481	24,607	24,995	0		
Apparel & accessory stores	25,996	35,824	34,128	32,717	33,376	35,328	39,194	0		
Furniture, home furnishings & equipment	24,266	24,478	26,142	26,924	23,240	35,526	35,764	0		
Communications	22,357	23,368	23,531	22,948	23,564	20,890	22,985	0		
Automotive dealers & gasoline service	13,862	15,227	14,103	13,847	13,765	15,732	16,055	0		
Business services	10,125	14,276	13,639	13,604	11,122	14,629	12,360	0		
Total	\$584,801	\$581,132	\$648,701	\$666,355	\$635,746	\$664,785	\$700,254	\$758,293	\$850,221	\$822,094
City general sales tax rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Transferable to SUA	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Dedicated sales tax - transportation projects (2)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Total tax rate	3.5%									

(1) Source: Oklahoma Tax Commission
 (2) Dedicated sales tax of 0.5% was effective October 1, 2001. This additional tax was to expire September 30, 2006 but was extended until September 30, 2016 by a vote of the citizens of Stillwater on April 4, 2006.
 Note: The State of Oklahoma retains 1% of the sales tax collected as an administrative fee.
 Note: Beginning Fiscal Year 2013, collections are reported by NAICS code in place of SIC code. *

**City of Stillwater, Oklahoma
Direct and Overlapping Sales Tax Rates (1)
Last Ten Calendar Years**

Fiscal Year	City of Stillwater (2)	State of Oklahoma	Payne County (3)
2006	2.50%	4.50%	0.50%/0.75%
2007	2.50%	4.50%	0.75%
2008	2.50%	4.50%	0.75%
2009	2.50%	4.50%	0.75%
2010	2.50%	4.50%	0.75%
2011	2.50%	4.50%	0.75%
2012	2.50%	4.50%	0.75%
2013	2.50%	4.50%	0.813%
2014	2.50%	4.50%	0.813%
2015	2.50%	4.50%	0.813%

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

(2) The City portion of sales tax increased to 2.50% effective October 1, 2001. The additional .50% is dedicated to fund transportation (street) projects. This additional tax will expire September 30, 2016.

(3) Stillwater is located in Payne County which initiated a .5% sales tax effective January 1, 1994. The .5% sales tax expired and was replaced with a .375% sales tax effective January 1, 1999. The Payne County sales tax was increased to .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**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Commercial										
Ave monthly customers	1,740	1,801	1,873	1,920	1,956	1,958	1,983	2,060	2,088	2,111
Annual Sales	\$4,704,547	\$5,097,084	\$5,239,488	\$5,481,954	\$5,914,254	\$5,772,953	\$5,807,202	\$5,978,102	\$6,706,022	\$6,935,098
Percentage of Total Annual Sales	14%	13%	14%	15%	15%	14%	13%	15%	15%	15%
Residential										
Ave monthly customers	16,760	16,690	16,874	17,060	17,280	17,434	17,341	17,549	17,996	18,278
Annual Sales	\$15,647,337	\$16,803,705	\$16,639,744	\$16,793,576	\$17,710,450	\$18,350,527	\$20,445,780	\$20,035,777	\$21,896,747	\$22,477,571
Percentage of Total Annual Sales	45%	44%	45%	45%	46%	46%	47%	49%	50%	48%
Industrial/Institutional										
Ave monthly customers	212	220	225	237	237	250	264	261	252	262
Annual Sales	\$14,428,839	\$16,256,536	\$15,475,209	\$15,135,507	\$15,295,266	\$16,101,435	\$17,054,738	\$14,712,661	\$15,443,933	\$17,172,289
Percentage of Total Annual Sales	41%	43%	41%	40%	39%	40%	39%	36%	35%	37%

City of Stillwater, Oklahoma
Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands)

Legal Debt Margin Calculation for Fiscal Year 2015:

Net assessed valuation	\$304,455
Allowable debt of nonpublic utility bonds, limited by State Constitution, Article 10, Section 26, to 10% of net assessed valuation	\$30,446
Less - Debt applicable to debt limit:	
Municipal/police building general obligation bonds	(4,725)
Legal Debt Margin	\$25,721

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$21,511	\$23,381	\$24,971	\$26,522	\$27,825	\$27,005	\$26,819	\$27,618	\$28,873	\$30,446
Less - Total net debt applicable to limit	(11,410)	(10,620)	(9,830)	(9,040)	(9,086)	(8,248)	(7,359)	(6,476)	(5,598)	(4,725)
Legal debt margin	\$10,101	\$12,761	\$15,141	\$17,482	\$18,739	\$18,757	\$19,460	\$21,142	\$23,275	\$25,721
Total net debt applicable to the limit as a percentage of debt limit	53.0%	45.4%	39.4%	34.1%	32.7%	30.5%	27.4%	23.4%	19.4%	15.5%

City of Stillwater, Oklahoma
Direct and Overlapping Governmental Activities Debt (1) (2)
As of June 30, 2015
(in thousands of dollars)

Government Unit	Bonds Outstanding	Percentage Applicable to City of Stillwater Property Owners/Patrons	Estimate Share of Overlapping Debt
Debt repaid with property taxes			
Stillwater Independent School District #16 (3)	\$36,265	82.77%	\$30,016
Debt repaid with sales taxes			
Payne County Facilities Authority (3)	\$10,135	61.60%	6,243
Subtotal - overlapping debt			36,259
City of Stillwater direct debt	\$4,724	100.00%	4,724
Total direct and overlapping debt			\$40,983

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

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

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

**City of Stillwater, Oklahoma
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 Personal Income	Population	Total Debt per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases							
2006	\$11,410,000	\$19,185,018	\$14,009,350	\$1,563,305	\$46,167,673	\$1,925,139	2.4%	45,674	\$1,010.81		
2007	10,620,000	16,557,496	13,307,167	1,663,711	42,148,374	2,102,451	2.0%	46,383	908.70		
2008	9,830,000	13,824,750	18,606,464	1,030,812	43,292,026	2,306,093	1.9%	46,976	921.58		
2009	9,040,000	10,967,229	17,390,784	938,198	38,336,211	2,314,505	1.7%	47,653	804.49		
2010	9,085,959	7,989,348	17,914,992	1,904,495	36,894,794	2,402,414	1.5%	45,688	807.54		
2011	8,247,737	4,877,590	26,066,740	2,127,695	41,319,762	2,523,379	1.6%	46,048	897.32		
2012	7,359,342	1,605,608	27,159,609	2,347,169	38,471,728	2,836,935	1.4%	46,560	826.28		
2013	6,476,120	0	25,779,455	3,233,271	35,488,846	2,878,256	1.2%	47,186	752.11		
2014	5,597,899	0	23,692,419	2,442,643	31,732,962	**	**	**	655.56		
2015	4,724,678	68,211,090	20,666,471	3,257,684	96,859,923	**	**	**	**		

** Data not available at time of publication

**City of Stillwater, Oklahoma
Ratio Of General Bonded Debt to Assessed Values
And Per Capita Bonded Debt
Last Ten Fiscal Years**

Fiscal Year	GENERAL OBLIGATION BONDS Governmental Activities	Total Primary Government	Accumulated Resources Restricted to repayment of General Bonded Debt	Net General Bonded Debt	Population	Net Bonded Debt per Capita	Total Estimated Actual Value (in thousands of dollars)	Net Bonded Debt per \$1,000 of Assessed Value
2006	\$11,410,000	\$11,410,000	\$168,999	\$11,241,001	45,674	\$246.11	\$1,774,711	\$6.33
2007	10,620,000	10,620,000	96,746	10,523,254	46,383	226.88	1,932,553	5.45
2008	9,830,000	9,830,000	129,488	9,700,512	46,976	206.50	2,097,439	4.62
2009	9,040,000	9,040,000	279,996	8,760,004	47,653	183.83	2,236,947	3.92
2010	9,085,959	9,085,959	245,659	8,840,300	45,688	193.49	2,373,184	3.73
2011	8,247,737	8,247,737	384,409	7,863,328	46,048	170.76	2,487,570	3.16
2012	7,359,342	7,359,342	320,160	7,039,182	46,560	151.19	2,414,474	2.92
2013	6,476,120	6,476,120	327,051	6,149,069	47,186	130.32	2,405,658	2.56
2014	5,597,899	5,597,899	316,318	5,281,581	48,406	109.11	2,475,991	2.13
2015	4,724,678	4,724,678	238,199	4,486,479	**	**	2,586,096	1.73

*** Data not available at time of publication

City of Stillwater, Oklahoma
Pledged Revenue Coverage (1)
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Utility Operating Revenues			Less: Operating Expenses		Net Available Revenue	2007 and 2010 Revenue Notes (2)			2007 and 2010 Revenue Notes (2)		
	Utility Operating Revenues	Operating Expenses	Net Available Revenue	Principal	Interest		Coverage	Pledge Transportation Sales Tax	Principal	Interest	Coverage	
2006	\$51,969	\$34,324	\$17,645	\$2,998	\$912	4.51	\$0	\$0	\$0	0		
2007	55,757	37,841	17,916	3,327	955	4.18	0	0	0	0		
2008	56,463	35,929	20,534	3,441	870	4.76	929	0	0	0		
2009	56,241	35,762	20,479	3,576	774	4.71	1,644	495	326	2.00		
2010	58,601	37,250	21,351	3,660	666	4.94	1,576	645	197	1.87		
2011	63,906	40,692	23,214	3,808	613	5.25	1,646	1,270	269	1.07		
2012	68,779	42,063	26,716	4,015	582	5.81	1,712	1,615	270	0.91		
2013	68,835	39,663	29,172	2,654	520	9.19	1,876	1,675	223	0.99		
2014	77,396	42,098	35,298	1,190	481	21.12	2,093	1,740	174	1.09		
2015	78,625	45,920	32,705	1,190	2,281	9.42	2,050	1,805	123	1.06		

(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**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Public safety	189.5	188.0	193.0	193.0	199.0	196.0	194.0	197.0	199.0	202.5
Recreation and culture	91.6	102.0	93.8	87.8	75.5	67.0	56.3	72.3	80.5	67.3
General government	27.8	25.0	38.0	40.5	38.0	33.0	36.5	45.0	56.5	50.3
Financial administration	13.0	13.5	15.0	15.0	15.0	13.0	16.0	18.5	14.8	17.0
Street and sewers	28.0	22.0	33.0	35.0	37.5	35.0	37.3	26.0	26.0	29.0
Engineering and public works administration	22.5	28.0	17.0	14.5	9.5	6.0	4.0	11.0	6.0	6.0
Health and welfare	19.0	18.0	23.0	15.0	22.0	19.0	18.3	16.5	18.0	20.0
Business-type activities:										
Electric, water and wastewater operations	137.8	130.0	138.5	132.1	137.3	128.0	136.0	142.3	146.8	158.3
Sanitation operations	35.0	30.0	34.5	31.0	37.5	31.0	29.5	30.0	30.0	29.0
Stillwater Public Golf Authority (1)	21.0	19.5	21.0	20.0	20.0	0.0	0.0	0.0	0.0	0.0
Airport Operations	5.0	5.0	5.0	6.0	5.5	5.0	5.0	5.3	5.8	5.8
Total	590.2	581.0	611.8	589.9	596.8	533.0	532.9	563.8	583.3	585.0

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

**City of Stillwater, Oklahoma
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
Recreation and culture										
Athletic fields	24	24	24	24	24	24	24	24	23	23
Tennis Courts	14	14	10	10	10	10	10	10	10	7
Neighborhood/community parks	24	24	22	22	22	22	22	22	22	22
Lakeside Golf Course - acreage	160	160	160	160	160	160	160	160	160	160
Street and sewers										
Streets (miles)	297	230	230	526	531	526	526	532	532	442
Traffic signals	53	61	61	61	61	60	60	62	64	65
Business-type activities:										
Electric, water, wastewater										
Power plants	1	1	1	1	1	1	1	1	1	1
Substations	8	8	8	8	8	8	8	8	8	8
Miles of 69KV line	20.9	20.9	20.9	20.1	20.1	20.1	20.1	20.2	20.8	21.3
Water										
Water Plant	1	1	1	1	1	1	1	1	1	1
Water storage towers (away from plant)	4	5	5	5	5	5	5	5	6	6
Wastewater										
Wastewater Plant	1	1	1	1	1	1	1	1	1	1
Lift Stations	15	15	15	15	15	15	15	15	15	15

Sources: Various City departments

**City of Stillwater, Oklahoma
Operating Indicators by Function/Program
Last Ten Fiscal Years**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Public safety										
Traffic citations	5,700	5,075	5,010	4,196	4,018	3,468	2,481	3,065	2,779	2,574
Parking tickets	14,000	13,662	11,601	13,662	16,493	17,076	13,419	16,610	14,709	11,135
Police calls for service	44,697	39,841	33,810	43,713	42,136	44,683	43,518	33,213	31,548	33,241
Animals handled by Animal Welfare	4,034	738	2,434	2,208	2,434	2,530	2,387	2,398	2,465	2,081
Fire calls for service	1,517	1,632	1,447	1,520	1,544	1,948	1,927	4,077	4,130	4,453
Ambulance calls for service	3,512	3,971	3,574	4,026	3,939	4,268	0	0	0	0
Recreation and culture										
Acres mowed (1)	8,532	11,552	11,240	8,296	7,493	5,735	5,735	5,490	5,490	4,829
Program participants	6,303	7,490	2,296	6,030	4,765	5,046	4,987	5,100	2,618	1,990
Senior Center daily average attendance	67	60	70	42	34	40	40	22	25	63
Multi Arts participants (2)	2,978	2,236	6,000	6,000	6,000	6,200	4,700	0	0	0
Swimming pool admissions	17,342	18,094	18,056	15,280	16,759	12,859	12,356	10,804	10,840	11,431
Lakeside golf course - rounds of golf	31,218	25,717	25,088	24,515	25,577	29,247	29,764	31,237	29,563	27,651
Mini bus rides (3)	15,554	9,699	4,390	1,974	516	0	0	0	0	0
Volumes in library	**	**	91,674	95,219	97,555	100,119	110,918	110,728	111,072	101,941
Total circulation of library materials	372,998	349,502	340,421	364,243	370,043	369,340	369,191	360,423	353,860	362,895
General government										
Supported micro-computers by IT	411	407	430	421	468	511	590	450	450	450
Helpdesk/trouble calls by IT	2,122	1,858	2,547	2,084	2,429	2,785	3,355	2,500	2,100	2,050
Ordinances drafted	**	35	35	36	32	35	37	52	35	35
Financial administration										
Computer generated accounts payable checks	4,262	4,123	2,963	2,888	3,382	3,945	2,598	2,218	2,399	2,374
Budget revisions/amendments processed	430	325	328	388	428	325	274	317	289	271
Requisitions reviewed	1,902	1,608	1,709	1,794	1,541	1,355	1,231	1,228	1,639	1,515
Municipal court cases	11,000	10,008	10,318	9,289	7,815	8,165	6,880	7,568	7,263	6,532
Street and sewers										
Blocks of striping (4)	89	96	82	103	76	8,755	80	80	31,680	54,269
Signs made	270	305	159	346	571	251	1,142	814	736	250
Crack sealant (blocks) (5)	68	252	10,765	143	117	216	0	49	6,237	16,475
Slurry sealant (blocks)	74	72	23	8	39	29	26	40	0	8
Concrete replacement (cu. yds.)	900	758	834	1,162	1,207	1,714	1,229	1,169	1,252	1,425
Engineering and public works administration										
Developments reviewed	201	140	95	69	39	80	52	73	66	66
Permits issued	3,494	3,478	3,047	2,650	2,963	3,406	4,116	3,285	3,124	2,784
Vehicles maintained	293	323	340	346	271	305	362	494	539	573
Fleet job orders completed	3,085	3,388	3,619	3,789	3,721	3,754	3,848	4,284	4,540	5,095
Health and welfare										
Code enforcement inspections	7,584	8,595	3,163	4,722	4,975	5,574	5,638	7,059	8,114	6,061
High grass and weed cases	593	490	746	373	1,055	1,076	266	40	309	635
Trees and shrubs planted	197	54	22	94	56	0	70	50	42	42

City of Stillwater, Oklahoma
Operating Indicators by Function/Program
Last Ten Fiscal Years
(continued)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities										
Electric, water and wastewater operations										
Electric connections	19,800	18,338	19,605	20,580	20,338	20,208	20,856	21,399	20,336	20,624
Water connections	14,932	15,274	16,200	16,654	16,312	16,218	16,390	16,256	16,607	17,015
Water line repairs (6)	292	281	272	176	85	900	252	349	340	300
Water treated (million gallons)	3,079	**	2,604	2,567	2,338	2,282	2,438	2,407	2,321	2,400
Sewage treated (million gallons)	2,277	1,940	2,035	1,957	2,048	1,648	1,651	1,825	1,905	1,799
Sanitation operations										
Landfill usage (tons)	20,002	22,884	21,000	19,602	18,986	19,713	18,631	18,605	18,602	18,602
Yard waste hauled (tons)	961	1,198	1,183	1,135	1,002	1,403	1,021	1,071	1,040	1,040
Community Center operations										
Admissions	107,228	104,129	118,310	130,141	131,202	118,082	132,251	137,541	159,548	138,807
Airport Operations										
Operations (avg month)	5,912	6,292	**	5,976	4,324	4,994	4,885	4,945	4,911	5,526

**unavailable

- (1) Acres mowed times number of mowings.
- (2) Operation of the Multi Arts programming assumed by the Friends of the Multi Arts Center, Inc. on May 1, 2012
- (3) Mini bus program ended March 2010
- (4) Measured in ft. in 2011
- (5) Measured in lbs. in 2008
- (6) 2006-2010 includes water main repairs only. Beginning in 2011, both water main and service line repairs are included.

Sources: Various City departments

**City of Stillwater, Oklahoma
Principal Employers (2)
Current Year And Nine Years Ago**

Employers	CURRENT YEAR			NINE YEARS AGO		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Oklahoma State University	4,882	1	20%	5,478	1	28%
Stillwater Medical Center	929	2	4%	755	4	4%
Stillwater Public Schools	811	3	3%	756	3	4%
City of Stillwater	587	4	2%	590	5	3%
Wal-Mart (1)	399	5	2%	523	6	3%
OK State Dept. of Career Tech	229	6	1%	356	9	2%
National Standard	200	7	1%	244		1%
Stillwater Designs/Kicker Audio	186	8	1%	211		1%
OnCue Marketing	165	9	1%	470	8	2%
Stillwater National Bank	145	10	0.6%	237		1%
Stan Clark Companies (1)	140			500	7	3%
Mercury MerCruiser	0			935	2	5%
Quebecor World/Quad Graphics	0			310	10	2%
Others:						
Meridian Technology Center	130					
Armstrong World Industries	112					
Frontier Electronics	101					
Nomadics, Inc./ICX Technologies	55					
Stillwater Milling	61					

(1) Although these employers were in business nine years ago, employee counts for retail employers for that time period is not readily available.

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

**City of Stillwater, Oklahoma
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Personal Income (in thousands) of dollar) (2)	Per Capita Personal Income	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			
2006	45,674	1,925,139	24,911			5,560	23,748	5.0%	
2007	46,383	2,102,451	27,050			5,460	23,486	4.8%	
2008	46,976	2,306,093	29,290			5,489	23,564	4.3%	
2009	47,653	2,314,505	29,030			5,596	23,719	6.3%	
2010	45,688	2,402,414	31,021	23.9	92.5%	5,780	24,018	5.8%	
2011	46,048	2,523,379	32,356	24.1	93.3%	5,960	24,622	5.9%	
2012	46,560	2,836,935	36,186	23.7	93.4%	6,061	25,623	5.1%	
2013	47,186	2,878,256	37,146	**	94.0%	6,147	26,312	5.5%	
2014	48,406	**	**	**	**	6,212	27,974	4.8%	
2015	**	**	**	**	**	6,285	28,030	4.2%	

** 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) 2007 population estimate reflects the acceptance of the City's estimate challenge by the U.S. Census Bureau.
- (3) 2006 through 2010 personal income estimates provided by U.S. Department of Commerce.
- (4) 2011 through 2012 personal income estimates provided by U.S. Department of Commerce.
- (5) 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.



CITY OF STILLWATER
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015



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