



**SPECIAL MEETING AGENDA  
CITY OF STILLWATER AUDIT COMMITTEE  
DECEMBER 18, 2024  
11:00 AM  
Norman McNickle Municipal Complex, Room 1112B  
723 S Lewis Street  
Stillwater, OK 74074**

- 1. Call Meeting to Order
- 2. Introduction of Members, External Auditors and City Staff
- 3. Public Comment

Stillwater City Code, Section 2-53(a) & (b), provides that taxpayers or residents of the city or their authorized legal representatives may address the Audit Committee at a regularly scheduled meeting on any item of business listed on the meeting agenda provided they have submitted a written request prior to the meeting either online at Request to speak form or via the form found in the lobby prior to meetings.

4. General Orders

The Audit Committee will discuss and take action at this meeting (including a vote or series of votes) on each item listed under General Orders unless the agenda entry specifically states that no action will be taken.

a.	Approval of minutes of the October 30, 2024 special meeting
b.	Receive auditor communication and consider recommendation to the City Council to accept the Annual Comprehensive Financial Report for the City of Stillwater for the fiscal year ended June 30, 2024.
c.	Receive auditor communication and consider recommendation to the City Council to accept the Single Audit Report for the fiscal year ended June 30, 2024.
d.	Receive auditor communication and consider recommendation to the City Council to accept the Passenger Facility Charge Program Audit for fiscal year ended June 30, 2024.
e.	Discuss spring meeting date to provide a pre-audit update and to recommend audit firm selection to City Council (no action will be taken on this item).

5. Adjourn

**NOTE: The Audit Committee may take action including a vote or series of votes on all items listed on this agenda unless the item specifically indicated that no action will be taken.**

**The City of Stillwater encourages participation from all its citizens. If participation at any public meeting is not possible due to a disability, please notify the City Manager's office at least 48 hours prior to the meeting by calling 405-742-8243.**

**On December 16, 2024 @ 11:50 a.m., a true and correct copy of this agenda was posted on the kiosk outside City Hall, 723 S Lewis Street, Stillwater, OK.**

IN ACCORDANCE WITH THE OKLAHOMA OPEN MEETING LAW, THE AGENDA WAS POSTED  
October 25, 2024 AT 11:15 A.M. AT THE MUNICIPAL BUILDING,  
723 SOUTH LEWIS, STILLWATER, OKLAHOMA

MEETING MINUTES  
CITY OF STILLWATER AUDIT COMMITTEE  
October 30, 2024 at 11:00 a.m.  
Norman McNickle Municipal Complex - Room 1112B  
723 South Lewis Street  
Stillwater, OK 74074

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**1. Call Meeting to Order**

Meeting was called to order by Chair Kelly Cox at 11:00 am.

**2. Introduction of Members and City Staff**

Members present: Chair Kelly Cox, Austin Pollard, Rachel Domnick, Les Austin

Ex-officio members present: Councilor Kevin Clark, Assistant City Manager and Finance Director Christy Cluck, Interim City Manager Brady Moore

Members absent: Randy Murray

City staff present: Jared Thulin, Ashlyn Garis

Audit staff present: Brett Carnes and Andy Cromer, HSPG & Associates

**3. Public Comment**

No public comment.

**4. General Orders**

- a. Approval of minutes of the December 11, 2023 special meeting.

Austin Pollard made a motion to approve the minutes as presented. Motion was seconded by Rachel Domnick.

Cox – yea, Austin – yea, Pollard – yea, Domnick – yea. Motion carried 4-0.

- b. Receive auditor communication and consider recommendation to the Trustees to accept the financial report for the Stilwater Utilities Authority for the fiscal year ended June 30, 2024.

Brett Carnes reviewed the opinion letter, report on internal controls and auditor communication letter. Carnes explained the responsibilities of an external auditor, the procedures used in the audit and reported that the financial report for the Stillwater Utilities Authority (SUA) was presented fairly in all material respects according to Generally Accepted Accounting Principles and therefor was issued an unmodified audit opinion. Carnes noted that a finding related to power plant inventory was identified during the course of the audit and is reported in the Yellow Book Report and the auditor communication letter. Christy Cluck discussed management's response to the finding and the actions that will be taken to

strengthen controls so that this type of error does not happen in the future. Management's response is included in the Yellow Book Report.

Carnes opened for questions. Staff and members addressed and discussed questions regarding the SUA financial report.

Austin Pollard made a motion to recommend to the Trustees to accept the financial report for the Stillwater Utilities Authority for the fiscal year ended June 30, 2024. Motion was seconded by Rachel Domnick.

Cox – yea, Austin – yea, Pollard – yea, Domnick – yea. Motion carried 4-0.

- c. Discuss December meeting date to review City of Stillwater Annual Comprehensive Financial Report (no action will be taken on this item).

Christy Cluck anticipates a meeting in early December to review the City of Stillwater Annual Comprehensive Financial Report. She asked that members look at their calendars and send her any black-out dates since this is in the midst of the holiday season when scheduling meetings can be difficult.

## 5. Adjourn

Rachel Domnick made a motion to adjourn. Austin Pollard seconded the motion.

Cox – yea, Austin – yea, Pollard – yea, Domnick – yea. Motion carried 4-0.

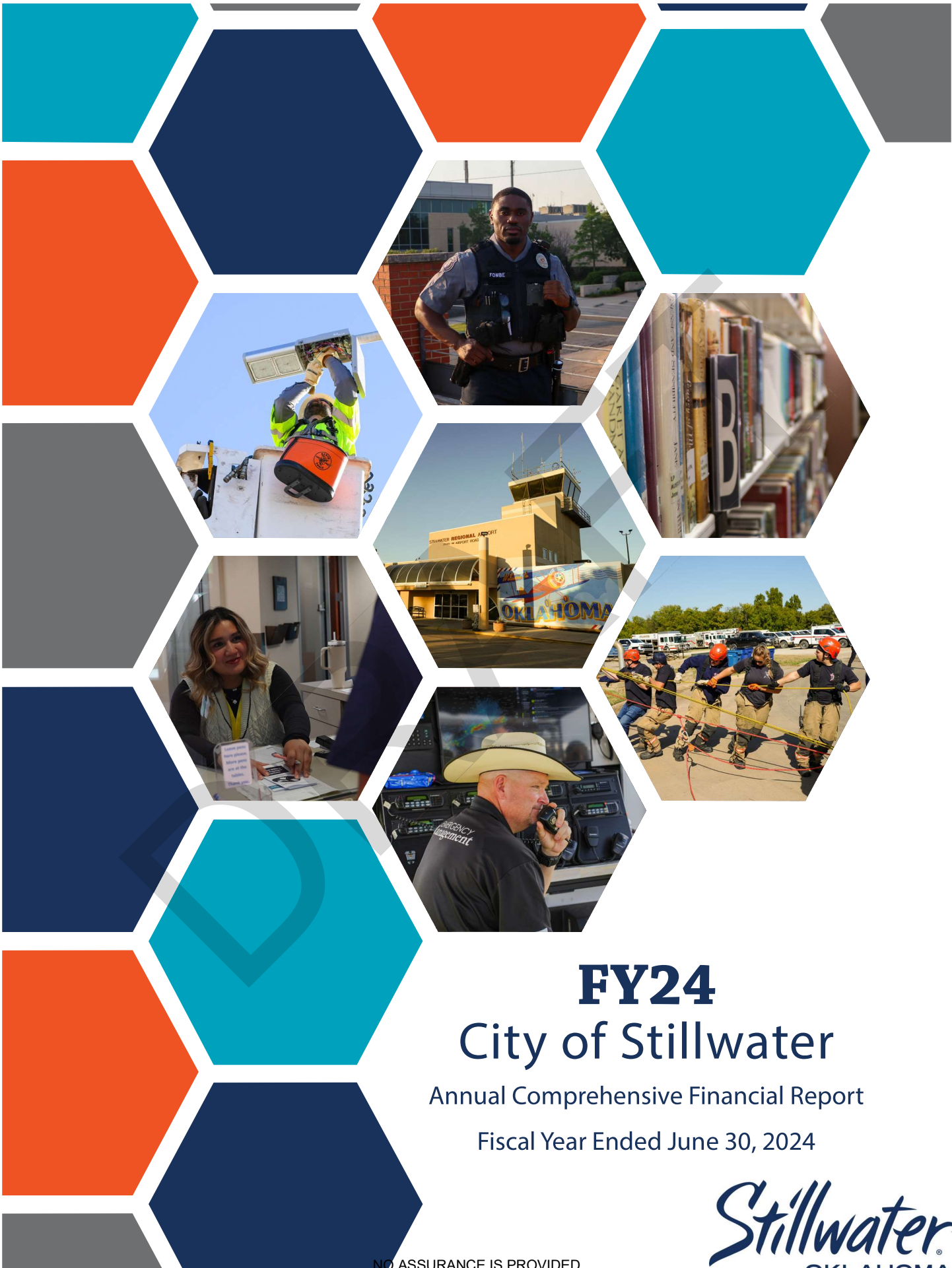
Meeting adjourned at 11:44 am.

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Kelly Cox, Chair

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Christy Cluck, Assistant City Manager  
and Finance Director



# FY24 City of Stillwater

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024

*Stillwater*  
OKLAHOMA

stillwaterok.gov

# Transportation

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



All photos included ©2024 City of Stillwater. All rights reserved.

NO ASSURANCE IS PROVIDED

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# ANNUAL COMPREHENSIVE FINANCIAL REPORT

And Accompanying Independent Auditor's Report  
Fiscal Year Ended June 30, 2024

*Prepared by:*  
Department of Finance

Christy Cluck,  
Director of Finance

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stillwaterok.gov

# Strickland Park

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

To see a list of other parks and community spaces, go to: [Stillwaterok.gov/parks](http://Stillwaterok.gov/parks).

Also, Block 34 will be open in the fall of 2025!



NO ASSURANCE IS PROVIDED

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 ANNUAL COMPREHENSIVE FINANCIAL REPORT  
 Fiscal Year Ended June 30, 2024

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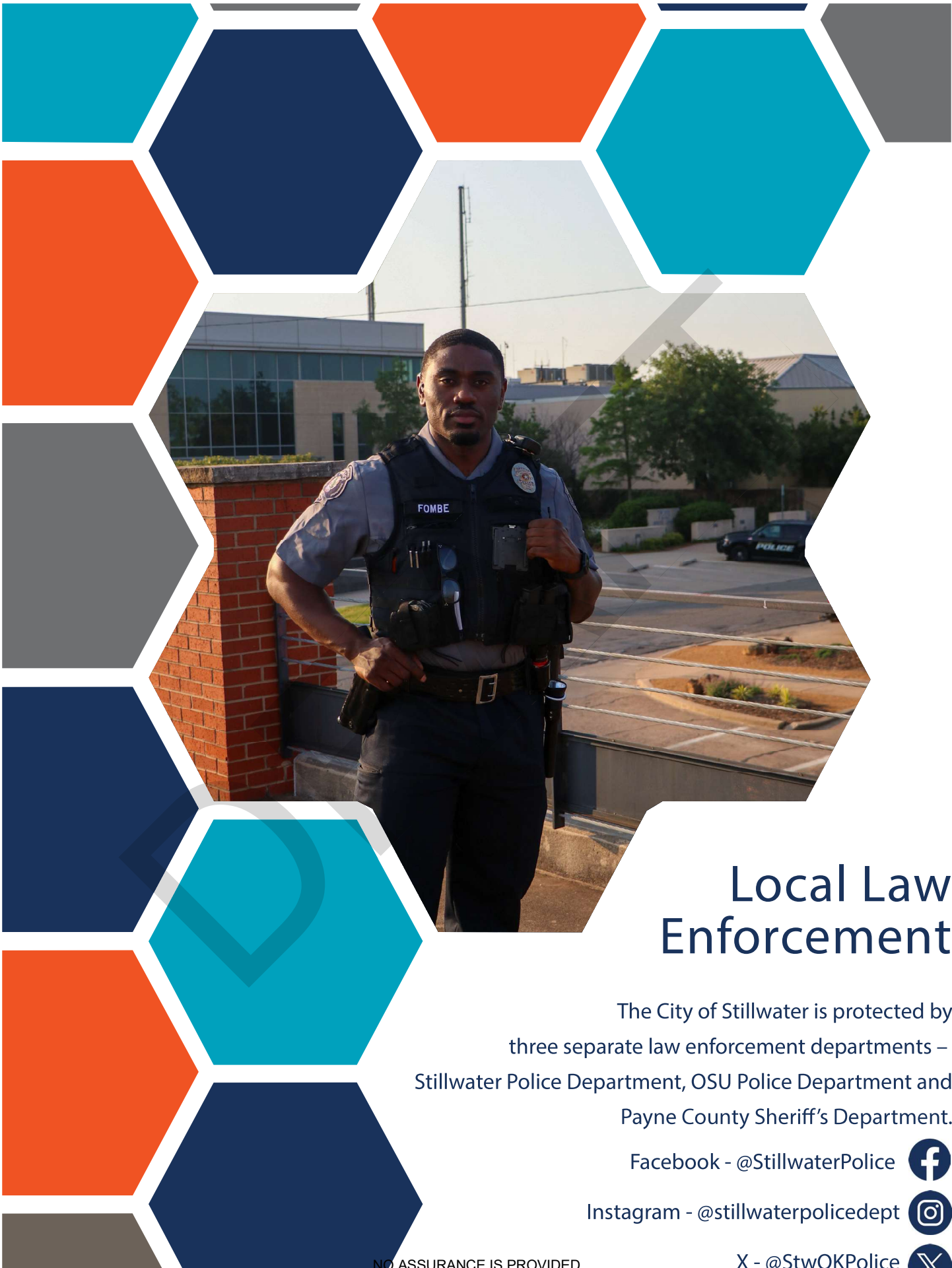
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# INTRODUCTORY SECTION

DRAFT


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# Local Law Enforcement

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

Facebook - @StillwaterPolice 

Instagram - @stillwaterpolicedept 

X - @StwOKPolice 

NO ASSURANCE IS PROVIDED

**LETTER OF TRANSMITTAL**

Date: December XX, 2024

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

The annual comprehensive financial report of the City of Stillwater (the “City”), for the fiscal year ended June 30, 2024, is submitted herewith. This report was prepared by the City’s Department of Finance. Management assumes full responsibility for the completeness and reliability of the information contained in this report based on a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Management believes the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City in accordance with accounting principles generally accepted in the United States of America and, accordingly, all disclosures necessary to enable the reader to gain the maximum understanding of the City’s financial affairs have been included.

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

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

The independent audit firm, HSPG & Associates (HSPG), was selected by the City Council upon recommendation from the City’s Audit Committee to perform the fiscal year 2024 audit. HSPG

issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2024. The independent auditor’s report is located at the front of the financial section of this report. The independent auditor’s reports related specifically to the Single Audit are included in a separately bound Single Audit supplement.

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

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

## **PROFILE OF THE CITY OF STILLWATER**

The City of Stillwater, located in north central Oklahoma, is a municipal corporation organized in 1891 under a Municipal Charter pursuant to Article XVIII of the Constitution and laws of the State of Oklahoma. The City currently has a land area of 28 square miles and a population of approximately 50,000. Located in Payne County, the City serves as a regional center for shopping, entertainment, health care, and education. Stillwater is home to Oklahoma State University.

## **GOVERNMENTAL STRUCTURE**

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

## **TYPES OF SERVICES PROVIDED AND REPORTING ENTITY**

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

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

## **THE BUDGET CYCLE**

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

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

The following process is required to adopt the annual budget:

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

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

The administrative level of budgetary control is maintained at the character classification level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. The legal level of control at which expenditures and encumbrances may not exceed

appropriations is at the department level within each fund. The method of budget adoption and amendment process is described in the Notes to RSI in the financial section of this report.

## STILLWATER'S ECONOMY AND REVENUE OUTLOOK

The City has a diverse economy with a high degree of stability. Stillwater is the county seat for Payne County and houses other governmental entities and educational centers that provide a stable labor force. Oklahoma State University is the City's largest employer, and the city is also the headquarters for the Oklahoma Department of Career and Technology Education and the Meridian Technology Center. Employment in the federal, state and local government sectors account for approximately 30% of local wage and salary jobs. In addition, manufacturing and advanced technology companies, health care services, and retail trade and food service cover a large share of the local economic base. Stillwater's cost of living remains well below the U. S. average.

In fiscal year 2024, commercial construction projects included expansion of the Stillwater Medical Center with a newly completed Residency Area for physicians and portions of the 1<sup>st</sup> and 2<sup>nd</sup> Floor for ICU, Surgery and Maternity Ward, additional warehouse facilities in the northeast industrial area of Stillwater, additional medical offices along 12<sup>th</sup> Avenue, development of apartment mixed use on The Strip, continued remodel of existing restaurant/food businesses and vacant buildings for new commercial uses. Residential home construction continues to grow with over 180 homes permitted for construction, and infill redevelopment continues with removal of blighted properties for new single family, duplex and tri-plex residential structures.

As with all Oklahoma municipalities, sales tax is the primary source of revenue to the general fund. Stillwater's local sales tax rate for the period ending June 30, 2024 was 4% with 1% dedicated to transportation, 1% dedicated to the Stillwater Utilities Authority, and 2% undedicated to the general fund. Over the last five fiscal years, sales and use taxes combined have averaged \$38.3 million. This average includes the dedicated sales tax of 2%. Sales and use tax collections combined have been stable with an average annual growth of 8.3%. Fiscal year 2024 saw stabilization in the growth of sales and use tax with 1.0% growth over fiscal year 2023.

## MAJOR INITIATIVES

**Infrastructure:** In fiscal year 2024, the City completed design of a new 31,000 square foot terminal at Stillwater Regional Airport. The new terminal replaces a building constructed in 1952 that was retrofitted in 2016 for the launch of commercial air service. The project is being funded in large part by grants from the Federal Aviation Administration and Oklahoma Department of Aerospace and Aeronautics. Construction began in October 2024 with completion anticipated in August 2026.

In April 2022, the voters approved a \$9.0 million general obligation bond for the relocation and construction of Fire Station #2. The current Fire Station #2 was built in the 1930s and no longer meets the needs of a modern fire station. Construction began in fiscal year 2024 with completion anticipated in spring 2025.

Progress continues in the area of repair, replacement and expansion of roads, sidewalks and alternative transportation lanes which is funded by a 1.0% sales tax dedicated to transportation improvements by Stillwater voters in February 2022. During fiscal year 2024, projects under construction included the 7<sup>th</sup> Avenue reconstruction, Airport Road reconstruction, 9<sup>th</sup> and Duncan reconstruction and drainage improvements, and several deferred maintenance projects.

In recent years the City has evaluated its raw water supply, treatment and finished water conveyance systems to determine what is required to continue meeting the needs of current customers and to accommodate continued growth and economic development in our city. To meet anticipated needs throughout the next 50 years, an increase in system capacity from 18 to 30 million gallons per day will be necessary and the drinking water system will require 1) a new finished water pump station, 2) a new backup raw water supply system from Lake McMurry, 3) rehabilitation of the 36-inch raw water transmission line with the addition of parallel sections, 4) expansion of the Kaw Lake raw water system and 5) rehabilitation and expansion of the water treatment plant. These projects are estimated at \$190-225 million. The City has identified funding for a portion of the projects and design was underway in fiscal year 2024 for the most urgent needs. To fully fund the projects, a review of utility rates was completed in fiscal year 2024 and a five-year rate schedule was adopted by the SUA Trustees on November 6, 2023. Evaluation and pursuit of grant opportunities to fund these improvements is also underway. As of June 30, 2024, nearly \$17.0 million in federal funds have been awarded for these projects.

**Economic Development:** Stillwater serves as a regional hub for education, health care and commerce. The City is committed to broadening the offerings in these areas along with providing quality jobs for a skilled workforce by attracting manufacturing and entrepreneurial business to Stillwater. During fiscal year 2024, the City Council approved a multi-million dollar project under the Tax Increment Financing District #3 (TIF#3) Project Plan for a dining establishment in the downtown area and awarded two small business enhancement grants to local businesses in the TIF#3 project area for exterior façade improvements. Groundbreaking for The HUB was held in May 2024 which will be a 60,000 square foot family entertainment center that will include pickleball courts, movie theaters, bowling lanes, arcade games, meeting rooms, a sports bar and a food venue.

Stillwater has also experienced an uptick in interest from large scale industries to locate here which would support high paying, quality jobs in the community along with increases in tax base and utility revenues. One of those industries, Kingspan Roofing + Waterproofing, announced in September 2024 the opening of its new location in Stillwater where they will manufacture and supply commercial low slope roofing solutions. The new manufacturing facility is projected to generate more than 100 new jobs for the community.

**Quality of Life:** Progress continued in fiscal year 2024 in the area of quality of life for the Stillwater community. Donors came forward in fiscal year 2022 to fund an event space on Block 34, a city block in downtown Stillwater, which will include a public green space, pavilion and amphitheater. Block 34 is destined to be a central gathering place with programming to include concerts and family centered activities. Construction began in fiscal year 2024 with completion expected in Spring 2025.

Interlaced, a new public art piece, was installed in December 2023 at the corner of 6<sup>th</sup> Avenue and Western Road. Measuring 16 feet high, 30 feet wide and 15 feet deep, it provides a welcome at one of the city’s busiest intersections and represents Stillwater’s somewhat transient nature as a college town while also recognizing Stillwater’s strong sense of community. The project was made possible through a series of private donations.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied accounting principles generally accepted in the United States of America and applicable legal requirements.

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

## **ACKNOWLEDGEMENTS**

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

Respectfully submitted,

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Brady Moore  
Interim City Manager

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Christy Cluck  
Assistant City Manager and  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Stillwater  
Oklahoma**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

## CITY OFFICIALS AND AUDIT COMMITTEE

### Mayor and City Council

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### Audit Committee

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KELLY COX  
Committee Chair

RANDY MURRAY  
Member

RACHEL DOMNICK  
Member

AUSTIN POLLARD  
Member

KEVIN CLARK  
Ex-Officio  
Council Member

### City Administration

---

BRADY MOORE  
City Manager

CHRISTY CLUCK  
Assistant City Manager/  
Director of Finance

CHRISTY DRISKEL  
Assistant City Manager/  
Director of Human Resources

TERESA KADAVY  
City Clerk

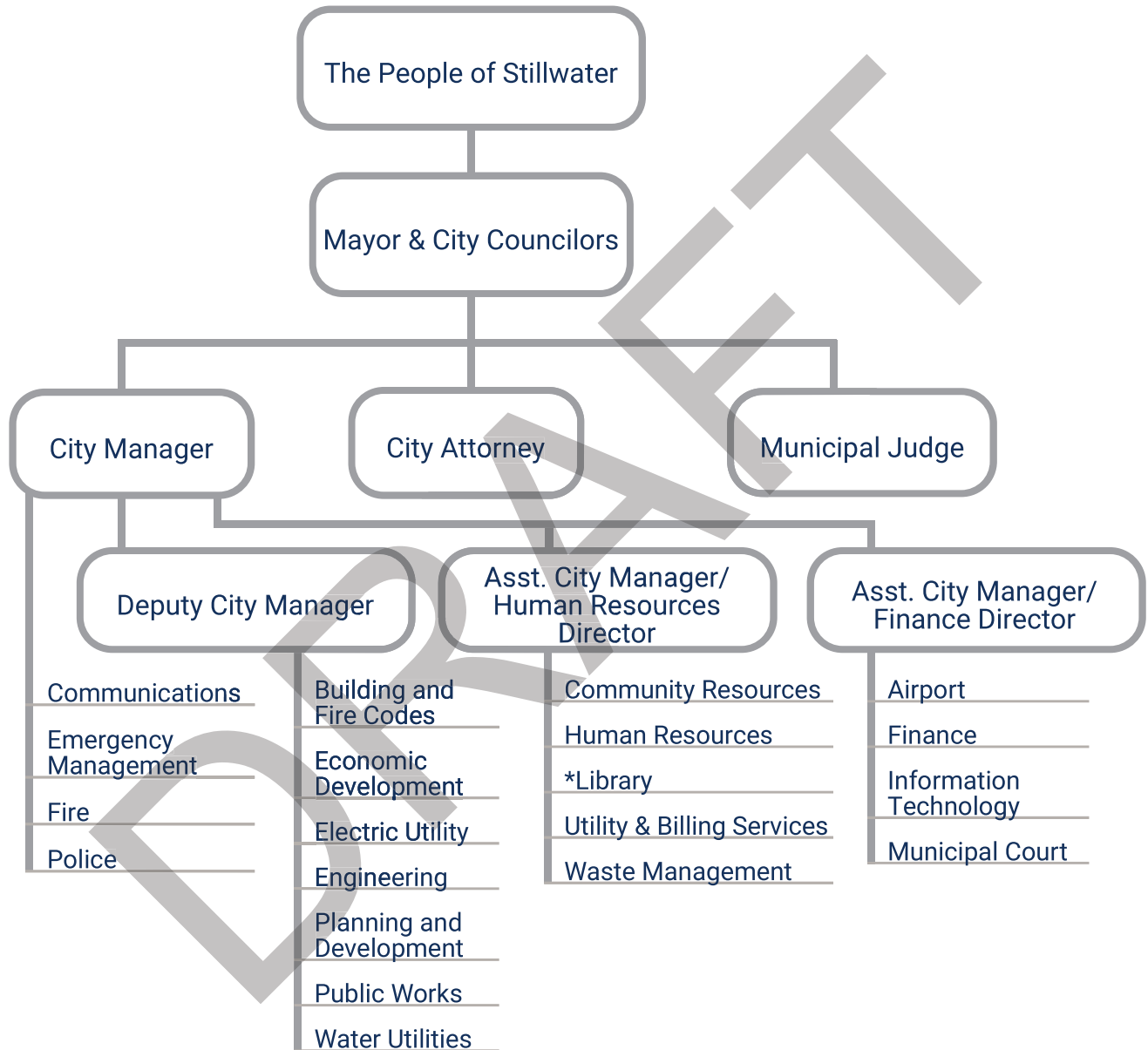
### Department of Finance

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JARED THULIN  
Accounting Manager

MICHELLE WILHELM  
Finance Manager

ORGANIZATION CHART – GENERAL GOVERNMENT



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

# Community Storm Debris Cleanup

In June 2023, Stillwater experienced severe weather that resulted with more than 70 tons of debris collected from the end of June through July. The all-time highest amount of debris collected may have been after the October 2020 ice storm with more than 2,490 tons collected.



NO ASSURANCE IS PROVIDED

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# FINANCIAL SECTION

DRAFT

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stillwaterok.gov



# Stillwater Public Library

Facebook - @StillwaterOKLib 

Instagram - @StillwaterOKLib 



INDEPENDENT AUDITOR’S REPORT

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

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stillwater, Oklahoma (the “City”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Stillwater Medical Center Authority (the “Authority”), the City’s discretely presented component unit, as of June 30, 2024, and the respective change in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the report of the other auditors.

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

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

HSPG & ASSOCIATES, PC

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

December 18, 2024

# Stillwater Fire Department



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#StwFire



NO ASSURANCE IS PROVIDED

## **Management's Discussion and Analysis Fiscal Year Ended June 30, 2024**

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, 2024. Please consider the information presented here in conjunction with the letter of transmittal in the Introductory Section of this report and the financial statements, which follow this management's discussion and analysis.

### **Overview of the Financial Statements in this Annual Report**

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

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

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

### **Government-wide Financial Statements**

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

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

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

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

1. Governmental activities – Most of the City's basic services are reported here, including police, fire, administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
2. Business-type activities – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's electric, water, wastewater, and waste management utilities are reported here, along with the airport.
3. Discretely-presented component unit – The City's report has one discretely presented component unit, the Stillwater Medical Center Authority. Although this is a legally separate entity, this "component unit" is important because the City is financially accountable for them in some way. The Stillwater Medical Center Authority is a public trust of the City and the City is the beneficiary of the trust.

### **Fund Financial Statements**

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

1. *Governmental funds* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which recognizes revenues when "measurable and available." The governmental fund statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.
2. *Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are

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

**Notes to the Financial Statements**

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

**Net Position**

For the year ended June 30, 2024, the net position for the governmental activities and business-type activities changed as follows:

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Beginning net position	\$ 115,170	\$ 283,951	\$ 399,121
Increase	13,724	25,314	39,038
Ending net position	<u>\$ 128,894</u>	<u>\$ 309,265</u>	<u>\$ 438,159</u>

The above numbers reflect an increase of 11.9% 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 9.8% for this fiscal year.

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

CITY OF STILLWATER, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended June 30, 2024

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2022
<b>Assets:</b>						
Current and other assets	\$ 79,514	\$ 77,089	\$183,681	\$162,786	\$263,195	\$239,875
Capital assets	100,133	88,619	256,831	250,747	356,964	339,366
<b>Total assets</b>	<b>179,647</b>	<b>165,708</b>	<b>440,512</b>	<b>413,533</b>	<b>620,159</b>	<b>579,241</b>
Deferred Outflows	11,825	12,069	538	330	12,363	12,399
<b>Liabilities:</b>						
Long-term liabilities	44,473	47,103	115,817	114,436	160,290	161,539
Other liabilities	13,717	12,898	10,717	10,368	24,434	23,266
<b>Total liabilities</b>	<b>58,190</b>	<b>60,001</b>	<b>126,534</b>	<b>124,804</b>	<b>184,724</b>	<b>184,805</b>
Deferred Inflows	4,388	2,606	5,251	5,108	9,639	7,714
<b>Net position:</b>						
Net investment in capital assets	88,634	81,470	156,344	150,290	244,978	231,760
Restricted	30,752	26,852	3,502	3,097	34,254	29,949
Unrestricted	9,508	6,848	149,419	130,564	158,927	137,412
<b>Total net position</b>	<b>\$128,894</b>	<b>\$115,170</b>	<b>\$309,265</b>	<b>\$283,951</b>	<b>\$438,159</b>	<b>\$399,121</b>

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

The largest portion of the City's net position, 55.9%, reflects its investment in capital assets, less any related debt used to acquire those assets. Capital assets are items such as land, buildings, machinery and equipment, and infrastructure. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 7.8%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

## Changes in Net Position

Governmental activities increased the City's net position by \$13.7 million which contributed to a 3.4% increase of the net position of the City. Business-type activities increased the City's net position by \$25.3 million which contributed a 6.3% increase in the net position of the City. The following provides details of the increases:

The City of Stillwater's Changes in Net Position (expressed in \$ 000s)						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 3,422	\$ 5,476	\$ 99,066	\$ 103,182	\$ 102,488	\$ 108,658
Operating grants and contributions	4,146	1,018	472	1,214	4,618	2,232
Capital grants and contributions	6,380	2,878	8,606	6,174	14,986	9,052
General revenues:						
Sales and use taxes	45,332	44,867	-	-	45,332	44,867
Other taxes	6,591	5,843	-	-	6,591	5,843
Other general revenues	3,871	1,719	6,911	2,934	10,782	4,653
<b>Total revenues</b>	<b>69,742</b>	<b>61,801</b>	<b>115,055</b>	<b>113,504</b>	<b>184,797</b>	<b>175,305</b>
Program expenses:						
General government	7,767	7,424	-	-	7,767	7,424
Financial administration	1,070	861	-	-	1,070	861
Public safety	29,876	26,982	-	-	29,876	26,982
Streets and highways	11,370	8,728	-	-	11,370	8,728
Culture, parks and recreation	3,628	3,945	-	-	3,628	3,945
Health and welfare	1,265	1,126	-	-	1,265	1,126
Interest on long-term debt	491	617	-	-	491	617
Stillwater Utilities Authority	-	-	81,805	85,102	81,805	85,102
Business area development	-	-	2,491	2,011	2,491	2,011
Airport operations	-	-	5,996	6,693	5,996	6,693
<b>Total expenses</b>	<b>55,467</b>	<b>49,683</b>	<b>90,292</b>	<b>93,806</b>	<b>145,759</b>	<b>143,489</b>
Increase in net position before transfers	14,275	12,118	24,763	19,698	39,038	31,816
Net transfers	(551)	916	551	(916)	-	-
<b>Increase in net position</b>	<b>\$ 13,724</b>	<b>\$ 13,034</b>	<b>\$ 25,314</b>	<b>\$ 18,782</b>	<b>\$ 39,038</b>	<b>\$ 31,816</b>
Net position - beginning of year	115,170	102,136	283,951	265,169	399,121	367,305
<b>Net position - end of year</b>	<b>\$ 128,894</b>	<b>\$ 115,170</b>	<b>\$ 309,265</b>	<b>\$ 283,951</b>	<b>\$ 438,159</b>	<b>\$ 399,121</b>

**Governmental Activities:** Sales and use tax received in Fiscal Year 2024 increased from the prior year by \$0.4 million or 1.1%. Grants and contributions increased in Fiscal Year 2024 due to an increase in donations from developers and private citizens of items that were capital in nature, primarily streets for the Park Valley and Cedar Farms subdivisions, and donations for Block 34. In addition, capital grant revenue was recognized from American Rescue Plan Act (ARPA) funds as qualifying expenditures were incurred during the fiscal year. Public safety expenses increased by \$2.9 million, primarily due to an increase of \$2.8 million related to personnel expenses and workers compensation claims compared to Fiscal year 2023. Street expenses increased by \$2.6 million compared to Fiscal year 2023 due to increases in maintenance cost in 2024.

**Business-type Activities:** Charges for services of the business-type activities decreased \$4.1 million in 2024 primarily due to a \$2.4 million decrease in SUA operating revenue, which was the result of a decrease in electric power cost adjustment revenue. The increase of \$2.4 million in capital grants and contributions is due to \$2.4 million in contributed assets to the utility systems from developers.

### **Fund Financial Highlights**

The General Fund's fund balance decreased from Fiscal Year 2023 by \$1.0 million. This is due to overall increases in public safety personnel expenditure as well as increases in capital outlay. Intergovernmental revenues increased \$3.6 million due to the recognition of grant proceeds from the American Rescue Plan Grant. Miscellaneous revenues increased \$1.5 million due to donations and receipt of funds related to national Opioid Settlements.

The Transportation Sales Tax Fund received a transfer from the General Fund of a one-cent sales tax dedicated for transportation improvements. The Transportation Sales Tax Fund's fund balance increased from Fiscal Year 2023 by \$4.2 million due to the increase in the sales tax transfer of \$0.1 million, an increase in investment income of \$0.4 million, and the transfer from other funds for operations exceeding expenditures. Capital expenditures increased from the prior year by \$3.4 million, but did not exceed the amount of the sales tax transfer.

The City Capital Fund received a transfer of \$2.1 million for the purchase of capital and proceeds from the issuance of debt of \$2.2 million for the purchase of a new fire truck and computers for the City. Expenditures were for debt service on capital related debt and capital purchases.

The net position of the SUA has increased by \$22.6 million or 9.3% as the result of Fiscal Year 2024 operations.

The net position of the Airport Fund increased \$1.1 million or 3.0% due primarily to \$1.5 million in capital contributions.

### **General Fund Budgetary Highlights**

The City's adopted budget for Fiscal Year 2024 included revenues in the General Fund of \$48.9 million, which is an increase of \$2.2 million from Fiscal Year 2023 due to the increase in the sales tax revenue. Fiscal Year 2024 budgeted expenditures were more than the amounts approved in the previous year by \$2.9 million and remained focused on the delivery of core services. These core services are concentrated in the areas of public safety, street maintenance and recreation and culture. The differences between the original expenditure budget and the final amended expenditure budget amounted to \$22.9 million due to \$14.0 million in budget carryovers from Fiscal Year 2023 and \$4.0 million in ARPA funding being budgeted for projects.

The differences between the final budgeted revenue and actual revenue collections for Fiscal Year 2024 amounted to \$1.9 million under budget. This variance is attributable to the net effect of positive budget to actual variance in sales, use and other tax receipts and unrealized donation revenue.

The difference between the final budgeted expenditures and actual expenditures for Fiscal Year 2024 amounted to \$19.4 million under budget. This variance is largely due to incomplete capital projects at the end of the fiscal year that were subsequently re-appropriated in Fiscal Year 2025 and budgeted amounts for contingencies that were not utilized during the year.

### **Capital Assets**

At June 30, 2024, the City had \$357 million invested in capital assets including police and fire equipment, buildings, park facilities, water and wastewater lines, electric systems, and roads. The following is a summary of changes in capital assets for the year ended June 30, 2024. More detailed information on the City's capital asset activity can be found in Note I and Note III of the accompanying Notes to the Financial Statements.

CITY OF STILLWATER, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended June 30, 2024

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
	Land	\$ 17,560	\$ 17,092	\$ 2,504	\$ 2,504	\$ 20,064
Buildings	24,728	24,728	94,649	94,622	119,377	119,350
Other improvements	14,649	14,320	55,959	50,945	70,608	65,265
Equipment	33,382	30,720	88,945	87,217	122,327	117,937
Infrastructure	178,782	171,552	231,997	219,608	410,779	391,160
Intangible assets	-	-	1,604	1,604	1,604	1,604
Lease assets	94	122	47	37	141	159
Subscription-based IT assets (SBITA)	1,048	994	24	90	1,072	1,084
Construction-in-progress	18,872	13,215	31,995	31,995	50,867	45,210
	289,115	272,743	507,724	488,622	796,839	761,365
Less depreciation/amortization	188,982	184,124	250,893	237,875	439,875	421,999
<b>Totals</b>	<b>\$ 100,133</b>	<b>\$ 88,619</b>	<b>\$ 256,831</b>	<b>\$ 250,747</b>	<b>\$ 356,964</b>	<b>\$ 339,366</b>

**Debt Administration**

At June 30, 2024, the City had \$125.2 million in long term debt. These debts are further detailed in the chart below. More detailed information on the City's long-term debt activity can be found in Note III of the Notes to the Financial Statements.

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
	General obligation bonds, net	\$ 8,846	\$ 9,334	\$ -	\$ -	\$ 8,846
Direct obligation-notes payable	-	-	12,032	10,321	12,032	10,321
Lease obligations	61	59	26	15	87	74
Subscription-based IT obligations	314	550	8	46	322	596
Notes and bonds payable	5,922	5,167	97,733	98,593	103,655	103,760
Refundable grant obligations	-	-	222	204	222	204
<b>Totals</b>	<b>\$ 15,143</b>	<b>\$15,110</b>	<b>\$ 110,021</b>	<b>\$109,179</b>	<b>\$ 125,164</b>	<b>\$ 124,289</b>

### **Economic Factors and Next Year's Budget and Rates**

The City and its public trusts operate under conservative budgetary practices. Revenue is estimated using historical data and is adjusted based on current trends and economic performance. The sales and use tax budgets for Fiscal Year 2025 increased by \$2.5 million and \$0.5 million, respectively, to account for upward trends in overall sales and use tax collections. As of the date of this report, sales and use tax collected in Fiscal Year 2025 has been up 2 of the 5 months over the same periods in Fiscal Year 2024. Through November 2024, sales and use tax collections are down approximately \$79 thousand (-0.93%) from the same months in Fiscal Year 2024.

Cost of service studies for the electric, water, and wastewater utilities were completed and presented to the Authority's Board of Trustees in the Fall of 2023. The Authority approved resolutions 2023-040 and 2023-041 on November 6, 2023, adopting the initial rate increases recommended for electric, water, and wastewater effective January 1, 2024. These resolutions also adopted future rate increases for FY 2025 through FY 2028 based on the recommendations of the studies. The future rate increases will be effective each July 1st for water and wastewater and January 1st for electric for the years approved by the resolution

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

The budget includes a reserve for emergencies in the City's General Fund and electric, water, and wastewater utilities.

### **Contacting the City's Financial Management**

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



# Facilities Maintenance

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

– Brady Moore, Interim City Manager

CITY OF STILLWATER, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2024

**Statement of Net Position  
June 30, 2024**

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-type Activities	Total	Stillwater Medical Center Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 42,298,953	\$ 108,248,655	\$ 150,547,608	\$ 9,876,810
Investments	20,278,010	31,693,238	51,971,248	130,579,284
Accounts receivable, net of allowance	2,281,338	15,000,313	17,281,651	41,496,013
Opioid settlement receivable	2,090,174	-	2,090,174	-
Internal balances	2,955,025	(2,955,025)	-	-
Interest receivable	218,800	138,705	357,505	-
Other receivable	-	-	-	2,411,122
Inventory	35,477	7,108,242	7,143,719	8,132,269
Prepaid items	69,180	29,626	98,806	-
Intergovernmental receivable	8,433,928	1,843,276	10,277,204	-
Leases receivable	260,520	4,607,420	4,867,940	-
Other assets	-	-	-	3,912,037
Restricted cash and cash equivalents	-	5,593,674	5,593,674	-
Restricted investments	-	4,863,705	4,863,705	340,000
Installment loans receivable	-	7,509,320	7,509,320	-
Investment in joint ventures	-	-	-	11,045,729
Net pension asset	592,397	-	592,397	-
Capital assets:				
Non-depreciable	36,432,089	36,029,032	72,461,121	73,695,135
Depreciable, net of depreciation	63,701,411	220,802,255	284,503,666	141,401,614
<b>Total Assets</b>	<b>179,647,302</b>	<b>440,512,436</b>	<b>620,159,738</b>	<b>422,890,013</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	11,364,713	-	11,364,713	-
Other postemployment benefits	460,286	538,126	998,412	-
Business acquisition	-	-	-	1,263,463
<b>Total deferred outflow of resources</b>	<b>11,824,999</b>	<b>538,126</b>	<b>12,363,125</b>	<b>1,263,463</b>
<b>LIABILITIES</b>				
Accounts payable and other accrued expenses	5,902,158	8,468,321	14,370,479	10,364,664
Accrued liabilities	3,533,046	777,332	4,310,378	22,598,663
Accrued interest payable	81,902	1,322,873	1,404,775	-
Unearned revenue	4,200,440	148,608	4,349,048	-
Long-term liabilities:				
Due within one year	3,084,070	7,233,511	10,317,581	10,078,391
Due in more than one year	15,436,129	105,875,654	121,311,783	82,476,288
Other postemployment benefits - due within one year	224,290	-	224,290	-
Other postemployment benefits	4,202,468	2,707,628	6,910,096	-
Net pension liabilities	21,526,023	-	21,526,023	-
<b>Total Liabilities</b>	<b>58,190,526</b>	<b>126,533,927</b>	<b>184,724,453</b>	<b>125,518,006</b>
<b>DEFERRED INFLOWS</b>				
Leases	287,369	4,461,857	4,749,226	-
Pension	3,058,814	-	3,058,814	-
Other postemployment benefits	1,041,562	789,330	1,830,892	-
COVID-related financial assistance	-	-	-	976,512
<b>Total deferred inflow of resources</b>	<b>4,387,745</b>	<b>5,251,187</b>	<b>9,638,932</b>	<b>976,512</b>
<b>NET POSITION</b>				
Net investment in capital assets	88,633,403	156,344,114	244,977,517	73,004,636
Restricted for:				
Debt service	772,489	2,451,545	3,224,034	-
Capital projects	222,499	1,050,361	1,272,860	-
Street improvements	25,682,739	-	25,682,739	-
Permanent Fund - nonexpendable	50,000	-	50,000	-
Specific operating activities	4,024,162	-	4,024,162	340,000
Unrestricted	9,508,738	149,419,428	158,928,166	224,314,322
<b>Total Net Position</b>	<b>\$ 128,894,030</b>	<b>\$ 309,265,448</b>	<b>\$ 438,159,478</b>	<b>\$ 297,658,958</b>

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2024

**Statement of Activities  
For the Year Ended June 30, 2024**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			Component Unit Stillwater Medical Center Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary government</b>								
Governmental Activities								
Public safety	\$ 29,875,906	\$ 577,932	\$ 3,630,649	\$ 98,025	\$ (25,569,300)	\$ -	\$ (25,569,300)	\$ -
Cultural, parks and recreation	3,628,270	288,125	211,069	916,228	(2,212,848)	-	(2,212,848)	-
General government	7,767,001	626,950	263,857	4,190,591	(2,685,603)	-	(2,685,603)	-
Financial administration	1,070,490	897,572	-	-	(172,918)	-	(172,918)	-
Streets and highways	11,370,075	768,303	40,727	1,175,057	(9,385,988)	-	(9,385,988)	-
Health and welfare	1,264,783	262,633	-	-	(1,002,150)	-	(1,002,150)	-
Interest on long-term debt	490,695	-	-	-	(490,695)	-	(490,695)	-
Total governmental activities	55,467,220	3,421,515	4,146,302	6,379,901	(41,519,502)	-	(41,519,502)	-
Business-type activities								
Electric, utilities, waste utilities and waste management operations	81,805,024	95,870,635	45,223	7,154,570	-	21,265,404	21,265,404	-
Business area development	2,490,453	-	-	-	-	(2,490,453)	(2,490,453)	-
Airport operations	5,995,734	3,195,047	427,160	1,451,291	-	(922,236)	(922,236)	-
Total business-type activities	90,291,211	99,065,682	472,383	8,605,861	-	17,852,715	17,852,715	-
Total primary government	\$ 145,758,431	\$ 102,487,197	\$ 4,618,685	\$ 14,985,762	(41,519,502)	17,852,715	(23,666,787)	
<b>Component Units</b>								
Medical Center	\$ 324,191,956	\$ 322,246,020	\$ -	\$ -				(1,945,936)
<b>General revenues:</b>								
Taxes:								
Sales and use taxes					45,331,788	-	45,331,788	57,384
Property tax					2,835,513	-	2,835,513	-
Franchise and public service tax					2,035,790	-	2,035,790	-
E911 tax					41,751	-	41,751	-
Lodging tax					1,678,361	-	1,678,361	-
Unrestricted investment earnings					1,964,079	7,040,702	9,004,781	16,405,723
Miscellaneous					1,906,833	(130,180)	1,776,653	550,397
Transfers					(551,021)	551,021	-	-
Total general revenues and transfers					55,243,094	7,461,543	62,704,637	17,013,504
Change in net position					13,723,592	25,314,258	39,037,850	15,067,568
Net position - beginning					115,170,438	283,951,190	399,121,628	282,591,390
Net position - ending					\$ 128,894,030	\$ 309,265,448	\$ 438,159,478	\$ 297,658,958

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA  
 ANNUAL FINANCIAL REPORT  
 As of and for the Year Ended June 30, 2024

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	General Fund	Capital Project	Capital Project	Other Governmental Funds	Total Governmental Funds
		Transportation Sales Tax	City Capital Fund		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,442,203	\$ 21,911,180	\$ 6,137,089	\$ 6,702,556	\$ 42,193,028
Investments	11,224,745	4,814,732	1,467,486	2,771,047	20,278,010
Accounts receivable, net	2,231,338	-	50,000	-	2,281,338
Opioid settlement receivable	2,090,174	-	-	-	2,090,174
Due from other funds	2,955,025	1,603,447	-	-	4,558,472
Due from other governments	7,692,343	-	67,564	674,021	8,433,928
Accrued interest receivable	207,368	6,690	2,039	2,703	218,800
Leases receivable	259,328	1,192	-	-	260,520
Inventories	35,479	-	-	-	35,479
Prepaid items	69,180	-	-	-	69,180
<b>Total assets</b>	<b>\$ 34,207,183</b>	<b>\$ 28,337,241</b>	<b>\$ 7,724,178</b>	<b>\$ 10,150,327</b>	<b>\$ 80,418,929</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 2,235,966	\$ 2,653,333	\$ 178,313	\$ 834,557	\$ 5,902,169
Accrued liabilities	2,049,119	-	-	-	2,049,119
Due to other funds	1,603,449	-	-	-	1,603,449
Unearned revenue	4,200,440	-	-	-	4,200,440
<b>Total liabilities</b>	<b>10,088,974</b>	<b>2,653,333</b>	<b>178,313</b>	<b>834,557</b>	<b>13,755,177</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue-property taxes	-	-	-	662,213	662,213
Unavailable revenue-court fines	96,105	-	-	-	96,105
Unavailable revenue-opioid settlement	2,090,174	-	-	-	2,090,174
Unavailable revenue-grant proceeds	47,897	-	-	-	47,897
Leases	286,200	1,169	-	-	287,369
<b>Total deferred inflows of resources</b>	<b>2,520,376</b>	<b>1,169</b>	<b>-</b>	<b>662,213</b>	<b>3,183,758</b>
<b>Fund balances:</b>					
Nonspendable	104,659	-	-	50,000	154,659
Restricted					
Debt service	-	-	-	772,489	772,489
Police equipment	73,603	-	-	-	73,603
Police undercover operations	65,115	-	-	-	65,115
Capital improvements	-	25,682,739	-	6,947,286	32,630,025
TIF projects	-	-	-	4,907	4,907
Library books	-	-	-	7,966	7,966
Library purposes	-	-	-	870,909	870,909
Visitor and event recruitment	552,929	-	-	-	552,929
Opioid settlement	738,882	-	-	-	738,882
Committed					
Capital improvements	436,268	-	-	-	436,268
Stormwater	1,069,849	-	-	-	1,069,849
Assigned					
Self insurance	2,180,056	-	-	-	2,180,056
Parks and recreation	29,447	-	-	-	29,447
Special event	6,398	-	-	-	6,398
Capital improvements	-	-	7,545,865	-	7,545,865
Fire equipment	561,744	-	-	-	561,744
Police equipment	904	-	-	-	904
Homebuyer's assistance program	56,019	-	-	-	56,019
Budget appropriation	4,247,447	-	-	-	4,247,447
Unassigned	11,474,513	-	-	-	11,474,513
<b>Total fund balances</b>	<b>21,597,833</b>	<b>25,682,739</b>	<b>7,545,865</b>	<b>8,653,557</b>	<b>63,479,994</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 34,207,183</b>	<b>\$ 28,337,241</b>	<b>\$ 7,724,178</b>	<b>\$ 10,150,327</b>	<b>\$ 80,418,929</b>

See accompanying notes to the basic financial statements.

**Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Position  
 June 30, 2024**

Total fund balance, governmental funds	\$	63,479,994
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$188,981,993		99,811,000
Certain other long-term assets are not available to pay for current liabilities, and therefore they, along with certain pension and OPEB related deferrals, are either deferred in the funds or not shown:		
Accounts receivable		2,896,389
Pension related deferred outflows		11,364,713
OPEB related deferred outflows		460,286
Net pension asset		592,397
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		428,425
Certain long-term liabilities are not due and payable from current financial resources and therefore they, along with deferred inflows, are not reported in the funds:		
Long-term debt, net		(14,767,621)
Lease obligations		(61,332)
Subscription-based IT obligations		(314,150)
Accrued compensated absences		(3,377,096)
Net pension liability		(21,526,023)
Pension related deferred inflows		(3,058,814)
Total OPEB liability		(4,426,758)
OPEB related deferred inflows		(1,041,562)
Accrued interest payable		(81,902)
Accrued workers compensation claims		(1,483,916)
Net Position of Governmental Activities in the Statement of Net Position	\$	128,894,030

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2024

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	General Fund	Transportation Sales Tax	City Capital Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Sales and use taxes	\$ 45,331,788	\$ -	\$ -	\$ -	\$ 45,331,788
Other taxes	3,755,902	-	-	2,258,819	6,014,721
Intergovernmental	7,861,741	-	87,564	253,903	8,203,208
Charges for services	885,514	-	-	-	885,514
Fines and forfeitures	762,971	-	-	-	762,971
Fees and rentals	415,961	-	-	-	415,961
Licenses and permits	363,628	-	-	-	363,628
Investment income (loss)	427,965	834,735	256,078	439,932	1,958,710
Miscellaneous	2,730,624	3,938	115,760	31,673	2,881,995
Total revenues	<u>62,536,094</u>	<u>838,673</u>	<u>459,402</u>	<u>2,984,327</u>	<u>66,818,496</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	29,166,917	-	-	-	29,166,917
Recreation and culture	3,226,866	-	-	2,857	3,229,723
General government	6,069,003	-	18,933	372,442	6,460,378
Financial administration	1,043,848	-	-	-	1,043,848
Streets and highways	4,556,038	18,035	-	-	4,574,073
Health and welfare	1,081,027	-	-	-	1,081,027
Debt Service:					
Principal	552,539	-	1,313,916	470,000	2,336,455
Interest and other charges	57,353	-	117,951	412,200	587,504
Capital Outlay	5,948,726	6,702,346	3,536,987	2,705,309	18,893,368
Total Expenditures	<u>51,702,317</u>	<u>6,720,381</u>	<u>4,987,787</u>	<u>3,962,808</u>	<u>67,373,293</u>
Excess (deficiency) of revenues over expenditures	<u>10,833,777</u>	<u>(5,881,708)</u>	<u>(4,528,385)</u>	<u>(978,481)</u>	<u>(554,797)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of debt	156,194	-	2,231,289	-	2,387,483
Transfers in	14,644,785	10,038,770	2,139,549	-	26,823,104
Transfers out	(26,615,600)	-	-	(957,766)	(27,573,366)
Total other financing sources and uses	<u>(11,814,621)</u>	<u>10,038,770</u>	<u>4,370,838</u>	<u>(957,766)</u>	<u>1,637,221</u>
Net change in fund balances	<u>(980,844)</u>	<u>4,157,062</u>	<u>(157,547)</u>	<u>(1,936,247)</u>	<u>1,082,424</u>
Fund balances - beginning	22,578,677	21,525,677	7,703,412	10,589,804	62,397,570
Fund balances - ending	<u>\$ 21,597,833</u>	<u>\$ 25,682,739</u>	<u>\$ 7,545,865</u>	<u>\$ 8,653,557</u>	<u>\$ 63,479,994</u>

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA  
 ANNUAL FINANCIAL REPORT  
 As of and for the Year Ended June 30, 2024

**Reconciliation of the Statement of Revenues, Expenditures, and  
 Changes in Fund Balances of Governmental Funds to the  
 Statement of Activities  
 For the Year Ended June 30, 2024**

Net change in fund balances - total governmental funds: \$ 1,082,424

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

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

Capital asset purchases capitalized	15,372,102
Capital assets donated	1,570,377
Depreciation and amortization expense	(5,545,023)
Disposal of capital assets	(82,125)
Capital assets donated from business type activities	322,241

In the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as expenditures. (374,088)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:  
 Unavailable revenue 2,024,855

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

Note principal payments	1,946,631
Note proceeds	(2,231,289)
Lease obligation incurred	(41,218)
Lease obligation principal payments	39,231
Subscription-based IT obligation incurred	(121,546)
Subscription-based IT obligation principal payments	357,015

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

Accrued interest payable	1,383
Accrued compensated absences change	(53,419)
Total OPEB liability and related deferrals change	(162,218)
Workers comp liability change	(276,530)
Amortization of bond premium	17,619

Internal service fund activity is reported as a proprietary fund in the fund financial statements, but the net revenues are reported in governmental activities on the Statement of Activities:  
 Total change in net position for internal service funds (122,830)

Change in net position of governmental activities \$ 13,723,592

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2024

Statement of Net Position  
Proprietary Funds  
June 30, 2024

	Enterprise Funds				Governmental Activities: Internal Service Funds	
	Stillwater Utilities Authority	Airport Fund	Stillwater Economic Development Authority	Other Non Major Block 34 Trust Authority		Total
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 102,566,998	\$ 2,965,068	\$ 2,716,579	\$ 10	\$ 108,248,655	\$ 105,925
Investments	10,263,982	422,711	130,466	-	10,817,159	-
Restricted cash and cash equivalents	3,773,254	-	-	-	3,773,254	-
Restricted investments	4,628,735	-	7,261,745	-	11,890,480	-
Accounts receivables, net of allowance	14,826,612	173,701	-	-	15,000,313	-
Lease receivable, current	119,410	114,461	-	-	233,871	-
Intergovernmental receivable	-	443,255	111,175	-	554,430	-
Interest receivable	133,261	5,263	181	-	138,705	-
Inventories	7,024,441	83,801	-	-	7,108,242	-
Prepaid items	29,626	-	-	-	29,626	-
<b>Total current assets</b>	<b>143,366,319</b>	<b>4,208,260</b>	<b>10,220,146</b>	<b>10</b>	<b>157,794,735</b>	<b>105,925</b>
Noncurrent assets:						
Restricted cash and cash equivalents	1,820,420	-	-	-	1,820,420	-
Investments	13,614,334	-	-	-	13,614,334	-
Restricted investments	234,970	-	-	-	234,970	-
Due from other funds	8,000,000	-	-	-	8,000,000	-
Installment loans receivable	-	-	7,509,320	-	7,509,320	-
Intergovernmental receivable	-	-	1,288,846	-	1,288,846	-
Lease receivable, noncurrent	1,535,884	2,837,665	-	-	4,373,549	-
Capital assets, nondepreciable	31,572,039	4,456,993	-	-	36,029,032	322,500
Capital assets, net of accumulated depreciation	189,775,675	31,001,403	25,177	-	220,802,255	-
<b>Total noncurrent assets</b>	<b>246,553,322</b>	<b>38,296,061</b>	<b>8,823,343</b>	<b>-</b>	<b>293,672,726</b>	<b>322,500</b>
<b>Total assets</b>	<b>389,919,641</b>	<b>42,504,321</b>	<b>19,043,489</b>	<b>10</b>	<b>451,467,461</b>	<b>428,425</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Other postemployment benefits	258,755	279,371	-	-	538,126	-
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	8,271,055	194,467	2,799	-	8,468,321	-
Accrued liabilities	721,573	55,759	-	-	777,332	-
Current portion of compensated absences	103,327	23,275	-	-	126,602	-
Due to other funds	2,791,659	163,366	-	-	2,955,025	-
Accrued interest payable	925,040	-	397,833	-	1,322,873	-
Unearned revenue	22,622	125,986	-	-	148,608	-
Current portion of lease obligations	12,704	-	-	-	12,704	-
Current portion of SBITA liabilities	8,412	-	-	-	8,412	-
Current portion of customer deposits payable	1,233,341	50	-	-	1,233,391	-
Current portion of long-term debt obligations	5,630,868	-	-	-	5,630,868	-
Current portion of refundable grant obligations	-	-	221,534	-	221,534	-
<b>Total current liabilities</b>	<b>19,720,601</b>	<b>562,903</b>	<b>622,166</b>	<b>-</b>	<b>20,905,670</b>	<b>-</b>
Noncurrent liabilities:						
Due to other funds	-	-	8,000,000	-	8,000,000	-
Noncurrent portion of compensated absences	929,685	27,896	-	-	957,581	-
Noncurrent portion of lease obligations	13,739	-	-	-	13,739	-
Noncurrent portion of customer deposits payable	770,059	-	-	-	770,059	-
Noncurrent portion of long-term debt obligations	97,134,275	-	7,000,000	-	104,134,275	-
Other postemployment benefits liability	2,449,759	257,869	-	-	2,707,628	-
<b>Total noncurrent liabilities</b>	<b>101,297,517</b>	<b>285,765</b>	<b>15,000,000</b>	<b>-</b>	<b>116,583,282</b>	<b>-</b>
<b>Total liabilities</b>	<b>121,018,118</b>	<b>848,668</b>	<b>15,622,166</b>	<b>-</b>	<b>137,488,952</b>	<b>-</b>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Lease receivables	1,581,726	2,880,131	-	-	4,461,857	-
Other postemployment benefits	725,707	63,623	-	-	789,330	-
<b>Total deferred inflow of resources</b>	<b>2,307,433</b>	<b>2,943,754</b>	<b>-</b>	<b>-</b>	<b>5,251,187</b>	<b>-</b>
<b>NET POSITION</b>						
Net investment in capital assets	120,967,157	35,351,780	25,177	-	156,344,114	322,500
Restricted for debt service	2,451,545	-	-	-	2,451,545	-
Restricted for capital projects	1,050,361	-	-	-	1,050,361	-
Unrestricted	142,383,782	3,639,490	3,396,146	10	149,419,428	105,925
<b>Total net position</b>	<b>\$ 266,852,845</b>	<b>\$ 38,991,270</b>	<b>\$ 3,421,323</b>	<b>\$ 10</b>	<b>\$ 309,265,448</b>	<b>\$ 428,425</b>

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2024

**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	Enterprise Funds				Total	Governmental Activities: Internal Service Funds
	Stillwater Utilities Authority	Airport Fund	Stillwater Economic Development Authority	Other Non Major Block 34 Trust Authority		
<b>OPERATING REVENUES</b>						
Charges for services, net of bad debt expense	\$ 84,805,143	\$ 2,799,856	\$ -	\$ -	\$ 87,604,999	\$ -
Operating grants and contributions	10,815,660	365,024	-	-	11,180,684	-
Other	-	393,187	-	-	393,187	10
Total operating revenues	95,620,803	3,558,067	-	-	99,178,870	10
<b>OPERATING EXPENSES</b>						
Operations and maintenance	65,467,437	4,158,787	2,120,412	-	71,746,636	-
Interest expense	-	-	416,198	-	416,198	-
Depreciation and amortization	12,089,787	1,835,447	1,968	-	13,927,202	-
Total Operating Expenses	77,557,224	5,994,234	2,538,578	-	86,090,036	-
Operating income (loss)	18,063,579	(2,436,167)	(2,538,578)	-	13,088,834	10
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Interest and investment revenue	6,163,138	145,346	732,218	-	7,040,702	160
Miscellaneous non-operating expense	-	(1,500)	-	-	(1,500)	-
Gain (Loss) on capital asset disposal	(716,596)	(346)	-	-	(716,942)	-
Capital assets purchased for governmental activities	(151,116)	-	(48,125)	-	(199,241)	(123,000)
Interest expense	(3,354,077)	-	-	-	(3,354,077)	-
Total non-operating revenue (expenses)	1,941,349	143,500	684,093	-	2,768,942	(122,840)
Income (loss) before contributions and transfers	20,004,928	(2,292,667)	(1,854,485)	-	15,857,776	(122,830)
Capital contributions	7,199,793	1,506,427	-	-	8,706,220	-
Transfers in	10,038,770	1,929,778	4,182,022	-	16,150,570	-
Transfers out	(14,604,829)	-	(795,479)	-	(15,400,308)	-
Change in net position	22,638,662	1,143,538	1,532,058	-	25,314,258	(122,830)
Total net position - beginning	244,214,183	37,847,732	1,889,265	10	283,951,190	551,255
Total net position - ending	\$ 266,852,845	\$ 38,991,270	\$ 3,421,323	\$ 10	\$ 309,265,448	\$ 428,425

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2024

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	Enterprise Funds					Internal Service Funds
	Stillwater Utilities Authority	Airport Fund	Stillwater Economic Development Authority	Other Non Major Block 34 Trust Authority	Total Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers, including deposits	\$ 84,167,147	\$ 4,980,002	\$ 308,373	\$ -	\$ 89,455,522	\$ -
Payments to suppliers	(47,017,192)	(2,902,935)	(1,685,805)	-	(51,605,932)	-
Payments to employees	(18,143,121)	(1,321,334)	-	-	(19,464,455)	-
Payments of business development incentives	-	-	(423,091)	-	(423,091)	-
Payments from (to) other funds	(1,378,656)	(31,709)	(250,000)	-	(1,660,365)	-
Interest paid on operating debt	-	-	(111,486)	-	(111,486)	-
Other receipts	10,789,762	-	-	-	10,789,762	10
Net cash provided by (used in) operating activities	28,417,940	724,024	(2,162,009)	-	26,979,955	10
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers from other funds	10,020,547	1,929,778	4,182,022	-	16,132,347	-
Operating subsidies and transfers to other funds	(17,153,060)	-	(795,479)	-	(17,948,539)	-
Net cash provided by (used in) noncapital financing activities	(7,132,513)	1,929,778	3,386,543	-	(1,816,192)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Proceeds from capital debt	3,451,808	-	-	-	3,451,808	-
Capital contributions	1,450,924	1,506,427	-	-	2,957,351	-
Purchase of capital assets	(10,614,821)	(2,068,807)	(48,125)	-	(12,731,753)	-
Proceeds from sale of capital assets	1,069,272	-	-	-	1,069,272	-
Principal paid on capital debt	(5,861,894)	-	-	-	(5,861,894)	-
Interest paid on capital debt	(3,565,945)	-	-	-	(3,565,945)	-
Net cash provided by (used in) capital and related financing activities	(14,070,656)	(562,380)	(48,125)	-	(14,681,161)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchases of investments	(10,000,000)	(422,712)	(130,466)	-	(10,553,178)	-
Interest received	5,818,315	151,861	118,719	-	6,088,895	160
Net cash provided by (used in) investing activities	(4,181,685)	(270,851)	(11,747)	-	(4,464,283)	160
Net increase (decrease) in cash and cash equivalents	3,033,086	1,820,571	1,164,662	-	6,018,319	170
Balances-beginning of year	105,127,586	1,144,497	1,551,917	10	107,824,010	105,755
Balances-end of year	\$ 108,160,672	\$ 2,965,068	\$ 2,716,579	\$ 10	\$ 113,842,329	\$ 105,925
<b>Reconciliation to Statement of Net Position:</b>						
Cash and cash equivalents	\$ 102,566,998	\$ 2,965,068	\$ 2,716,579	\$ 10	\$ 108,248,655	\$ 105,925
Restricted cash and cash equivalents	3,773,254	-	-	-	3,773,254	-
Restricted cash and cash equivalents, non-current	1,820,420	-	-	-	1,820,420	-
<b>Total cash and cash equivalents, end of year</b>	<b>\$ 108,160,672</b>	<b>\$ 2,965,068</b>	<b>\$ 2,716,579</b>	<b>\$ 10</b>	<b>\$ 113,842,329</b>	<b>\$ 105,925</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>						
Operating income (loss)	\$ 18,063,579	\$ (2,436,167)	\$ (2,538,578)	\$ -	\$ 13,088,834	\$ 10
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	12,089,787	1,835,447	1,968	-	13,927,202	-
Change in assets, liabilities and deferrals:						
Receivables, net	(1,165,574)	(3,424)	-	-	(1,168,998)	-
Prepaid items	68,654	-	-	-	68,654	-
Inventories	(1,364,331)	(6,108)	-	-	(1,370,439)	-
Accounts and other payables	707,561	(117,041)	11,516	-	602,036	-
Accrued liabilities	2,433	11,997	-	-	14,430	-
Lease assets and related lease obligations	(29,025)	-	-	-	(29,025)	-
Lease receivables and related deferral	(25,899)	(22,080)	-	-	(47,979)	-
Due from other governments	-	1,538,190	308,373	-	1,846,563	-
Due from other funds	-	(31,709)	-	-	(31,709)	-
Accrued interest payable	-	-	304,712	-	304,712	-
Other postemployment benefits-liabilities	(228,522)	257,869	-	-	29,347	-
Other postemployment benefits-deferred outflows	71,855	(279,371)	-	-	(207,516)	-
Other postemployment benefits-deferred inflows	227,422	63,623	-	-	291,045	-
Due to other funds	-	-	(250,000)	-	(250,000)	-
Unearned revenue	-	(69,995)	-	-	(69,995)	-
Customer meter deposits payable	-	(756)	-	-	(756)	-
Accrued compensated absences	-	3,549	-	-	3,549	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 28,417,940</b>	<b>\$ 724,024</b>	<b>\$ (2,162,009)</b>	<b>\$ -</b>	<b>\$ 26,979,955</b>	<b>\$ 10</b>
<b>Non-cash Activities:</b>						
Contributed capital assets	\$ 5,771,490	\$ -	\$ -	\$ -	\$ 5,771,490	\$ -
Capital assets transferred to (from) other funds	151,116	-	-	-	151,116	-
Borrowings under leases	3,495,000	-	-	-	3,495,000	-
Premium amortization	233,963	-	-	-	233,963	-
Change in fair value of investments	244,299	-	-	-	244,299	-
<b>Total Non-cash Activities</b>	<b>\$ 9,895,868</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,895,868</b>	<b>\$ -</b>

See accompanying notes to the basic financial statements.

## Footnotes to the Basic Financial Statements:

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. General Statement

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

#### B. Reporting Entity

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

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

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

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

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

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

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

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

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

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

records, preparation of their financial statements, and obtaining an audit of their financial statements. The Hospital has a December 31 year-end. To obtain separate financial statements for the Hospital, contact the Chief Financial Officer, Stillwater Medical Center, 1323 West Sixth Street, Stillwater, Oklahoma 74074.

### C. Basis of Presentation

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

The funds of the City are described below:

- a. **General Fund:** The general fund is the primary operating fund of the City government and will always be classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special Revenue Fund:** Special revenue funds are used to account for the proceeds of specific revenue sources, other than capital projects, that are legally restricted to expenditures for specified purposes or otherwise segregated for accounting purposes. The Community Development Block Grant Fund, the Tax Increment District #3 Fund and the Stillwater Public Library Trust Fund are the only special revenue funds active during the fiscal year ending June 30, 2024.
- c. **Debt Service Fund:** The debt service fund is used to account for the accumulation of ad-valorem taxes levied by the City for the payment of long-term debt principal, interest, and related costs.
- d. **Capital Projects Fund:** A capital projects fund is used to account for the resources restricted for the acquisition or construction of specific capital projects or items. The Transportation Sales Tax Fund, the City Capital Fund, and the G.O. Bond Fund are the only capital project funds active during the fiscal year ending June 30, 2024.
- e. **Permanent Fund:** A permanent fund is used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs. The Mabel King Trust is the City's only permanent fund active during the fiscal year ending June 30, 2024.
- f. **Enterprise Fund:** An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses

incurred, and/or net income is appropriate for capital maintenance, management control, accountability, or other purpose. The reporting entity includes the following enterprise funds:

- Stillwater Utilities Authority
- Airport
- Stillwater Economic Development Authority
- Stillwater Block 34 Trust

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

Governmental Funds	Description
Major:	
General Fund	Accounts for all financial resources except those required to be accounted for in another fund.
Transportation Improvement Fund	Accounts for the expenditures for street and other transportation projects as approved by the voters in 2001, 2006, 2015, and 2022. Financing is provided by the one cent sales tax also approved by the voters.
City Capital Fund	Accounts for funds assigned for the purchase of capital assets.
Non-Major:	
Community Development Block Grant Fund	Accounts for funds used for improvements in the community. Funding is provided by the Community Development Block Grant Small Cities Set Aside program and local matching funds.
Tax Increment District #3	Accounts for funds used for improvements in the downtown/campus link project area as defined in Ordinance No. 3407. Funding is provided by incremental ad-valorem and sales tax revenue.
Stillwater Public Library Trust	Accounts for funds used for the benefit of the Stillwater Public Library. Funding is provided by contributions.
G.O. Bond Fund	Accounts for bond proceeds from the 2022 G.O. Bonds issued for the construction of a new fire station.
Sinking Fund	Accounts for the accumulation of ad-valorem taxes levied by the City for the payment of general long-term debt principal, interest, and related costs.
Mabel King Trust Permanent Fund	Accounts for the Mabel M. King Endowment, of which the net income may be used for the purchase of books for the Stillwater Public Library.

Enterprise Funds	Description
Major:	
Stillwater Utilities Authority	Accounts for the operation of the electric, water, wastewater, and solid waste systems.
Airport	Accounts for the operation of the Stillwater Regional Airport including capital additions and improvements financed through federal and state grants and City contributions.
Stillwater Economic Development Authority	Accounts for expenditures for economic development. Financing provided from federal grants, federal loans, City contributions and citizen participation.
Non-Major:	
Stillwater Block 34 Trust	Accounts for expenditures for development of Block 34. Funding provided by donations and grants.
Internal Service Funds	
Stillwater Public Works Authority	Accounts for the acquisition and financing of physical facilities. Debt service requirements are provided from charges billed to the benefited fund.

**D. Measurement Focus and Basis of Accounting**

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

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

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

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

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

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

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

At the Board's discretion the assets may be used for other purposes. As of June 30, 2024, cash and cash equivalents in the amount of \$118,446,768 have been internally designated by the SUA trustees for this purpose.

3. **Investments:** Money market investments with an original maturity of one year or less are recorded at amortized cost. Long-term investments are recorded at fair value.
4. **Accounts Receivable/Due from Other Governments:** In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable of \$268,764 in the governmental activities are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, grants, opioid settlement, and court fines.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues, since they are both measurable and available. Non-exchange revenues collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Proprietary fund receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable of \$1,365,824 in the proprietary funds are based upon historical trends and the periodic aging of accounts receivable.

Receivables of the Hospital consist of patient accounts receivable for services rendered. The Hospital provides an allowance of \$11,955,414 for bad debts and \$118,256,918 for contractual adjustments resulting in total uncollectible accounts receivable of \$130,212,332. This allowance is based on historical trends and the existing economic conditions.

5. **Restricted Assets:** Proceeds from debt and related sinking fund accounts and contributions from governmental grantors to the Enterprise Funds are classified as restricted assets, since their use is restricted by applicable bond indentures and grant agreements. Customer utilities deposits held by the City are classified as restricted assets.
6. **Inventories:** Inventories consist primarily of materials and supplies and are stated at weighted average cost. The consumption method of accounting is used by the governmental funds; therefore, inventory purchases are recorded in these funds as expenditures as they are used. Inventories are adjusted to annual physical counts. Supplies inventory of the Hospital is stated at the historical cost on the First-In, First-Out (FIFO) method.
7. **Prepaid items -** Prepaid items are recorded using the "consumption method," meaning they are recorded as an asset and the expenditure is recognized when the prepaid item is used or consumed. At fiscal year-end, prepaid items are shown as a component of nonspendable fund balance, indicating they do not constitute available expendable resources.

- 8. 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.
- 9. Capital Assets:** The accounting treatment for property, plant, and equipment depends on whether the assets are used in governmental fund operations and similar discretely presented component unit operations or proprietary fund operations and similar discretely presented component unit operations and whether they are reported in the government-wide or fund financial statements.

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

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. Lease assets are amortized over the life of the associated contract or the useful life of the asset, whichever is less.

b. Fund Financial Statements: In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

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

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

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

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

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

b. Fund Financial Statements: Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. Payment of principal and interest is reported as expenditures.

The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

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

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

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

- a. Government-wide Financial Statements: Deferred outflows of resources represent a consumption of net assets that applies to a future period, so will not be recognized as an expense until that future period. Deferred inflows of resources are resources that are not available in the current period to pay liabilities of the current period and represent an acquisition of net assets that applies to future periods. In the government-wide statements, the City has deferred outflows and inflows related to pensions (see Note IV) and other postemployment benefits (see Note V), and leases. Lease-related amounts are recognized at the inception of leases in which the City is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease. The Hospital has deferred outflows of resources related to business acquisitions (see Note IX) and deferred inflows of resources related to COVID-related finance assistance.
- b. Fund Financial Statements: Deferred inflows of resources arise in governmental funds using the modified accrual basis of accounting to indicate that, although an enforceable legal claim to resources exists, those resources are not available within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City's General Fund has deferred inflows related to grant proceeds, opioid settlement proceeds, and municipal court fines receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. The Debt Service Fund has deferred inflows related to property taxes receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. The TIF Fund has deferred inflows related to ad valorem tax receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. The General Fund and the Transportation Sales Tax Fund also have deferred inflows related

to lease receivables. Deferred inflows will be recognized as revenue in the next fiscal year when they are available or recognizable. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

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

**14. Leases and subscription-based information technology arrangements (SBITA):** The City is a party as lessor and lessee for various noncancellable long-term leases of land and equipment. The corresponding lease receivable or lease obligation payable, are recorded in an amount equal to the present value of the expected future minimum lease payments received or paid, respectively, discounted by an applicable interest rate. SBITAs are recognized as an obligation payable in an amount equal to the present value of the expected future minimum SBITA payments, discounted by an applicable interest rate.

### 15. Equity Classifications

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

- Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of bonds, notes, leases, or other borrowings or payables that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted – This component of net position consists of constraints placed on net position use by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through ordinance or other enabling legislation. For the year ended June 30, 2024, the statement of net position reports restricted net position in the amount of \$34,253,795, of which \$995,605 is restricted by enabling legislation.
- Unrestricted – This component of net position consists of net positions that do not meet the definition of "net investment in capital assets" or "restricted".

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

b. Fund Financial Statements: Governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2024, fund balances for governmental funds are made up of the following:

- Nonspendable fund balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to remain intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, long-term notes receivable, and permanent fund principal.
- Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. These restrictions arise from bond indentures, City Charter, and votes of the citizens of Stillwater. Restrictions may effectively be changed or lifted only with the consent of the applicable resource providers.

- Committed fund balance – includes amounts that can only be used for specific purposes determined by a formal action (resolution) of the City’s highest level of decision-making authority, the city council. Commitments may be changed or lifted only by the City taking the same formal action (resolution) that imposed the constraint originally.
- Assigned fund balance – comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City’s Council or (2) a body or official to whom the City’s Council has delegated the authority to assign amounts to be used for specific purposes. Such delegation is made to the city manager, CFO, or applicable department manager at a city council meeting and is recorded in the meeting minutes.
- Unassigned fund balance – the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are available for any purpose. The General Fund is the only fund that could report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

#### F. Revenues, Expenditures, and Expenses

1. **Sales Tax:** The City levies a four-cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The Tax Commission receives the sales tax approximately one month after collection by vendors. The entire sales tax is recorded as revenue within the General Fund. Upon receipt, the General Fund distributes the dedicated portion of the sales tax as follows:

- Two cents retained by the General Fund for operations.
- One cent transferred to the SUA as required by revenue bond indentures. The proceeds are used in accordance with the trust indenture and current bond indentures.
- One cent transferred to the Transportation Sales Tax Fund to be used for transportation improvement projects as approved by the voters in 2001, 2006, 2015, and 2022. This tax expires on June 30, 2032.

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

Property tax levied during the fiscal year ended June 30, 2024 is being held to fund the annual debt service on the 2022 general obligation bonds.

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

Activity	Program Revenue
Public safety	Fire and police fines assessed for training, rural fire run fees, operating grants from the U.S. Department of Homeland Security and the U.S. Department of Justice, the State of Oklahoma for onbehalf payments made for police and fire pension plans, and donations
Recreation and culture	Park and recreation fees, operating grants from the Institute of Museum and Library Services, capital grants from the Federal Highway Administration, and donations
General government	Operating grants from the U.S. Department of Housing & Urban Development and the U.S. Department of Treasury, fiber network fees, property rentals, reimbursements of commercial air service revenue guarantees, and capital contributions
Financial administration	Business licenses and municipal court fines
Streets and highways	Gasoline tax, auto tag tax, stormwater fees, transportation fees, operating grant from the U.S. Department of Homeland Security, capital grant from U.S. Department of Housing and Urban Development, and capital contributions
Health and welfare	Trade licenses and permits

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

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

**5. Expenditures/Expenses**

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

Proprietary funds report expenses relating to the use of economic resources.

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

**1. Government-wide Financial Statements:** In the process of aggregating the financial information for the government-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified. Interfund services provided and used are not eliminated in the process of consolidation. The eliminations or reclassifications, if any, in the government-wide statements are as follows:

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

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

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

#### **H. Use of Estimates**

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

#### **I. New Accounting Standards**

The City implemented GASB Statement 100, *Accounting Changes and Error Corrections*, that had no effect on the financial statements.

The Hospital implemented GASB Statement 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

## **II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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

#### **A. Fund Accounting Requirements**

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

<b>Fund</b>	<b>Required By</b>
Debt Service Fund	State Law
Stillwater Utilities Authority	Trust Indenture
Stillwater Economic Development Authority	Trust Indenture
Stillwater Public Works Authority	Trust Indenture
Stillwater Block 34 Trust	Trust Indenture
Stillwater Public Library Trust	Trust Agreement

**B. Deposit and Investment Laws and Regulations**

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

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

Public trusts created under O.S. Title 60, are not subject to the statutory investment limitations and are primarily governed by any restrictions in their trust or bond indentures. For the year ended June 30, 2024, the City and its public trusts complied, in all material respects, with these investment restrictions.

**C. Revenue Restrictions**

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

<b>Revenue Source</b>	<b>Legal Restrictions of Use</b>
Sales tax	See Note I
Gasoline excise and commercial vehicle tax	Street and alley purposes
E911 revenue	E911 emergency service purposes
Ad valorem tax	Debt service on bonds and judgements
Grants revenue	Per individual grant agreements
Visitor tax	Tourism development and visitor amenities
Stormwater fee	Stormwater management purposes
Police training fee	Training of police department employees
Water tie-on charge	Financing future construction of extensions and improvements to the water distribution system

For the year ended June 30, 2024, the City complied, in all material respects, with these revenue restrictions.

**D. Debt Restrictions and Covenants**

- 1. Long-term Debt:** As required by the Oklahoma State Constitution, the City (excluding public trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without obtaining voter approval. For the year ended June 30, 2024, no such debt was incurred by the City.
- 2. Revenue Bond Debt:** The bond indenture relating to the revenue bond issue of the SUA contains a number of financial related restrictions or covenants. These include covenants such as a required flow

of funds through special accounts, required reserve account balances, and revenue bond debt service coverage requirements. The following schedule presents a brief summary of the most significant requirements and the SUA's level of compliance thereon as of June 30, 2024.

Requirement	Level of Compliance
Flow of funds through sales tax account and other bond accounts	All required accounts have been established and are used per bond indenture requirements.
Reserve account	The bonds are secured by a Bond Fund Reserve Account held by the SUA's trustee bank.
Revenue Bond and Oklahoma Water Resources Board Notes	For the year ended June 30, 2024, available sales tax and revenues, as defined by the bond indenture, was \$104,833,150; the bond coverage requirement is operating and maintenance excluding depreciation of \$60,623,623 plus 125% of primary principal and interest plus 100% of subordinate principal and interest or \$8,506,906. Excess coverage was \$35,702,621 about 4 times the required principal and interest coverage.

**E. Fund Equity/Net Position Restrictions**

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund. For the year ended June 30, 2024, the City did not incur any fund balance deficits.

**III. DETAILED NOTES-TRANSACTION CLASSES/ACCOUNTS**

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

**A. Deposits and Investments**

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

At June 30, 2024 the City's bank balance of \$184,021,765 was not exposed to custodial credit risk. At December 31, 2023, \$777,324 of the Hospital's bank balance of \$13,579,530 was uninsured and uncollateralized.

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

- **Interest Rate Risk –** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The City's investment policy does not address interest rate risk. The Hospital's investment policy limits its investment portfolio to an average overall portfolio duration no greater than 7.5 years.

- Credit Risk – Investment credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City’s investment policy does not address credit risk. The Hospital’s policy is to limit its domestic fixed income investments to a credit rating of no less than investment grade and an overall weighted-average rating of A by Standard and Poor’s, Moody’s or Fitch.
- Concentration of Credit Risk - The City places no limit on the amount that may be invested in any one issuer. The Hospital’s investment policy limits equity investments in any one issuer, other than the U.S. government or its agencies, to 10% of the market value of the fixed income portfolio and to 5% of the market value of the equity portfolio. At December 31, 2023, no investments exceeded 5% of the total value of all Hospital investments.
- Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City’s investment policy does not address custodial risk. However, the City’s investments are in the City’s name, thus the City had no custodial risk at June 30, 2024. The Hospital’s investment policy does not address how these securities are to be held.
- Fair Value Measurement - Fair value measurements are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets that the government can access at the measurement date; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. For the year ended June 30, 2024, the City and Hospital had only Level 1 and Level 2 investments which are summarized in the table below. Investments classified as Level 1 inputs are valued using quoted prices in active markets for identical securities, and investments classified as Level 2 inputs are valued using benchmark curves, benchmarking of like securities, sector groupings and matrix pricing. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

For the year ended June 30, 2024, The City and Hospital had only Level 1 and Level 2 investments which are summarized below:

Type	Fair Value	Fair Value Measurement Basis		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Primary Government:				
Certificates of deposit	\$ 31,947,043	\$ -	\$ 31,947,043	\$ -
Money market mutual funds	5,676,716	5,676,716	-	-
U.S. agency obligations	20,971,281	-	20,971,281	-
Mutual funds	582,671	582,671	-	-
Hospital:				
Certificates of deposit	\$ 840,000	\$ -	\$ 840,000	-
U.S. Treasury obligations	918,038	918,038	-	-
Money market mutual funds	12,278,433	12,278,433	-	-
Mutual funds - fixed income	56,115,591	56,115,591	-	-
Mutual funds - domestic equities	42,947,613	42,947,613	-	-
Mutual funds - international equities	17,819,609	17,819,609	-	-

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The City had the following deposits and investments at June 30, 2024:

Type	Credit Rating	Amount	Maturities in Years		
			Less than 1	1-5	6-10
<b>Primary Government:</b>					
Certificates of deposit	(1)	\$ 31,947,043	\$ 28,445,737	\$ 3,501,306	\$ -
Money market mutual funds	AAAm (2)	5,468,197	5,468,197	-	-
Money market mutual funds	(1)	208,519	208,519	-	-
U.S. agency obligations	AA+ (2)	20,971,281	-	11,167,945	9,803,336
		<u>58,595,040</u>	<u>\$ 34,122,453</u>	<u>\$ 14,669,251</u>	<u>\$ 9,803,336</u>
Mutual funds		582,671			
Demand deposits		<u>153,798,523</u>			
		<u>\$ 212,976,234</u>			

(1) not rated

(2) Standard and Poor's

The Hospital had the following deposits and investments at December 31, 2023:

Type	Credit Rating	Amount	Maturities in Years			
			Less than 1	1-5	6-10	More than 10
Certificates of Deposit	(1)	\$ 840,000	\$ 840,000	\$ -	\$ -	\$ -
U.S. Treasury obligations	(3)	918,038	49,540	368,268	500,230	-
Money market mutual funds	AAAm (2)	12,278,433	12,278,433	-	-	-
Mutual funds-fixed income	(1)	56,115,591	774,537	4,257,792	39,192,344	11,890,918
Mutual funds-domestic equities	(1)	42,947,613	42,947,613	-	-	-
Mutual funds-international equities	(1)	17,819,609	17,819,609	-	-	-
		<u>\$ 130,919,284</u>	<u>\$ 74,709,732</u>	<u>\$ 4,626,060</u>	<u>\$ 39,692,574</u>	<u>\$ 11,890,918</u>
Demand deposits		9,876,810				
		<u>\$ 140,796,094</u>				

(1) not rated

(2) Standard and Poor's

(3) backed by U.S. Government

A summary of the carrying values of the City's deposits and investments as well as a reconciliation to the presentation in the Government-wide Statement of Net Position as of June 30, 2024, is below:

	Primary Government	Stillwater Medical Center Authority Component Unit	Total
<b>Carrying Values:</b>			
Deposits	\$ 156,141,281	\$ 9,876,810	\$ 166,018,091
Investments	56,834,953	130,919,284	187,754,237
Total	<u>\$ 212,976,234</u>	<u>\$ 140,796,094</u>	<u>\$ 353,772,328</u>
<b>Reconciliation to the Government-Wide Statement of Net Position:</b>			
Cash and cash equivalents:			
Unrestricted	\$ 150,547,607	\$ 9,876,810	\$ 160,424,417
Restricted	5,593,674	-	5,593,674
Investments:			
Unrestricted	51,971,248	130,579,284	182,550,532
Restricted	4,863,705	340,000	5,203,705
Total	<u>\$ 212,976,234</u>	<u>\$ 140,796,094</u>	<u>\$ 353,772,328</u>

**B. Accounts Receivable**

The accounts receivable of the governmental activities consists of sales and use taxes, franchise and other taxes, ad valorem taxes, lodging taxes, stormwater fees and grant revenues. Sales taxes are \$6,413,785, use taxes are \$753,801, park donations are \$500,418, lodging taxes are \$376,773, insurance rebate are \$360,283, property taxes \$667,120, police fines \$140,915, other self-insurance receivable \$595,059, amounts due from other governments \$599,222, opioid settlement revenues are \$2,090,174, and other miscellaneous receivables of \$407,890. Other receivable types represent 1% or less of the receivable totals. The accounts receivable for the business-type activities are amounts due from utility customers. All receivables are expected to be collected within one year.

**C. Accounts Payable**

Accounts payable balances are payables to vendors. Accrued liabilities are salaries, wages payable, and risk management claims (see Note VI).

**D. Restricted Assets**

Certain assets of the SUA are restricted in their use by bond and note indentures. Cash and cash equivalents, classified as current, in the amount of \$2,451,545 at June 30, 2024 have been restricted in use to the service of debt. Investments, classified as current and noncurrent, in the amount \$4,863,705 at June 30, 2024, 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, 2024, 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 \$995,605 at June 30, 2024 were restricted for this purpose.

Cash and cash equivalents received from utility customers for payment of the Western Payne County Ambulance Trust Authority (WPCATA) Subscription Fee are restricted in their use. Per agreement, the Authority remits to the WPCATA on a monthly basis all money collected from said charge. As of June 30,

2024, cash and cash equivalents, classified as current, in the amount of \$88,368 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, 2024, cash and cash equivalents in the amount of \$2,003,400, of which \$1,233,341 is classified as current and \$770,059 is classified as non-current, have been restricted for customer deposits.

**E. Capital Assets**

Capital asset activity for the year ended June 30, 2024, was as follows:

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	Balance at June 30,				Balance at June
	2023	Additions	Deletions	Transfers	30, 2024
<b>PRIMARY GOVERNMENT:</b>					
<u>Governmental Activities</u>					
Capital assets not being depreciated:					
Land	\$ 17,091,496	\$ 468,545	\$ -	\$ -	\$ 17,560,041
Construction work in progress	13,214,781	11,862,194	-	(6,204,927)	18,872,048
Total capital assets not being depreciated	30,306,277	12,330,739	-	(6,204,927)	36,432,089
Other capital assets:					
Buildings	24,728,143	-	-	-	24,728,143
Improvements other than buildings	14,320,100	320,298	(85,135)	94,164	14,649,427
Machinery and equipment	30,719,951	3,208,667	(546,973)	-	33,381,645
Infrastructure	171,552,177	1,119,251	-	6,110,763	178,782,191
Total other capital assets at historical cost	241,320,371	4,648,216	(632,108)	6,204,927	251,541,406
Less accumulated depreciation for:					
Buildings	13,819,414	464,882	-	-	14,284,296
Improvements other than buildings	11,415,907	305,359	-	-	11,721,266
Machinery and equipment	23,689,879	1,245,418	(546,973)	-	24,388,324
Infrastructure	134,818,667	3,150,276	(9,832)	-	137,959,111
Total accumulated depreciation	183,743,867	5,165,935	(556,805)	-	188,352,997
Lease assets - Equipment					
	122,311	41,217	(69,475)	-	94,053
Less accumulated amortization - Equipment	63,293	39,327	(69,475)	-	33,145
Total lease assets being amortized, net	59,018	1,890	-	-	60,908
Subscription-based IT assets (SBITA)					
	994,488	121,546	(68,089)	-	1,047,945
Less accumulated amortization - SBITA	317,758	339,761	(61,668)	-	595,851
Total SBITA assets being amortized, net	676,730	(218,215)	(6,421)	-	452,094
Other capital assets, net	58,312,252	(734,044)	(81,724)	6,204,927	63,701,411
Total capital assets, net	\$ 88,618,529	\$ 11,596,695	\$ (81,724)	\$ -	\$ 100,133,500
<u>Business-type Activities</u>					
Capital assets not being depreciated:					
Land	\$ 2,503,519	\$ -	\$ -	\$ -	\$ 2,503,519
Intangible assets	1,530,403	-	-	-	1,530,403
Construction work in progress	31,995,411	14,368,414	-	(14,368,716)	31,995,109
Total capital assets not being depreciated	36,029,333	14,368,414	-	(14,368,716)	36,029,031
Other capital assets:					
Buildings	94,621,800	-	-	27,583	94,649,383
Improvements other than buildings	50,945,191	-	-	5,014,211	55,959,402
Machinery and equipment	87,216,635	4,034,356	(2,306,500)	-	88,944,491
Intangible assets	74,054	-	-	-	74,054
Infrastructure	219,608,080	3,339,182	(277,645)	9,326,922	231,996,539
Total other capital assets at historical cost	452,465,760	7,373,538	(2,584,145)	14,368,716	471,623,869
Less accumulated depreciation for:					
Buildings	62,462,825	2,145,053	-	-	64,607,878
Improvements other than buildings	25,989,903	1,588,140	-	-	27,578,043
Machinery and equipment	33,722,016	3,274,381	(594,307)	-	36,402,090
Infrastructure	115,566,280	6,835,528	(203,974)	-	122,197,834
Amortization for intangible assets	74,054	-	-	-	74,054
Total accumulated depreciation	237,815,078	13,843,102	(798,281)	-	250,859,899
Lease assets:					
Land	10,424	15,749	(10,424)	-	15,749
Equipment	26,680	8,326	(3,581)	-	31,425
Total lease assets being amortized	37,104	24,075	(14,005)	-	47,174
Less accumulated amortization:					
Land	8,340	4,709	(10,424)	-	2,625
Equipment	12,051	7,182	(3,581)	-	15,652
Total accumulated amortization	20,391	11,891	(14,005)	-	18,277
Total lease assets being amortized, net	16,713	12,184	-	-	28,897
Subscription-based IT assets (SBITA)					
	90,464	31,124	(96,819)	-	24,769
Less accumulated amortization - SBITA	39,992	72,208	(96,819)	-	15,381
Total SBITA amortized, net	50,472	(41,084)	-	-	9,388
Other capital assets, net	214,717,867	(6,498,464)	(1,785,864)	14,368,716	220,802,255
Total capital assets, net	\$ 250,747,200	\$ 7,869,950	\$ (1,785,864)	\$ -	\$ 256,831,286

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COMPONENT UNITS:	Balance at		Reclass/		Balance at
	December 31, 2022*	Additions	Deletions	Transfers	December 31, 2023
<u>Stillwater Medical Center Authority</u>					
Capital assets not being depreciated:					
Land	\$ 5,240,692	\$ -	\$ -	\$ -	\$ 5,240,692
Construction work in progress	66,470,182	12,742,703	(10,758,442)	-	68,454,443
Total capital assets not being depreciated	71,710,874	12,742,703	(10,758,442)	-	73,695,135
Other capital assets:					
Land improvements	4,067,191	5,920	-	-	4,073,111
Buildings and improvements	99,837,432	5,184	-	-	99,842,616
Equipment	131,945,976	7,436,099	10,732,439	-	150,114,514
Lease assets	12,538,296	700,857	-	-	13,239,153
Total other capital assets at historical cost	248,388,895	8,148,060	10,732,439	-	267,269,394
Less accumulated depreciation and amortization for:					
Land improvements	2,013,070	79,196	-	-	2,092,266
Buildings and improvements	18,063,282	4,277,358	(11,514)	-	22,329,126
Equipment	86,100,699	6,600,533	(87,785)	-	92,613,447
Lease assets	6,381,660	2,451,281	-	-	8,832,941
Total accumulated depreciation and amortization	112,558,711	13,408,368	(99,299)	-	125,867,780
Other capital assets, net	135,830,184	(5,260,308)	10,831,738	-	141,401,614
Total capital assets, net	\$ 207,541,058	\$ 7,482,395	\$ 73,296	\$ -	\$ 215,096,749

\* The change in the balance reported at December 31, 2022 for net capital assets is due to the restatement of net capital and lease assets. These reclassifications had no effect on the Hospital's previously reported net position as of December 31, 2022.

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

<b>Primary Government:</b>	
<u>Governmental Activities</u>	
Public safety	\$ 751,278
Recreation and culture	488,970
General government	1,106,488
Financial administration	25,424
Streets and highways	3,172,863
Total depreciation expense for governmental activities	\$ 5,545,023
<u>Business-type Activities</u>	
Stillwater Utilities Authority	\$ 12,089,786
Airport (includes amortization of intangible assets)	1,835,447
Stillwater Economic Development Authority	1,968
Total depreciation expense for business-type activities	\$ 13,927,201
<b>Component Units:</b>	
Stillwater Medical Center Authority	\$ 13,408,368

**F. Interfund Receivables and Payables**

Interfund balances result from the normal operations of the various funds of the primary government. Other funds routinely make payments to the General Fund to cover payroll, vendor payments, health insurance costs, workers compensation costs, and other operating costs. Generally, these charges are paid within a month of their incurrence. Interfund receivables and payables for the year ended June 30, 2024, are as follows:

Due To	Due From			
	Transportation Sales Tax Fund	General	SUA	Total
General Fund	\$ 1,603,447	\$ -	-	\$ 1,603,447
Airport	-	163,366	-	163,366
SUA	-	2,791,659	-	2,791,659
SEDA	-	-	8,000,000	8,000,000
	\$ 1,603,447	\$ 2,955,025	\$ 8,000,000	\$ 12,558,472

**G. Interfund Transfers**

Interfund transfers are made on an annual basis to comply with sales tax provisions and contracts and to supplement fund balances as needed. Of the City’s four cent sales tax, one cent is designated for the SUA and one cent is designated for the Transportation Sales Tax Fund (see Note I.F). Both are transferred to their respective funds on a monthly basis upon receipt by the General Fund. The General Fund also transferred \$1.9 million to the Airport Fund to meet capital and operating needs of the fund, \$3.4 million to the SEDA to meet contractual obligations related to economic development initiatives, and \$1.2 million to the City Capital Fund to fund capital improvement projects. The Tax Increment District #3 transferred \$0.9 million to the SEDA for economic development initiatives. The SUA transferred \$14.6 million to the General Fund to meet operating needs of the fund. A summary of the interfund transfers reported in the fund financial statements for the year ended June 30, 2024, is summarized in the table below:

	Transfer In		Transfer Out			Total
	General Fund	Nonmajor Governmental	Stillwater Utilities Authority	Stillwater Economic Development Authority		
General Fund	\$ -	\$ 158,506	\$ 14,486,279	\$ -	\$ -	\$ 14,644,785
Transportation Sales Tax Fund	10,038,770	-	-	-	-	10,038,770
City Capital Fund	1,225,520	-	118,550	795,479	-	2,139,549
SUA	10,038,770	-	-	-	-	10,038,770
Airport Fund	1,929,778	-	-	-	-	1,929,778
SEDA	3,382,762	799,260	-	-	-	4,182,022
	<u>\$ 26,615,600</u>	<u>\$ 957,766</u>	<u>\$ 14,604,829</u>	<u>\$ 795,479</u>	<u>\$ -</u>	<u>\$ 42,973,674</u>

**H. Lease Receivables**

The City as a lessor, has entered into lease agreements involving land, electric infrastructure, airport hangars and facilities. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$470,576.

**I. Long-term Liabilities**

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

- 1. Governmental Activities:** As of June 30, 2024, the governmental activities long-term debt consisted of the following:

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*General Obligation Bonds*

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

\$ 8,530,000  
Plus: unamortized debt premium 315,969  
Total general obligation bonds payable \$ 8,845,969

Current portion \$ 487,618  
Noncurrent portion 8,358,351  
Total general obligation bonds payable \$ 8,845,969

*Accrued Compensated Absences*

Current portion \$ 645,352  
Noncurrent portion 2,731,744  
Total accrued compensated absences \$ 3,377,096

*Note Payable - Direct Borrowing*

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

\$ 3,912,233

Note payable to BOK Financial Equipment Finance, Inc., dated September 27, 2023, original issue amount of \$1,398,570, interest rate of 6.130%; monthly payments of \$27,123 commencing October 1, 2023, proceeds used for the purchaser of fire truck. Default provisions include 1) removal of equipment and surrender of title to the lender; 2) all remaining note payments would become immediately due and payable; 3) sell or lease the equipment or sublease it, while holding the city liable for all note payments; 4) prompt return of the equipment to the lender; 5) any other right, remedy or privilege which may be available to the lender.

1,235,855

Note payable to Dell Financial Services, dated October 26, 2023, original issue amount of \$281,456, interest rate of 7.25%; monthly payments of \$5,573 commencing March 1, 2024, proceeds used for information technology equipment. Default provisions include 1) removal of equipment and surrender of title to the lender; 2) all remaining note payments would become immediately due and payable; 3) sell or lease the equipment or sublease it, while holding the city liable for all note payments; 4) prompt return of the equipment to the lender; 5) any other right, remedy or privilege which may be available to the lender.

264,094

Note payable to Dell Financial Services, dated February 1, 2024, original issue amount of \$551,263, interest rate of 7.25%; monthly payments of \$10,915 commencing February 1, 2024, proceeds used for information technology equipment. Default provisions include 1) removal of equipment and surrender of title to the lender; 2) all remaining note payments would become immediately due and payable; 3) sell or lease the equipment or sublease it, while holding the city liable for all note payments; 4) prompt return of the equipment to the lender; 5) any other right, remedy or privilege which may be available to the lender.

509,469

Total note payable \$ 5,921,651

Current portion \$ 1,682,531  
Noncurrent portion 4,239,120  
Total note payable \$ 5,921,651

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*Lease Obligations Payable - Direct Borrowing*

Postage Machine - 43 month lease for the use of postage machine. An initial lease liability was recorded in the amount of \$8,813. Monthly fixed payments of \$208 are made at an interest rate of 0.893%. \$ 1,453

Various Copier and printer leases - dated from July 1, 2021 with terms from 15 - 60 months. An initial liability was recorded in the amount of \$128,599. Monthly payments between \$59 and \$1,407 are made at interest rates between 0.387% to 3.305%. 59,879

Total lease obligations payable \$ 61,332

Current portion \$ 19,991

Noncurrent portion 41,341

Total lease obligations payable \$ 61,332

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*Subscription based IT (SBITA) Obligations Payable - Direct Borrowing*

On 12/01/2023, City entered into a 36 month subscription for the use of software for general government. An initial subscription liability was recorded in the amount of \$114,976. As of 06/30/2024, the value of the subscription liability is \$75,276. City of Stillwater, OK is required to make annual fixed payments of \$39,700. The subscription has an interest rate of 3.6310%.	\$ 75,276
On 11/01/2022, the City entered into a 60 month subscription for the use of software for financial administration. An initial subscription liability was recorded in the amount of \$64,615. As of 06/30/2024, the value of the subscription liability is \$39,737. The City is required to make annual fixed payments of \$13,125. The subscription has an interest rate of 3.305%.	39,737
On 07/01/2022, the City entered into a 30 month subscription for the use of software for public safety. An initial subscription liability was recorded in the amount of \$14,508. As of 06/30/24, the value of the subscription liability is \$3,077. The City is required to make monthly fixed payments of \$468. The subscription has an interest rate of 2.184%.	3,077
On 07/01/2022, the City entered into a 46 month subscription for the use of software for general government. An initial subscription liability was recorded in the amount of \$534,945. As of 06/30/2024, the value of the subscription liability is \$177,971. The City is required to make annual fixed payments of \$186,098. The subscription has an interest rate of 2.275%.	177,971
On 07/19/2023, City of Stillwater, OK entered into a 14 month subscription for the use of software for streets and highways. An initial subscription liability was recorded in the amount of \$2,009. As of 06/30/2024, the value of the subscription liability is \$989. City of Stillwater, OK is required to make annual fixed payments of \$1,020. The subscription has an interest rate of 3.1020%.	989
On 10/27/2022, the City entered into a 36 month subscription for the use of software for general government. An initial subscription liability was recorded in the amount of \$24,991. As of 06/30/24, the value of the subscription liability is \$8,330. The City is required to make annual fixed payments of \$8,597. The subscription has an interest rate of 3.238%.	8,330
On 08/26/2022, the City entered into a 24 month subscription for the use of software for general government. An initial subscription liability was recorded in the amount of \$108,642. As of 06/30/24, the value of the subscription liability is \$8,770. The City is required to make annual fixed payments of \$46,673. The subscription has an interest rate of 1.71%.	8,770
Total SBITA obligations payable	<u>\$ 314,150</u>
Current portion	\$ 248,578
Noncurrent portion	<u>65,572</u>
Total SBITA obligations payable	<u>\$ 314,150</u>

**Business-type Activities:** As of June 30, 2024, the long-term liabilities payable from business-type activities consisted of the following:

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*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	\$ 51,615,000
Plus: unamortized debt premium	<u>4,275,427</u>
Total revenue bonds payable	<u>\$ 55,890,427</u>
Current portion	\$ 1,968,963
Noncurrent portion	<u>53,921,464</u>
Total revenue bonds payable	<u>\$ 55,890,427</u>

*Notes Payable*

2005 Oklahoma Water Resources Board (OWRB) Fixed Rate Note Payable dated June 29, 2005, original amount of \$7,620,000, secured by utility revenues, 2.6% interest plus an administrative fee of 0.5%, semiannual installments of principal and interest commencing September 15, 2005 through March 15, 2025	\$ 492,936
2009 OWRB DWSRF Note Payable dated November 24, 2009, original amount of \$11,645,000, \$2,000,000 in principal forgiveness from American Recovery and Reinvestment Act grant funds, secured by utility revenues, 2.84% interest plus an administrative fee of 0.5%, semiannual principal installments commencing March 15, 2013 through September 15, 2032	4,525,879
2009 OWRB CWSRF Note Payable dated November 24, 2009, original amount of \$1,875,000, \$578,999 in principal forgiveness from American Recovery and Reinvestment Act grant funds, secured by utility revenues, 2.34% interest plus an administrative fee of 0.5%, semiannual principal installments commencing March 15, 2011 through September 15, 2030	477,586
2016 OWRB SRF Note Payable dated June 27, 2016, not to exceed \$29,900,000, secured by utility revenues, 1.82% interest plus an administrative fee of 0.5%, semiannual principal installments commence the earlier of March 15, 2017 or construction completion. Construction is ongoing.	22,544,019
2017 OWRB SRF Note Payable dated September 22, 2017, not to exceed \$12,600,000, secured by utility revenues, 2.18% interest plus an administrative fee of 0.5%, semiannual principal installments commence the earlier of March 15, 2019 or construction completion. Construction is ongoing.	5,842,862
2023 OWRB SRF Note Payable dated January 10, 2023, not to exceed \$10,500,000, secured by utility revenues, 2.43% interest plus an administrative fee of 0.5%, semiannual principal installments commence earlier of September 15, 2024 or construction completion. Construction is ongoing.	7,409,103
2024 OWRB SRF Note Payable, dated December 1, 2023, not to exceed \$37,000,000, secured by utility revenue, with interest at 2.92% plus an administrative fee of 0.5%, semiannual principal installments commence the earlier of March 15, 2026, or construction completion. At June 30, construction is ongoing, and no loan draws have been made.	-
United States Army Corps of Engineers Note dated September 26, 1980, original amount of \$1,530,403, 3.222% interest, annual interest and principal installments commencing August 27, 1984 through August 27, 2034	<u>550,312</u>
Total notes payable	<u>\$ 41,842,697</u>
Current portion	\$ 2,645,201
Noncurrent portion	<u>39,197,496</u>
Total notes payable	<u>\$ 41,842,697</u>

**Direct Obligations – Notes Payable:**

Governmental Activities:

Direct Obligations – Notes Payable:

Borrowings have been advanced pursuant to a credit agreement with Motorola Solutions Credit Company LLC that provides for the purchase of equipment. The collateral for this debt is the equipment assets purchased. Default provisions include 1) declaring all note payments immediately due and payable; 2) taking possession of the collateralized equipment, sell or lease such equipment, requiring the City to pay difference, if any, between the note payments and proceeds of sale or new note; and 3) any action of law necessary to enforce creditor's rights.

Borrowings have been advanced pursuant to a credit agreement with BOK Financial Equipment Finance, Inc. that provides for the purchase of equipment. The collateral for this debt is the equipment assets purchased. Default provisions include 1) taking possession of the collateralized equipment, sell or lease such equipment, holding the City liable for all payments and charges due up of the effective date of such termination; 2) requiring the City to deliver the equipment to the point of origin at the City's sole risk, cost and expense; and 3) any action of law necessary to enforce creditor's rights.

Borrowings have been advanced pursuant to a credit agreement with Dell Financial Services LLC. that provides for the purchase of equipment. The collateral for this debt is the equipment assets purchased. Default provisions include 1) returning all equipment; 2) sell, lease, or otherwise dispose of any or all equipment; 3) declaring all note payments immediately due and payable; and 4) any action of law necessary to enforce creditor's rights.

Business-Type Activities

Direct Obligations – Notes Payable:

Borrowings have been advanced pursuant to a credit agreement with Bank of America, N.A., that provides for the purchase of equipment. The collateral for this debt is the equipment assets purchased. Default provisions include 1) declaring all note payments immediately due and payable; 2) taking possession of the collateralized equipment, sell or lease such equipment, requiring SUA to pay difference, if any, between the note payments and proceeds of sale or new note; and 3) any action of law necessary to enforce creditor's rights.

Borrowings have been advanced pursuant to a credit agreement with BOK Financial Equipment Finance, Inc. that provides for the purchase of equipment. The collateral for this debt is the equipment assets purchased. Default provisions include 1) taking possession of the collateralized equipment, sell or lease such equipment, holding SUA liable for all payments and charges due up of the effective date of such termination; 2) requiring the SUA to deliver the equipment to the point of origin at the SUA's sole risk, cost and expense; and 3) any action of law necessary to enforce creditor's rights.

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*Direct Obligations - Notes Payable*

\$1,120,000 note payable with Bank of America for equipment, fixed interest rate of 4.2035%, monthly installments commencing January 13, 2023 through December 13, 2027	\$ 826,145
\$694,482 note payable with Bank of America for equipment, fixed interest rate of 4.4885%, monthly installments commencing March 3, 2023 through February 3, 2028	535,163
\$224,000 note payable with Bank of America for equipment, fixed interest rate of 4.0535%, monthly installments commencing April 24, 2023 through March 24, 2028	175,711
\$3,220,000 note payable with Bank of Oklahoma for equipment, fixed interest rate of 5.7475%, monthly installments commencing July 1, 2024 through June 1, 2029	3,220,000
\$275,000 note payable with Bank of Oklahoma for equipment, fixed interest rate of 5.7475%, monthly installments commencing July 1, 2024 through June 1, 2029	275,000
\$7,000,000 Stillwater Economic Development Authority note payable dated July 28, 2022 to Great Plains National Bank, interest rate of 3%, proceeds were used to assist local industry for economic development purposes; one payment of principal and interest is due July 28, 2023. However, the loan was refinanced in July 2023 and the total principal balance will now be due in July 2028; collateralized with a certificate of deposit with an original balance of \$7,000,000; upon default, the lender may declare the entire unpaid principal balance and all accrued unpaid interest immediately due or right of setoff of the collateral.	7,000,000
Total direct obligations - notes payable	<u>\$ 12,032,019</u>
Current portion	\$ 1,016,704
Noncurrent portion	<u>11,015,315</u>
Total direct obligations - notes payable	<u>\$ 12,032,019</u>
<i>Accrued Compensated Absences</i>	
Current portion	\$ 126,602
Noncurrent portion	<u>957,581</u>
Total accrued compensated absences	<u>\$ 1,084,183</u>
<i>Deposits Subject to Refund</i>	
Current portion	\$ 1,233,391
Noncurrent portion	<u>770,059</u>
Total deposits subject to refund	<u>\$ 2,003,450</u>

*Lease Obligations Payable*

The Authority has 5 active equipment leases. The leases have payments that range from \$150 to \$1,980 and interest rates that range from 0.841% to 3.269% The lease terms include extension options, which are reasonably certain to be exercised.	\$ 26,443
Total lease obligations payable	<u>\$ 26,443</u>
Current portion	\$ 12,704
Noncurrent portion	<u>13,736</u>
Total lease obligations payable	<u>\$ 26,443</u>

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*Subscription based IT (SBITA) Obligations Payable - Direct Borrowing*

On 07/19/2023, SUA entered into a 14 month subscription for the use of software for the water and wastewater. An initial subscription liability was recorded in the amount of \$990. As of 06/30/2024, the value of the subscription liability is \$487. The City is required to make annual fixed payments of \$653. The subscription has an interest rate of 3.1020%.

\$ 487

On 08/29/2022, the SUA entered into a 36 month subscription for the use of software for the water department. An initial subscription liability was recorded in the amount of \$23,779. As of 06/30/24, the value of the subscription liability is \$7,925. The SUA is required to make annual fixed payments of \$8,098. The subscription has an interest rate of 2.184%.

7,925

Total SBITA obligations payable

\$ 8,412

Current portion

\$ 8,412

Noncurrent portion

-

Total SBITA obligations payable

\$ 8,412

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**2. Component Unit:** As of December 31, 2023, the long-term debt of the component unit, Stillwater Medical Center Authority, consisted of the following:

*Revenue Bond Payable:*

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

\$ 21,411,568

Total Revenue Bonds Payable

\$ 21,411,568

Current portion

\$ 1,880,746

Noncurrent portion

19,530,822

Total Revenue Bonds Payable

\$ 21,411,568

*Notes Payable:*

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

\$ 3,248,066

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

2,110,203

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

7,208,322

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

35,333,334

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

10,214,100

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

8,811,000

Total Notes Payable

\$ 66,925,025

Current portion

\$ 6,441,459

Noncurrent portion

60,483,566

Total Notes Payable

\$ 66,925,025

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*Right-to-Use Lease Obligations:*

Dell Financial Services AMD Servers: 3.99% right-to-use lease obligation commencing on February 1, 2021. Principal and interest is payable in yearly installments of \$81,542 through January 6, 2026, collateralized by the leased equipment.	\$ 153,818
Dell Financial Services Big Switch Networking: right-to-use lease obligation commencing on January 15, 2020. Principal is payable in yearly installments of \$203,173 through January 15, 2025, collateralized by the leased equipment.	203,173
Dell Financial Services VMWare (New): right-to-use lease obligation commencing on November 6, 2023. Principal is payable in yearly installments of \$440,575 through December 1, 2025, collateralized by the leased equipment.	1,168,836
Medicenter Building: right-to-use lease obligation commencing on August 1, 2020. Principal and interest is payable in monthly installments of \$6,181 through July 31, 2025.	120,173
Bushwood Surgery Building: right-to-use lease obligation commencing on July 1, 2021 and maturing on June 1, 2026. Principal and interest is payable in graduating monthly installments starting at \$47,307 and increasing 3% every January 1. Monthly installments of principal and interest during 2023 are \$56,270	1,574,262
Bushwood Ortho Building: right-to-use lease obligation commencing on July 1, 2021 and maturing on June 1, 2026. Principal and interest is payable in graduating month installments starting at \$34,888 and increasing 3% every January 1. Monthly installments of principal and interest during 2023 are \$36,297.	997,824
Total Right-to-Use Lease Obligations	<u>\$ 4,218,086</u>
Current portion	\$ 1,756,186
Noncurrent portion	<u>2,461,900</u>
Total Right-to-Use Lease Obligations	<u>\$ 4,218,086</u>

**J. Applicability of Federal Arbitrage Regulations**

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

**K. Changes in Long-Term Liabilities**

Changes in the long-term liabilities for the year ended June 30, 2024 are summarized below:

	Balance at June 30,			Balance at June 30, 2024	Amounts Due Within One Year
	2023	Additions	Reductions		
<b>PRIMARY GOVERNMENT:</b>					
<u>Governmental Activities</u>					
General obligations bonds	\$ 9,000,000	\$ -	\$ 470,000	\$ 8,530,000	\$ 470,000
Unamortized bond premium	333,588	-	17,618	315,970	17,618
Notes payable-direct borrowing	5,166,994	2,231,289	1,476,632	5,921,651	1,682,531
Lease obligations - direct borrowing	59,345	41,218	39,231	61,332	19,991
Subscription based IT obligations - direct borrowing	549,619	121,546	357,015	314,150	248,578
Accrued compensated absences	3,323,677	698,770	645,351	3,377,096	645,352
Total governmental activities	\$ 18,433,223	\$ 3,092,823	\$ 3,005,847	\$ 18,520,199	\$ 3,084,070
<u>Business-type Activities</u>					
Notes payable	\$ 40,803,897	\$ 3,451,808	\$ 2,413,009	\$ 41,842,696	\$ 2,645,201
Revenue bonds payable	53,280,000	-	1,665,000	51,615,000	1,735,000
Unamortized bond premium	4,509,389	-	233,962	4,275,427	233,962
Notes payable-direct borrowing	10,320,905	3,495,000	1,783,885	12,032,020	1,016,705
Refundable obligations - direct borrowings	203,853	445,632	427,951	221,534	221,534
Lease obligations - direct borrowing	14,791	24,072	12,420	26,443	12,704
Subscription based IT obligations-direct borrowing	45,766	31,123	68,477	8,412	8,412
Accrued compensated absences	1,102,421	108,364	126,602	1,084,183	126,602
Deposits subject to refund	1,476,628	1,280,047	753,225	2,003,450	1,233,391
Total business-type activities	\$ 111,757,650	\$ 8,836,046	\$ 7,484,531	\$ 113,109,165	\$ 7,233,511
<b>COMPONENT UNIT:</b>					
<u>Stillwater Medical Center Authority</u>					
Revenue bonds	\$ 23,147,641	\$ -	\$ 1,736,073	\$ 21,411,568	\$ 1,880,746
Notes payable	79,849,539	-	12,924,514	66,925,025	6,441,459
Financed lease asset	459,238	-	459,238	-	-
Lease obligations	4,991,898	1,140,383	1,914,195	4,218,086	1,756,186
Total component unit	\$ 108,448,316	\$ 1,140,383	\$ 17,034,020	\$ 92,554,679	\$ 10,078,391

\* The change in the balance reported at December 31, 2022 for long-term obligations is due to the restatement of lease obligations. This restatement had no effect on the Hospital's previously reported net position as of December 31, 2022.

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

**L. Maturities of Long-term Debt**

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

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**PRIMARY GOVERNMENT:**  
Governmental Activities

Year ending June 30,	General Obligation Bonds		Direct Borrowings - Notes Payable		Future Minimum Payments for Lease Obligations		Future Minimum Payments for SBITA Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 470,000	\$ 388,200	\$ 1,682,531	\$ 195,798	\$ 19,991	\$ 1,628	\$ 248,578	\$ 8,565
2026	470,000	364,700	1,734,527	143,802	19,100	1,061	51,543	2,292
2027	470,000	341,200	1,788,851	89,478	13,699	523	14,029	464
2028	470,000	317,700	490,637	32,692	6,706	175	-	-
2029	470,000	294,200	225,105	4,374	1,836	13	-	-
2030-2034	2,350,000	1,118,500	-	-	-	-	-	-
2035-2039	2,350,000	578,000	-	-	-	-	-	-
2040-2044	1,480,000	121,200	-	-	-	-	-	-
2045-2049	-	-	-	-	-	-	-	-
Total	\$ 8,530,000	\$ 3,523,700	\$ 5,921,651	\$ 466,144	\$ 61,332	\$ 3,400	\$ 314,150	\$ 11,321

Business-type Activities:

Year ending June 30,	Revenue Bonds Payable		Notes Payable		Direct Borrowings - Notes Payable		Lease Payments for Lease Obligations		Future Minimum Payments for SBITA Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,735,000	\$ 2,358,625	\$ 2,645,201	\$ 1,045,244	\$ 1,016,705	\$ 354,333	\$ 12,704	\$ 551	\$ 8,412	\$ 188
2026	1,820,000	2,269,750	2,190,809	984,117	1,070,641	188,906	10,511	284	-	-
2027	1,910,000	2,176,500	2,230,465	923,745	1,127,501	132,049	2,782	45	-	-
2028	2,005,000	2,098,675	2,269,696	863,783	1,035,811	72,998	446	3	-	-
2029	2,065,000	2,016,975	2,313,207	799,553	7,781,362	24,571	-	-	-	-
2030-2034	11,950,000	8,447,875	10,282,735	3,141,099	-	-	-	-	-	-
2035-2039	15,160,000	5,137,750	8,386,825	1,995,885	-	-	-	-	-	-
2040-2044	14,970,000	1,246,300	7,318,530	1,031,827	-	-	-	-	-	-
2045-2049	-	-	4,205,228	173,073	-	-	-	-	-	-
Total	\$ 51,615,000	\$ 25,752,450	\$ 41,842,696	\$ 10,958,326	\$ 12,032,020	\$ 772,857	\$ 26,443	\$ 883	\$ 8,412	\$ 188

**COMPONENT UNIT:**

Stillwater Medical Center Authority

Year ending December 31,	Long-term Debt		Lease Obligation Payable	
	Principal	Interest	Principal	Interest
2024	\$ 8,322,205	\$ 2,068,367	\$ 1,756,186	\$ 206,663
2025	11,976,475	1,727,255	1,529,447	205,458
2026	5,607,702	1,531,898	932,453	108,385
2027	5,227,322	1,397,973	-	-
2028	17,830,434	1,057,068	-	-
2029-2033	24,172,299	2,805,299	-	-
2034-2038	10,832,397	734,294	-	-
2039-2043	1,912,471	209,062	-	-
2044-2048	2,031,192	90,336	-	-
2049-2053	424,096	3,137	-	-
Total	\$ 88,336,593	\$ 11,624,689	\$ 4,218,086	\$ 520,506

**M. Installment Loan Receivable**

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

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

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

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

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

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

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

**IV. EMPLOYEE PENSION AND OTHER BENEFIT PLANS**

**A. Non-uniformed Employees**

- 1. Defined Contribution Plan:** All full-time, non-uniformed City employees are provided pension benefits through a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). The employee begins participation on the date of employment. Employees are required to contribute a minimum of 3% of their salary with an optional maximum of up to 100% of their salary, subject to Internal Revenue Service limitations. The City’s contribution is determined by the city council each year, and was 6% of employee salaries for fiscal year 2024. The City’s contribution for each employee begins vesting after 1 year and is fully vested after 5 years. If an employee terminates before becoming fully vested, the employer’s contributions that are forfeited may be used to reduce the City’s current-period contributions requirement.

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

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

The total contribution, net of forfeitures, for the year ended June 30, 2024, was \$2,704,160 which consisted of \$1,330,976 (net of \$133,146 in forfeitures) from the City and \$1,373,184 from employees.

The Hospital contributes to a defined contribution pension plan covering substantially all employees. Pension expense is recorded for the amount of the Hospital's required contributions, determined in accordance with the terms of the plan. The plan is administered by the Hospital's Board of Trustees. The plan provides retirement and death benefits to plan members and their beneficiaries. Benefit provisions are contained in the plan document and were established and can be amended by action of the Hospital's governing body. Contribution rates for plan members and the Hospital, expressed as a percentage of covered payroll, were 2% and 4%, respectively, for 2023. Contributions actually made by plan members and the Hospital aggregated approximately \$2,803,000 and \$5,607,000, respectively, during 2023.

2. **Defined Contribution Plan – City Manager Plan:** The City provides a defined contribution plan available to any person who is in the position of City Manager. Employees are eligible on the employee's employment commencement date. The City has elected the variable funding option. The City intends to make a contribution to the Plan for the benefit of the participants on a monthly basis. The contribution may be varied from year to year by the City. The City's contributions for each employee (and interest allocated to the employee's account) are vested at 100% immediately upon the participation date. Benefits depend solely on amounts contributed to the plan plus investment earnings. The authority to establish and amend the provisions of the plan rests with the city council. For the year ended June 30, 2024 the City contributed 6% to the plan and the enrolled employee contributed 3% to the plan. The total contributions for the year ended June 30, 2024 was \$11,107 which consisted of \$7,378 from the City and \$3,729 from employee.

## B. Uniformed Employees

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

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	Oklahoma Police Pension and Retirement System	Oklahoma Firefighter's Pension and Retirement System
Obtaining separately issued financial statements	Police Pension and Retirement 1001 N.W. 63rd St., Suite 305 Oklahoma City, OK 73116-7335	Firefighter's Pension & Retirement 6601 Broadway Extension, Ste 100 Oklahoma City, OK 73116
Authority establishing contribution obligations and benefits	State statute	State statute
Eligibility to participate	All full-time officers, employed by a participating municipality, not less than 21 years of age or more than 45 years of age when hired	All full-time or voluntary firefighters of a participating municipality hired before age 45
Employee's required contribution rate (percent of covered payroll)	8%	9%
City's required contribution rate (percent of covered payroll)	13%	14%
State obligation	State appropriation to fund the unfunded actuarial accrued liability	State appropriation to fund the unfunded actuarial accrued liability
Periods required to vest	10 years	10 years
Eligibility and benefits for distribution (full-time)	20 years credited service, 2.5% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; reduced benefits if vested at or after age 50 or after 10 but before 20 years of credited service	20 years credited service for members hired before November 1, 2013, 22 years of credited service and 50 years old for members hired on or after November 1, 2013; 50% of final average compensation; benefits continue to accrue for service up to 30 years at the rate of 2.5% per year of service; no benefits are extended for early retirement
Deferred retirement option	Yes. 20 years credited service with additional option to participate in deferred compensation plan (Louisiana Plan)	Yes. 20 years credited service with continued service for a maximum of 30 years
Provisions for:		
Cost of living adjustments (normal retirement)	Yes	Yes
Death (duty, non-duty, post-retirement)	Yes	Yes
Disability (duty, non-duty)	Yes	Yes
Cost of living allowances	Yes	Yes

Contributions required by state statute:

Fiscal Year	Oklahoma Police Pension & Retirement System		Oklahoma Firefighter's Pension & Retirement System	
	City's Required Contribution	Percent Contributed	City's Required Contribution	Percent Contributed
2024	\$ 1,001,241	100%	\$ 895,917	100%
2023	948,721	100%	870,235	100%
2022	938,695	100%	854,391	100%
2021	843,322	100%	778,175	100%
2020	842,890	100%	778,342	100%

Pension Liability (Asset), Expense, and Deferred Inflows and Outflows of Resources: At June 30, 2024, the City reported an asset of \$592,397 for its proportionate share of the collective net pension asset of the Oklahoma Police Pension and Retirement System and a liability of \$21,526,023 for its proportionate share of the collective net pension liability of the Oklahoma Firefighter's Pension and Retirement System. For both cost-sharing plans of the City, the net pension asset/liability was measured as of June 30, 2023 using an actuarial valuation to calculate the total pension liability as of that date. The City's proportion of the net pension asset/liability represents the City's actual cash basis contributions for the fiscal year divided by the

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total of all employer cash basis contributions for the fiscal year. The City's proportion of the Police Pension plan decreased from 2.015% to 1.940% during the fiscal year and resulted in a deferred outflow of \$118,550. The City's proportion of the Fire Pension plan decreased from 1.844% to 1.668% during the fiscal year and resulted in a deferred inflow of \$1,365,309.

For the year ended June 30, 2023, the City recognized pension expense of \$574,706 for the police pension plan and \$2,568,507 for the firefighter's pension plan. The City reported deferred outflows of resources and deferred inflows of resources related to the cost-sharing pension plans due to the following factors:

	Oklahoma Police Pension & Retirement System		Oklahoma Firefighter's Pension & Retirement System	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	\$ 1,621,688	\$ 91,361	\$ 2,560,041	\$ 27,328
Change in assumptions	-	1,105,771	-	34,515
Net difference between projected and actual earnings on pension plan investments	2,935,089	-	1,420,051	-
Effect of City's proportion of plan	121,431	98,028	809,255	1,701,811
City contributions made subsequent to the measurement date	1,001,241	-	895,917	-
<b>Total</b>	<b>\$ 5,679,449</b>	<b>\$ 1,295,160</b>	<b>\$ 5,685,264</b>	<b>\$ 1,763,654</b>

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, 2025. Other deferred inflows and deferred outflows related to pensions will be recognized in pension expense as shown in the following chart:

Fiscal Year	Oklahoma Police Pension & Retirement System	Oklahoma Firefighter's Pension & Retirement System
2025	\$ 546,718	\$ 997,131
2026	6,347	156,140
2027	2,292,875	2,133,282
2028	531,838	(260,860)
2029	5,270	-
	<b>\$ 3,383,048</b>	<b>\$ 3,025,693</b>

**Actuarial Assumptions:** The actuarial valuation that provided the total pension liability as of June 30, 2023 used the following assumptions:

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

\*Based on years of service; includes inflation

For the police pension plan, mortality rates use the PubS-2010 Employee (below median) mortality tables with rates set forward 2 years and projected generationally using SOA Scale MP-2021. For the fire pension plan, mortality rates use the Pub-2010 Public Safety Table with generational mortality improvement using MP-2018.

The actuarial assumptions used for the police pension plan's June 30, 2023 valuation was based on actuarial experience studies for a 5 year period of July 1, 2017 to June 30, 2022. The actuarial assumptions used for

the fire pension plan's June 30, 2023 valuation were based on actuarial experience studies for a 5 year period of July 1, 2013 through June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, are summarized in the following table:

Asset Class	Oklahoma Police	Oklahoma Firefighter's
	Pension & Retirement System	Pension & Retirement System
	Long-term Expected Real Rate of Return	Long-term Expected Real Rate of Return
Fixed income	5.78%	5.80%
Domestic equity	7.73%	9.49%
International equity	11.55%	11.55%
Real estate	7.66%	8.48%
Private equity	11.64%	0.00%
Other assets	0.00%	6.47%

**Discount Rate:** For both cost sharing plans the discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium for the Police plan. For the Firefighter plan, prior to July 1, 2021, the Plan was allocated 36% of the Statewide insurance premium tax. The State has passed legislation that changes the allocation percentage as follows:

- 25.2% effective September 1, 2020
- 36.0% effective July 1, 2021
- 37.8% effective July 1, 2022
- 36.0% effective July 1, 2027

Based on these assumptions, both of the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to 6.5%	Current Discount Rate of 7.5%	1% Increase Rate of 8.5%
City's share of police plan net pension liability (asset)	\$ 5,593,209	\$ (592,397)	\$ (5,829,664)
City's share of fire plan net pension liability	28,049,338	21,526,023	16,070,806

**Non-employer Contributing Entity:** For the City's police and firefighters pension plans, the State of Oklahoma is considered to be a non-employer contributing entity. The State contributed 14% of the insurance premium tax collected through its taxing authority to the police pension plan and 37.8% of the insurance premium tax collected to the firefighter's pension plan during the measurement period ended

June 30, 2023. 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, 2024, the City recorded revenues of \$862,332 for the police pension plan and \$1,906,793 for the firefighter’s pension plan on an accrual basis at the government-wide level. On-behalf contributions by the state on a modified accrual basis at the fund level for the police pension plan was \$1,089,875 and for the fire pension plan was \$2,345,300. These are also reported as retirement expense on a modified accrual basis.

**C. Aggregate Pension Information**

	Oklahoma Police Pension & Retirement System	Oklahoma Firefighter's Pension & Retirement System	Total
Net pension liability	\$ -	\$ 21,526,023	\$ 21,526,023
Net pension asset	592,397	-	592,397
Deferred outflows of resources	5,679,449	5,685,264	11,364,713
Deferred inflows of resources	1,295,160	1,763,654	3,058,814
Pension expense	574,706	2,568,507	3,143,213

**V. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

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

Funding Policy: The City funds healthcare benefits on a pay-as-you-go basis utilizing a third-party administrator, UMR, Inc., and Surest. Eligible employees are required to pay set premiums for a portion of the cost, with the City subsidizing the remaining costs. Contribution requirements of active employees are established and amended as needed by the city council. Premium rates for retirees and COBRA participants are set by City management upon recommendations provided by the third-party administrator and the City’s re-insurance agent. The required monthly contribution rates for plan members for fiscal year 2024 range from \$49 to \$660 for active employees, \$790 to \$2,919 for retired participants, and \$806 to \$2,978 for COBRA participants.

Employees Covered by Benefit Terms: At June 30, 2023, the following employees were covered by the benefit terms.

Active plan members	519
Inactive employees or beneficiaries currently receiving benefit payments	31
	550

Total OPEB Liability: The City’s total OPEB liability of \$7,134,386 was measured as of June 30, 2023 and was determined by an actuarial valuation performed as of June 30, 2023.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

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Discount rate	4.13 percent based on the yield for 20-year municipal bonds on the measurement date (Bond Buyers Index)
Pay increases	3.00 percent (the inflation component of pay increases used to determine the EAN actuarial liability and service cost of the OPEB plan)
Mortality	PubG-2010 for non-public safety; PubS-2010 for police and fire
Retirement rates	OkMRF 2022 experience study
Turnover	OkMRF 2022 experience study
Healthcare cost trend	Plan year dependent rates graded from 5.91% in 2023 to 3.94% in 2075. The same trend is applied to retiree contributions. Healthcare trend was developed using the Society of Actuaries Getzen healthcare economics model (2022).
Participation	50% of currently covered employees are assumed to elect retiree medical coverage if they meet eligibility requirements (50% for police and firefighters). The acceptance rate for spouses of covered retirees is assumed to be 50%.
Actuarial cost method	Entry age normal
Cost method application	Level percentage of pay
Asset valuation method	Market value

The discount rate used to value benefits was the municipal bond yield on the measurement data as specified by GASB Statement 75. Over the twelve-month measurement period ending June 30, 2023, the 20-year bond rates increased from 4.09% to 4.13%.

Changes in the Total OPEB Liability:

Balance at June 30, 2023	\$ 7,238,596
Changes for the year:	
Service cost	386,463
Interest	307,498
Changes of benefit terms	-
Differences between expected and actual experience	(424,723)
Change of assumptions	(159,899)
Expected net benefit payments	<u>(213,549)</u>
Net changes	<u>(104,210)</u>
Balance at June 30, 2024	<u>\$ 7,134,386</u>
Current portion - reported in Governmental Activities	<u>\$ 224,290</u>

The change of assumptions were related to: 1) change in the discount rate from the beginning of the measurement period to the end of the measurement period (an increase from 4.09% to 4.13% from June 30, 2022 to June 30, 2023); 2) Retiree contribution trend and healthcare trend for the next year was changed to reflect an increase of 3.8%.

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

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 ANNUAL FINANCIAL REPORT  
 As of and for the Year Ended June 30, 2024

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB liability	\$ 7,846,801	\$ 7,134,386	\$ 6,501,129

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

	1% Decrease 4.94% Grading to 2.94%	Healthcare Cost Trend Rates 5.94% Grading to 3.94%	1% Increase 6.94% Grading to 4.94%
Total OPEB liability	\$ 5,948,502	\$ 7,134,386	\$ 7,482,927

**OPEB Expense and Deferred Inflows of Resources Related to OPEB:** For the year ended June 30, 2024, the City recognized OPEB expense of \$275,094. At June 30, 2024, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 398,849	\$ (986,471)
Differences between expected and actual experience	115,784	(584,932)
Change in proportion/difference in contributions	259,489	(259,489)
Contributions subsequent to the measurement date	224,290	-
Total Deferrals	<u>\$ 998,412</u>	<u>\$ (1,830,892)</u>

The \$224,290 reported as deferred outflows of resources related to OPEB resulting from city contributions subsequent to the measurement date will be recognized as an increase/decrease of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2025	\$ (151,214)
2026	(119,129)
2027	(147,428)
2028	(171,200)
2029	(169,658)
Thereafter	(298,141)
	<u>\$ (1,056,770)</u>

**VI. RISK MANAGEMENT**

As of June 30, 2024, claims outstanding against the City and its public authorities were \$2,773,284 and are accrued under the heading “Accrued Liabilities” in the accompanying financial statements. Liabilities were accrued for workers’ compensation claims and employee health insurance claims. The City is self-insured for group medical, workers’ compensation, and unemployment. The City has a reinsurance policy which limits the City’s liability for major medical to \$150,000 per individual. The City purchases conventional insurance for excess losses for general liability and property damage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The claims liability for health claims incurred but not reported is estimated by management using a five-month claims lag analysis. The claims liability for workers’ compensation claims and judgments is estimated using information provided by a third-party administrator based on their opinion of probable outcome of litigation. The balance of the claim liability is expected to be paid within the next year and is included in accrued liabilities on the statement of net position. All claims are paid from the consolidated cash account, funded by the General Fund. Changes in the balances of claims liabilities for the years ended June 30, 2024 and 2023 were as follows:

	<b>Beginning Liability Balance</b>	<b>Current Year Claims &amp; Changes in Estimate</b>	<b>Claims Payments</b>	<b>Ending Liability Balance</b>
2024	\$ 1,388,909	\$ 9,096,107	\$ 7,711,732	\$ 2,773,284
2023	\$ 2,232,821	\$ 8,150,648	\$ 8,994,560	\$ 1,388,909

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

The Hospital is self-insured for health claims of participating employees and dependents up to an annual aggregate amount of approximately \$300,000.

The Hospital is self-insured for risks related to workers’ compensation claims up to \$550,000 per occurrence with an annual liability of \$1,000,000 in the aggregate. In connection with the self-insured workers’ compensation policy, the Hospital had a \$340,000 certificate of deposit held in escrow at a local bank as of December 31, 2023. No draws were made on the certificate of deposit held in escrow through 2023.

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

Activity in the Hospital’s accrued employee health and workers’ compensation claims liability for years ended December 31, 2023 and 2022 is summarized as follows:

	<b>Beginning Liability Balance</b>	<b>Current Year Claims &amp; Changes in Estimate</b>	<b>Claims Payments</b>	<b>Ending Liability Balance</b>
2023	\$ 1,824,956	\$ 18,519,035	\$ 19,843,261	\$ 3,149,182
2022	\$ 2,377,168	\$ 14,128,408	\$ 13,576,196	\$ 1,824,956

## VII. CONTINGENT LIABILITIES, LITIGATION, AND COMMITMENTS

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

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

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

Asset Retirement Obligation – The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system cannot be reasonably estimated as of June 30, 2024, since the specific legally required costs of retirement have not yet been identified.

## VIII. REVENUES PLEDGED

Ad valorem revenue can only be collected to pay principal and interest on general obligation bonds or court assessed judgments. Levying of an ad valorem tax requires a vote of the citizens. The City has pledged future ad valorem taxes to repay the \$9,000,000 2022 General Obligation bonds used to provide financing for the relocation and construction of a new fire station building. The bonds of \$9,000,000 are due in payments commencing June 2024 through June 2042. The total principal and interest payable for the remainder of the life of these bonds is \$12,053,700. Ad valorem taxes received in the current year were \$1,111,334. Debt service payments of \$881,700 in the current fiscal year were 79.34% of the total ad valorem taxes received.

The SUA has pledged future sales tax revenues and future utility revenues, net of operating and maintenance expenses, to repay debt obligations. Proceeds from the debt issues financed electric construction projects, water and wastewater construction projects, and refinanced outstanding balances of notes to the OWRB. The debt obligations are payable from the one cent sales tax revenue dedicated to the Authority by City Ordinance No. 1835 and from net revenues derived from the existence and operation of the utility system. Pledged revenues are projected to produce 125 percent of the debt service requirements over the life of the debt. For the year ended June 30, 2024, sales tax revenues were \$10,038,770, and net revenues were \$34,577,232. The following is a summary of the debt issues included in this pledge of revenues as of June 30, 2024:

<b>Debt Issue</b>	<b>Issue Amount</b>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Remaining Principal and Interest</b>	<b>Current Year Principal and Interest</b>
2005 OWRB Fixed Rate Note	\$ 7,620,000	Jun 2005	Mar 2025	\$ 494,786	\$ 494,736
2009 OWRB DWSRF Note	11,645,000	Nov 2009	Sept 2032	4,983,765	654,525
2009 OWRB CWSRF Note	1,875,000	Nov 2009	Sept 2030	517,278	79,534
Series 2014A Revenue Bonds	61,830,000	Aug 2014	Oct 2042	77,367,450	4,100,300
2016 OWRB DWSRF Note	29,900,000	Jun 2016	Sept 2046	29,168,309	1,420,403
2017 OWRB DWSRF Note	12,600,000	Sept 2017	Sept 2048	6,971,412	579,543
2023 OWRB CWSRF Note	10,500,000	Jan 2023	Mar 2054	10,003,171	154,459
2024 OWRB DWSRF Note	37,000,000	Dec 2023	Mar 2056	-	-

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

The Hospital has acquired multiple service lines since 2009 for which the consideration provided exceeded the net position acquired as of the date of acquisition. These service lines were acquired as they were considered strategic additions to the services already provided by the Hospital. Details of the business acquisitions are below:

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

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

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

The carrying basis and accumulated amortization of recognized deferred outflows of resources related to government acquisitions at December 31, 2023 were as follows:

Deferred outflows of resources	\$ 12,293,360
Accumulated amortization	<u>(11,029,897)</u>
	<u>\$ 1,263,463</u>

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

The Hospital's investments in joint ventures relate to a 10% ownership in LifeCare Health Services, LLC; a 4% ownership in Tecumseh Health Reciprocal Risk Retention Group; a 9% ownership in Fresenius Medical Care-Stillwater, LLC; a 50% ownership in Bushwood, LLC; a 13% ownership in LifeCare Association Insurance Exchange; and a 1% ownership in Upper Midwest Consolidated Services Center, LLC.

Tecumseh Health Reciprocal Risk Retention Group (Tecumseh) provides insurance coverage. The Hospital paid approximately \$319,000 to purchase its professional liability (medical malpractice) and general liability insurance from Tecumseh during the year ended December 31, 2023. The Hospital's investment in Tecumseh was approximately \$1,180,000 at December 31, 2023.

LifeCare Health Services, LLC (LifeCare) is a joint venture between certain hospitals in Oklahoma organized to collaborate and share expenses and expertise to expand or enhance health care services in the communities served by each participating hospital in furtherance of their independent missions. The Hospital's investment in LifeCare was approximately \$1,220,000 as of December 31, 2023.

Effective August 15, 2018, the Hospital acquired a 50% equity interest in Bushwood, LLC (Bushwood) for \$6,285,000. Bushwood owns two buildings in Stillwater, Oklahoma, an ambulatory surgery center and a medical office building, that are 100% leased by the Hospital. For the year ended December 31, 2023, the Hospital paid approximately \$1,118,000 in rent for the right to utilize the building space. The Hospital's investment in Bushwood was approximately \$7,270,000 at December 31, 2023. During the year ended December 31, 2023, the Hospital received a distribution of \$554,000 from Bushwood.

Fresenius Medical Care-Stillwater, LLC provides dialysis services to residents of Stillwater and the surrounding area. The Hospital's investment in Fresenius was approximately \$313,000 at December 31, 2023.

Upper Midwest Consolidated Services Center, LLC (UMCSC) is a health care supply purchasing and management organization. The Hospital's investment in UMCSC was approximately \$184,000 at December 31, 2023.

Lifecare Association Insurance Exchange (LAIE) is a joint venture between certain hospitals in Oklahoma, organized to collaborate and share expenses to create a captive insurance company for property insurance coverage. The Hospital's investment in LAIE was approximately \$878,000 as of December 31, 2023. Effective July 1, 2021, the Authority purchased its property insurance coverage from LAIE. For the year ended December 31, 2023, the Hospital paid approximately \$401,000 to LAIE for the coverage.

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

**XI. TAX ABATEMENTS**

The Stillwater Economic Development Authority (SEDA) negotiates sales tax abatement agreements on an individual basis. The agreements result in an abatement of 50% of the City's unrestricted sales tax collected and remitted to the Oklahoma Tax Commission by the business for an agreed upon period of time or until total abatements equal an agreed upon dollar amount. For the fiscal year ended June 30, 2024, the SEDA abated sales tax totaling \$499,886 to 2 entities for the purposes described below:

<b>Purpose</b>	<b>Percentage of Taxes Abated During the Fiscal Year</b>	<b>Amount of Taxes Abated During the Fiscal Year</b>
Economic revitalization and new development within the boundaries of the Tax Increment Financing District #3	11.8%	\$59,114
Development of a retail center in undeveloped parts of the City	88.2%	\$440,772

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

## **XII. RECENTLY ISSUED ACCOUNTING STANDARDS**

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

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

GASB Statement No. 102 – "Certain Risk Disclosures" - This Statement provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The Statement is effective for the city in the fiscal year June 30, 2025.

GASB Statement No. 103 – "Financial Reporting Model Improvements" - This Statement provides users of government financial statements with improvements to key components of the financial reporting model to enhance the effectiveness of providing information that is essential for decision making and assessing government's accountability. The Statement is effective for the city in the fiscal year June 30, 2026.

DRAFT

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**REQUIRED SUPPLEMENTARY**  
**INFORMATION**

DRAFT

*Stillwater*<sup>®</sup> OKLAHOMA  
stillwaterok.gov

# Convenience Collection Center

In fiscal year 2024, the Convenience Collection Center had 46,751 visitors and collected more than 800 tons of recyclable materials.

The Convenience Collection Center is located at 807 S. Perkins Road and is open Tuesday-Friday, 10 a.m.-6 p.m. and Saturday, 8 a.m.-4 p.m.



NO ASSURANCE IS PROVIDED

CITY OF STILLWATER, OKLAHOMA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 June 30, 2024

**CITY OF STILLWATER, OKLAHOMA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL--GENERAL FUND**  
**For the fiscal year ended June 30, 2024**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT BUDGETARY BASIS	Budget to GAAP Difference	Actual Amount GAAP Basis
<b>REVENUES</b>					
Sales and use tax	\$ 41,520,000	\$ 44,020,000	\$ 45,331,788	\$ -	\$ 45,331,788
Other taxes	3,410,000	3,410,000	3,755,902	-	3,755,902
Intergovernmental	50,000	1,695,722	4,426,566	3,435,175	7,861,741
Charges for services	555,000	555,000	885,514	-	885,514
Fines and forfeits	661,000	661,000	762,971	-	762,971
Fees and rentals	469,610	469,610	415,961	-	415,961
Investment income	200,000	200,000	427,965	-	427,965
Licenses and permits	305,000	305,000	363,628	-	363,628
Other miscellaneous revenue	1,816,000	9,668,637	2,730,624	-	2,730,624
Total revenues	48,986,610	60,984,969	59,100,919	3,435,175	62,536,094
<b>EXPENDITURES</b>					
<b>Public Safety:</b>					
<b>Police:</b>					
Personal services	12,276,081	12,844,146	12,944,767	2,815,155	15,759,922
Materials and supplies	696,775	649,880	650,086	-	650,086
Contract services	522,909	590,080	510,093	-	510,093
<b>Fire:</b>					
Personal services	7,875,439	8,055,745	8,291,382	3,476,405	11,767,787
Materials and supplies	245,400	276,766	245,147	-	245,147
Contract services	294,776	503,546	233,882	-	233,882
Total public safety	21,911,380	22,920,163	22,875,357	6,291,560	29,166,917
<b>Recreation and culture:</b>					
<b>Parks and recreation:</b>					
Personal services	598,240	671,789	632,886	124,090	756,976
Materials and supplies	74,354	68,776	58,785	-	58,785
Contract services	786,930	879,786	801,137	-	801,137
<b>Library:</b>					
Personal services	1,044,509	1,074,831	1,049,064	216,868	1,265,932
Materials and supplies	109,850	108,990	107,541	-	107,541
Contract services	106,171	330,284	235,358	1,137	236,495
Total recreation and culture	2,720,054	3,134,456	2,884,771	342,095	3,226,866
<b>General government:</b>					
Personal services	11,802,603	11,675,209	9,546,270	(6,630,489)	2,915,781
Materials and supplies	132,615	185,972	159,001	-	159,001
Contract services	5,618,352	10,246,424	5,011,398	(2,017,177)	2,994,221
Total general government	17,553,570	22,107,605	14,716,669	(8,647,666)	6,069,003
<b>Financial administration:</b>					
Personal services	695,586	856,325	742,731	201,451	944,182
Materials and supplies	24,625	31,742	27,665	-	27,665
Contract services	93,805	113,755	72,001	-	72,001
Total financial administration	814,016	1,001,822	842,397	201,451	1,043,848

(continued...)

CITY OF STILLWATER, OKLAHOMA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 June 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT BUDGETARY BASIS	Budget to GAAP Difference	Actual Amount GAAP Basis
<b>Streets and highways:</b>					
Personal services	3,041,470	2,828,695	2,670,379	521,019	3,191,398
Materials and supplies	509,910	548,277	537,475	2,009	539,484
Contract services	860,155	1,074,369	825,156	-	825,156
Total streets and highways	4,411,535	4,451,341	4,033,010	523,028	4,556,038
<b>Health and welfare:</b>					
<b>Health:</b>					
Materials and supplies	15,350	15,650	10,349	-	10,349
Contract services	30,200	29,900	27,789	-	27,789
<b>Community development:</b>					
Personal services	876,345	877,284	826,095	170,458	996,553
Materials and supplies	21,150	23,450	17,530	-	17,530
Contract services	96,667	50,867	28,806	-	28,806
Total health and welfare	1,039,712	997,151	910,569	170,458	1,081,027
<b>Debt service:</b>					
Police	-	-	-	6,046	6,046
Fire	297,852	297,852	162,715	87,036	249,751
Parks & recreation	-	-	-	2,280	2,280
Library	-	-	-	3,518	3,518
General government	-	-	(3,017)	321,861	318,844
Financial administration	-	-	-	29,453	29,453
Total economic development	297,852	297,852	159,698	450,194	609,892
<b>Capital outlay:</b>					
Police	-	892,053	784,406	-	784,406
Fire	-	205,088	123,692	-	123,692
Recreation and culture	-	7,254,181	742,256	-	742,256
General government	-	-	-	-	-
General government	-	5,855,972	4,001,604	-	4,001,604
Streets and highways	-	2,086,893	124,905	-	124,905
Health and welfare	-	543,500	171,863	-	171,863
Total capital outlay	-	16,837,687	5,948,726	-	5,948,726
Total expenditures	48,748,119	71,748,077	52,371,197	(668,880)	51,702,317
<b>Excess (deficiency) of revenues over (under) expenditures</b>					
	238,491	(10,763,108)	6,729,722	4,104,055	10,833,777
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	30,333,596	30,333,596	25,075,378	(10,430,593)	14,644,785
Transfers out	(29,625,446)	(34,073,338)	(33,264,746)	6,649,146	(26,615,600)
Proceeds from long-term lease	-	-	156,194	-	156,194
Total other financing sources (uses)	708,150	(3,739,742)	(8,033,174)	(3,781,447)	(11,814,621)
<b>Net change in fund balance</b>	946,641	(14,502,850)	(1,303,452)	322,608	(980,844)
<b>FUND BALANCE, beginning of year</b>	-	22,578,677	22,578,677	-	22,578,677
<b>FUND BALANCE, end of year</b>	\$ 946,641	\$ 8,075,827	\$ 21,275,225	\$ 322,608	\$ 21,597,833

## NOTES TO BUDGETARY COMPARISON SCHEDULES

### BUDGET LAW

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

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

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

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

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

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

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

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

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

### BUDGETARY COMPLIANCE

For the year ended June 30, 2024 the City complied, in all material respects, with the applicable budget laws.

CITY OF STILLWATER, OKLAHOMA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 June 30, 2024

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

For the year June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	1.940%	2.015%	1.919%	2.027%	1.913%	1.922%	1.905%	1.929%	1.927%	1.788%
City's proportionate share of the net pension liability (asset)	\$ (592,397)	\$(1,616,064)	\$(9,203,474)	\$ 2,327,809	\$ (122,109)	\$ (915,585)	\$ 146,562	\$ 2,954,182	\$ 78,571	\$(601,984)
City's covered payroll	\$ 7,297,854	\$ 7,220,731	\$ 6,487,104	\$ 6,483,780	\$ 6,118,891	\$ 5,816,669	\$ 5,588,023	\$ 5,873,785	\$ 5,428,069	\$5,001,962
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(8.12%)	(22.38%)	(141.87%)	35.902%	(2.00%)	(15.74%)	2.62%	50.29%	1.45%	(12.03%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.02%	102.74%	117.01%	95.80%	100.24%	101.89%	99.68%	93.50%	99.82%	101.53%

**Notes to Schedule:**

For the period that ends on the measurement date of the pension liability.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	1.668%	1.844%	1.728%	1.824%	1.706%	1.687%	1.802%	1.763%	1.733%	1.742%
City's proportionate share of the net pension liability	\$ 21,526,023	\$ 24,109,773	\$ 11,382,311	\$ 22,470,976	\$ 18,023,156	\$ 18,994,082	\$ 22,668,491	\$ 21,542,978	\$ 18,399,430	\$ 17,914,151
City's covered payroll	\$ 6,215,964	\$ 6,102,793	\$ 5,558,376	\$ 5,559,569	\$ 5,240,149	\$ 4,957,864	\$ 5,077,200	\$ 5,063,550	\$ 4,667,564	\$ 4,650,593
City's proportionate share of the net pension liability as a percentage of its covered payroll	346.30%	395.06%	204.78%	404.19%	343.94%	383.11%	446.48%	425.45%	394.20%	385.20%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	69.49%	84.24%	69.98%	72.85%	70.73%	66.61%	64.87%	68.27%	68.12%

**Notes to Schedule:**

For the period that ends on the measurement date of the pension liability.

CITY OF STILLWATER, OKLAHOMA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 June 30, 2024

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 1,001,241	\$ 948,721	\$ 938,695	\$ 843,322	\$ 842,890	\$ 795,457	\$ 756,167	\$ 726,443	\$ 763,592	\$ 705,649
Contributions in relation to the statutorily required contribution	<u>(1,001,241)</u>	<u>(948,721)</u>	<u>(938,695)</u>	<u>(843,322)</u>	<u>(842,890)</u>	<u>(795,457)</u>	<u>(756,167)</u>	<u>(726,443)</u>	<u>(763,592)</u>	<u>(705,649)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 7,701,855	\$ 7,297,854	\$ 7,220,731	\$ 6,487,104	\$ 6,483,780	\$ 6,118,891	\$ 5,816,669	\$ 5,588,023	\$ 5,873,785	\$ 5,428,069
Contributions as a percentage of covered payroll	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 895,917	\$ 870,235	\$ 854,391	\$ 778,175	\$ 778,342	\$ 733,622	\$ 694,101	\$ 710,808	\$ 708,897	\$ 653,459
Contributions in relation to the statutorily required contribution	<u>(895,917)</u>	<u>(870,235)</u>	<u>(854,391)</u>	<u>(778,175)</u>	<u>(778,342)</u>	<u>(733,622)</u>	<u>(694,101)</u>	<u>(710,808)</u>	<u>(708,897)</u>	<u>(653,459)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,399,407	\$ 6,215,964	\$ 6,102,793	\$ 5,558,376	\$ 5,559,569	\$ 5,240,149	\$ 4,957,864	\$ 5,077,200	\$ 5,063,550	\$ 4,667,564
Contributions as a percentage of covered payroll	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%

CITY OF STILLWATER, OKLAHOMA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 June 30, 2024

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 386,463	\$ 456,754	\$ 432,790	\$ 351,194	\$ 319,735	\$ 289,621	\$ 326,718
Interest	307,498	168,516	170,569	247,914	240,241	204,729	160,852
Experience Gain/(Loss)	(424,723)	68,410	59,209	(423,902)	(23,365)	140,297	-
Changes of assumptions	(159,899)	(691,863)	(384,456)	550,856	430,376	(304,645)	(459,374)
Expected net benefit payments	(213,549)	(216,247)	(220,694)	(125,017)	(120,931)	(100,180)	(91,192)
Net change in total OPEB liability	(104,210)	(214,430)	57,418	601,045	846,056	229,822	(62,996)
<b>Balances at Beginning of Year</b>	<u>7,238,596</u>	<u>7,453,026</u>	<u>7,395,608</u>	<u>6,794,563</u>	<u>5,948,507</u>	<u>5,718,685</u>	<u>5,781,681</u>
<b>Balances End of Year</b>	<u>\$ 7,134,386</u>	<u>\$ 7,238,596</u>	<u>\$ 7,453,026</u>	<u>\$ 7,395,608</u>	<u>\$ 6,794,563</u>	<u>\$ 5,948,507</u>	<u>\$ 5,718,685</u>
Covered employee payroll	\$ 33,914,000	\$ 32,052,000	\$ 32,589,000	\$ 30,900,000	\$ 30,819,000	\$ 28,460,000	\$ 28,450,000
Total OPEB liability as a percentage of covered-employee payroll	21.04%	22.58%	22.87%	23.93%	22.05%	20.90%	20.10%

**Notes to Schedule:**

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

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

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

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

- Discount rate changed from 3.58% to 3.87%
- Mortality table was changed from RP 2000 projected using scale AA to Pub2010 Gen or Public Safety projected

Healthcare age claim curve was adjusted for change in demographics of covered participant group  
 Healthcare trend changed to reflect actual change in budgeted medical premiums for the year

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

- Discount rate changed from 3.87% to 3.50%
- Healthcare age claim curve was adjusted for change in demographics of participants
- Healthcare trend changed to reflect actual change in budgeted medical premiums for the year
- Retiree contributions for the next year was changed to reflect actual increase in required contributions
- Future retirees were assumed to take Plan A upon retirement

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

- Discount rate changed from 3.50% to 2.21%

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

- Discount rate changed from 2.21% to 2.16%

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

- Discount rate changed from 2.16% to 4.09%
- Retiree contribution trend and healthcare trend for next year was changed to reflect an increase of 30%

Changes of assumptions in fiscal year 2024 relates mainly to the following:

- Discount rate changed from 4.09% to 4.13%

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**OTHER SUPPLEMENTARY**  
**INFORMATION**

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*Stillwater*<sup>®</sup> OKLAHOMA  
stillwaterok.gov



# Stillwater Regional Airport

The Stillwater Regional Airport is getting a new terminal! Phase one of the project includes constructing a new terminal building, a four-lane drop-off area, and more. For more information, go to: [Stillwaterok.gov/projects](http://Stillwaterok.gov/projects).

Facebook - @FlyStillwaterOK 

Instagram - stillwater\_regional\_airport 

X - @FlyStillwaterOK 

CITY OF STILLWATER, OKLAHOMA  
 OTHER SUPPLEMENTARY INFORMATION  
 June 30, 2024

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - MAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS**  
 For the fiscal year ended June 30, 2024

	Capital Project Fund Transportation Improvement Fund				Capital Project Fund City Capital Fund			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
<b>REVENUES</b>								
Investment income	\$ -	\$ -	\$ 834,681	\$ 834,681	\$ -	\$ -	256,078	\$ 256,078
Intergovernmental	-	-	-	-	-	142,210	87,564	(54,646)
Charges for service	-	-	3,938	3,938	-	-	-	-
Other miscellaneous revenue	-	-	54	54	-	-	2,347,049	2,347,049
Total revenues	-	-	838,673	838,673	-	142,210	2,690,691	2,548,481
<b>EXPENDITURES</b>								
<b>General Government:</b>								
Materials and supplies	-	-	-	-	-	37,500	18,933	18,567
Total General Government	-	-	-	-	-	37,500	18,933	18,567
<b>Streets and highways:</b>								
Personal services	-	-	-	-	-	-	-	-
Materials and supplies	350,000	315,000	18,035	296,965	-	-	-	-
Contract services	-	515,644	-	515,644	-	-	-	-
Total Streets and highways	350,000	830,644	18,035	612,609	-	-	-	-
<b>Debt service:</b>								
Police	-	-	-	-	-	98,927	76,867	22,060
Emergency management	-	-	-	-	1,355,000	1,355,000	1,355,000	-
Total debt service	-	-	-	-	1,355,000	1,453,927	1,431,867	22,060
<b>Capital outlay:</b>								
Parks and recreation	-	-	-	-	-	270,805	189,329	81,476
Finance	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	1,709,186	1,253,882	455,304
Police	-	-	-	-	-	712,778	412,207	300,571
Fire	-	-	-	-	-	-	1,398,570	(1,398,570)
Library	-	-	-	-	-	-	-	-
Streets and highways	-	17,771,584	6,702,346	11,069,238	-	2,365,877	282,999	2,082,878
Emergency management	-	-	-	-	-	468,774	-	468,774
Total capital outlay	-	17,771,584	6,702,346	11,069,238	-	5,527,420	3,536,987	1,990,433
Excess (deficiency) of revenues over (under) expenditures	(350,000)	(18,602,228)	(5,881,708)	12,720,520	(1,355,000)	(6,876,637)	(2,297,096)	517,421
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	9,375,000	9,750,000	10,038,770	288,770	-	2,139,549	2,139,549	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	9,375,000	9,750,000	10,038,770	288,770	-	2,139,549	2,139,549	-
<b>Net change in fund balance</b>	<b>9,025,000</b>	<b>(8,852,228)</b>	<b>4,157,062</b>	<b>13,009,290</b>	<b>(1,355,000)</b>	<b>(4,737,088)</b>	<b>(157,547)</b>	<b>4,579,541</b>
<b>FUND BALANCE, beginning of year</b>	<b>12,677,887</b>	<b>21,525,677</b>	<b>21,525,677</b>	<b>-</b>	<b>1,767,355</b>	<b>7,703,412</b>	<b>7,703,412</b>	<b>-</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 21,702,887</b>	<b>\$ 12,673,449</b>	<b>\$ 25,682,739</b>	<b>\$ 13,009,290</b>	<b>\$ 412,355</b>	<b>\$ 2,966,324</b>	<b>\$ 7,545,865</b>	<b>\$ 4,579,541</b>

## NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

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CITY OF STILLWATER, OKLAHOMA  
 OTHER SUPPLEMENTARY INFORMATION  
 June 30, 2024

City of Stillwater  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2024

	Special Revenue Fund Community Development Block Grant	Special Revenue Fund Tax Increment District #3	Special Revenue Fund Stillwater Public Library Trust	Capital Project Fund G.O. Bond Fund	Debt Service Fund Sinking Fund	Permanent Fund Mabel King Trust	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 215,598	\$ -	\$ 3,586	\$ 5,831,659	\$ 593,763	\$ 57,950	\$ 6,702,556
Investments	-	-	867,281	1,725,288	178,478	-	2,771,047
Due from other governments	6,901	667,120	-	-	-	-	674,021
Accrued interest receivable	-	-	42	2,397	248	16	2,703
Total assets	\$ 222,499	\$ 667,120	\$ 870,909	\$ 7,559,344	\$ 772,489	\$ 57,966	\$ 10,150,327
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ 834,557	\$ -	\$ -	\$ 834,557
Total liabilities	-	-	-	834,557	-	-	834,557
Deferred Inflows of Resources:							
Unavailable revenue-property taxes	-	662,213	-	-	-	-	662,213
Total deferred inflows of resources	-	662,213	-	-	-	-	662,213
Fund Balances:							
Nonspendable	-	-	-	-	-	50,000	50,000
Restricted:							
Debt service	-	-	-	-	772,489	-	772,489
Capital improvements	222,499	-	-	6,724,787	-	-	6,947,286
TIF projects	-	4,907	-	-	-	-	4,907
Library books	-	-	-	-	-	7,966	7,966
Library purposes	-	-	870,909	-	-	-	870,909
Assigned	-	-	-	-	-	-	-
Total fund balances	222,499	4,907	870,909	6,724,787	772,489	57,966	8,653,557
Total liabilities, deferred inflows of resources and fund balances	\$ 222,499	\$ 667,120	\$ 870,909	\$ 7,559,344	\$ 772,489	\$ 57,966	\$ 10,150,327

CITY OF STILLWATER, OKLAHOMA  
OTHER SUPPLEMENTARY INFORMATION  
June 30, 2024

City of Stillwater  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2024

	Special Revenue Fund Community Development Block Grant	Special Revenue Fund Tax Increment District #3	Special Revenue Fund Stillwater Public Library Trust	Capital Project Fund G.O. Bond Fund	Debt Service Fund Sinking Fund	Permanent Fund Mabel King Trust	Total-Other Governmental Funds
<b>REVENUES</b>							
Taxes	\$ -	\$ 1,147,485	\$ -	\$ -	\$ 1,111,334	\$ -	\$ 2,258,819
Intergovernmental	253,903	-	-	-	-	-	253,903
Investment income (loss)	-	(732)	116,550	291,687	30,491	1,936	439,932
Miscellaneous	-	-	31,673	-	-	-	31,673
Total revenues	253,903	1,146,753	148,223	291,687	1,141,825	1,936	2,984,327
<b>EXPENDITURES</b>							
Current:							
Public safety	-	-	-	-	-	-	-
Recreation and culture	-	-	2,857	-	-	-	2,857
General government	-	372,442	-	-	-	-	372,442
Financial administration	-	-	-	-	-	-	-
Streets and sewers	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	470,000	-	470,000
Interest and other charges	-	-	-	-	412,200	-	412,200
Capital Outlay	239,755	-	-	2,465,554	-	-	2,705,309
Total Expenditures	239,755	372,442	2,857	2,465,554	882,200	-	3,962,808
Excess (deficiency) of revenues over expenditures	14,148	774,311	145,366	(2,173,867)	259,625	1,936	(978,481)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(799,260)	-	-	(158,506)	-	(957,766)
Total other financing sources and uses	-	(799,260)	-	-	(158,506)	-	(957,766)
Net change in fund balances	14,148	(24,949)	145,366	(2,173,867)	101,119	1,936	(1,936,247)
Fund balances - beginning	208,351	29,856	725,543	8,898,654	671,370	56,030	10,589,804
Fund balances - ending	\$ 222,499	\$ 4,907	\$ 870,909	\$ 6,724,787	\$ 772,489	\$ 57,966	\$ 8,653,557

CITY OF STILLWATER, OKLAHOMA  
 OTHER SUPPLEMENTARY INFORMATION  
 June 30, 2024

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
 For the fiscal year ended June 30, 2024

	Special Revenue Fund Community Development Block Grant				Special Revenue Fund Tax Increment District #3			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 570,000	\$ 1,765,000	\$ 1,147,485	\$ (617,515)
Intergovernmental	-	253,904	253,903	(1)	-	-	-	-
Investment income	-	-	-	-	-	-	(732)	(732)
Other miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	-	253,904	253,903	(1)	570,000	1,765,000	1,146,753	(618,247)
<b>EXPENDITURES</b>								
<b>General government:</b>								
Contract services	-	-	-	-	-	560,000	372,442	187,558
Debt service:	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total general government	-	-	-	-	-	560,000	372,442	187,558
<b>Capital Outlay:</b>								
General government	-	476,404	239,755	236,649	-	-	-	-
Streets and highway	-	-	-	-	-	-	-	-
Total capital outlay	-	476,404	239,755	236,649	-	-	-	-
Total expenditures	-	476,404	239,755	236,649	-	560,000	372,442	187,558
Excess (deficiency) of revenues over (under) expenditures	-	(222,500)	14,148	236,648	570,000	1,205,000	774,311	(430,689)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(391,080)	(1,185,000)	(799,260)	385,740
Total other financing sources (uses)	-	-	-	-	(391,080)	(1,185,000)	(799,260)	385,740
Net change in fund balance	-	(222,500)	14,148	236,648	178,920	20,000	(24,949)	(44,949)
FUND BALANCE, beginning of year	-	208,351	208,351	-	(178,920)	29,856	29,856	-
FUND BALANCE, end of year	\$ -	\$ (14,149)	\$ 222,499	\$ 236,648	\$ -	\$ 49,856	\$ 4,907	\$ (44,949)

CITY OF STILLWATER, OKLAHOMA  
 OTHER SUPPLEMENTARY INFORMATION  
 June 30, 2024

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS  
 For the fiscal year ended June 30, 2024

	Capital Project Fund G.O. Bond Fund				Debt Service Fund Sinking Fund			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 568,000	\$ 568,000	\$ 1,111,334	\$ 543,334
Intergovernmental	-	-	-	-	-	-	-	-
Investment income	-	-	291,687	291,687	-	-	30,491	30,491
Other miscellaneous revenue	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>291,687</b>	<b>291,687</b>	<b>568,000</b>	<b>568,000</b>	<b>1,141,825</b>	<b>573,825</b>
<b>EXPENDITURES</b>								
<b>Public safety</b>								
Contract services	-	-	-	-	-	-	-	-
<b>Debt service:</b>								
General government	-	-	-	-	882,200	882,200	882,200	-
<b>Capital Outlay:</b>								
General government	-	5,703,302	2,465,554	3,237,748	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>5,703,302</b>	<b>2,465,554</b>	<b>3,237,748</b>	<b>882,200</b>	<b>882,200</b>	<b>882,200</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	-	(5,703,302)	(2,173,867)	3,529,435	(314,200)	(314,200)	259,625	573,825
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from long-term debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(158,506)	(158,506)	(158,506)	-
Total other financing sources (uses)	-	-	-	-	(158,506)	(158,506)	(158,506)	-
<b>Net change in fund balance</b>	<b>-</b>	<b>(5,703,302)</b>	<b>(2,173,867)</b>	<b>3,529,435</b>	<b>(472,706)</b>	<b>(472,706)</b>	<b>101,119</b>	<b>573,825</b>
<b>FUND BALANCE, beginning of year</b>	<b>-</b>	<b>8,898,654</b>	<b>8,898,654</b>	<b>-</b>	<b>602,042</b>	<b>671,370</b>	<b>671,370</b>	<b>-</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ 3,195,352</b>	<b>\$ 6,724,787</b>	<b>\$ 3,529,435</b>	<b>\$ 129,336</b>	<b>\$ 198,664</b>	<b>\$ 772,489</b>	<b>\$ 573,825</b>

(Continued)

CITY OF STILLWATER, OKLAHOMA  
 OTHER SUPPLEMENTARY INFORMATION  
 June 30, 2024

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS**  
 For the fiscal year ended June 30, 2024

	Permanent Fund Mabel King Trust				Stillwater Public Library Trust			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Investment income	-	-	1,936	1,936	-	-	116,550	116,550
Other miscellaneous revenue	-	-	-	-	-	-	31,673	31,673
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>1,936</b>	<b>1,936</b>	<b>-</b>	<b>-</b>	<b>148,223</b>	<b>148,223</b>
<b>EXPENDITURES</b>								
<b>Recreation and culture:</b>								
Materials and supplies	-	-	-	-	-	-	2,857	(2,857)
Debt service:	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
<b>Total general government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,857</b>	<b>(2,857)</b>
<b>Capital Outlay:</b>								
Recreation and culture	-	-	-	-	-	-	-	-
<b>Total capital outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,857</b>	<b>(2,857)</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	1,936	1,936	-	-	145,366	145,366
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>1,936</b>	<b>1,936</b>	<b>-</b>	<b>-</b>	<b>145,366</b>	<b>145,366</b>
<b>FUND BALANCE, beginning of year</b>	<b>-</b>	<b>-</b>	<b>56,030</b>	<b>56,030</b>	<b>-</b>	<b>-</b>	<b>725,543</b>	<b>725,543</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 57,966</b>	<b>\$ 57,966</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 870,909</b>	<b>\$ 870,909</b>

# Stillwater Emergency Management

The Stillwater Emergency Management Agency proactively plans for all hazards, works to reduce threats and prepares Stillwater residents and organizations to respond and recover from emergencies.

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# STATISTICAL SECTION

DRAFT

*Stillwater*<sup>®</sup> OKLAHOMA

[stillwaterok.gov](http://stillwaterok.gov)

## Statistical Section

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

- **Financial Trends** – These schedules contain trend information to help the reader understand how the City's financial performance and well-being changed over time. *See pages 99-103.*
- **Revenue Capacity** – These schedules contain information to help the reader assess the City's significant local revenue sources, the sales tax and the property tax, as well as other revenue sources. *See pages 104-111.*
- **Debt Capacity** – These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. *See pages 112-115.*
- **Operating Information** – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. *See pages 116-119.*
- **Economic and Demographic Information** – These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments. *See pages 120-121.*

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

CITY OF STILLWATER, OKLAHOMA  
**NET POSITION BY COMPONENT**  
 LAST TEN FISCAL YEARS  
*(accrual basis of accounting)*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 82,961,714	\$ 85,669,817	\$ 86,929,623	\$ 82,592,444	\$ 80,699,900	\$ 81,356,779	\$ 80,806,176	\$ 78,737,372	\$ 81,470,006	\$ 88,633,403
Restricted for capital projects	62,758	62,633	62,415	323,382	374,262	331,935	243,410	9,034	208,351	222,499
Restricted for pensions	7,112,182	7,706,462	7,834,767	8,374,505	9,478,658	10,056,817	-	-	1,309,975	-
Restricted for debt service	230,786	209,523	188,857	139,552	152,309	162,401	306,175	673,299	671,370	772,489
Restricted for street improvements	3,776,439	341,711	5,099,248	9,168,945	10,841,975	11,773,957	13,665,321	14,451,872	21,492,626	25,682,739
Restricted for specific operating activities	2,968,212	2,497,975	2,392,909	651,332	673,213	1,124,923	1,694,392	1,338,666	3,120,181	4,024,162
Restricted for permanent fund - nonexpendable	-	-	-	-	-	50,000	50,000	50,000	50,000	50,000
Unrestricted	(15,893,431)	(16,308,980)	(19,618,348)	(18,555,667)	(7,805,126)	(5,014,097)	3,992,326	6,875,700	6,847,929	9,508,738
<b>Total governmental activities net position</b>	<b>\$ 81,218,660</b>	<b>\$ 80,179,141</b>	<b>\$ 82,889,471</b>	<b>\$ 82,694,493</b>	<b>\$ 94,415,191</b>	<b>\$ 99,842,715</b>	<b>\$ 100,757,800</b>	<b>\$ 102,135,943</b>	<b>\$ 115,170,438</b>	<b>\$ 128,894,030</b>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 109,014,991	\$ 126,387,848	\$ 125,458,599	\$ 129,490,943	\$ 129,044,368	\$ 136,958,864	\$ 144,901,186	\$ 145,490,174	\$ 150,289,969	\$ 156,344,114
Restricted for capital projects	2,282,192	1,655,304	808,415	862,552	886,016	908,232	944,789	985,783	1,017,844	2,451,545
Restricted for debt service	1,056,953	1,057,398	1,542,846	2,055,472	1,932,356	1,945,838	1,978,202	2,019,266	2,079,163	1,050,361
Restricted for specific operating activities	2,712	2,712	2,460	0	-	-	-	-	-	-
Unrestricted	71,072,050	70,145,589	85,816,412	95,413,569	99,550,852	99,291,393	111,390,692	116,673,727	130,564,214	149,419,428
<b>Total business-type activities net position</b>	<b>\$ 183,428,898</b>	<b>\$ 199,248,851</b>	<b>\$ 213,628,732</b>	<b>\$ 227,822,536</b>	<b>\$ 231,413,592</b>	<b>\$ 239,104,327</b>	<b>\$ 259,214,869</b>	<b>\$ 265,168,950</b>	<b>\$ 283,951,190</b>	<b>\$ 309,265,448</b>
<b>Primary government:</b>										
Net investment in capital assets	\$ 191,976,705	\$ 212,057,665	\$ 212,388,222	\$ 212,083,387	\$ 209,744,268	\$ 218,315,643	\$ 225,707,362	\$ 224,227,546	\$ 231,759,975	\$ 244,977,517
Restricted for capital projects	2,344,950	1,717,937	870,830	1,185,934	1,260,278	1,240,167	1,188,199	994,817	1,226,195	2,674,044
Restricted for pensions	7,112,182	7,706,462	7,834,767	8,374,505	9,478,658	10,056,817	-	-	1,309,975	-
Restricted for debt service	1,287,739	1,266,921	1,731,703	2,195,024	2,084,665	2,108,239	2,284,377	2,692,565	2,750,533	1,822,850
Restricted for street improvements	3,776,439	341,711	5,099,248	9,168,945	10,841,975	11,773,957	13,665,321	14,451,872	21,492,626	25,682,739
Restricted for specific operating activities	2,970,924	2,500,687	2,395,369	651,332	673,213	1,124,923	1,694,392	1,338,666	3,120,181	4,024,162
Restricted for permanent fund - nonexpendable	-	-	-	-	-	50,000	50,000	50,000	50,000	50,000
Unrestricted	55,178,619	53,836,609	66,198,064	76,857,902	91,745,726	94,277,296	115,383,018	123,549,427	137,412,143	158,928,166
<b>Total primary government net position</b>	<b>\$ 264,647,558</b>	<b>\$ 279,427,992</b>	<b>\$ 296,518,203</b>	<b>\$ 310,517,029</b>	<b>\$ 325,828,783</b>	<b>\$ 338,947,042</b>	<b>\$ 359,972,669</b>	<b>\$ 367,304,893</b>	<b>\$ 399,121,628</b>	<b>\$ 438,159,478</b>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental activities:										
Public Safety	\$ 20,409,139	\$ 20,487,015	\$ 22,567,312	\$ 23,165,578	\$ 20,283,955	\$ 25,232,995	\$ 27,887,768	\$ 24,276,320	\$ 26,982,491	\$ 29,875,906
Cultural, parks and recreation	4,441,026	4,642,710	4,461,890	4,209,854	3,594,568	3,735,748	3,226,164	4,544,400	3,945,000	3,628,270
General government	4,263,765	4,446,150	5,328,156	5,545,663	6,051,174	5,633,505	6,263,176	6,965,822	7,424,719	7,767,001
Financial administration	714,638	732,799	747,028	621,538	480,187	614,702	627,071	737,819	860,711	1,070,490
Streets and highways	13,933,432	15,088,869	12,932,517	10,246,691	9,937,457	11,192,640	10,766,813	10,598,146	8,727,689	11,370,075
Engineering and public works administration	594,723	0	-	-	-	-	-	-	-	-
Economic development	14,916	27,903	13,316	25,381	24,562	7,805	5,127	-	-	-
Health and welfare	1,642,867	1,157,110	960,396	1,023,771	1,028,832	1,074,399	919,985	1,339,667	1,126,175	1,264,783
Interest on long-term debt	140,679	108,120	76,111	44,113	12,129	(19,671)	(50,163)	(30,311)	616,833	490,695
<b>Total governmental activities expenses</b>	<b>46,155,185</b>	<b>46,690,676</b>	<b>47,086,726</b>	<b>44,882,589</b>	<b>41,412,864</b>	<b>47,472,123</b>	<b>49,645,941</b>	<b>48,431,863</b>	<b>49,683,618</b>	<b>55,467,220</b>
Business-type activities:										
Electric, water, wastewater, and sanitation oper	58,016,108	53,378,815	61,965,058	63,234,363	65,532,689	62,740,400	80,879,025	88,079,435	85,101,682	81,805,024
Stillwater Public Golf Authority	-	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	15,000	0	1,686,158	-	-	-
Business area development	1,970,265	1,979,446	1,909,145	1,831,101	1,467,073	1,549,034	3,277,158	1,780,870	2,011,569	2,490,453
Airport operations	2,676,008	2,625,889	2,875,967	3,572,997	3,620,279	6,527,106	-	5,454,546	6,692,989	5,995,734
<b>Total business-type activities expenses</b>	<b>62,662,381</b>	<b>57,984,150</b>	<b>66,750,170</b>	<b>68,638,461</b>	<b>70,635,041</b>	<b>70,816,540</b>	<b>85,842,341</b>	<b>95,314,851</b>	<b>93,806,240</b>	<b>90,291,211</b>
<b>Total primary government expenses</b>	<b>\$ 108,817,566</b>	<b>\$ 104,674,826</b>	<b>\$ 113,836,896</b>	<b>\$ 113,521,050</b>	<b>\$ 112,047,905</b>	<b>\$ 118,288,663</b>	<b>\$ 135,488,282</b>	<b>\$ 143,746,714</b>	<b>\$ 143,489,858</b>	<b>\$ 145,758,431</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Public safety	\$ 2,290,884	\$ 2,622,099	\$ 2,679,216	\$ 2,619,775	\$ 2,743,417	\$ 2,841,723	\$ 3,170,639	\$ 2,117,493	\$ 3,223,829	\$ 577,932
Cultural, parks and recreation	1,121,462	1,064,755	914,995	712,549	274,101	166,543	194,895	131,783	266,084	288,125
General government	934,955	554,497	1,362,082	1,296,850	1,099,376	1,119,503	519,323	1,100,510	489,614	626,950
Financial administration	1,207,448	1,132,852	1,036,065	1,131,545	1,136,937	801,154	571,347	815,144	818,870	897,572
Streets and highways	483,411	555,381	1,107,030	405,717	392,285	407,476	452,487	466,625	413,708	768,303
Health and welfare	227,846	302,888	430,744	262,807	426,387	270,528	258,701	304,682	264,184	262,633
Operating grants and contributions	571,493	526,732	79,813	198,989	524,836	3,000,657	1,943,963	1,528,637	1,017,972	4,146,302
Capital grants and contributions	600,714	2,327,602	5,599,043	1,232,531	1,149,352	1,353,885	1,374,572	263,356	2,878,312	6,379,901
<b>Total governmental activities program revenues</b>	<b>7,438,213</b>	<b>9,086,806</b>	<b>13,208,988</b>	<b>7,860,763</b>	<b>7,746,691</b>	<b>9,961,469</b>	<b>8,485,927</b>	<b>6,728,230</b>	<b>9,372,573</b>	<b>13,947,718</b>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Business-type activities:</b>										
Charges for services:										
Electric, water, wastewater, and sanitation op	\$ 75,491,830	\$ 73,148,660	\$ 80,475,384	\$ 81,778,637	\$ 79,224,262	\$ 76,947,432	\$ 94,254,430	\$ 93,934,928	\$ 99,801,644	\$ 95,870,635
Business area development	29,303	169,335	204,548	14,783	848	1,512	935	1,048	605	-
Airport operations	1,410,731	1,132,097	1,363,750	1,657,585	1,641,714	1,443,053	1,539,353	2,519,307	3,379,483	3,195,047
Operating grant and contributions	-	-	-	-	61,392	323,914	801,946	1,260,327	1,213,934	472,383
Capital grants and contributions	764,017	115,450	1,845,117	2,246,048	2,403,555	6,383,537	11,656,049	4,901,172	6,174,278	8,605,861
Total business-type activities program revenues	77,695,881	74,565,542	83,888,799	85,697,053	83,331,771	85,099,448	108,252,713	102,616,782	110,569,944	108,143,926
Total primary government program revenues	\$ 86,782,687	\$ 83,652,348	\$ 91,749,562	\$ 93,557,816	\$ 91,078,462	\$ 95,060,917	\$ 116,738,640	\$ 109,345,012	\$ 119,942,517	\$ 122,091,644
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (38,716,972)	\$ (37,603,870)	\$ (33,877,738)	\$ (37,021,826)	\$ (33,666,173)	\$ (37,510,654)	\$ (41,160,014)	\$ (41,703,633)	\$ (40,311,045)	\$ (41,519,502)
Business-type activities	15,033,500	17,581,392	17,138,629	17,058,592	12,696,730	14,282,908	22,410,372	7,301,931	16,763,704	17,852,715
Total primary government net expense	\$ (23,683,472)	\$ (20,022,478)	\$ (16,739,109)	\$ (19,963,234)	\$ (20,969,443)	\$ (23,227,746)	\$ (18,749,642)	\$ (34,401,702)	\$ (23,547,341)	\$ (23,666,787)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 29,926,023	\$ 30,250,927	\$ 29,800,331	\$ 31,288,009	\$ 30,791,644	\$ 31,005,552	\$ 33,118,168	\$ 37,423,088	\$ 44,867,281	\$ 45,331,788
Property taxes	1,196,973	1,170,237	987,082	978,693	927,799	1,205,509	1,465,530	733,849	1,805,264	2,835,513
Franchise and public service taxes	1,710,990	1,663,781	1,719,692	1,728,885	2,049,701	1,999,500	2,078,756	2,239,293	2,261,842	2,035,790
E911 taxes	90,535	76,503	48,274	65,245	62,591	61,217	59,566	60,375	54,951	41,751
Hotel/motel taxes	787,488	736,485	819,592	842,623	777,659	641,945	624,718	874,248	1,721,177	1,678,361
Investment income	168,627	186,077	58,500	103,431	234,296	345,279	269,882	(485,727)	775,781	1,964,079
Miscellaneous	-	-	-	-	-	44,334	11,250	102,611	943,452	1,906,833
Transfers-internal activity	939,980	2,480,341	3,154,597	2,218,075	10,543,181	7,601,376	2,234,771	1,033,941	915,792	(551,021)
Special item - close out of retirement fund	-	-	-	-	-	-	1,766,951	-	-	-
Total governmental activities	34,820,616	36,564,351	36,588,068	37,224,961	45,386,871	42,904,712	41,629,592	41,981,678	53,345,540	55,243,094
Business-type activities:										
Investment income	375,015	715,402	171,150	334,844	1,385,880	1,508,512	476,365	(538,677)	3,352,242	7,040,702
Miscellaneous	503,379	3,500	224,699	(631,707)	51,627	(499,308)	(541,424)	224,768	(417,914)	(130,180)
Transfers-internal activity	(939,980)	(2,480,341)	(3,154,597)	(2,218,075)	(10,543,181)	(7,601,376)	(2,234,771)	(1,033,941)	(915,792)	551,021
Total business-type activities	(61,586)	(1,761,439)	(2,758,748)	(2,514,938)	(9,105,674)	(6,592,172)	(2,299,830)	(1,347,850)	2,018,536	7,461,543
Total primary government	\$ 34,759,030	\$ 34,802,912	\$ 33,829,320	\$ 34,710,023	\$ 36,281,197	\$ 36,312,540	\$ 39,329,762	\$ 40,633,828	\$ 55,364,076	\$ 62,704,637
<b>Change in Net Position</b>										
Governmental activities	\$ (3,896,356)	\$ (1,039,519)	\$ 2,710,330	\$ 203,135	\$ 11,720,698	\$ 5,394,058	\$ 469,578	\$ 278,045	\$ 13,034,495	\$ 13,723,592
Business-type activities	14,971,914	15,819,953	14,379,881	14,543,654	3,591,056	7,690,736	20,110,542	5,954,081	18,782,240	25,314,258
Total primary government	\$ 11,075,558	\$ 14,780,434	\$ 17,090,211	\$ 14,746,789	\$ 15,311,754	\$ 13,084,794	\$ 20,580,120	\$ 6,232,126	\$ 31,816,735	\$ 39,037,850

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General fund</b>										
Non-spendable	\$ 113,209	\$ 110,496	\$ 116,940	\$ 61,077	\$ 38,909	\$ 45,440	\$ 31,363	\$ 39,725	\$ 38,792	\$ 104,660
Restricted for public safety	100,321	95,790	72,571	95,185	92,613	99,805	98,535	87,231	145,507	138,718
Restricted for economic development	788,185	360,813	299,183	556,147	580,600	500,929	-	-	-	-
Restricted for sales tax transfer	2,079,706	2,041,372	1,955,910	-	-	-	-	-	-	-
Restricted for capital improvements	-	-	65,245	65,245	241,369	241,369	241,369	8,151	-	-
Restricted for visitor and event recruitment	-	-	-	-	-	-	392,502	548,241	1,307,618	552,929
Restricted for opioid settlement	-	-	-	-	-	-	-	-	197,280	738,882
Committed to public safety	509,846	567,333	612,968	-	-	-	-	-	-	-
Committed to capital improvements	-	-	-	-	486,577	587,131	722,006	878,905	284,231	436,268
Committed to stormwater	-	-	-	-	477,583	505,643	615,373	684,256	799,245	1,069,849
Assigned to self insurance	1,492,683	1,679,512	1,790,911	1,177,988	758,544	1,319,885	1,082,694	278,069	1,386,693	2,180,056
Assigned to recreation and culture	158,969	144,517	118,186	64,567	66,039	65,425	13,294	27,397	67,810	29,447
Assigned to special event	-	-	-	-	128,533	43,253	31,832	32,292	12,757	6,398
Assigned to public safety	-	-	-	-	517,621	618,376	406,954	466,035	476,323	562,648
Assigned to community rehab	-	-	-	-	17,893	18,932	23,397	42,202	72,357	56,019
Assigned to Stillwater utilities (1)	-	-	-	-	2,918,978	5,029,679	-	207,655	-	-
Assigned to budget appropriation	-	-	-	-	6,866,627	5,561,419	8,474,640	7,744,242	6,045,636	4,247,447
Unassigned	8,940,922	6,442,469	2,478,143	5,663,427	-	-	12,433,775	11,927,800	11,744,428	11,474,512
<b>Total general fund</b>	<b>\$ 14,183,841</b>	<b>\$ 11,442,302</b>	<b>\$ 7,510,057</b>	<b>\$ 7,683,636</b>	<b>\$ 13,191,886</b>	<b>\$ 14,637,286</b>	<b>\$ 24,567,734</b>	<b>\$ 22,972,201</b>	<b>\$ 22,578,677</b>	<b>\$ 21,597,833</b>
<b>All other governmental funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Restricted for debt service	230,786	209,523	188,857	139,552	152,309	162,401	306,175	673,299	671,370	772,489
Restricted for capital improvements	3,839,197	404,344	5,161,663	9,427,082	10,974,868	11,864,523	13,667,362	23,327,205	30,632,682	32,630,025
Restricted for TIF projects	-	-	-	-	-	-	556,775	77,856	29,856	4,907
Restricted for library books	-	-	-	-	-	4,232	4,568	4,846	6,030	7,966
Restricted for library purposes	-	-	-	-	-	519,957	642,012	620,492	725,543	870,909
Assigned for capital improvements	-	-	-	-	2,979,724	5,026,307	6,097,082	6,199,479	7,703,412	7,545,865
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 4,069,983</b>	<b>\$ 613,867</b>	<b>\$ 5,350,520</b>	<b>\$ 9,566,634</b>	<b>\$ 14,106,901</b>	<b>\$ 17,627,420</b>	<b>\$ 21,323,974</b>	<b>\$ 30,953,177</b>	<b>\$ 39,818,893</b>	<b>\$ 41,882,161</b>

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Taxes	\$ 33,690,619	\$ 33,867,464	\$ 33,417,379	\$ 34,864,045	\$ 34,641,363	\$ 34,713,615	\$ 37,454,183	\$ 41,404,107	50,682,315	51,346,509
Intergovernmental	715,097	524,126	541,595	439,114	636,609	2,988,724	1,882,763	1,514,605	4,958,535	8,203,208
Charges for service	614,263	671,485	799,313	566,985	529,946	578,575	578,124	625,213	550,262	885,514
Fines and forfeits	881,790	1,162,590	1,045,956	1,123,676	1,084,493	715,114	489,762	725,291	686,027	762,971
Fees and rentals	1,123,113	1,087,411	1,051,225	806,716	497,038	452,428	500,159	401,218	482,400	415,961
Investment income	168,575	186,025	58,378	102,982	233,772	344,899	269,872	(485,760)	668,027	1,958,710
Licenses and permits	264,840	377,683	383,629	243,017	278,769	328,791	291,463	357,396	319,506	363,628
Other miscellaneous revenues	1,091,427	692,754	1,743,092	1,499,104	1,345,334	1,258,572	625,832	1,430,116	1,387,588	2,881,995
<b>Total revenues</b>	<b>38,549,724</b>	<b>38,569,538</b>	<b>39,040,567</b>	<b>39,645,639</b>	<b>39,247,324</b>	<b>41,380,718</b>	<b>42,092,158</b>	<b>45,972,186</b>	<b>59,734,660</b>	<b>66,818,496</b>
<b>Expenditures</b>										
Current:										
Public safety	19,004,743	19,387,415	19,848,498	19,932,996	20,174,962	21,218,588	21,847,026	24,828,297	27,489,681	29,166,917
Recreation and culture	3,814,270	4,062,328	3,878,892	3,498,288	2,968,130	3,026,598	2,817,057	3,064,432	3,135,834	3,229,723
General government	3,727,050	4,001,412	4,509,539	5,268,836	5,976,425	5,259,527	5,702,891	5,838,901	5,700,402	6,460,378
Financial administration	735,423	844,480	688,490	641,620	473,228	612,456	638,336	713,241	868,380	1,043,848
Streets and highways	4,233,578	4,507,411	3,889,539	3,723,263	3,773,407	4,207,694	3,921,156	3,949,101	4,056,978	4,574,073
Operations	594,143	-	-	-	-	-	-	-	-	-
Economic development	14,916	27,903	13,316	25,381	24,562	9,316	6,062	1,048	-	-
Health and welfare	1,637,285	1,118,418	966,336	1,014,849	1,020,186	1,089,365	933,975	1,048,112	1,074,222	1,081,027
Debt service:										
Principal retirements	810,000	805,000	800,000	800,000	795,000	795,000	350,000	33,579	1,627,987	2,336,455
Interest and fiscal charges	206,600	174,200	142,000	110,000	78,000	46,200	14,400	528	550,317	587,504
Capital outlay	6,305,599	11,182,912	5,713,051	1,445,208	3,744,972	8,230,398	6,919,872	8,890,749	14,304,616	18,893,368
<b>Total expenditures</b>	<b>41,083,607</b>	<b>46,111,479</b>	<b>40,449,661</b>	<b>36,460,441</b>	<b>39,028,872</b>	<b>44,495,142</b>	<b>43,150,775</b>	<b>48,367,988</b>	<b>58,808,417</b>	<b>67,373,293</b>
Excess of revenues over (under) expenditures	(2,533,883)	(7,541,941)	(1,409,094)	3,185,198	218,452	(3,114,424)	(1,058,617)	(2,395,802)	926,243	(554,797)
<b>Other Financing Sources (Uses)</b>										
Issuance of debt	-	-	-	-	-	-	-	9,395,532	6,630,157	2,387,483
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Transfers in	19,047,247	18,999,377	19,339,107	19,316,085	23,948,610	25,483,216	20,273,998	22,115,500	29,089,103	26,823,104
Transfers out	(18,107,267)	(17,655,091)	(17,125,605)	(18,111,590)	(14,118,545)	(17,881,839)	(18,039,227)	(21,081,560)	(28,173,311)	(27,573,366)
<b>Total other financing sources (uses)</b>	<b>939,980</b>	<b>1,344,286</b>	<b>2,213,502</b>	<b>1,204,495</b>	<b>9,830,065</b>	<b>7,601,377</b>	<b>2,234,771</b>	<b>10,429,472</b>	<b>7,545,949</b>	<b>1,637,221</b>
<b>Special Item - proceeds from close out of retirement plan</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,450,842</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (1,593,903)</b>	<b>\$ (6,197,655)</b>	<b>\$ 804,408</b>	<b>\$ 4,389,693</b>	<b>\$ 10,048,517</b>	<b>\$ 4,486,953</b>	<b>\$ 13,626,996</b>	<b>\$ 8,033,670</b>	<b>\$ 8,472,192</b>	<b>\$ 1,082,424</b>
Debt service as a percentage of noncapital expenditures	2.84%	2.44%	2.48%	2.56%	2.40%	2.06%	0.91%	0.08%	4.67%	5.13%

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

Fiscal Year	Sales & Use Taxes		Property Taxes		Franchise and Public Service Taxes		E911 Taxes	Lodging Tax	Total Taxes	Sales Tax as Percentage of			
										Total Taxes			
2015	\$	29,926,023	\$	1,196,973	\$	1,710,990	\$	90,535	\$	787,488	\$	33,712,009	88.77%
2016		30,250,927		1,170,237		1,663,781		76,503		736,485		33,897,933	89.24%
2017		29,800,331		987,082		1,719,692		48,274		819,592		33,374,971	89.29%
2018		31,288,009		978,693		1,728,885		65,245		842,623		34,903,455	89.64%
2019		30,791,644		927,799		2,049,701		62,591		777,659		34,609,394	88.97%
2020		31,271,335		1,205,509		1,722,916		61,217		641,945		34,902,922	89.60%
2021		33,118,169		1,465,530		2,078,756		59,566		624,718		37,346,739	88.68%
2022		37,423,088		733,849		2,239,293		60,375		874,248		41,330,853	90.55%
2023		44,867,281		1,805,264		2,261,842		54,951		1,721,177		50,710,515	88.48%
2024		45,331,788		2,835,513		2,035,700		41,751		1,678,361		51,923,113	87.31%

CITY OF STILLWATER, OKLAHOMA  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (1)  
 LAST TEN FISCAL YEARS  
 (in thousands)

Fiscal Year	Real Property	Personal Property	Public Service Property	Total Valuation	Homestead Exemption	Other Exemptions (2)	Net Total Valuation	Total Direct Tax Rate	Total Estimated Actual Value	Ratio of Total Assessed to Actual Value
2015	\$ 261,644	\$ 27,453	\$ 5,718	\$ 294,815	\$ 4,925	\$ 1,156	\$ 288,734	4.16	\$ 2,586,096	11.16%
2016	271,254	31,739	7,588	310,581	4,838	1,288	304,455	3.78	2,724,395	11.18%
2017	286,207	32,288	7,158	325,653	4,777	1,287	319,589	3.25	2,856,605	11.19%
2018	304,725	33,681	7,326	345,732	4,719	1,223	339,790	2.75	3,032,737	11.20%
2019	318,548	33,965	7,626	360,139	4,686	1,450	354,003	2.72	3,159,114	11.21%
2020	339,463	34,915	7,470	381,848	4,574	1,710	375,564	2.73	3,349,544	11.21%
2021	345,443	35,155	8,641	389,239	4,539	1,893	382,807	1.83	3,414,377	11.21%
2022	366,696	34,323	8,935	409,954	4,392	2,125	403,437	0.30	3,596,088	11.22%
2023	386,436	36,028	8,513	430,977	4,351	2,507	424,119	1.34	3,780,500	11.22%
2024	398,231	35,342	8,242	441,815	4,373	2,676	434,766	2.47	3,875,570	11.22%

The assessed value of the taxable property as certified by the Payne County Assessor to be used for the 2025 fiscal year is as follows:

	Real Property	Personal Property	Public Service Property	Total Valuation	Homestead Exemption	Other Exemptions	Net Total Valuation	Total Direct Tax Rate	Total Estimated Actual Value
2025	\$ 419,912	\$ 32,360	\$ 8,082	\$ 460,354	\$ 4,368	\$ 3,142	\$ 452,844	2.11	\$ 4,038,193

(1) Source: Payne County Assessor

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

Fiscal Year	City of Stillwater Debt Service Fund	Independent School District No. 16	Meridian Technology Center	Payne County	Total
2015	4.16	68.54	15.47	16.43	104.60
2016	3.78	68.95	15.47	16.43	104.63
2017	3.25	68.01	15.47	16.43	103.16
2018	2.75	66.37	15.47	16.43	101.02
2019	2.72	66.55	15.47	16.43	101.17
2020	2.73	66.69	15.47	16.43	101.32
2021	1.83	65.46	15.47	16.43	99.19
2022	0.30	66.99	15.47	16.43	99.19
2023	1.34	67.99	15.47	16.43	101.23
2024	2.47	67.10	15.47	16.43	101.47

The direct and overlapping tax rates for FY 2025 are as follows:

Fiscal Year	City of Stillwater Debt Service Fund	Independent School District No. 16	Meridian Technology Center	Payne County	Total
2025	2.11	67.67	15.47	16.43	101.68

(1) Source: Payne County Assessor

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

Taxpayer	Type of Business	2024			2015		
		Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank
Stillwater Ranch Holdings, LLC	Retirement community development	\$ 6,694,555	1.34%	1			
Plato II OK I, PropCo, LP	Apartments	5,424,103	1.09%	2			
One On 4th St, LLC	Apartments	4,981,051	1.00%	3			
Stillwater Development, LLC	Real estate developer	4,895,182	0.98%	4			
Tradan Heights Stillwater, LLC	Apartments	4,712,051	0.94%	5			
Links at Stillwater	Apartments/golf/fitness development	4,106,603	0.82%	6	\$ 2,919,119	0.96%	3
213 W Elm, LLC	Apartments	3,963,062	0.79%	7			
Wal-Mart Real Estate	Discount supercenter	3,848,807	0.77%	8	2,442,555	0.80%	5
Tailwind Stillwater, LLC	Apartments	3,016,281	0.60%	9			
Lakeview Pointe Shopping Center, LLC	Shopping center	2,664,726	0.53%	10	2,513,196	0.83%	4
ASCO Aerospace USA	Manufacturer of aerospace components				7,350,293	2.41%	1
Breckenridge Group Stillwater OK LLC	Off campus student housing				3,387,771	1.11%	2
Sifty 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 cords for radial tires				2,093,240	0.69%	8
Prime Place	Apartments				1,777,566	0.58%	9
Lowes Home Center, Inc.	Home improvement store				1,648,775	0.54%	10
		<u>\$ 44,306,421</u>	<u>8.87%</u>		<u>\$ 28,471,875</u>	<u>9.35%</u>	

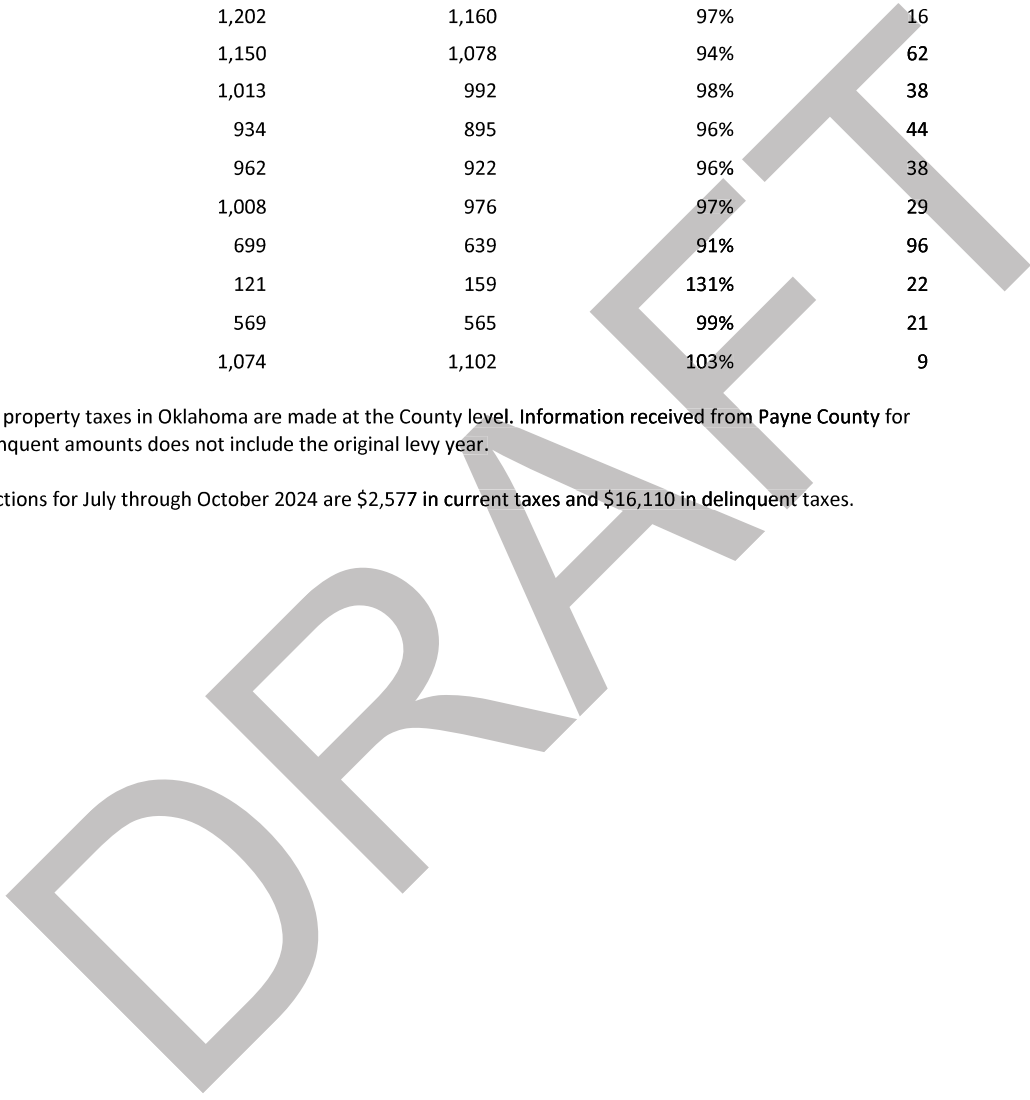
(1) Source: Payne County Assessor

CITY OF STILLWATER, OKLAHOMA  
PROPERTY TAX LEVIES AND COLLECTIONS  
 LAST TEN FISCAL YEARS  
*(in thousands of dollars)*

Fiscal Year	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy		Collected on Prior
		Amount	Percentage of Levy	Years' Levies (1)
2015	1,202	1,160	97%	16
2016	1,150	1,078	94%	62
2017	1,013	992	98%	38
2018	934	895	96%	44
2019	962	922	96%	38
2020	1,008	976	97%	29
2021	699	639	91%	96
2022	121	159	131%	22
2023	569	565	99%	21
2024	1,074	1,102	103%	9

(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 2024 are \$2,577 in current taxes and \$16,110 in delinquent taxes.



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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Retail trade	\$ 480,420	\$ 480,512	\$ 459,539	\$ 469,452	\$ 467,503	\$ 507,064	\$ 536,154	\$ 579,134	589,883	\$ 593,616
Accommodation and food services	148,904	154,198	154,052	161,040	161,562	150,159	155,762	197,648	200,441	208,288
Wholesale	51,578	42,187	38,811	44,628	38,728	34,891	35,898	45,024	49,228	49,222
Utilities	46,131	41,983	43,885	45,169	46,255	42,656	44,177	52,142	59,768	54,679
Information	25,393	25,041	24,427	23,039	22,658	22,728	22,471	24,706	23,677	22,049
Education services	14,818	4,801	11,449	27,145	23,582	81	90	109	155	174
Manufacturing	14,454	17,096	15,074	15,060	11,880	5,503	12,466	15,429	17,567	18,427
Unclassified	7,592	26,363	15,627	3,107	2,229	3,368	2,546	2,528	4,338	6,127
Other services (except Public Administration)	7,801	7,847	7,692	7,966	8,661	8,513	8,913	10,194	11,033	12,861
Real estate, rental, and leasing	12,796	11,966	14,289	13,262	14,454	11,351	10,191	11,501	14,574	14,316
Arts, entertainment, and recreation	3,955	3,898	4,349	4,061	4,267	6,364	6,244	8,305	8,053	8,006
Professional, scientific, and technical services	2,800	2,670	2,789	3,034	3,169	3,519	4,520	5,180	4,572	5,548
Transportation and warehousing	2,435	2,630	2,935	2,887	2,740	2,647	3,517	3,419	3,906	3,767
Finance and insurance	292	252	356	468	583	584	697	548	542	648
Construction	1,609	1,172	2,123	1,469	1,584	1,817	1,734	2,422	2,498	2,298
Mining, quarrying, and oil and gas extraction	755	127	46	3	104	20	72	140	186	209
Administrative, support, waste management, and rem	269	306	382	635	523	380	433	404	1,214	1,836
Agriculture, forestry, fishing, and hunting	70	64	72	82	103	173	154	153	258	343
Health care and social assistance	17	20	337	615	372	241	858	515	370	535
Public administration	5	(8)	(2)	0	32	4	175	6	65	2
All other outlets	-	-	-	-	-	-	-	-	-	1
<b>Total</b>	<b>\$822,094</b>	<b>\$823,125</b>	<b>\$798,232</b>	<b>\$823,122</b>	<b>\$810,989</b>	<b>\$802,063</b>	<b>\$847,074</b>	<b>\$959,507</b>	<b>\$992,328</b>	<b>\$1,002,952</b>
City general sales tax rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Transferable to SUA	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Dedicated sales tax - transportation projects (2)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
<b>Total tax rate</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>4.0%</b>	<b>4.0%</b>

(1) Source: Oklahoma Tax Commission

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

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

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

Fiscal Year	City of Stillwater (2)	State of Oklahoma	Payne County (3)
2015	3.50%	4.50%	0.813%
2016	3.50%	4.50%	0.813%
2017	3.50%	4.50%	0.813%
2018	3.50%	4.50%	0.813%
2019	3.50%	4.50%	0.813%
2020	3.50%	4.50%	0.813%
2021	3.50%	4.50%	0.813%
2022	3.50%	4.50%	0.813%
2023	4.00%	4.50%	0.813%
2024	4.00%	4.50%	0.813%

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

(2) The City portion of sales tax increased to 4.00% effective July 1, 2022. The additional 0.50% is dedicated to fund transportation (street) projects. This additional tax will expire June 30, 2032.

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

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

		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Commercial:	Average monthly customers	2,369	2,387	2,430	2,448	2,466	2,483	2,484	2,529	2,540	2,545
	Annual sales	\$ 18,115,939	\$ 17,426,665	\$ 18,255,860	\$ 18,531,334	\$ 18,413,545	\$ 17,029,618	\$ 17,036,886	\$ 20,098,237	\$ 23,373,889	\$ 22,518,085
	Percentage of total annual sales	39%	39%	40%	40%	39%	39%	38%	39%	40%	41%
Residential:	Average monthly customers	18,278	18,576	18,526	18,619	18,853	18,981	19,195	19,407	19,599	19,612
	Annual sales	\$ 22,477,571	\$ 21,431,632	\$ 22,043,277	\$ 22,787,588	\$ 22,873,131	\$ 21,963,322	\$ 22,543,574	\$ 25,630,084	\$ 29,781,644	\$ 28,245,309
	Percentage of total annual sales	48%	48%	48%	49%	49%	50%	51%	50%	51%	51%
Industrial/Institutional:	Average monthly customers	5	5	5	5	5	5	5	5	5	5
	Annual sales	\$ 5,991,449	\$ 5,587,646	\$ 5,435,577	\$ 5,547,897	\$ 5,432,937	\$ 4,958,654	\$ 4,852,467	\$ 5,564,744	\$ 5,190,362	\$ 4,322,844
	Percentage of total annual sales	13%	13%	12%	12%	12%	11%	11%	11%	9%	8%

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CITY OF STILLWATER, OKLAHOMA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1) (2)  
 AS OF JUNE 30, 2024  
*(in thousands of dollars)*

<u>Governmental Unit:</u>	<u>Bonds Outstanding</u>	<u>Percentage Applicable to</u>		<u>Estimated Share of</u>
		<u>City of Stillwater Property</u>	<u>Owners / Patrons</u>	
Debt repaid with property taxes:				
Stillwater Independent School District #16 (3)	\$ 58,765	82.28%	\$	48,351
City of Stillwater GO Bond	\$ 8,846	100.00%	\$	8,846
Debt repaid with other governmental revenues:				
Notes Payable	\$ 5,922	100.00%	\$	5,922
Lease & SBITA Obligations	\$ 375	100.00%	\$	375
<b>Total direct and overlapping debt</b>				<u>\$ 63,494</u>

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

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

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

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

Fiscal Year	Governmental Activities			Business-type Activities					Total Primary Government	Personal Income (in thousands of dollars)	Debt as Percentage of		Total Debt Per Capita
	General Obligation Bonds	Lease and SBITA Obligations (1)	Direct Borrowing - Notes Payable	Revenue Bonds	Notes Payable	Direct Borrowing - Notes Payable	Lease and SBITA Obligations (1)	Personal Income			Population		
2015	\$ 4,724,678	-	-	\$ 68,211,090	\$ 20,666,471	\$ 3,257,684	-	\$ 96,859,923	\$ 2,912,363	3.3%	48,967	1,978.07	
2016	3,856,281	-	-	67,977,127	17,540,437	3,121,682	-	92,495,527	2,854,057	3.2%	49,504	1,868.45	
2017	2,993,059	-	-	67,743,165	26,534,027	3,106,081	-	100,376,332	2,882,278	3.5%	49,829	2,014.42	
2018	2,129,838	-	-	66,214,202	30,109,922	3,212,738	-	101,666,700	2,987,591	3.4%	50,391	2,017.56	
2019	1,271,617	-	-	64,650,240	35,531,350	2,356,079	-	103,809,286	3,067,772	3.4%	50,299	2,063.84	
2020	413,396	-	-	63,031,277	38,226,074	2,650,462	-	104,321,209	3,243,810	3.2%	48,394	2,155.66	
2021	-	-	-	61,357,314	39,947,530	3,152,707	-	104,457,551	3,531,531	3.0%	48,134	2,170.14	
2022	9,351,254	63,254	-	59,613,352	37,452,467	2,682,795	21,724	109,184,846	3,684,949	3.0%	49,160	2,221.01	
2023	9,333,588	608,964	-	57,789,389	40,803,897	10,320,905	60,557	118,856,743	3,871,954	3.1%	49,525	2,399.93	
2024	8,845,969	375,482	5,921,651	55,890,427	41,842,696	12,032,020	34,855	124,943,100	**	**	**	**	

\*\* Data not available at time of publication

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

CITY OF STILLWATER, OKLAHOMA  
RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUES  
AND PER CAPITA BONDED DEBT  
 LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities	Total Primary Government	Accumulated Resources Restricted to Repayment of		Population	Net Bonded Debt Per Capita (1)	Total Estimated Actual Value (in thousands)	Net Bonded Debt per \$1,000 of Assessed Value
			General Bonded Debt	Net General Bonded Debt				
2015	\$ 4,724,678	\$ 4,724,678	\$ 230,786	\$ 4,493,892	48,967	91.77	\$ 2,586,096	1.74
2016	3,856,281	3,856,281	209,523	3,646,758	49,504	73.67	2,724,395	1.34
2017	2,993,059	2,993,059	188,857	2,804,202	49,829	56.28	2,856,605	0.98
2018	2,129,838	2,129,838	139,552	1,990,286	50,391	39.50	3,032,737	0.66
2019	1,271,617	1,271,617	152,309	1,119,308	50,299	22.25	3,159,123	0.35
2020	413,396	413,396	162,401	250,995	48,394	5.19	3,349,544	0.07
2021	-	-	-	-	48,134	-	3,414,377	-
2022	9,351,254	9,351,254	673,299	8,677,955	49,160	176.52	3,596,088	2.41
2023	9,333,588	9,333,588	671,370	8,662,218	49,525	174.91	3,780,500	2.29
2024	8,845,969	8,845,969	772,489	8,073,480	**	**	3,875,570	2.08

\*\* Data not available at time of publication

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

Fiscal Year	Oklahoma Water Resources Board Notes and 2005 and 2014 Revenue Bonds						2007 and 2010 Revenue Notes (2)			
	Utility Operating Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service			Pledged Transportation Sales Tax	Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage
2015	\$ 78,625	\$ 45,920	\$ 32,705	\$ 1,190	\$ 2,281	9.42	\$ 2,050	\$ 1,805	\$ 123	1.06
2016	77,026	43,485	33,541	1,214	3,289	7.45	2,051	1,880	69	1.05
2017	83,843	47,075	36,768	1,759	3,303	7.26	874	960	14	0.90
2018	85,941	47,599	38,342	3,598	3,458	5.43	-	-	-	-
2019	83,389	48,522	34,867	3,661	3,549	4.84	-	-	-	-
2020	80,975	44,822	36,153	3,743	3,564	4.95	-	-	-	-
2021	97,230	62,172	35,058	4,249	3,572	4.48	-	-	-	-
2022	95,925	68,252	27,673	4,264	3,528	3.55	-	-	-	-
2023	105,778	65,070	40,708	5,178	3,376	4.76	-	-	-	-
2024	104,833	60,811	44,022	4,037	3,447	5.88	-	-	-	-

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

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

CITY OF STILLWATER, OKLAHOMA  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities:										
Public safety	202.5	202.0	203.8	196.5	200.5	193.0	206.0	206.0	203.5	200.0
Recreation and culture (1) (2)	67.3	51.5	60.0	35.0	33.5	32.0	32.0	32.0	33.5	36.5
General government	50.3	55.3	51.3	53.5	54.0	56.0	53.5	50.5	52.0	51.0
Financial administration	17.0	17.0	17.0	15.0	15.0	14.0	13.5	14.5	15.5	14.5
Streets and highways	29.0	42.0	37.0	35.0	34.0	34.0	37.0	40.0	37.0	38.0
Engineering and public works administration	6.0	7.0	6.0	5.0	5.5	6.5	6.5	6.5	7.0	8.0
Health and welfare	20.0	18.0	13.0	13.5	13.5	12.0	12.0	13.0	12.5	12.0
Business-type activities:										
Electric, water, and wastewater operations	158.3	156.8	157.3	145.5	159.5	153.5	137.0	146.5	151.5	149.0
Sanitation operations	29.0	31.0	28.0	27.0	28.0	29.0	28.0	28.0	30.0	29.0
Airport operations	5.8	10.8	11.5	10.5	15.5	17.0	16.0	18.5	19.0	19.0
<b>Total</b>	<b>585.0</b>	<b>591.3</b>	<b>584.8</b>	<b>536.5</b>	<b>559.0</b>	<b>547.0</b>	<b>541.5</b>	<b>555.5</b>	<b>561.5</b>	<b>557.0</b>

Source: City Payroll Division

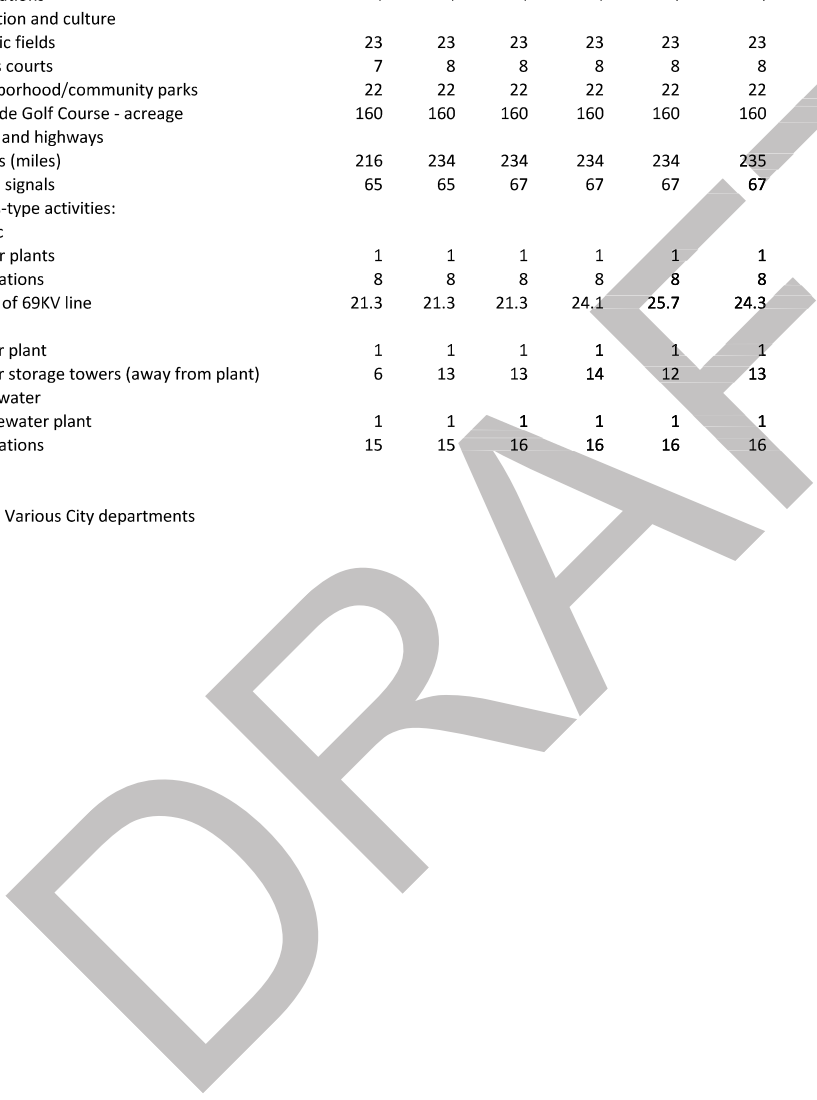
(1) In March 2018 Henderson Golf assumed management of Lakeside Golf Course.

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

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

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities:										
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
Recreation and culture										
Athletic fields	23	23	23	23	23	23	23	23	23	23
Tennis courts	7	8	8	8	8	8	8	8	8	8
Neighborhood/community parks	22	22	22	22	22	22	22	22	22	22
Lakeside Golf Course - acreage	160	160	160	160	160	160	160	160	160	160
Streets and highways										
Streets (miles)	216	234	234	234	234	235	236	237	212	212
Traffic signals	65	65	67	67	67	67	67	67	67	67
Business-type activities:										
Electric										
Power plants	1	1	1	1	1	1	1	1	1	1
Substations	8	8	8	8	8	8	8	8	8	8
Miles of 69KV line	21.3	21.3	21.3	24.1	25.7	24.3	24.3	24.3	24.3	23.9
Water										
Water plant	1	1	1	1	1	1	1	1	1	1
Water storage towers (away from plant)	6	13	13	14	12	13	12	12	12	12
Wastewater										
Wastewater plant	1	1	1	1	1	1	1	1	1	1
Lift stations	15	15	16	16	16	16	16	16	17	17

Sources: Various City departments



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

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities:										
Public safety										
Traffic citations	2,574	4,719	5,980	5,511	5,668	5,782	2,339	3,172	2,818	4,284
Parking tickets	11,135	12,243	10,565	13,110	9,531	8,160	4,242	9,714	9,099	8,687
Police calls for service	33,241	39,508	38,496	40,573	38,999	33,232	27,597	62,017	34,924	42,822
Animals handled by Animal Welfare	2,081	1,977	2,161	2,088	2,076	2,062	1,237	1,544	1,635	1,512
Fire calls for service	4,453	4,678	5,362	5,859	4,721	3,588	3,530	4,132	4,100	4,303
Recreation and culture										
Acres mowed (1)	4,829	4,829	16,524	18,103	13,970	16,016	13,821	9,864	9,351	7,334
Program participants (2)	1,990	2,368	2,469	2,048	2,065	1,849	0	87	326	687
Senior Center daily average attendance (2)	63	65	53	56	50	47	31	40	45	50
Multi Arts participants (3)	-	-	-	-	-	-	-	-	-	-
Swimming pool admissions (4)	11,431	10,723	10,751	-	-	-	-	-	-	-
Lakeside Golf Course - rounds of golf (5)	27,651	27,103	26,952	18,824	-	-	-	-	-	-
Volumes in library (6)	101,941	98,312	92,134	87,916	100,035	72,071	83,487	79,274	79,366	80,272
Total circulation of library materials (6)	362,895	373,257	368,164	352,953	374,176	331,493	322,190	345,025	357,006	422,364
Community Center admissions (2)	138,807	123,538	125,715	136,735	183,689	81,510	23,670	62,900	59,165	80,210
General government										
Supported micro-computers by IT	450	450	450	450	475	475	477	482	520	560
Helpdesk/trouble calls by IT	2,050	2,800	2,500	2,800	3,200	3,325	3,300	3,300	3,450	3,770
Ordinances drafted	35	36	26	31	31	15	22	21	26	16
Financial administration										
Computer generated accounts payable checks	2,374	2,414	2,876	2,721	2,249	2,229	2,643	4,360	4,732	5,090
Budget revisions/amendments processed	271	281	404	361	449	527	752	873	744	832
Requisitions reviewed	1,515	1,295	1,390	1,119	1,018	1,979	4,190	4,062	4,265	4,730
Municipal court cases	6,532	8,009	6,957	7,346	8,375	7,703	3,530	4,100	3,785	3,767
Streets and highways										
Feet of striping (7)	54,269	106,305	15,750	30,320	12,364	15,284	21,329	18,658	24,824	34,123
Signs made	250	451	541	1,095	1,115	1,116	1,118	1,492	903	1,105
Crack sealant (blocks) (8)	16,475	9,090	88	76	16	147	6	0	81	9,090
Slurry sealant (blocks)	8	-	-	-	-	-	-	-	-	-
Concrete replacement (cu. yds.)	1,425	516	974	923	1,006	727	700	720	593	514
Health and welfare										
Developments reviewed	66	65	67	74	103	120	120	129	100	101
Permits issued	2,784	2,760	3,040	2,181	2,064	2,728	2,961	2,790	2,688	2,898
Code enforcement inspections (9)	6,061	5,204	811	2,230	3,334	1,040	1,260	1,616	508	2,114
High grass and weed cases (9)	635	699	101	143	279	121	315	254	279	512
Trees and shrubs planted	-	-	501	450	10	8	-	-	550	8

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Business-type activities:										
Electric, water, and wastewater operations										
Electric connections	20,624	20,476	20,921	21,071	21,324	21,470	21,684	21,941	22,143	22,162
Water connections	17,015	17,077	18,695	18,779	18,783	18,856	18,980	19,230	19,366	19,563
Waterline repairs (10)	300	189	216	225	225	191	278	376	382	311
Water treated (million gallons)	2,400	4,472	2,586	2,209	1,849	1,877	2,402	2,437	2,434	2,724
Sewage treated (million gallons)	1,799	1,776	1,671	1,596	1,746	1,728	1,655	1,851	1,483	1,963
Sanitation operations										
Landfill usage (tons)	19,006	19,076	20,200	21,072	21,041	21,079	22,107	22,147	22,650	22,894
Yard waste hauled (tons)	1,424	1,233	992	1,121	1,185	1,185	838	616	1,102	1,163
Fleet operations										
Vehicles maintained	573	575	580	495	507	522	522	533	568	552
Fleet job orders completed	5,095	3,886	2,256	2,166	2,223	2,199	2,300	2,215	2,117	1,991
Airport operations										
Air traffic operations (avg month)	5,526	5,765	5,899	6,520	6,154	5,096	6,314	6,601	6,448	6,045

- (1) Acres mowed times number of times mowed.
- (2) In March 2020, the Mayor issued a proclamation declaring a state of emergency to combat COVID-19; the proclamation specified that City Hall and City-owned facilities shall close and all programming and/or events be postponed until expiration of the declaration. In May 2020, the Mayor issued an amendment effective June 2020 reopening City Hall, the Stillwater Community Center, the Stillwater Public Library, and City Park facilities; however, the Senior Activity Center, the Swimming Pool at Couch Park, and City programs remained closed. On February 26, 2021, the Mayor issued a proclamation reopening the Senior Activity Center and the Swimming Pool.
- (3) Operation of the Multi Arts programming was assumed by The Friends of the Multi Arts Center, Inc from May 1, 2012 to July 1, 2017; Oklahoma State University was granted operation of Multi Arts on July 1, 2017.
- (4) Stillwater YMCA Center assumed management of the municipal pool in April 2018
- (5) 2018 data is for the period of July 1, 2017 through February 28, 2018; Henderson Golf assumed management of golf course on March 1, 2018.
- (6) In 2020, the Library began doing a physical inventory count of volumes rather than using a calculation that accounts for changes in volumes since 1990.
- (7) 2016 measurement includes contracted longline striping
- (8) Measured in lbs. in 2014-2016.
- (9) Measured based on number of contacts in 2014-2016 & 2018; 2017 & 2019-2024 measured per case.
- (10) Includes water main and service line repairs.

Sources: Various City departments

CITY OF STILLWATER, OKLAHOMA  
PRINCIPAL EMPLOYERS (1)  
 CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>Current Year</u>			<u>Nine Years Ago</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Oklahoma State University	5,598	1	21%	4,882	1	20%
Stillwater Medical Center	1,375	2	5%	929	2	4%
Stillwater Public Schools	943	3	4%	811	3	3%
City of Stillwater	582	4	2%	587	4	2%
Wal-Mart (2)	361	5	1%	399	5	2%
Stan Clark Companies	279	6	1%	140		
Oncue Marketing	262	7	1%	165	9	1%
OK State Dept. of Career Tech	207	8	1%	229	6	1%
Stillwater Designs/Kicker Audio	189	9	1%	186	8	1%
ASCO Aerospace USA	177	10	1%	0		
National Standard	62			200	7	1%
Simmons Bank (3)	41			145	10	1%
Others:						
Meridian Technology Center	159			130		
Frontier Electronics	147			101		

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

(2) Current year excludes Wal-Mart location on 6th street as information was not able to be obtained

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

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

Fiscal Year	Population (1)	Personal Income (in thousands of dollars)	Per Capita Personal Income (2)	Median Age (3)	Education Level in Years of Schooling (3)			K-12 School Enrollment (4)	Post-Secondary Enrollment (4)	Unemployment Rate (5)
					Percentage High- School Graduate or Higher	Percentage Bachelor's Degree or Higher				
2015	48,967	\$ 2,912,363	\$ 36,757	23.7	95.2%	48.7%	6,285	28,030	4.2%	
2016	49,504	2,854,057	29,093	23.6	95.1%	48.4%	6,137	27,842	4.2%	
2017	49,829	2,882,278	29,450	23.8	95.2%	48.4%	6,742	28,119	3.5%	
2018	50,391	2,987,591	37,195	25.5	94.4%	47.7%	6,524	27,557	3.9%	
2019	50,299	3,067,772	38,276	25.5	93.6%	43.7%	6,512	30,765	2.9%	
2020	48,394	3,243,810	40,487	25.6	93.3%	44.7%	6,029	26,252	4.4%	
2021	48,134	3,531,531	43,952	25.6	93.1%	45.5%	6,259	26,589	2.6%	
2022	49,160	3,684,949	45,416	25.2	95.1%	51.0%	6,486	26,624	3.4%	
2023	49,525	3,871,954	47,401	**	**	**	6,278	27,077	3.0%	
2024	**	**	**	**	**	**	6,303	27,826	3.0%	

\*\* Data not available at time of publication

- (1) Population estimates provided by the City of Stillwater Department of Community Development and the U.S. Census Bureau.
- (2) Personal Income estimates and Per Capita Personal Income provided by U.S. Department of Commerce.
- (3) Median age and educational attainment provided by U.S. Census Bureau. Education attainment refers to those persons 25 years or older.
- (4) Enrollment figures are for the Fall Semester immediately following the fiscal year indicated and include pre-k full-time students. Post-secondary enrollment includes enrollment at Oklahoma State University-Stillwater, Northern Oklahoma College-Stillwater, and full/half-time students at Meridian Technology Center.
- (5) Unemployment rate provided by Bureau of Labor Statistics and is for Payne County.



## Stillwater Electric Utility

The average residential electric utility customer used approximately 10,534 kilowatts an hour in 2024. Stillwater Electric Utility is installing approximately 4,400 LED streetlight fixtures in an effort to be more energy efficient while also increasing traffic safety with brighter and higher quality lighting.

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## OTHER REPORTS

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*Stillwater*<sup>®</sup> OKLAHOMA  
stillwaterok.gov

# Utility & Billing Services

The Utility & Billing Services Department handles more than 25,000 billing accounts each month. The online payment system allows customers to set up their user account and make payments online or to receive paperless bills. For more, go to: [Stillwaterok.gov/utilities](http://Stillwaterok.gov/utilities).





# Water Utilities

The Water Utilities Department is responsible for providing safe, reliable drinking water to the City of Stillwater and several surrounding rural water districts, and for the proper treatment and return of all received wastewater to the natural waterways.

For more, go to: [Stillwaterok.gov/waterutilities](http://Stillwaterok.gov/waterutilities).



December 18, 2024

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stillwater, Oklahoma (the “City”) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 6, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. Effective July 1, 2023, the City applied the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. Effective January 1, 2023, the City’s discretely presented component unit (Stillwater Medical Center Authority) applied the provisions of GASB Statement No. 96, *Subscription-based Information Technology Arrangements*. The implementation of these statements had no impact on the City’s beginning of year net position. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City’s financial statements were:

Reported liabilities and related amounts and disclosures for the City’s pension and other post-employment benefits, which are derived from actuary studies and employ numerous estimates.

Estimated provisions for the allowance for doubtful accounts, primarily related to utility receivables and court fines, which are based on applying historical percentages and current economic conditions.

Estimated losses relating to workers compensation claims, which are based on actuarially determined amounts.

HSPG & ASSOCIATES, PC

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Estimated losses relating to health insurance claims, which are based on a study prepared by the City's third-party administrator calculating the lag time between claims incurred and claims paid.

Estimated fair value of investments which is determined using quoted prices in active markets, benchmark curves, benchmarking of like securities, sector groupings, or matrix pricing.

Estimated useful lives of depreciable capital assets which are determined based on the expected nature and use of each asset.

Discount rate and term of leases and subscription-based information technology arrangements (SBITA) used to measure lease liabilities, lease receivables, and SBITA liabilities which are based on the interest rate implicit in the agreement and the contractual term adjusted for any renewal, termination, or purchase options that are expected to be exercised.

We evaluated the methods, assumptions, and data used to develop the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

Footnotes IV and V disclose the City's pension and OPEB obligations and the key estimates used in developing the estimated liabilities, assets and related reporting provisions.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following misstatements detected as a result of audit procedures were corrected by management:

- An entry to decrease capital assets and increase expenses by approximately \$950,000 for Stillwater Utilities Authority and Business-type Activities related to the purchase of power plant inventory that was recorded as both inventory and capital assets at year-end.
- An entry to decrease inventory and increase expenses by approximately \$394,000 for Stillwater Utilities Authority and Business-type Activities related to vendor discounts of approximately \$467,000 and freight and duties charges of approximately \$73,000 not being included in the calculations of the weighted average cost of inventory.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December 18, 2024.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. The City uses Crawford & Associates, P.C. to assist the City with drafting its annual financial statements. To our knowledge, no consultation took place that involved unusual or new applications of accounting principles.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to the City's budgetary comparison schedules, pension plan and other post-employment benefit funding schedules, and management's discussion and analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the City's other supplementary information which accompany the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has 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 it.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Draft

**CITY OF STILLWATER, OKLAHOMA**

**SINGLE AUDIT REPORTS  
AND SUPPLEMENTARY SCHEDULES**

Year Ended June 30, 2024

DRAFT

**HSPG**  
&  
**ASSOCIATES**

ACCOUNTING | TAX | ADVISORY

**CITY OF STILLWATER, OKLAHOMA**

**SINGLE AUDIT REPORTS  
AND SUPPLEMENTARY SCHEDULES  
Year Ended June 30, 2024**

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**Reports related to financial statements of the reporting entity  
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**Reports related to Federal Assistance Programs Required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*:**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stillwater, Oklahoma (the “City”) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated **December XX**, 2024. Our report includes a reference to other auditors who audited the financial statements of the Stillwater Medical Center Authority (the “Medical Center”) as described in our report on the City’s financial statements. The financial statements of the Medical Center were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Medical Center or that are reported on separately by those auditors who audited the financial statements of the Medical Center.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2024-001 that we consider to be a significant deficiency.

HSPG & ASSOCIATES, PC

## **Report on Compliance and Other Matters**

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

### **City's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

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

December XX, 2024

DRAFT



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE, AND REPORT ON SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Stillwater, Oklahoma's (the City's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

HSPG & ASSOCIATES, PC

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### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basis financial statements. We issued our report thereon dated December XX, 2024, which contained unmodified opinions on those financial statements. Our audit report includes a reference to other auditors. Our audit was performed for the purpose of forming opinions on those financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

December XX, 2024

**CITY OF STILLWATER, OKLAHOMA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2024**

Federal Grantor / Pass-Through Grantor / Program Title	Grant Number	Assistance Listing Number	Expenditures
<u>U.S. Department of Housing and Urban Development:</u>			
Community Development Block Grants:			
Passed through Oklahoma Department of Commerce:			
COVID-19 Utility & Rent Assistance	CDBG-CV	14.228	\$ 195,556
Community Development Block Grant	18266 CDBG SC 21	14.228	55,805
Total U.S. Department of Housing and Urban Development			251,361
<u>U.S. Department of Justice:</u>			
Internet Crimes Against Children Grant:			
Passed through Oklahoma State Bureau of Investigation:			
Oklahoma Internet Crimes Against Children	FY24 ICAC Grant	16.800	3,714
Total U.S. Department of Justice			3,714
<u>U.S. Department of Transportation</u>			
Airport Improvement Programs:			
Airport Improvement Program - Master Plan Update	3-40-0090-033-2021	20.106	55,136
COVID-19 American Rescue Plan Act	3-40-0090-035-2022	20.106	309,888
Airport Improvement Program - BIL Grant #1	3-40-0090-038-2022	20.106	74,497
Airport Improvement Program - BIL Grant #2	3-40-0090-039-2023	20.106	715,965
Terminal Construction Grant	3-40-0090-040-2023	20.106	715,965
Sub-total			1,871,451
Passed through Oklahoma Highway Safety Office			
State and Community Highway Safety	PT-24-03-42-01	20.600	10,432
Total U.S. Department of Transportation			1,881,883
<u>U.S. Department of Treasury</u>			
Coronavirus State and Local Fiscal Recovery Funds:			
Passed through Oklahoma Water Resources Board			
COVID-19 - ARP-23-0135-G	-	21.027	1,383,080
Passed through State of Oklahoma:			
COVID-19 - American Rescue Plan Act	-	21.027	4,001,604
Total U.S. Department of Treasury			5,384,684
<u>National Endowment for the Humanities:</u>			
Grants to States:			
Passed through Oklahoma Department of Libraries:			
Health Literacy Project	-	45.310	9,000
eMedia	-	45.310	50,000
L TSA Emedia Grant	-	45.310	50,000
OLA Conference Grant	-	45.310	1,725
Total National Endowment for the Humanities			110,725
<u>U.S. Department of Energy</u>			
State Energy Programs:			
Passed through Oklahoma Department of Commerce			
Energy Efficiency Lighting Retrofit Program 2023	19382 Sep 23	81.041	67,564
Total U.S. Department of Energy			67,564
<u>U.S. Department of Homeland Security:</u>			
Public Assistance - Disaster Grant:			
Passed through Oklahoma Department of Emergency Management:			
June 2023 Storms	DR-4721	97.036	45,223
Emergency Management Performance Grants:			
Emergency Management Performance Grant	EMPG-24	97.042	25,000
Emergency Management Performance Grant	EMPG-23	97.042	25,000
Sub-total			50,000
Assistance to Firefighters Grant:			
Fire Assistance Grant	EMW-2021-FG-02169	97.044	85,846
Building Resilient Infrastructure and Communities Grants:			
Hazard Mitigation Assistance - Stormwater Master Plan	EMT-2021-PC-001/PDMC-PL-06-OK-2019-002	97.047	40,727
Ice Storm- October 2021	DR-4575	97.047	81,258
Sub-total			121,985
Total U.S. Department of Homeland Security			303,054
Total expenditures of federal awards			\$ 8,002,985

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF STILLWATER, OKLAHOMA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2024**

1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Stillwater, Oklahoma (the City) under programs of the federal government for the year ended June 30, 2024. The City's reporting entity is defined in Note 1 to the City's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in financial position, or, where applicable, cash flows of the City.

2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 of the City's basic financial statements. The expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3) Subrecipients

The City did not provide federal awards to subrecipients during the year ended June 30, 2024.

**CITY OF STILLWATER, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

**Financial Statements**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Type of auditor’s report issued on noncompliance  
for major federal programs: Unmodified

Any audit findings disclosed that are required to be  
reported in accordance with 2 CFR 200.516(a)?  yes  no

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish  
Between Type A and Type B programs:                     \$750,000                    

Auditee qualified as low-risk auditee?  yes  no

**CITY OF STILLWATER, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

Compliance Finding

*None*

Internal Control Finding

*Finding 2024-001*

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None.

**SECTION IV – PRIOR YEAR FINDINGS**

There were no findings in the prior year that were required to be reported.

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**CITY OF STILLWATER, OKLAHOMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**(Continued)**

**Financial Statement Finding**

**Finding 2024-001 Power Plant Inventory**

**Criteria:** Controls should be in place to ensure inventories of materials and supplies are recorded at a weighted average cost that includes all costs incurred to acquire an item and to ensure items remain in inventory until utilized in production.

**Condition:** At year-end, the City made top-level adjustments to capitalize the same invoices that were expensed during the year as both inventory and capital assets resulting in an audit entry recorded by the City to correct an overstatement of capital assets and an understatement of expenses of approximately \$950,000. Also, adjustments to inventory costs based on previously recorded invoices did not consider vendor discounts and freight and duties charges incurred to acquire certain items resulting in an audit entry recorded by the City to correct a net overstatement of inventory and an understatement of expenses of approximately \$385,000.

**Cause:** The City's power plant inventory is not tracked within the accounting system but is adjusted periodically based on calculations performed in an Excel spreadsheet. The City expenses capital purchases throughout the year but makes adjustments at year-end to set up capital assets to be maintained in the system and reduce expenses based on review of invoices recorded throughout the year. The processes to record inventory and capital assets from previously expensed items are performed by separate personnel which creates the risk of overstating assets and reducing expenses by more than actual invoice amounts.

**Effect:** Certain costs to acquire items could be excluded from inventory and adjustments to record items as expense or capital assets could be made prior to items being utilized in production and removed from inventory.

**Recommendation:** The City should consider accounting for its power plant inventory through its accounting system or implement additional reviews to ensure that all costs incurred to acquire items are included in inventory and items purchased are reflected only as inventory until the items are utilized in production.

**Views of Responsive Officials of Auditee:** Based upon Finding 2024-001, the City will transition the power plant inventory from a periodic system tracked outside its accounting system to a perpetual system tracked within its accounting system. The City will also review the inventory and capital asset processes and institute additional controls and training where needed.

**CITY OF STILLWATER, OKLAHOMA**  
**PASSENGER FACILITY CHARGE PROGRAM AUDIT**

Year Ended June 30, 2024

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**CITY OF STILLWATER, OKLAHOMA**

**PASSENGER FACILITY CHARGE PROGRAM AUDIT**

**Year Ended June 30, 2024**

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The City of Stillwater, Oklahoma financial statements and related notes for the year ended June 30, 2024 were audited by HSPG & Associates, PC and issued under a separate cover.

The Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards was issued by HSPG under a separate cover.

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR THE PASSENGER  
FACILITY CHARGE PROGRAM; REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE; AND REPORT ON SCHEDULE OF PASSENGER FACILITY CHARGES  
COLLECTED AND EXPENSED**

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

**Opinion on Compliance for the Passenger Facility Charge Program**

We have audited the City of Stillwater, Oklahoma’s (the “City’s”) compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the “Guide”) issued by the Federal Aviation Administration (“FAA”) that could have a direct and material effect on the City’s passenger facility charge program for the year ended June 30, 2024.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2024.

***Basis for Opinion on the Passenger Facility Charge Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (“GAAS”); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the passenger facility charge program. Our audit does not provide a legal determination of the City’s compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City’s passenger facility charge program.

***Auditor’s Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on the City’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect a material misstatement when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

HSPG & ASSOCIATES, PC

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or, significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as described above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Passenger Facility Charges Collected and Expended**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December XX, 2024, which contained unmodified opinions on those financial statements. Our audit report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The accompanying schedule of passenger facility charges collected and expended is presented for purposes of additional analysis as specified in the Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of passenger facility charges collected and expended is fairly stated in all material respects in relation to the basic financial statements as a whole.

December XX, 2024

CITY OF STILLWATER, OKLAHOMA  
 STILLWATER REGIONAL AIRPORT  
 SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED  
 For the Year Ended June 30, 2024

	Cumulative Program Total June 30, 2023	For the Quarter Ended				For the Year Ended June 30, 2024	Cumulative Program Total June 30, 2024
		September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024		
<b>Revenues:</b>							
Passenger facility charges	\$ 291,479	\$ 34,135	\$ 33,355	\$ 38,566	\$ 30,940	\$ 136,996	\$ 428,475
Interest	1,370	753	753	753	753	3,012	4,382
Total revenues	<u>292,849</u>	<u>34,888</u>	<u>34,108</u>	<u>39,319</u>	<u>31,693</u>	<u>140,008</u>	<u>432,857</u>
<b>Expenses:</b>							
<b>Application # 2020-01-C-00-SWO:</b>							
001 - Reconstruct north portion of apron (design and construction)	-	-	-	73,830	-	73,830	73,830
002 - Acquire aircraft rescue and firefighting vehicle	212,560	-	-	-	-	-	212,560
003 - PFC application preparation expenses	18,537	-	-	-	-	-	18,537
Total expenses	<u>231,097</u>	<u>-</u>	<u>-</u>	<u>73,830</u>	<u>-</u>	<u>73,830</u>	<u>304,927</u>
Net passenger facility charges revenue	<u>\$ 61,752</u>	<u>\$ 34,888</u>	<u>\$ 34,108</u>	<u>\$ (34,511)</u>	<u>\$ 31,693</u>	<u>\$ 66,178</u>	<u>\$ 127,930</u>

**CITY OF STILLWATER, OKLAHOMA**  
**NOTES TO THE SCHEDULE OF PASSENGER**  
**FACILITY CHARGES COLLECTED AND EXPENDED**  
**For the Year Ended June 30, 2024**

Note 1 – General

The Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508, Title II, Subtitle B) authorized the local imposition of passenger facility charges (PFC) and use of PFC revenues on Federal Aviation Administration (FAA) approved projects.

On August 14, 2020, the FAA approved a \$4.50 PFC collection at Stillwater Regional Airport (SWO) beginning on October 1, 2020 and concluding on August 1, 2026 (PFC Application Number: 2020-01-C-00-SWO). The total approved amount of PFC revenue that SWO can collect is \$751,098.

Note 2 – Basis of Accounting

The accompanying schedule of passenger facility charges collected and expended presents the revenues received from PFC and expenses on approved projects on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**CITY OF STILLWATER, OKLAHOMA**

**PASSENGER FACILITY CHARGE PROGRAM AUDIT  
SUMMARY OF AUDITOR'S RESULTS**

**For the Year Ended June 30, 2024**

**Summary of Auditor's Results**

- |  |            |
|--|------------|
| 1. Type of report issued on schedule of passenger facility charges (PFC) collected and expensed. | Unmodified |
| 2. Type of report on PFC compliance.   | Unmodified |

**Findings Required to be Reported by the Guide**

None.

DRAFT