



**SPECIAL MEETING AGENDA
CITY OF STILLWATER AUDIT COMMITTEE
DECEMBER 15, 2025
2:00 PM
Norman McNickle Municipal Complex, Room 1112
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 29, 2025 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, 2025.
c.	Receive auditor communication and consider recommendation to the City Council to accept the Single Audit Report for the fiscal year ended June 30, 2025.
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, 2025.
e.	Consider recommendation to the City Council to select a firm for the external audit of the City of Stillwater and related trusts for the fiscal year ending June 30, 2026.
f.	Discuss spring meeting date to provide a pre-audit update and to recommend audit firm selection to City Council, if necessary. (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 11, 2025 at 4:55 p.m., a true and correct copy of this agenda was posted on the kiosk outside City Hall, 723 S Lewis Street, Stillwater, OK.

**SPECIAL MEETING MINUTES
CITY OF STILLWATER AUDIT COMMITTEE
OCTOBER 29, 2025
4:00 PM**

**Norman McNickle Municipal Complex, Room 1112B
723 S. Lewis Street
Stillwater, OK 74074**

1. Call Meeting to Order

Meeting was called to order by Chair Kelly Cox at 4:01 p.m.

2. Introduction of Members, External Auditors and City Staff

**Members Present: Chair Kelly Cox, Austin Pollard, Rachel Domnick, Randy Murray (4:03),
Skyler Rodenberg.**

Members Absent: None

**Ex-officio member present: Councilor Kevin Clark, Assistant City Manager and Chief
Financial Officer Christy Cluck**

**City Staff Present: City Manager Brady Moore, City Attorney Kimberly Carnley, Assistant
City Attorney Ashlyn Garis, Deputy Chief Financial Officer Jared Thulin,
City Clerk Teresa Kadavy**

HSPG Auditors Present: Andy Cromer and Bailey Stover

3. Public Comment

No public comment.

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 April 23, 2025 special meeting. |
|----|--|

	Motion by Pollard, second by Domnick to approve the minutes from the April 23, 2025 special meeting.
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	<p>Cox-Yea, Pollard-Yea, Domnick-Yea, Rodenberg-Yea. Motion carried with four yea votes.</p>
<p>b.</p>	<p>Receive auditor communication and consider recommendation to the Trustees to accept the financial report for the Stillwater Utilities Authority for the fiscal year ended June 30, 2025.</p> <p>The City’s auditor, Andy Cromer with HSPG, presented the draft FY25 audit report for Stillwater Utilities Authority (SUA). He stated this is their third year auditing the City and emphasized that Stillwater has an unusually strong and competent finance staff, which makes their audits run very smoothly. He stated that the report includes the standard clean audit opinion (no exceptions), no internal control findings and no compliance findings this year. Mr. Cromer reported that last year’s finding regarding inventory has been corrected.</p> <p>Mr. Cromer reported that a new required accounting standard changed how compensated absences (vacation/sick leave rollover) must be recorded. SUA had to retroactively apply it to FY24. He stated that new risk disclosure requirements were reviewed, but SUA does not have any disclosures triggered under those rules and there are some new minor GASB standards coming next year that likely won’t affect SUA. Mr. Cromer and Bailey Stover answered the committee’s questions.</p> <p>Assistant City Manager and Chief Financial Officer Christy Cluck explained the “due to/due from” balances between SUA and the City and how this fluctuates based on timing of transfers and closeout of actual general fund needs. She also reported that the City’s lease obligations increased due to the City’s pilot program of leasing vehicles through Enterprise to rotate fleet more quickly. Deputy Chief Financial Officer Jared Thulin discussed the new accounting standards along with capital assets. Ms. Cluck and Mr. Thulin answered the committee’s questions.</p> <p>Motion by Murray, second by Domnick to recommend to the Trustees to accept the financial report for the Stillwater Utilities Authority for the fiscal year ended June 30, 2025.</p> <p>Cox-Yea, Pollard-Yea, Domnick-Yea, Murray-Yea, Rodenberg-Yea. Motion carried with five yea votes.</p>
<p>c.</p>	<p>Discuss December meeting date to review City of Stillwater Annual Comprehensive Financial Report (no action will be taken on this item).</p> <p>Staff noted that the Comprehensive Annual Financial Report (ACFR) is still being finalized. There could be a possible delay as the Federal Government has not yet</p>

issued the final FY25 compliance supplement, so the Single Audit may be held until that is released.
--

5. Adjourn

Motion by Pollard, second by Rodenberg to adjourn the October 29, 2025 Audit Committee Special Meeting.

Cox-Yea, Pollard-Yea, Domnick-Yea, Murray-Yea, Rodenberg-Yea.

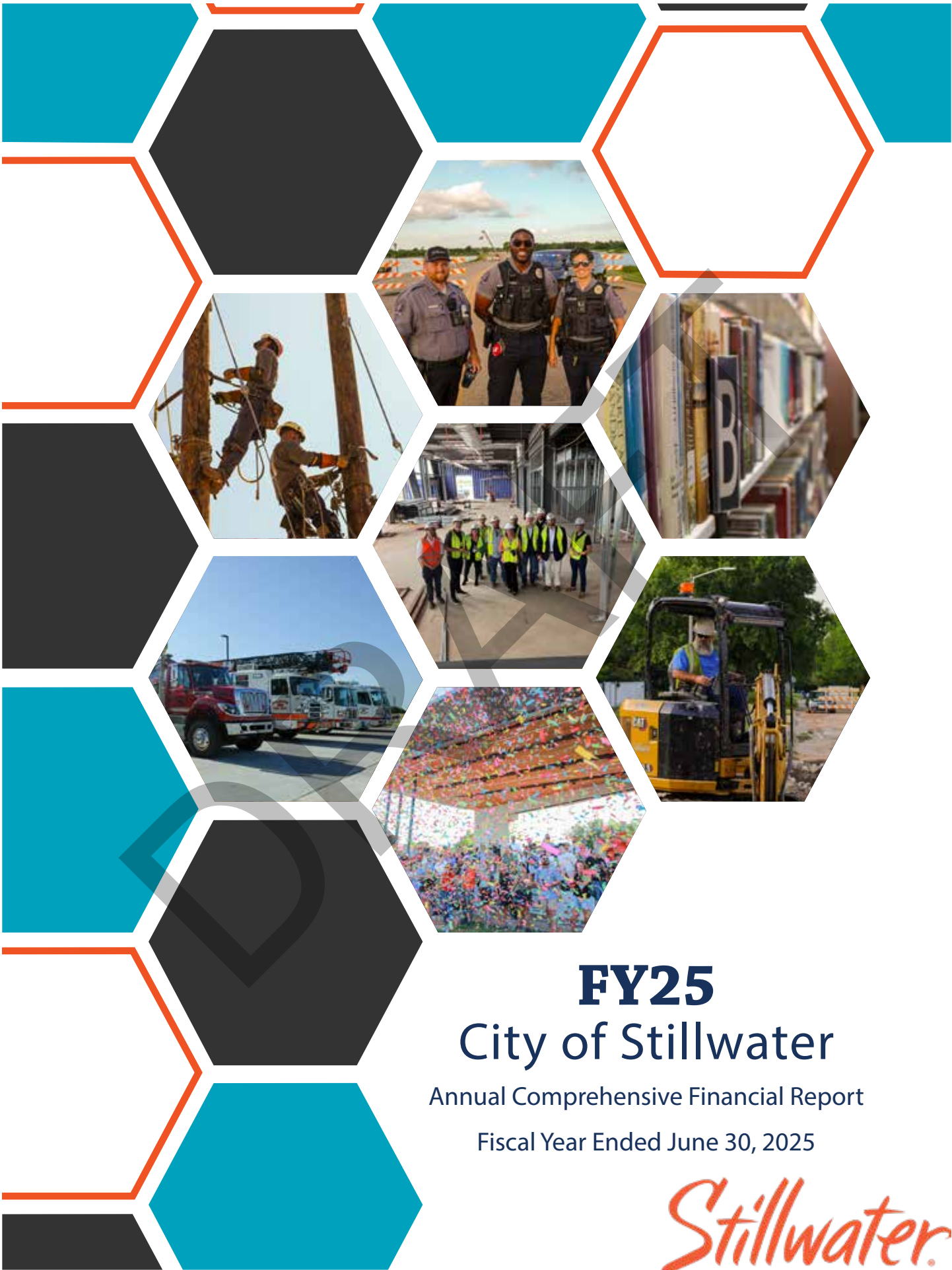
Motion carried with five yea votes.

Meeting adjourned at 4:40 p.m.

Kelly Cox, Chair

Christy Cluck, Asst City Manager & Chief Financial Officer

DRAFT



FY25 City of Stillwater

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

Stillwater.
stillwaterok.gov

Transportation

The City of Stillwater's transportation network includes more than 440 lane miles of streets, over 8,000 traffic signs, 30+ miles of share-the-road bike lanes, 67 signalized intersections, and 29 bridges to helping you get where you need to go!



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ANNUAL COMPREHENSIVE FINANCIAL REPORT

And Accompanying Independent Auditor's Report
Fiscal Year Ended June 30, 2025

Prepared by:
Department of Finance

Christy Cluck,
Assistant City Manager and
Chief Financial Officer

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stillwaterok.gov



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 - @Stillwaterokgov 

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CITY OF STILLWATER, OKLAHOMA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 Fiscal Year Ended June 30, 2024

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INTRODUCTORY SECTION

DRAFT

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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.



LETTER OF TRANSMITTAL

Date: December 15, 2025

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, 2025, 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 2025 audit. HSPG

issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2025. 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 highways, human services, 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 2025, commercial construction projects included Stillwater Medical Center's new Orthopedic Center of Excellence, a new bus parking facility and new high school campus for Stillwater Public Schools, and several new fuel stations, vehicle service centers and food service establishments. The remodel of existing restaurant/food service businesses and other commercial spaces remains strong with 55 remodel permits issued during the fiscal year. Residential home construction has slowed compared to recent years due to limited number of lots available for development; however, interest in infill redevelopment is on the rise with removal of blighted properties for construction of new housing ranging from single family to quad-plex 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, 2025 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 \$41.6 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 9.1%. Fiscal year 2025 saw modest growth of sales and use tax with 4.0% and 11.4% respective growth over fiscal year 2024.

MAJOR INITIATIVES

Infrastructure: In fiscal year 2025, the City broke ground on construction 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. Completion is 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 of the new station was completed in July 2025.

In April 2025, the voters approved a \$8.75 million general obligation bond for constructing, furnishing and equipping a new Animal Welfare facility. The current Animal Welfare facility was

built in 1984 and has not kept pace with the growth and needs of the community. The new facility is currently under design with construction anticipated to begin in spring 2026.

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 2025, projects under construction included the Monticello Drive reconstruction, Airport Road reconstruction, 9th and Duncan reconstruction and drainage improvements, surface repair and treatment on sections of McElroy Road and Hall of Fame Avenue, 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 storage and supply system from Lake McMurtry, 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 replacement of the Recovered Water Pump Station and Finished Water Pump Station was underway in fiscal year 2025 with completion anticipated in December 2026. The replacement and upgrade of the chemical systems at the Water Treatment Plant was also underway during fiscal year 2025 with completion anticipated in April 2027. The design of a new backup raw water storage and supply system is nearly complete with construction funding secured through a Financial Assistance Program Loan made available by the Oklahoma Water Resources Board. The loan is anticipated to close in late December 2025 with construction anticipated to begin in 2026.

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, retail and entrepreneurial business to Stillwater. During fiscal year 2025, the City Council continued to award small business enhancement grants to local businesses within the boundaries of the Tax Increment Financing District #3 project area for exterior façade improvements. Construction of The HUB continued with opening anticipated in fiscal year 2026. The Hub is 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.

In fiscal year 2025, the City worked with local taxing jurisdiction (Stillwater Public Schools, Meridian Technology Center, Payne County Health Department and Payne County) to create a Tax Increment District for development of a data center campus. Following the execution of a development agreement, Google announced the construction of the campus to include the first two phases with the potential for up to four additional phases. The benefits to Stillwater include significant new revenues through payments in lieu of taxes (PILOT) to the local taxing jurisdictions, creation of approximately 30 jobs per phase plus hundreds of construction jobs, significant sales tax collections on construction materials, and electric franchise fee revenue of

approximately \$2.25 million per phase per year once the data center is operational. The first two phases are anticipated to be complete in 2027.

Quality of Life: Donors came forward in fiscal year 2022 to fund an event space on Block 34, a city block in downtown Stillwater, and construction was completed in July 2025. The event space includes a public green space, pavilion, amphitheater and children’s play area. Block 34 is destined to be a central gathering place with programming to include concerts and family centered activities.

AWARDS

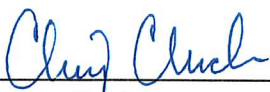
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious 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-three consecutive years. We believe that our current report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the dedicated services of the Finance Department with special thanks to the Deputy Chief Financial Officer, 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,



Christy Cluck
Assistant City Manager and
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Stillwater
Oklahoma**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

CITY OFFICIALS AND AUDIT COMMITTEE

Mayor and City Council



Audit Committee

KELLY COX
Committee Chair

RANDY MURRAY
Member

RACHEL DOMNICK
Member

AUSTIN POLLARD
Member

Skyler Rodenberg
Member

KEVIN CLARK
Ex-Officio
Council Member

City Administration

BRADY MOORE
City Manager

CHRISTY DRISKEL
Deputy City Manager

CHRISTY CLUCK
Assistant City Manager/
Chief Financial Officer

Rachel Bernish
Assistant City Manager

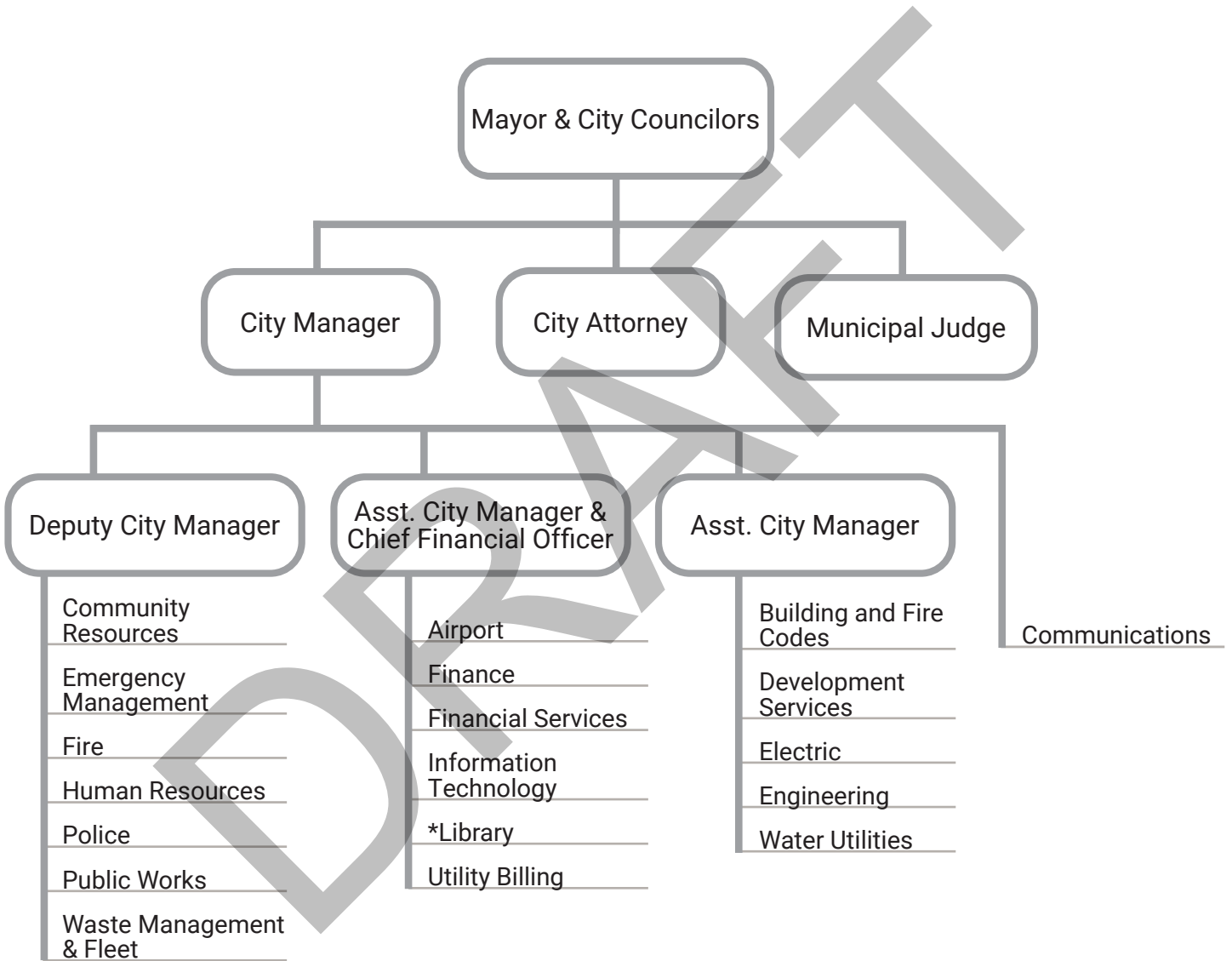
TERESA KADAVY
City Clerk

Department of Finance and Financial Services Department

JARED THULIN
Deputy Chief Financial Officer

MICHELLE WILHELM
Financial Services Director

ORGANIZATION CHART – GENERAL GOVERNMENT



Approved as of September 2025

Brady Moore, City Manager

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



Stillwater Public Library

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FINANCIAL SECTION

DRAFT

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Stillwater Fire Department



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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, 2025, 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, 2025, 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, 2025, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2025, the City adopted Governmental Accounting Standards Board Statement No. 101, *Compensated absences*, and Statement No. 102, *Certain Risk Disclosures*. Our opinion is not modified with respect to this matter.

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.

HSPG & ASSOCIATES, PC

5400 N Grand Blvd, Suite 330 • Oklahoma City, Oklahoma 73112 • Phone: 405.844.9995 • Fax: 405.844.9975

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.

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 15, 2025, 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 15, 2025



Facilities Maintenance

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

– Brady Moore, City Manager

Management's Discussion and Analysis Fiscal Year Ended June 30, 2025

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, 2025. 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, 2025, the net position for the governmental activities and business-type activities changed as follows:

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

	Governmental Activities	Business-type Activities	Total
Beginning net position, as previously reported	\$ 128,894	\$ 309,265	\$ 438,159
Cumulative effect of a change in accounting principle	(3,428)	(1,370)	(4,798)
Beginning net position, as restated	125,466	307,895	433,361
Increase	8,263	26,335	34,598
Ending net position	<u>\$ 133,729</u>	<u>\$ 334,230</u>	<u>\$ 467,959</u>

The above numbers reflect an increase of 6.6% in net position for governmental activities and an increase of 8.6% in net position for business-type activities. Overall, the net position for both governmental and business-type activities increased 8.0% 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, 2025

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024*	2025	2024*	2025	2024*
Assets:						
Current and other assets	\$ 81,169	\$ 79,514	\$ 187,837	\$ 183,681	\$ 269,006	\$ 263,195
Capital assets	118,532	100,133	284,285	256,831	402,817	356,964
Total assets	199,701	179,647	472,122	440,512	671,823	620,159
Deferred Outflows	11,741	11,825	427	538	12,168	12,363
Liabilities:						
Long-term liabilities	61,538	44,473	117,521	115,817	179,059	160,290
Other liabilities	12,430	17,145	11,704	12,087	24,134	29,232
Total liabilities	73,968	61,618	129,225	127,904	203,193	189,522
Deferred Inflows	3,746	4,388	9,094	5,251	12,840	9,639
Net position:						
Net investment in capital assets	100,599	88,634	180,902	156,344	281,501	244,978
Restricted	35,527	30,752	2,991	3,502	38,518	34,254
Unrestricted	(2,397)	6,080	150,337	148,049	147,940	154,129
Total net position	\$ 133,729	\$ 125,466	\$ 334,230	\$ 307,895	\$ 467,959	\$ 433,361

*Balances have been restated to reflect the implementation of GASB Statement 101, see Note XII for additional information.

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, 60.2%, 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, 8.2%, 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. The governmental activities' unrestricted net position decreased \$8.5 million making the

ending balance a negative \$2.4 million. This was primarily due to an increase in net pension liability of \$5.5 million and the implementation of GASB statement 101 for compensated absences resulting in an increase of \$3.4 in the associated liability.

Changes in Net Position

Governmental activities increased the City's net position by \$8.3 million which contributed to a 1.9% increase of the net position of the City. Business-type activities increased the City's net position by \$26.3 million which contributed a 6.0% 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	
	2025	2024*	2025	2024*	2025	2024*
Revenues:						
Program revenues:						
Charges for services	\$ 4,334	\$ 3,422	\$ 100,898	\$ 99,066	\$ 105,232	\$ 102,488
Operating grants and contributions	3,770	4,146	55	472	3,825	4,618
Capital grants and contributions	10,363	6,380	7,795	8,606	18,158	14,986
General revenues:						
Sales and use taxes	47,524	45,332	-	-	47,524	45,332
Other taxes	7,660	6,591	-	-	7,660	6,591
Other general revenues	2,886	3,871	7,271	6,911	10,157	10,782
Total revenues	76,537	69,742	116,019	115,055	192,556	184,797
Program expenses:						
General government	10,359	7,879	-	-	10,359	7,879
Financial administration	1,037	1,049	-	-	1,037	1,049
Public safety	38,178	29,501	-	-	38,178	29,501
Streets and highways	9,908	11,378	-	-	9,908	11,378
Culture, parks and recreation	3,188	3,651	-	-	3,188	3,651
Health and welfare	1,611	1,249	-	-	1,611	1,249
Interest on long-term debt	615	491	-	-	615	491
Stillwater Utilities Authority	-	-	84,243	81,723	84,243	81,723
Business area development	-	-	2,927	2,491	2,927	2,491
Airport operations	-	-	5,892	5,969	5,892	5,969
Total expenses	64,896	55,198	93,062	90,183	157,958	145,381
Increase in net position before transfers	11,641	14,544	22,957	24,872	34,598	39,416
Net transfers	(3,378)	(551)	3,378	551	-	-
Increase in net position	\$ 8,263	\$ 13,993	\$ 26,335	\$ 25,423	\$ 34,598	\$ 39,416
Net position - beginning of year	128,894	115,170	309,265	283,951	438,159	399,121
Cumulative effect of a change in accounting principle	(3,428)	(3,697)	(1,370)	(1,479)	(4,798)	(5,176)
Net position-beginning of year, as restated	125,466	111,473	307,895	282,472	433,361	393,945
Net position - end of year	\$ 133,729	\$ 125,466	\$ 334,230	\$ 307,895	\$ 467,959	\$ 433,361

*Balances have been restated to reflect the implementation of GASB Statement 101, see Note XII for additional information

Governmental Activities: Sales and use tax received in Fiscal Year 2025 increased from the prior year by \$2.2 million or 4.8%. Grants and contributions increased in Fiscal Year 2025 due to donations received 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 \$8.7 million, primarily due to an increase of \$5.8 million related to pension expenses compared to Fiscal Year 2024 and \$2.3 million related to the implementation of GASB Statement 101.

Business-type Activities: Charges for services of the business-type activities increased \$1.8 million in 2025 primarily due to a \$2.1 million increase in SUA operating revenue, which was the result of scheduled rate increases for water and wastewater utilities effective July 1, 2024 and for the electric utility effective January 1, 2025. This increase was offset by a \$0.3 million decrease in Airport revenues from Fiscal Year 2025 because of operating grants decreasing for the fiscal year.

Fund Financial Highlights

The General Fund's fund balance increased from Fiscal Year 2024 by \$0.4 million. Miscellaneous revenues increased \$4.6 million due to donations received for the construction of Block 34. Capital outlay expenditures increased \$3.6 million due to the construction of Block 34.

The Transportation Sales Tax Fund receives a one-cent sales tax dedicated for transportation improvements. The Transportation Sales Tax Fund's fund balance increased from Fiscal Year 2024 by \$4.1 million due to an increase in sales tax received of \$0.4 million, an increase in investment income of \$0.2 million, and total revenues exceeding expenditures for the year. Capital expenditures increased from the prior year by \$0.6 million, but did not exceed the amount of sales tax received.

The City Capital Fund received a transfer of \$1.8 related to a one-time increase in sales tax revenue during the fiscal year. In addition, proceeds from the issuance of debt in the amount of \$0.8 million for new servers for the City were recorded in Fiscal Year 2025. The fund also transferred \$1.0 million to the airport for the construction of the new terminal building. Expenditures were for debt service on capital related debt and capital purchases.

The net position of the SUA has increased by \$15.8 million or 6.0% as the result of Fiscal Year 2025 operations.

The net position of the Airport Fund increased \$8.2 million or 21.0% due primarily to \$5.7 million in capital contributions related to grants received for the construction of the new terminal at the Airport.

General Fund Budgetary Highlights

The City's adopted budget for Fiscal Year 2025 included revenues in the General Fund of \$42.5 million, which is a decrease of \$6.4 million from Fiscal Year 2024 due to the one-cent dedicated transportation sales tax being recorded in the Transportation Sales Tax Fund directly rather than being recorded in the General fund and transferred to the Transportation Sales Tax Fund as done in the prior year. Fiscal Year 2025 budgeted expenditures were about the same as amounts approved in the previous year 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 \$17.8 million due to \$13.6 million in budget carryovers from Fiscal Year 2024 and \$1.9 million in ARPA funding being budgeted for projects.

The differences between the final budgeted revenue and actual revenue collections for Fiscal Year 2025 amounted to \$1.7 million over budget. This variance is attributable to the net effect of positive budget to actual variance in sales and use tax receipts, as well as investment income.

The difference between the final budgeted expenditures and actual expenditures for Fiscal Year 2025 amounted to \$10.4 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 2026 and budgeted amounts for contingencies that were not utilized during the year.

Capital Assets

At June 30, 2025, the City had \$403.0 million invested in capital assets including police and fire equipment, buildings, park facilities, water and wastewater lines, electric systems, and roads. The following is a summary of changes in capital assets for the year ended June 30, 2025. 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, 2025

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 17,820	\$ 17,560	\$ 2,504	\$ 2,504	\$ 20,324	\$ 20,064
Buildings	25,269	24,728	94,684	94,649	119,953	119,377
Other improvements	14,806	14,649	55,959	55,959	70,765	70,608
Equipment	41,367	33,382	90,997	88,945	132,364	122,327
Infrastructure	179,197	178,782	234,418	231,997	413,615	410,779
Intangible assets	-	-	1,530	1,604	1,530	1,604
Lease assets	490	94	669	47	1,159	141
Subscription-based IT assets (SBITA)	830	1,048	24	24	854	1,072
Construction-in-progress	32,370	18,872	68,095	31,995	100,465	50,867
	312,149	289,115	548,880	507,724	861,029	796,839
Less depreciation/amortization	193,617	188,982	264,595	250,893	458,212	439,875
Totals	\$ 118,532	\$ 100,133	\$ 284,285	\$ 256,831	\$ 402,817	\$ 356,964

Debt Administration

At June 30, 2025, the City had \$132.5 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	
	2025	2024	2025	2024	2025	2024
General obligation bonds, net	\$ 17,560	\$ 8,846	\$ -	\$ -	\$ 17,560	\$ 8,846
Direct obligation-notes payable	-	-	11,015	12,032	11,015	12,032
Lease obligations	421	61	622	26	1,043	87
Subscription-based IT obligations	98	314	-	8	98	322
Notes and bonds payable	4,991	5,922	97,555	97,733	102,546	103,655
Refundable grant obligations	-	-	234	222	234	222
Totals	\$ 23,070	\$15,143	\$ 109,426	\$110,021	\$ 132,496	\$ 125,164

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 \$2.4 million and \$0.6 million, respectively, to account for upward trends in overall sales and use tax collections. As of the date of this report, sales tax collected in Fiscal Year 2026 has been up 5 of the 5 months over the same periods in Fiscal Year 2025, whereas use tax has been up 4 of the 5 months over the same periods in Fiscal Year 2025. Through November 2025, sales and use tax collections are up approximately \$1.5 million (8.0%) from the same months in Fiscal Year 2025.

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 Fiscal Year 2025 through Fiscal Year 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.

A cost of service study for the waste management utility was completed and presented to the Authority's Board of Trustees on June 16, 2025. The Authority approved resolution 2025-007 on September 8, 2025, adopting the initial rate increase recommended for waste management to be effective on January 1, 2026. This resolution also adopted future rate increases for Fiscal Year 2027 through Fiscal Year 2031 based on the recommendations of the study. The future rate increases will be effective January 1st for the years approved by the resolution.

The Stillwater Utilities Authority is in the process of finalizing a Financial Assistance Program Loan from the Oklahoma Water Resources Board (OWRB) with an expected closing in December 2025. The Authority's Trustees approved resolution 2025-5 authorizing the loan from the OWRB for an amount not to exceed \$112.9 million. The proceeds from this loan are anticipated to be utilized to complete the Lake McMurtry raw water transmission project, the Northeast transmission project, water line and storage improvements, and wastewater lift stations.

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, wastewater, and waste management 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.

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CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2025

**Statement of Net Position
June 30, 2025**

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-type Activities	Total	Stillwater Medical Center Authority
ASSETS				
Cash and cash equivalents	\$ 40,645,879	\$ 113,483,388	\$ 154,129,267	\$ 24,536,314
Investments	21,231,429	32,918,637	54,150,066	114,705,281
Accounts receivable, net of allowance	2,011,166	14,551,452	16,562,618	46,131,287
Opioid settlement receivable	1,914,762	-	1,914,762	-
Internal balances	5,330,189	(5,330,189)	-	-
Interest receivable	38,686	145,138	183,824	-
Other receivable	-	-	-	2,194,625
Inventory	42,031	6,610,988	6,653,019	8,467,725
Prepaid items	67,680	63,121	130,801	4,035,962
Intergovernmental receivable	9,751,850	3,266,519	13,018,369	-
Leases receivable	135,397	4,416,137	4,551,534	-
Restricted cash and cash equivalents	-	9,779,514	9,779,514	-
Restricted investments	-	-	-	340,000
Installment loans receivable	-	7,932,820	7,932,820	-
Investment in joint ventures	-	-	-	11,580,240
Other long-term assets	-	-	-	64,188,153
Capital assets:				
Non-depreciable	50,189,963	72,129,224	122,319,187	45,414,641
Depreciable, net of depreciation	68,341,981	212,155,347	280,497,328	177,330,673
Total Assets	199,701,013	472,122,096	671,823,109	498,924,901
DEFERRED OUTFLOWS OF RESOURCES				
Pension	11,390,343	-	11,390,343	-
Other postemployment benefits	350,504	426,952	777,456	-
Business acquisition	-	-	-	525,000
Total deferred outflow of resources	11,740,847	426,952	12,167,799	525,000
LIABILITIES				
Accounts payable and other accrued expenses	7,934,068	9,449,779	17,383,847	11,792,472
Accrued liabilities	3,145,299	907,326	4,052,625	27,466,165
Accrued interest payable	100,600	1,314,701	1,415,301	-
Unearned revenue	1,249,531	32,700	1,282,231	-
Long-term liabilities:				
Due within one year	3,292,515	7,986,014	11,278,529	8,302,231
Due in more than one year	26,782,356	106,848,066	133,630,422	142,543,870
Other postemployment benefits - due within one year	187,415	-	187,415	-
Other postemployment benefits	4,244,182	2,687,095	6,931,277	-
Net pension liabilities	27,031,820	-	27,031,820	-
Total Liabilities	73,967,786	129,225,681	203,193,467	190,104,738
DEFERRED INFLOWS				
Leases	174,285	4,226,879	4,401,164	316,241
Pension	2,453,939	-	2,453,939	-
Other postemployment benefits	1,117,296	824,697	1,941,993	-
Bond refunding	-	4,042,064	4,042,064	-
Disproportionate share hospital revenue	-	-	-	1,138,297
Total deferred inflow of resources	3,745,520	9,093,640	12,839,160	1,454,538
NET POSITION				
Net investment in capital assets	100,598,696	180,901,785	281,500,481	71,899,213
Restricted for:				
Debt service	1,171,671	1,911,993	3,083,664	-
Capital projects	51,817	1,078,710	1,130,527	-
Street improvements	29,782,101	-	29,782,101	-
Permanent Fund - nonexpendable	50,000	-	50,000	-
Specific operating activities	4,471,356	-	4,471,356	340,000
Unrestricted (deficit)	(2,397,087)	150,337,239	147,940,152	235,651,412
Total Net Position	\$ 133,728,554	\$ 334,229,727	\$ 467,958,281	\$ 307,890,625

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
 ANNUAL FINANCIAL REPORT
 As of and for the Year Ended June 30, 2025

**Statement of Activities
 For the Year Ended June 30, 2025**

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	Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental Activities								
Public safety	\$ 38,178,206	\$ 549,951	\$ 3,603,611	\$ 98,231	\$ (33,926,413)	\$ -	\$ (33,926,413)	\$ -
Cultural, parks and recreation	3,187,704	300,823	166,547	6,020,037	3,299,703	-	3,299,703	-
General government	10,358,950	912,232	-	4,223,333	(5,223,385)	-	(5,223,385)	-
Financial administration	1,037,478	846,899	-	-	(190,579)	-	(190,579)	-
Streets and highways	9,907,772	1,416,177	-	20,842	(8,470,753)	-	(8,470,753)	-
Health and welfare	1,610,956	308,345	-	-	(1,302,611)	-	(1,302,611)	-
Interest on long-term debt	614,860	-	-	-	(614,860)	-	(614,860)	-
Total governmental activities	64,895,926	4,334,427	3,770,158	10,362,443	(46,428,898)	-	(46,428,898)	-
Business-type activities								
Electric, utilities, waste utilities and waste management operations	84,243,194	98,000,021	52,428	2,130,584	-	15,939,839	15,939,839	-
Business area development	2,927,178	-	-	-	-	(2,927,178)	(2,927,178)	-
Airport operations	5,892,171	2,897,866	2,831	5,664,708	-	2,673,234	2,673,234	-
Total business-type activities	93,062,543	100,897,887	55,259	7,795,292	-	15,685,895	15,685,895	-
Total primary government	\$ 157,958,469	\$ 105,232,314	\$ 3,825,417	\$ 18,157,735	(46,428,898)	15,685,895	(30,743,003)	
Component Units								
Medical Center	\$ 352,456,684	\$ 351,648,595	\$ -	\$ -				(808,089)
General revenues:								
Taxes:								
Sales and use taxes					47,524,370	-	47,524,370	-
Property tax					2,949,652	-	2,949,652	-
Franchise and public service tax					2,059,196	-	2,059,196	-
E911 tax					38,000	-	38,000	-
Lodging tax					2,612,796	-	2,612,796	-
Unrestricted investment earnings					2,596,102	7,198,940	9,795,042	10,873,188
Miscellaneous					289,338	71,802	361,140	166,568
Transfers					(3,378,074)	3,378,074	-	-
Total general revenues and transfers					54,691,380	10,648,816	65,340,196	11,039,756
Change in net position					8,262,482	26,334,711	34,597,193	10,231,667
Net position - beginning, as previously reported					128,894,030	309,265,448	438,159,478	297,658,958
Cumulative effect of a change in accounting principle (See Note XII)					(3,427,958)	(1,370,432)	(4,798,390)	-
Net position - beginning, as restated					125,466,072	307,895,016	433,361,088	297,658,958
Net position - ending					\$ 133,728,554	\$ 334,229,727	\$ 467,958,281	\$ 307,890,625

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2025

**Balance Sheet
Governmental Funds
June 30, 2025**

	Capital Project		Other Governmental Funds	Total Governmental Funds	
	General Fund	Transportation Sales Tax			City Capital Fund
ASSETS					
Cash and cash equivalents	\$ 3,039,767	\$ 23,756,633	\$ 3,530,151	\$ 10,213,233	\$ 40,539,784
Investments	11,746,662	5,919,242	1,237,228	2,328,298	21,231,430
Accounts Receivable, net	2,010,766	400	-	-	2,011,166
Opioid settlement receivable	1,914,762	-	-	-	1,914,762
Due from airport	165,202	-	-	-	165,202
Due from Stillwater Utilities Authority	5,164,987	-	-	-	5,164,987
Due from other funds	13,903	-	-	1,834	15,737
Due from other governments	6,499,302	1,669,843	71,088	1,511,617	9,751,850
Accrued interest receivable	27,167	7,960	1,663	1,896	38,686
Leases receivable	135,397	-	-	-	135,397
Inventories	42,031	-	-	-	42,031
Prepaid items	67,680	-	-	-	67,680
Total assets	\$ 30,827,626	\$ 31,354,078	\$ 4,840,130	\$ 14,056,878	\$ 81,078,712
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 3,786,257	\$ 1,571,977	\$ 915,336	\$ 1,382,796	\$ 7,656,366
Accrued liabilities	1,631,598	-	-	-	1,631,598
Due to other funds	-	-	-	15,737	15,737
Unearned revenue	1,249,531	-	-	-	1,249,531
Total liabilities	6,667,386	1,571,977	915,336	1,398,533	10,553,232
Deferred Inflows of Resources:					
Unavailable revenue-property taxes	-	-	-	1,141,992	1,141,992
Unavailable revenue-court fines	45,037	-	-	-	45,037
Unavailable revenue-opioid settlement	1,914,762	-	-	-	1,914,762
Unavailable revenue-grant proceeds	37,874	-	71,088	-	108,962
Leases	174,285	-	-	-	174,285
Total deferred inflows of resources	2,171,958	-	71,088	1,141,992	3,385,038
Fund balances:					
Nonspendable	109,712	-	-	50,000	159,712
Restricted					
Debt Service	-	-	-	1,171,671	1,171,671
Police Equipment	74,371	-	-	-	74,371
Police Undercover Operations	59,978	-	-	-	59,978
Capital Improvements	-	29,782,101	-	9,201,554	38,983,655
TIF Projects	-	-	-	117,367	117,367
Library books	-	-	-	4,122	4,122
Library purposes	-	-	-	971,639	971,639
Visitor and event recruitment	454,619	-	-	-	454,619
Opioid settlement	943,765	-	-	-	943,765
Fire equipment	727,027	-	-	-	727,027
Committed					
Capital improvements	799,635	-	-	-	799,635
Stormwater	1,755,987	-	-	-	1,755,987
Assigned					
Self insurance	1,628,371	-	-	-	1,628,371
Parks and recreation	9,609	-	-	-	9,609
Capital Improvements	-	-	3,853,706	-	3,853,706
Homebuyer's assistance program	35,307	-	-	-	35,307
Budget appropriation	3,148,664	-	-	-	3,148,664
Unassigned	12,241,237	-	-	-	12,241,237
Total fund balances	21,988,282	29,782,101	3,853,706	11,516,353	67,140,442
Total liabilities, deferred inflows, and fund balances	\$ 30,827,626	\$ 31,354,078	\$ 4,840,130	\$ 14,056,878	\$ 81,078,712

See accompanying notes to financial statements.

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025**

Total fund balance, governmental funds	\$	67,140,442
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 \$193,703,032		118,209,444
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		3,210,753
Pension related deferred outflows		11,390,343
OPEB related deferred outflows		350,504
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		428,594
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		(22,550,734)
Lease obligations		(421,145)
Subscription-based IT obligations		(98,428)
Accrued compensated absences		(7,004,566)
Net pension liability		(27,031,820)
Pension related deferred inflows		(2,453,939)
Total OPEB liability		(4,431,597)
OPEB related deferred inflows		(1,117,296)
Accrued interest payable		(100,600)
Accrued workers compensation claims		(1,791,401)
Net Position of Governmental Activities in the Statement of Net Position	\$	<u>133,728,554</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, 2025

**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2025**

	General Fund	Transportation Sales Tax	City Capital Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Sales and use tax	\$ 37,084,884	\$ 10,439,486	\$ -	\$ -	\$ 47,524,370
Other taxes	4,709,992	-	-	2,469,873	7,179,865
Intergovernmental	6,762,985	-	-	154,293	6,917,278
Charges for services	1,725,942	-	-	-	1,725,942
Fines and forfeitures	798,859	-	-	-	798,859
Fees and rentals	418,746	-	-	-	418,746
Licenses and permits	364,685	-	-	-	364,685
Investment income (loss)	1,065,697	974,696	203,043	352,507	2,595,943
Miscellaneous	7,361,302	12,719	8,973	9,504	7,392,498
Total revenues	60,293,092	11,426,901	212,016	2,986,177	74,918,186
EXPENDITURES					
Current:					
Public safety	31,409,142	-	-	-	31,409,142
Recreation and culture	3,533,247	-	-	13,376	3,546,623
General government	7,238,204	-	49,998	722,473	8,010,675
Financial administration	1,049,971	-	-	-	1,049,971
Streets and highways	5,188,527	64,145	6,400	-	5,259,072
Health and welfare	1,399,150	-	-	-	1,399,150
Debt Service:					
Principal	741,760	-	1,339,354	470,000	2,551,114
Interest and other charges	132,788	-	92,292	388,700	613,780
Capital Outlay	9,588,956	7,263,394	4,106,240	6,714,167	27,672,757
Total Expenditures	60,281,745	7,327,539	5,594,284	8,308,716	81,512,284
Excess (deficiency) of revenues over expenditures	11,347	4,099,362	(5,382,268)	(5,322,539)	(6,594,098)
OTHER FINANCING SOURCE (USES)					
Issuance of debt	482,424	-	812,500	8,750,000	10,044,924
Bond Premium	-	-	-	451,012	451,012
Insurance Proceeds	162,853	-	-	-	162,853
Transfers In	19,066,694	-	1,885,000	379,654	21,331,348
Transfers Out	(19,332,869)	-	(1,007,391)	(1,395,331)	(21,735,591)
Total other financing sources and uses	379,102	-	1,690,109	8,185,335	10,254,546
Net change in fund balances	390,449	4,099,362	(3,692,159)	2,862,796	3,660,448
Fund Balances - beginning	21,597,833	25,682,739	7,545,865	8,653,557	63,479,994
Fund Balances - ending	\$ 21,988,282	\$ 29,782,101	\$ 3,853,706	\$ 11,516,353	\$ 67,140,442

See accompanying notes to the financial statements.

CITY OF STILLWATER, OKLAHOMA
 ANNUAL FINANCIAL REPORT
 As of and for the Year Ended June 30, 2025

**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, 2025**

Net change in fund balances - total governmental funds: \$ 3,660,448

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	22,477,634
Capital assets donated	1,162,911
Depreciation and amortization expense	(5,230,553)
Disposal of capital assets	(11,548)

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. (5,467,689)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:
 Unavailable revenue 314,364

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 and bond principal payments	2,212,781
Note and bond proceeds	(9,562,500)
Bond premium received	(451,012)
Lease obligation incurred	(404,465)
Lease obligation principal payments	44,654
Subscription-based IT obligation incurred	(77,959)
Subscription-based IT obligation principal payments	293,679

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	(18,699)
Accrued compensated absences change	(199,512)
Total OPEB liability and related deferrals change	(190,355)
Workers comp liability change	(307,485)
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 169

Change in net position of governmental activities \$ 8,262,482

See accompanying notes to the basic financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2025

Statement of Net Position
Proprietary Funds
June 30, 2025

	Enterprise Funds				Total	Governmental Activities: Internal Service Funds
	Stillwater Utilities Authority	Airport Fund	Stillwater Economic Development Authority	Other Non Major Block 34 Trust Authority		
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 104,863,537	\$ 4,287,581	\$ 4,332,260	\$ 10	\$ 113,483,388	\$ 106,094
Restricted cash and cash equivalents	7,814,964	-	-	-	7,814,964	-
Investments	10,728,750	383,595	364,145	-	11,476,490	-
Restricted investments	-	-	7,256,877	-	7,256,877	-
Accounts receivable, net of allowance	14,404,996	146,456	-	-	14,551,452	-
Lease receivable, current	127,830	112,528	-	-	240,358	-
Intergovernmental receivable	-	1,938,945	132,554	-	2,071,499	-
Interest receivable	133,061	11,587	490	-	145,138	-
Inventories	6,567,693	43,295	-	-	6,610,988	-
Prepaid items	63,121	-	-	-	63,121	-
Total current assets	144,703,952	6,923,987	12,086,326	10	163,714,275	106,094
Noncurrent assets:						
Restricted cash and cash equivalents	1,964,550	-	-	-	1,964,550	-
Investments	14,185,270	-	-	-	14,185,270	-
Restricted investments	-	-	-	-	-	-
Due from other funds	7,911,478	-	-	-	7,911,478	-
Installment loans receivable	-	-	7,932,820	-	7,932,820	-
Intergovernmental receivable	-	-	1,195,020	-	1,195,020	-
Lease receivable, noncurrent	1,450,643	2,725,136	-	-	4,175,779	-
Capital assets, nondepreciable	59,298,205	12,831,019	-	-	72,129,224	322,500
Capital assets, net of accumulated depreciation	182,592,109	29,540,029	23,209	-	212,155,347	-
Total noncurrent assets	267,402,255	45,096,184	9,151,049	-	321,649,488	322,500
Total assets	412,106,207	52,020,171	21,237,375	10	485,363,763	428,594
DEFERRED OUTFLOWS OF RESOURCES						
Other postemployment benefits	188,155	238,797	-	-	426,952	-
LIABILITIES						
Current Liabilities:						
Accounts payable	7,832,867	1,611,452	5,460	-	9,449,779	-
Accrued liabilities	837,520	69,806	-	-	907,326	-
Current portion of compensated absences	96,930	3,408	-	-	100,338	-
Due to other funds	5,164,987	165,202	-	-	5,330,189	-
Accrued interest payable	918,034	-	396,667	-	1,314,701	-
Unearned revenue	-	32,700	-	-	32,700	-
Current portion of lease obligations	127,561	-	-	-	127,561	-
Current portion of customer deposits payable	2,019,614	1,818	-	-	2,021,432	-
Current portion of long-term debt obligations	5,503,187	-	-	-	5,503,187	-
Current portion of refundable grant obligations	-	-	233,496	-	233,496	-
Total current liabilities	22,500,700	1,884,386	635,623	-	25,020,709	-
Noncurrent liabilities:						
Due to other funds	-	-	7,911,478	-	7,911,478	-
Noncurrent portion of compensated absences	2,265,359	134,677	-	-	2,400,036	-
Noncurrent portion of lease obligations	494,128	-	-	-	494,128	-
Noncurrent portion of customer deposits payable	885,840	-	-	-	885,840	-
Noncurrent portion of long-term debt obligations	96,068,062	-	7,000,000	-	103,068,062	-
Other post employment benefits liability	2,433,861	253,234	-	-	2,687,095	-
Total noncurrent liabilities	102,147,250	387,911	14,911,478	-	117,446,639	-
Total liabilities	124,647,950	2,272,297	15,547,101	-	142,467,348	-
DEFERRED INFLOW OF RESOURCES						
Lease receivables	1,483,679	2,743,200	-	-	4,226,879	-
Other post employment benefits	754,107	70,590	-	-	824,697	-
Bond refunding	4,042,064	-	-	-	4,042,064	-
Total deferred inflow of resources	6,279,850	2,813,790	-	-	9,093,640	-
NET POSITION						
Net investment in capital assets	140,051,544	40,827,032	23,209	-	180,901,785	322,500
Restricted for debt service	1,911,993	-	-	-	1,911,993	-
Restricted for capital projects	1,078,710	-	-	-	1,078,710	-
Unrestricted	138,324,315	6,345,849	5,667,065	10	150,337,239	106,094
Total net position	\$ 281,366,562	\$ 47,172,881	\$ 5,690,274	\$ 10	\$ 334,229,727	\$ 428,594

See accompanying notes to the financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2025

**Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
June 30, 2025**

	Enterprise Funds				Total	Governmental Activities: Internal Service Funds
	Stillwater Utilities Authority	Airport Fund	Stillwater Economic Development Authority	Other Non Major Block 34 Trust Authority		
OPERATING REVENUES						
Charges for services, net of bad debt expense	\$ 88,259,615	\$ 2,600,917	\$ -	\$ -	\$ 90,860,532	\$ -
Operating grants and contributions	-	2,831	-	-	2,831	-
Other	9,774,142	296,949	-	-	10,071,091	10
Total operating revenues	98,033,757	2,900,697	-	-	100,934,454	10
OPERATING EXPENSES						
Operations and maintenance	67,316,583	4,396,047	2,501,710	-	74,214,340	-
Interest expense	-	-	423,500	-	423,500	-
Depreciation and amortization	12,692,203	1,496,124	1,968	-	14,190,295	-
Total Operating Expenses	80,008,786	5,892,171	2,927,178	-	88,828,135	-
Operating income (loss)	18,024,971	(2,991,474)	(2,927,178)	-	12,106,319	10
NON-OPERATING REVENUES (EXPENSES)						
Interest and investment revenue	6,267,668	143,371	787,901	-	7,198,940	159
Debt issuance cost	(889,851)	-	-	-	(889,851)	-
Miscellaneous non-operating expense	-	405	(11,829)	-	(11,424)	-
Gain (loss) on capital asset disposal	83,962	6,127	-	-	90,089	-
Interest expense	(3,344,557)	-	-	-	(3,344,557)	-
Total non-operating revenue (expenses)	2,117,222	149,903	776,072	-	3,043,197	159
Income (loss) before contributions and transfers	20,142,193	(2,841,571)	(2,151,106)	-	15,149,516	169
Capital contributions	5,081,494	5,699,458	-	-	10,780,952	-
Transfers in	10,439,486	5,366,566	4,505,057	-	20,311,109	-
Transfers out	(19,821,866)	-	(85,000)	-	(19,906,866)	-
Change in net position	15,841,307	8,224,453	2,268,951	-	26,334,711	169
Total net position - beginning	266,852,845	38,991,270	3,421,323	10	309,265,448	428,425
Cumulative effect of a change in accounting principal	(1,327,590)	(42,842)	-	-	(1,370,432)	-
Total net position - beginning, as restated	265,525,255	38,948,428	3,421,323	10	307,895,016	-
Total net position - ending	\$ 281,366,562	\$ 47,172,881	\$ 5,690,274	\$ 10	\$ 334,229,727	\$ 428,594

See accompanying notes to the financial statements.

CITY OF STILLWATER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2025

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Enterprise Funds				Total	Governmental Activities: Internal Service Funds
	Stillwater Utilities Authority	Airport Fund	Stillwater Economic Development Authority	Other Non Major Block 34 Trust Authority		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers, including deposits	\$ 89,583,285	\$ 1,043,785	\$ 72,447	\$ -	\$ 90,699,517	\$ -
Payments to suppliers	(45,252,199)	(1,004,835)	(2,021,471)	-	(48,278,505)	-
Payments to employees	(19,489,004)	(1,604,850)	-	-	(21,093,854)	-
Payments of business development incentives	-	-	(465,616)	-	(465,616)	-
Payments from (to) other funds	(1,805,970)	(226,010)	(88,522)	-	(2,120,502)	-
Interest paid on operating debt	-	-	(424,666)	-	(424,666)	-
Other receipts	9,752,916	274,480	-	-	10,027,396	10
Net cash provided by (used in) operating activities	32,789,028	(1,517,430)	(2,927,828)	-	28,343,770	10
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	10,373,089	5,366,566	4,505,057	-	20,244,712	-
Insurance proceeds	-	405	-	-	405	-
Transfers from Stillwater Economic Development Authority	88,522	-	-	-	88,522	-
Operating subsidies and transfers to other funds	(17,382,141)	-	(85,000)	-	(17,467,141)	-
Net cash provided by (used in) noncapital financing activities	(6,920,530)	5,366,971	4,420,057	-	2,866,498	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt	58,522,415	-	-	-	58,522,415	-
Capital contributions	2,000,507	5,664,708	-	-	7,665,215	-
Purchase of capital assets	(30,176,438)	(8,374,026)	(11,829)	-	(38,562,293)	-
Proceeds from sale of capital assets	73,705	6,127	-	-	79,832	-
Principal on capital debt	(56,276,904)	-	-	-	(56,276,904)	-
Interest paid on capital debt	(3,638,781)	-	-	-	(3,638,781)	-
Net cash provided by (used in) capital and related financing activities	(29,495,496)	(2,703,191)	(11,829)	-	(32,210,516)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investments	-	-	(233,679)	-	(233,679)	-
Proceeds from maturities of investments	5,029,441	39,116	-	-	5,068,557	-
Interest received	5,079,936	137,047	368,960	-	5,585,943	159
Net cash provided by (used in) investing activities	10,109,377	176,163	135,281	-	10,420,821	159
Net increase (decrease) in cash and cash equivalents	6,482,379	1,322,513	1,615,681	-	9,420,573	169
Balances - beginning of year	108,160,672	2,965,068	2,716,579	10	113,842,329	105,925
Balances - end of year	\$ 114,643,051	\$ 4,287,581	\$ 4,332,260	\$ 10	\$ 123,262,902	\$ 106,094
Reconciliation to statement of net position:						
Cash and cash equivalents	\$ 104,863,537	\$ 4,287,581	\$ 4,332,260	\$ 10	\$ 113,483,388	\$ 106,094
Restricted cash and cash equivalents	7,814,964	-	-	-	7,814,964	-
Restricted cash and cash equivalents, non-current	1,964,550	-	-	-	1,964,550	-
Total cash and cash equivalents, end of year	\$ 114,643,051	\$ 4,287,581	\$ 4,332,260	\$ 10	\$ 123,262,902	\$ 106,094
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating Income (loss)	\$ 18,024,971	\$ (2,991,474)	\$ (2,927,178)	\$ -	\$ 12,106,319	10
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	12,692,203	1,496,124	1,968	-	14,190,295	-
Change in assets, liabilities, and deferrals:						
Receivables, net	421,616	(1,468,445)	71,281	-	(975,548)	-
Prepaid items	(33,495)	-	-	-	(33,495)	-
Inventories	456,748	40,506	-	-	497,254	-
Accounts and other payables	463,865	1,416,985	14,623	-	1,895,473	-
Accrued liabilities	117,634	14,047	-	-	131,681	-
Lease assets and related lease obligations	583,610	-	-	-	583,610	-
Lease receivables and related deferral	(21,226)	(22,469)	-	-	(43,695)	-
Due from other governments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-
Other postemployment benefits-liabilities	(15,898)	(4,635)	-	-	(20,533)	-
Other postemployment benefits-deferred outflows	70,600	40,574	-	-	111,174	-
Other postemployment benefits-deferred inflows	28,400	6,967	-	-	35,367	-
Due to other funds	-	1,836	(88,522)	-	(86,686)	-
Unearned revenue	-	(93,286)	-	-	(93,286)	-
Customer meter deposits payable	-	1,768	-	-	1,768	-
Accrued compensated absences	-	44,072	-	-	44,072	-
Net cash provided by (used in) operating activities	\$ 32,789,028	\$ (1,517,430)	\$ (2,927,828)	\$ -	\$ 28,343,770	\$ 10
Non-cash Activities:						
Contributed capital assets	\$ 3,058,365	\$ 34,750	\$ -	\$ -	\$ 3,093,115	\$ -
Capital assets transferred to (from) other funds	-	-	-	-	-	-
Borrowings under leases	-	-	-	-	-	-
Premium amortization	287,192	-	-	-	287,192	-
Change in fair value of investments	570,936	-	-	-	570,936	-
Total non-cash Activities	\$ 3,916,493	\$ 34,750	\$ -	\$ -	\$ 3,951,243	\$ -

See accompanying notes to the 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, and Amended Trust Indenture Creating and Recreating the Stillwater Utilities Authority dated October 7, 2024. 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, wastewater, and solid waste 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, the Tax Increment District #5 Fund, and the Stillwater Public Library Trust Fund are the only special revenue funds active during the fiscal year ending June 30, 2025.
- 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, 2025.
- 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, 2025.
- 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 and amended by Ordinance Nos. 3494 and 3521. Funding is provided by incremental ad-valorem and sales tax revenue.
Tax Increment District #5	Accounts for funds used for improvements in the additional 2022 Amended Project Plan area as defined in Ordinance No. 3494 and amended by Ordinance No. 3521. Funding is provided by incremental ad-valorem 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 and the 2025 G.O. Bonds issued for the construction of a new animal welfare facility .
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.

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, 2025, cash and cash equivalents in the amount of \$123,615,634 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 \$249,579 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 \$1,603,086 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 \$27,283,742 for bad debts and \$153,863,810 for contractual adjustments resulting in total uncollectible accounts receivable of \$181,147,552. 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. 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. In accordance with GASB Statement No. 101, the estimated sick leave that is more likely than not to be used as paid time off is included in the calculation of the liability. The liability is based on the employees' rate of pay at the financial statement date and includes salary-related benefits where applicable.
- 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 disproportionate share of hospital revenue.
- 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 TIF Fund has deferred inflows related to ad valorem tax receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year.

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

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

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, 2025, the statement of net position reports restricted net position in the amount of \$38,517,648, of which \$1,023,954 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, 2025, 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 retained in 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, 2025 is being held to fund the annual debt service on the 2022 and 2025 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, the U.S. Department of Justice, and the U.S. Department of Transportation, capital grants from the U.S. Department of Justice, and the State of Oklahoma for onbehalf payments made for police and fire pension plans, and
Recreation and culture	Park and recreation fees, operating grants from the Institute of Museum and Library Services, and donations
General government	Capital grants from the U.S. Department of Housing & Urban Development, the U.S. Department of Treasury and U.S Department of Homeland Security, fiber network fees, property rentals, reimbursements of commercial air service revenue guarantees, and capital contributions
Financial administration	Business licenses and municipal court fines
Streets and highways	Gasoline tax, auto tag tax, stormwater fees, transportation fees, and 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 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. As a result of implementing this standard, the City recognized a restatement that decreased beginning net position as explained in Note XII.

The City also implemented GASB Statement 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. There was no effect on the financial statements from the implementation of this standard.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

A. Fund Accounting Requirements

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

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

B. Deposit and Investment Laws and Regulations

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

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

Public trusts created under O.S. Title 60, are not subject to the statutory investment limitations and are primarily governed by any restrictions in their trust or bond indentures. For the year ended June 30, 2025, the City and its public trusts complied, in all material respects, with these investment restrictions.

C. Revenue Restrictions

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

Revenue Source	Legal Restrictions of Use
Sales tax	See Note I
Gasoline excise and commercial vehicle tax	Street and alley purposes
E911 revenue	E911 emergency service purposes
Ad valorem tax	Debt service on bonds and judgements
Grants revenue	Per individual grant agreements
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, 2025, 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, 2025, 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, 2025.

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, 2025, available sales tax and revenues, as defined by the bond indenture, was \$114,740,911; the bond coverage requirement is operating and maintenance excluding depreciation of \$67,311,918 plus 125% of primary principal and interest plus 100% of subordinate principal and interest or \$8,696,099. Excess coverage was \$38,732,894 more than 4 times the required principal

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, 2025, 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, 2025 the City's bank balance of \$189,406,626 was not exposed to custodial credit risk. At December 31, 2024, \$362,569 of the Hospital's bank balance of \$21,139,294 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 fixed income 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, 2024, no investments in any one issuer 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, 2025. 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, 2025, the City had only Level 1 and Level 2 investments and at December 31, 2024, the Hospital had only Level 1 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, 2025, 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	\$ 31,084,406	\$ -	\$ 31,084,406	\$ -
Money market mutual funds	5,793,755	5,793,755	-	-
U.S. agency obligations	22,179,023	-	22,179,023	-
Mutual funds	796,594	796,594	-	-
Hospital:				
Certificates of deposit	\$ 840,000	\$ 840,000	\$ -	\$ -
U.S. Treasury obligations	2,251,630	2,251,630	-	-
Money market mutual funds	15,541,149	15,541,149	-	-
Common Stock - Domestic	5,398,934	5,398,934	-	-
Mutual funds - fixed income	48,867,172	48,867,172	-	-
Mutual funds - domestic equities	26,860,129	26,860,129	-	-
Mutual funds - international equities	15,286,267	15,286,267	-	-

The City had the following deposits and investments at June 30, 2025:

Type	Credit Rating	Amount	Maturities in Years		
			Less than 1	1-5	6-10
Primary Government:					
Certificates of deposit	(1)	\$ 31,084,406	\$ 28,811,703	\$ 2,272,703	\$ -
Money market mutual funds	AAAm (2)	5,703,712	5,703,712	-	-
Money market mutual funds	(1)	90,043	90,043	-	-
U.S. agency obligations	AA+ (2)	22,179,023	1,840,755	20,338,268	-
		59,057,184	\$ 36,446,213	\$ 22,610,971	\$ -
Mutual funds		796,594			
Demand deposits		158,205,069			
		<u>\$ 218,058,847</u>			

(1) not rated
 (2) Standard and Poor's

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The Hospital had the following deposits and investments at December 31, 2024:

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)	2,251,630	103,615	671,976	1,476,039	-
Money market mutual funds	AAAm (2)	15,541,149	15,541,149	-	-	-
Common stock - domestic	(1)	5,398,934	5,398,934	-	-	-
Mutual funds-fixed income	(1)	48,867,172	857,819	4,471,898	43,061,767	475,688
Mutual funds-domestic equities	(1)	26,860,129	26,860,129	-	-	-
Mutual funds-international equities	(1)	15,286,267	15,286,267	-	-	-
		\$ 115,045,281	\$ 64,887,913	\$ 5,143,874	\$ 44,537,806	\$ 475,688
Demand deposits		24,536,314				
		<u>\$ 139,581,595</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 and Hospital's deposits and investments as well as a reconciliation to the presentation in the Government-wide Statement of Net Position as of June 30, 2025, is below:

	Stillwater Medical Center Authority		
	Primary Government	Component Unit	Total
Carrying Values:			
Deposits	\$ 160,207,104	\$ 24,536,314	\$ 184,743,418
Investments	57,851,743	115,045,281	172,897,024
Total	<u>\$ 218,058,847</u>	<u>\$ 139,581,595</u>	<u>\$ 357,640,442</u>
Reconciliation to the Government-Wide Statement of Net Position:			
Cash and cash equivalents:			
Unrestricted	\$ 154,129,267	\$ 24,536,314	\$ 178,665,581
Restricted	9,779,514	-	9,779,514
Investments:			
Unrestricted	54,150,066	114,705,281	168,855,347
Restricted	-	340,000	340,000
Total	<u>\$ 218,058,847</u>	<u>\$ 139,581,595</u>	<u>\$ 357,640,442</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 \$6,679,372, use taxes are \$825,430, park donations are \$811,869, lodging taxes are \$454,619, property taxes \$1,357,325, other self-insurance receivable \$559,455, grant revenues \$227,814, and opioid settlement revenues are \$1,914,762. Other receivable types represent 6% 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 \$5,703,712 at June 30, 2025 have been restricted in use to the service of debt.

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, 2025, 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 \$1,023,954 at June 30, 2025 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, 2025, cash and cash equivalents, classified as current, in the amount of \$91,638 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, 2025, cash and cash equivalents in the amount of \$2,905,454, of which \$2,019,614 is classified as current and \$885,840 is classified as non-current, have been restricted for customer deposits.

A certificate of deposit of the Stillwater Economic Development Authority for \$7,256,877 has been restricted as collateral for the \$7,000,000 note payable to Great Plains Bank.

E. Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

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	Balance at June				Balance at June
	30, 2024	Additions	Deletions	Transfers	30, 2025
PRIMARY GOVERNMENT:					
<u>Governmental Activities</u>					
Capital assets not being depreciated:					
Land	\$ 17,560,041	\$ 260,215	\$ -	\$ -	\$ 17,820,256
Construction work in progress	18,872,048	20,790,395	-	(7,292,736)	32,369,707
Total capital assets not being depreciated	36,432,089	21,050,610	-	(7,292,736)	50,189,963
Other capital assets:					
Buildings	24,728,143	-	-	540,827	25,268,970
Improvements other than buildings	14,649,427	156,973	-	-	14,806,400
Machinery and equipment	33,381,645	1,889,720	(302,300)	6,397,875	41,366,940
Infrastructure	178,782,191	60,818	-	354,034	179,197,043
Total other capital assets at historical cost	251,541,406	2,107,511	(302,300)	7,292,736	260,639,353
Less accumulated depreciation for:					
Buildings	14,284,296	425,671	-	-	14,709,967
Improvements other than buildings	11,721,266	288,477	-	9,832	12,019,575
Machinery and equipment	24,388,324	1,475,801	(290,752)	-	25,573,373
Infrastructure	137,959,111	2,748,008	-	(9,832)	140,697,287
Total accumulated depreciation	188,352,997	4,937,957	(290,752)	-	193,000,202
Lease assets - Equipment	94,053	404,465	(8,813)	-	489,705
Less accumulated amortization - Equipment	33,145	46,534	(8,813)	-	70,866
Total lease assets being amortized, net	60,908	357,931	-	-	418,839
Subscription-based IT assets (SBITA)	1,047,945	77,959	(296,194)	-	829,710
Less accumulated amortization - SBITA	595,851	246,062	(296,194)	-	545,719
Total SBITA assets being amortized, net	452,094	(168,103)	-	-	283,991
Other capital assets, net	63,701,411	(2,640,618)	(11,548)	7,292,736	68,341,981
Total capital assets, net	\$ 100,133,500	\$ 18,409,992	\$ (11,548)	\$ -	\$ 118,531,944
<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	31,995,110	36,682,909	-	(582,717)	68,095,302
Total capital assets not being depreciated	36,029,032	36,682,909	-	(582,717)	72,129,224
Other capital assets:					
Buildings	94,649,383	-	-	34,750	94,684,133
Improvements other than buildings	55,959,402	-	-	-	55,959,402
Machinery and equipment	88,944,491	2,368,050	(315,668)	-	90,996,873
Intangible assets	74,054	-	(74,054)	-	-
Infrastructure	231,996,539	1,970,309	(96,386)	547,967	234,418,429
Total other capital assets at historical cost	471,623,869	4,338,359	(486,108)	582,717	476,058,837
Less accumulated depreciation for:					
Buildings	64,607,878	2,115,203	-	-	66,723,081
Improvements other than buildings	27,578,043	1,255,203	-	-	28,833,246
Machinery and equipment	36,402,090	3,740,937	(315,668)	-	39,827,359
Infrastructure	122,197,835	7,043,850	(96,386)	-	129,145,299
Amortization for intangible assets	74,054	-	(74,054)	-	-
Total accumulated depreciation	250,859,900	14,155,193	(486,108)	-	264,528,985
Lease assets:					
Land	15,749	-	-	-	15,749
Equipment	31,425	622,311	-	-	653,736
Total lease assets being amortized	47,174	622,311	-	-	669,485
Less accumulated amortization:					
Land	2,625	5,249	-	-	7,874
Equipment	15,652	21,742	-	-	37,394
Total accumulated amortization	18,277	26,991	-	-	45,268
Total lease assets being amortized, net	28,897	595,320	-	-	624,217
Subscription-based IT assets (SBITA)	24,769	-	(990)	-	23,779
Less accumulated amortization - SBITA	15,381	8,110	(990)	-	22,501
Total SBITA amortized, net	9,388	(8,110)	-	-	1,278
Other capital assets, net	220,802,254	(9,229,624)	-	582,717	212,155,347
Total capital assets, net	\$ 256,831,286	\$ 27,453,285	\$ -	\$ -	\$ 284,284,571

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COMPONENT UNITS:	Balance at		Reclass/		Balance at	
	December 31, 2023	Additions	Deletions	Transfers	December 31, 2024	
<u>Stillwater Medical Center Authority</u>						
Capital assets not being depreciated:						
Land	\$ 5,240,692	\$ 1,492,240	\$ -	\$ -	\$ 6,732,932	
Construction work in progress	68,454,443	7,465,041	(37,237,775)	-	38,681,709	
Total capital assets not being depreciated	73,695,135	8,957,281	(37,237,775)	-	45,414,641	
Other capital assets:						
Land improvements	4,073,111	-	-	-	4,073,111	
Buildings and improvements	99,842,616	9,867,469	-	-	109,710,085	
Equipment	150,114,514	5,156,712	33,687,620	-	188,958,846	
Lease assets	13,239,153	-	-	-	13,239,153	
Total other capital assets at historical cost	267,269,394	15,024,181	33,687,620	-	315,981,195	
Less accumulated depreciation and amortization for:						
Land improvements	2,092,266	72,143	-	-	2,164,409	
Buildings and improvements	22,329,126	4,532,636	(7,066)	-	26,854,696	
Equipment	92,613,447	10,306,660	(3,249,725)	-	99,670,382	
Lease assets	8,832,941	1,128,094	-	-	9,961,035	
Total accumulated depreciation and amortization	125,867,780	16,039,533	(3,256,791)	-	138,650,522	
Other capital assets, net	141,401,614	(1,015,352)	36,944,411	-	177,330,673	
Total capital assets, net	\$ 215,096,749	\$ 7,941,929	\$ (293,364)	\$ -	\$ 222,745,314	

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

Primary Government:

Governmental Activities

Public safety	\$ 877,915
Recreation and culture	384,038
General government	1,164,006
Financial administration	27,506
Streets and highways	2,777,088
Total depreciation expense for governmental activities	<u>\$ 5,230,553</u>

Business-type Activities

Stillwater Utilities Authority	\$ 12,692,203
Airport (includes amortization of intangible assets)	1,496,124
Stillwater Economic Development Authority	1,968
Total depreciation expense for business-type activities	<u>\$ 14,190,295</u>

Component Units:

Stillwater Medical Center Authority	<u>\$ 16,039,533</u>
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F. Interfund Receivables and Payables

Interfund balances result from the normal operations of the various funds of the primary government. Other funds routinely make payments to the General Fund to cover payroll, vendor payments, health insurance costs, workers compensation costs, and other operating costs. Generally, these charges are paid within a month of their incurrence. Interfund receivables and payables for the year ended June 30, 2025, are as follows:

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	Due To		Due From		
	General	Governmental Funds	SUA	Total	
Airport	\$ 165,202	\$ -	\$ -	\$ 165,202	
Other governmental funds	13,903	1,834	-	15,737	
SUA	5,164,987	-	-	5,164,987	
SEDA	-	-	7,911,478	7,911,478	
	<u>\$ 5,344,092</u>	<u>\$ 1,834</u>	<u>\$ 7,911,478</u>	<u>\$ 13,257,404</u>	

Reconciliation to Government-wide Statement of Net Position:

Governmental Activities Due From:		Business-Type Activities Due From:	
General Fund	\$ 5,344,092	SUA	\$ 7,911,478
Other Governmental Funds	1,834		
Governmental Activities Due To:		Business-Type Activities Due To:	
Other Governmental Funds	(15,737)	Airport	(165,202)
		SUA	(5,164,987)
		SEDA	(7,911,478)
Net Internal Balance	<u>\$ 5,330,189</u>	Net Internal Balance	<u>\$ (5,330,189)</u>

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). The SUA one cent is transferred on a monthly basis upon receipt by the General Fund. The Transportation Sales Tax Fund directly records its one cent sales tax monthly. The General Fund also transferred \$3.4 million to the Airport Fund to meet capital and operating needs of the fund, \$3.7 million to the SEDA to meet contractual obligations related to economic development initiatives, and \$1.8 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 \$18.9 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, 2025, is summarized in the table below:

	Transfer In		Transfer Out			
	General Fund	City Capital Fund	Nonmajor Governmental	Stillwater Utilities Authority	Stillwater Economic Development Authority	Total
General Fund	\$ -	\$ -	\$ 165,692	\$ 18,901,002	\$ -	\$ 19,066,694
City Capital Fund	1,800,000	-	-	-	85,000	1,885,000
Nonmajor Governmental	2,542	-	377,112	-	-	379,654
SUA	10,439,486	-	-	-	-	10,439,486
Airport Fund	3,438,311	1,007,391	-	920,864	-	5,366,566
SEDA	3,652,530	-	852,527	-	-	4,505,057
	<u>\$ 19,332,869</u>	<u>\$ 1,007,391</u>	<u>\$ 1,395,331</u>	<u>\$ 19,821,866</u>	<u>\$ 85,000</u>	<u>\$ 41,642,457</u>

Reconciliation to Government-Wide Statement of Activities:

Governmental Activities Transfers In:		Business-Type Activities Transfers In:	
General Fund	\$ 19,066,694	SUA	\$ 10,439,486
City Capital Fund	1,885,000	Airport Fund	5,366,566
Nonmajor Governmental Funds	379,654	SEDA	4,505,057
	\$ 21,331,348		\$ 20,311,109
Governmental Activities Transfers Out:		Business-Type Activities Transfers Out:	
General Fund	(19,332,869)	SUA	(19,821,866)
City Capital Fund	(1,007,391)	SEDA	(85,000)
Nonmajor Governmental Funds	(1,395,331)		
	(21,735,591)		(19,906,866)
Government-wide Capital Asset Activity:		Government-wide Capital Asset Activity:	
Transfers Out	(2,985,660)	Transfers Out	(11,829)
Transfers In	11,829	Transfers In	2,985,660
Net Transfers	<u>\$ (3,378,074)</u>		<u>\$ 3,378,074</u>

The interfund transfers above do not include government-wide transfers for capital assets from the City to the SUA of \$2,950,910, the City to the Airport of \$34,750, and from SEDA to the City of \$11,829. These are only reported at the government-wide level.

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 \$478,964.

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, 2025, the governmental activities long-term debt consisted of the following:

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.	\$ 8,060,000
Plus: unamortized debt premium	298,352

2025 Bonds dated June 1, 2025, original issue amount of \$8,750,000, interest rate from 4% to 5%; semiannual interest payments commencing June 1, 2026; annual principal payments commencing June 1, 2027; proceeds used for new animal welfare facility construction.	8,750,000
Plus: unamortized debt premium	451,012
Total general obligation bonds payable	<u>\$ 17,559,364</u>

Current portion	\$ 517,889
Noncurrent portion	17,041,475
Total general obligation bonds payable	<u>\$ 17,559,364</u>

Accrued Compensated Absences

Current portion	\$ 726,354
Noncurrent portion	6,278,212
Total accrued compensated absences	<u>\$ 7,004,566</u>

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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. \$ 2,633,131

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 purchase 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. 979,001

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. 214,750

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. 412,240

Note payable to Dell Financial Services, dated November 21, 2024, original issue amount of \$812,500, 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. 752,248

Total note payable \$ 4,991,370

Current portion \$ 1,884,959

Noncurrent portion 3,106,411

Total note payable \$ 4,991,370

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Lease Obligations Payable - Direct Borrowing

The City has 14 active equipment leases. The leases have payments that range from \$25 to \$2,893 and interest rates that range from 0.972% to 3.529%. The lease terms include extension options, which are reasonably certain to be exercised.

\$ 137,796

The City has 5 active vehicle leases. The leases have payments that range from \$829 to \$1,075 and interest rates of 2.899%.

283,345

Total lease obligations payable

\$ 421,141

Current portion

\$ 96,379

Noncurrent portion

324,762

Total lease obligations payable

\$ 421,141

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 06/30/2025, the value of the subscription liability is \$38,309. City of Stillwater, OK is required to make annual fixed payments of \$39,700. The subscription has an interest rate of 3.6310%.

\$ 38,309

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 06/30/2025, the value of the subscription liability is \$27,261. The City is required to make annual fixed payments of \$13,125. The subscription has an interest rate of 3.305%.

27,261

On 02/15/2025, the City entered into a 36-month subscription for the use of software for financial administration. An initial subscription liability was recorded in the amount of \$47,709. As of 06/30/2025, the value of the subscription liability is \$32,860. The City is required to make annual fixed payments of \$14,850. The subscription has an interest rate of 2.8717%.

32,860

Total SBITA obligations payable

\$ 98,430

Current portion

\$ 66,934

Noncurrent portion

31,496

Total SBITA obligations payable

\$ 98,430

Business-type Activities: As of June 30, 2025, the long-term liabilities payable from business-type activities consisted of the following:

Revenue Bonds Payable

Series 2025A Revenue Bonds dated March 19, 2025, original issue amount of \$45,525,000, secured by utility revenues, interest rates range from 3.75% to 5%, semiannual interest and annual principal installments commencing October 1, 2025 through October 1, 2042.

\$ 45,525,000

Plus: unamortized debt premium

3,293,502

Total revenue bonds payable

\$ 48,818,502

Current portion

\$ 1,765,753

Noncurrent portion

47,052,749

Total revenue bonds payable

\$ 48,818,502

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Notes Payable

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	\$ 3,991,113
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	409,758
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 commencing March 15, 2017 through September 15, 2046.	21,773,492
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.	10,207,148
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 commencing September 15, 2024 through March 15, 2054.	8,696,696
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. Construction is ongoing.	3,151,391
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>507,833</u>
Total notes payable	<u>\$ 48,737,431</u>
Current portion	\$ 2,666,792
Noncurrent portion	<u>46,070,639</u>
Total notes payable	<u>\$ 48,737,431</u>

Direct Obligations – Notes Payable:

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	\$ 607,946
\$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	401,125
\$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	132,468
\$3,495,000 note payable with Bank of Oklahoma for equipment, fixed interest rate of 5.7475%, monthly installments commencing July 1, 2024 through June 1, 2029	2,873,777
\$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; the total principal balance is due 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>\$ 11,015,316</u>
Current portion	\$ 1,070,642
Noncurrent portion	9,944,674
Total direct obligations - notes payable	<u>\$ 11,015,316</u>
 <i>Accrued Compensated Absences</i>	
Current portion	\$ 100,338
Noncurrent portion	2,400,036
Total accrued compensated absences	<u>\$ 2,500,374</u>
 <i>Deposits Subject to Refund</i>	
Current portion	\$ 2,021,432
Noncurrent portion	885,840
Total deposits subject to refund	<u>\$ 2,907,272</u>
 <i>Lease Obligations Payable</i>	
The Authority has one active land lease. The lease requires annual payment of \$5,375 and interest rate of 2.426%. The lease terms include extension options, which are reasonably certain to be exercised.	\$ 5,248
The Authority has 5 active equipment leases. The leases have payments that range from \$600 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.	8,491
The Authority has 13 active vehicle leases. The leases have payments that range from \$170 to \$2,459 and interest rates that range from 2.899% to 2.925%.	607,950
Total lease obligations payable	<u>\$ 621,689</u>
Current portion	\$ 127,561
Noncurrent portion	494,128
Total lease obligations payable	<u>\$ 621,689</u>

2. **Component Unit:** As of December 31, 2024, the long-term debt of the component unit, Stillwater Medical Center Authority, consisted of the following:

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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.

\$ 19,530,822

Total Revenue Bonds Payable

\$ 19,530,822

Current portion

\$ 1,736,073

Noncurrent portion

17,794,749

Total Revenue Bonds Payable

\$ 19,530,822

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 SCM 2020 BOA Note is collateralized by the gross revenues of the Authority and the assets held by the trustee.

\$ 1,034,119

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 note is collateralized by the gross revenues of the Authority and the assets held by the trustee.

1,236,796

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.

6,743,265

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.

32,444,445

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.

31,000,000

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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 below. 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.

During 2024 SMC Development entered into two promissory notes payable to REI Subsidiary CDE 28, LLC with principal balances of \$7,180,000 and \$2,820,000 combined in the long-term debt schedule below. These notes financed the acquisition of certain building improvements which are to be leased back to the Hospital upon acquisition. These notes are collateralized by all of the assets of SMC Development. These notes were dated March 15, 2024 with an interest rate of 1.20%. Interest is payable in quarterly installments. Additionally, a principal payment amount of \$85,534 is due on June 5, 2031, related to the \$7,180,000 note payable and \$100,000 is due on March 15, 2031 related to the \$2,820,000 note payable. SMC Development will pay equal installments of principal and interest until the maturity date of December 31, 2049. SMC Development also entered into two promissory notes payable to LEGF Sub-CDE 15, LLC with principal balances of \$7,120,000 and \$2,680,000, combined in the long-term debt schedule below. These notes financed the acquisition of certain building improvements, which are to be leased back to the Hospital upon acquisition. These notes are collateralized by all of the assets of SMC Development. These notes were dated March 15, 2024 with an interest rate of 1.20%. Interest is payable in quarterly installments. Additionally, principal payments in the amounts of \$84,810 and \$31,946 related to the \$7,120,000 and \$2,820,000 notes payable, respectively, are due on June 15, 2031. SMC Development will pay equal installments of principal and interest until the maturity date of December 31, 2049. Concurrently, the Hospital loaned \$14,300,000 to DV-Stillwater QEI, LLC. This note receivable is included with other assets on the accompanying statement of net position. The note receivable is dated March 15, 2024, with an interest rate of 1.00% and will mature March 14, 2046. This note receivable is payable in quarterly interest installments through March 15, 2031. 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.

	56,800,000
Total Notes Payable	\$ 129,258,625
Current portion	\$ 4,998,802
Noncurrent portion	124,259,823
Total Notes Payable	\$ 129,258,625

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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.	\$ 78,413
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.	396,026
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.	42,803
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	944,117
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.	595,295
Total Right-to-Use Lease Obligations	<u>\$ 2,056,654</u>
Current portion	\$ 1,567,356
Noncurrent portion	489,298
Total Right-to-Use Lease Obligations	<u>\$ 2,056,654</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, 2025 are summarized below:

	Balance at June 30,			Balance at June 30,		Amounts Due Within One Year
	2024*	Additions	Reductions	2025		
PRIMARY GOVERNMENT:						
<u>Governmental Activities</u>						
General obligations bonds	\$ 8,530,000	\$ 8,750,000	\$ 470,000	\$ 16,810,000	\$ 470,000	
Unamortized bond premium	315,970	451,012	17,618	749,364	47,889	
Notes payable-direct borrowing	5,921,651	812,500	1,742,781	4,991,370	1,884,959	
Lease obligations - direct borrowing	61,332	404,465	44,656	421,141	96,379	
Subscription based IT obligations - direct borrowing	314,150	77,959	293,679	98,430	66,934	
Accrued compensated absences (change is net)	6,805,054	199,512	-	7,004,566	726,354	
Total governmental activities	\$ 21,948,157	\$ 10,695,448	\$ 2,568,734	\$ 30,074,871	\$ 3,292,515	
<u>Business-type Activities</u>						
Notes payable	\$ 41,842,697	\$ 10,539,935	\$ 3,645,201	\$ 48,737,431	\$ 2,666,792	
Revenue bonds payable	51,615,000	45,525,000	51,615,000	45,525,000	1,575,000	
Unamortized bond premium	4,275,427	3,347,331	4,329,256	3,293,502	190,753	
Notes payable-direct borrowing	12,032,019	-	1,016,703	11,015,316	1,070,642	
Refundable obligations - direct borrowings	221,534	477,578	465,616	233,496	233,496	
Lease obligations - direct borrowing	26,443	622,310	27,064	621,689	127,561	
Subscription based IT obligations-direct borrowing	8,412	-	8,412	-	-	
Accrued compensated absences (change is net)	2,454,615	45,759	-	2,500,374	100,338	
Deposits subject to refund	2,003,450	1,610,811	706,989	2,907,272	2,021,432	
Total business-type activities	\$ 114,479,597	\$ 62,168,724	\$ 61,814,241	\$ 114,834,080	\$ 7,986,014	
COMPONENT UNIT:						
<u>Stillwater Medical Center Authority</u>						
Revenue bonds	\$ 21,411,568	\$ -	\$ 1,880,746	\$ 19,530,822	\$ 1,736,073	
Notes payable	115,899,925	19,800,000	6,441,300	129,258,625	4,998,802	
Lease obligations	4,218,086	-	2,161,432	2,056,654	1,567,356	
Total component unit	\$ 141,529,579	\$ 19,800,000	\$ 10,483,478	\$ 150,846,101	\$ 8,302,231	

* The beginning balance of accrued compensated absences liability was restated due to the implementation of GASB 101 – *Compensated Absences*. See Note XII for more information.

**The beginning balance of long-term debt for the Hospital was increased related to an accounting error for New Market Tax Credits. See Note XII for more information.

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
2026	\$ 470,000	\$ 758,450	\$ 1,884,959	\$ 179,969	\$ 96,379	\$ 11,149	\$ 66,934	\$ 3,236
2027	1,095,000	734,950	1,946,308	117,998	93,249	8,342	31,496	963
2028	1,095,000	686,450	656,133	53,173	88,614	5,634	-	-
2029	1,095,000	637,950	399,052	16,406	85,278	3,049	-	-
2030	1,095,000	583,200	104,918	3,793	57,621	874	-	-
2031-2035	5,475,000	2,094,750	-	-	-	-	-	-
2036-2040	5,475,000	859,000	-	-	-	-	-	-
2041-2045	1,010,000	62,000	-	-	-	-	-	-
Total	\$ 16,810,000	\$ 6,416,750	\$ 4,991,370	\$ 371,339	\$ 421,141	\$ 29,048	\$ 98,430	\$ 4,199

Business-type Activities:

Year ending June 30,	Revenue Bonds Payable		Notes Payable		Direct Borrowings - Notes Payable		Lease Payments for Lease Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,575,000	\$ 2,236,875	\$ 2,666,792	\$ 1,211,607	\$ 1,070,642	\$ 608,906	\$127,561	\$ 15,969
2027	1,725,000	2,154,375	3,312,214	1,183,945	1,127,500	552,049	122,868	12,695
2028	1,830,000	2,065,500	3,356,716	1,086,950	1,035,811	492,998	124,061	9,124
2029	1,905,000	1,972,125	2,358,380	991,866	7,781,363	24,540	127,249	5,486
2030	2,000,000	1,874,500	2,256,482	928,338	-	-	119,950	1,755
2031-2035	11,560,000	7,011,875	9,295,820	3,895,528	-	-	-	-
2036-2040	14,440,000	4,497,500	8,694,641	2,813,580	-	-	-	-
2041-2045	10,490,000	801,000	9,562,249	1,664,572	-	-	-	-
2046-2050	-	-	5,550,377	566,010	-	-	-	-
2051-2054	-	-	1,683,760	114,676	-	-	-	-
Total	\$ 45,525,000	\$ 22,613,750	\$ 48,737,431	\$ 14,457,072	\$ 11,015,316	\$ 1,678,493	\$ 621,689	\$ 45,029

COMPONENT UNIT:

Stillwater Medical Center Authority

Year ending December 31,	Long-term Debt		Lease Obligation Payable	
	Principal	Interest	Principal	Interest
2025	\$ 6,734,875	\$ 2,256,483	\$ 1,567,356	\$ 167,549
2026	10,701,861	2,096,319	489,298	86,341
2027	10,187,091	1,992,476	-	-
2028	19,284,536	1,610,628	-	-
2029	9,390,538	1,327,721	-	-
2030-2034	51,706,893	3,694,515	-	-
2035-2039	20,288,851	1,163,933	-	-
2040-2044	12,746,194	349,204	-	-
2045-2049	7,748,608	65,754	-	-
Total	\$ 148,789,447	\$ 14,557,033	\$ 2,056,654	\$ 253,890

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 2025. 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, 2025, was \$3,102,942 which consisted of \$1,548,080 (net of \$45,814 in forfeitures) from the City and \$1,554,862 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 \$2,938,000 and \$5,875,000, respectively, during 2024.

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, 2025 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, 2025 was \$31,888 which consisted of \$21,259 from the City and \$10,629 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
2025	\$ 1,003,734	100%	\$ 957,439	100%
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, Expense, and Deferred Inflows and Outflows of Resources: At June 30, 2025, the City reported a liability of \$5,220,885 for its proportionate share of the collective net pension liability of the Oklahoma Police Pension and Retirement System and a liability of \$21,810,935 for its proportionate share of the collective net pension liability of the Oklahoma Firefighter's Pension and Retirement System. For both cost-sharing plans of the City, the net pension liability was measured as of June 30, 2024 using an actuarial valuation to calculate the total pension liability as of that date. The City's proportion of the net

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pension liability represents the City's actual cash basis contributions for the fiscal year divided by the total of all employer cash basis contributions for the fiscal year. The City's proportion of the Police Pension plan increased from 1.940% to 1.993% during the fiscal year and resulted in a deferred inflow of \$89,164. The City's proportion of the Fire Pension plan decreased from 1.668% to 1.656% during the fiscal year and resulted in a deferred inflow of \$102,508.

For the year ended June 30, 2025, the City recognized pension expense of \$6,325,896 for the police pension plan and \$2,559,560 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	\$ 2,180,055	\$ 42,581	\$ 3,195,615	\$ -
Change in assumptions	-	884,339	788,508	-
Net difference between projected and actual earnings on pension plan investments	2,795,471	-	-	167,522
Effect of City's proportion of plan	93,699	184,481	375,822	1,175,016
City contributions made subsequent to the measurement date	1,003,734	-	957,439	-
Total	\$ 6,072,959	\$ 1,111,401	\$ 5,317,384	\$ 1,342,538

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, 2026. 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	Oklahoma Firefighter's
	Pension & Retirement System	Pension & Retirement System
2026	\$ 245,952	\$ 471,836
2027	2,595,340	2,434,154
2028	785,539	58,350
2029	244,389	53,067
2030	86,604	-
	\$ 3,957,824	\$ 3,017,407

Actuarial Assumptions: The actuarial valuation that provided the total pension liability as of June 30, 2024 used the following assumptions:

Assumption	Oklahoma Police	Oklahoma Firefighter's
	Pension & Retirement System	Pension & Retirement System
Inflation	2.75%	2.75%
Salary increases*	3.5%-12.0%	2.75%-14%
Investment rate of return	7.5%	7.5%

*Based on years of service; includes inflation

During the 2024 legislative session Senate Bill 102 was passed and became effective November 1, 2024, for the police pension plan. This bill changed the multiplier used to calculate a pension benefit from 2.5% to 3%, to be phased in between July 1, 2025 and July 1, 2030, depending on a member's years of accrued service. Member and employer contributions increase on July 1, 2025 to 9% and 14% respectively, to offset the increase in benefit costs. This change in benefit terms increased the City's share of total pension liability for 2025 by \$5,729,217.

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-2021.

The actuarial assumptions used for the police pension plan's June 30, 2024 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, 2024 valuation were based on actuarial experience studies for a 5 year period of July 1, 2018 through June 30, 2023.

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, 2024, are summarized in the following table:

Asset Class	Oklahoma Police	Oklahoma Firefighter's
	Pension & Retirement System	Pension & Retirement System
	Long-term Expected	Long-term Expected
	Real Rate of Return	Real Rate of Return
Fixed income	5.65%	5.86%
Domestic equity	8.63%	8.78%
International equity	10.68%	10.68%
Real estate	9.55%	9.68%
Private equity	11.46%	0.00%
Other assets	0.00%	6.44%

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 14.7% of the insurance premium collected for fiscal year 2025 through fiscal year 2027, and 14.0% thereafter 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	\$ 12,697,540	\$ 5,220,885	\$ (1,100,726)
City's share of fire plan net pension liability	29,028,928	21,810,935	15,796,392

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 14.7% 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, 2024. 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, 2025, the City recorded revenues of \$1,089,883 for the police pension plan and \$2,327,884 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 \$1,064,420 and for the fire pension plan was \$2,363,519. 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	\$ 5,220,885	\$ 21,810,935	\$ 27,031,820
Deferred outflows of resources	6,072,959	5,317,384	11,390,343
Deferred inflows of resources	1,111,401	1,342,538	2,453,939
Pension expense	6,325,896	2,559,560	8,885,456

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 2025 range from \$51 to \$685 for active employees, \$820 to \$3,031 for retired participants, and \$836 to \$3,091 for COBRA participants.

Employees Covered by Benefit Terms: At June 30, 2025, the following employees were covered by the benefit terms.

Active plan members	517
Inactive employees or beneficiaries currently receiving benefit payments	24
	<u>541</u>

Total OPEB Liability: The City's total OPEB liability of \$7,118,692 was measured as of June 30, 2024 and was determined by an actuarial valuation performed as of June 30, 2024.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Discount rate	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 2023 experience study
Turnover	OkMRF 2023 experience study
Healthcare cost trend	Plan year dependent rates graded from 5.88% in 2024 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, 2024, the 20-year bond rates increased from 4.13% to 4.21%.

Changes in the Total OPEB Liability:

Balance at June 30, 2024	\$ 7,134,386
Changes for the year:	
Service cost	406,463
Interest	306,805
Changes of benefit terms	-
Differences between expected and actual experience	(448,407)
Change of assumptions	(56,265)
Expected net benefit payments	<u>(224,290)</u>
Net changes	<u>(15,694)</u>
Balance at June 30, 2025	<u>\$ 7,118,692</u>
Current portion - reported in Governmental Activities	<u>\$ 187,415</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 4.13% to 4.21% 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 5.9%.

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

	1% Decrease (3.21%)	Discount Rate (4.21%)	1% Increase (5.21%)
Total OPEB liability	\$ 7,880,581	\$ 7,118,692	\$ 6,443,953

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 4.90% Grading to 2.94%	Healthcare Cost Trend Rates 5.90% Grading to 3.94%	1% Increase 6.90% Grading to 4.94%
Total OPEB liability	\$ 6,348,147	\$ 7,118,692	\$ 8,032,526

OPEB Expense and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2025, the City recognized OPEB expense of \$503,778. At June 30, 2025, 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	\$ 81,323	\$ (873,724)
Differences between expected and actual experience	267,952	(827,503)
Change in proportion/difference in contributions	240,766	(240,766)
Contributions subsequent to the measurement date	187,415	-
Total Deferrals	<u>\$ 777,456</u>	<u>\$ (1,941,993)</u>

The \$187,415 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, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Amount
2026	\$ (177,406)
2027	(205,704)
2028	(229,476)
2029	(227,934)
2030	(197,933)
Thereafter	(313,499)
	<u>\$ (1,351,952)</u>

VI. RISK MANAGEMENT

As of June 30, 2025, claims outstanding against the City and its public authorities were \$2,806,088 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, 2025 and 2024 were as follows:

	Beginning Liability Balance	Current Year Claims & Changes in Estimate	Claims Payments	Ending Liability Balance
2025	\$ 2,773,284	\$ 10,275,664	\$ 10,242,860	\$ 2,806,088
2024	\$ 1,388,909	\$ 9,096,107	\$ 7,711,732	\$ 2,773,284

The Hospital is exposed to various risks of loss from torts: theft of, damage to, and destruction of assets; business interruption; errors and omissions; natural disasters; 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. The Hospital is self-insured for a portion of its exposure to risk of loss from employee health claims. An annual estimated provision is accrued for the self-insured portion of employee health claims and includes an estimate of the ultimate cost for both claims and claims incurred but not yet reported. 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, 2024. No draws were made on the certificate of deposit held in escrow through 2024.

A provision is accrued for self-funded employee health claims and workers’ compensation claims, including both 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, 2024 and 2023 is summarized as follows:

	Beginning Liability Balance	Current Year Claims & Changes in Estimate	Claims Payments	Ending Liability Balance
2024	\$ 3,149,182	\$ 13,744,248	\$ 14,515,536	\$ 3,920,470
2023	\$ 1,824,956	\$ 18,519,035	\$ 19,843,261	\$ 3,149,182

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, 2025, 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 and the \$8,750,000 2025 General Obligation bonds used to provided financing for the construction of a new animal welfare facility. The bonds of \$9,000,000 are due in payments commencing June 2024 through June 2042. The bonds of \$8,750,000 are due in payments commencing June 2026 thru June 2040. The total principal and interest payable for the remainder of the life of these bonds is \$23,226,750. Ad valorem taxes received in the current year were \$1,013,151. Debt service payments of \$858,700 in the current fiscal year were 84.76% 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, 2025, sales tax revenues were \$10,439,486 and net revenues were \$36,101,681. The following is a summary of the debt issues included in this pledge of revenues as of June 30, 2025:

Debt Issue	Issue Amount	Issue Date	Maturity Date	Remaining Principal and Interest	Current Year Principal and Interest
2005 OWRB Fixed Rate Note	\$ 7,620,000	Jun 2005	Mar 2025	\$ -	\$ 494,786
2009 OWRB DWSRF Note	11,645,000	Nov 2009	Sept 2032	4,329,427	654,338
2009 OWRB CWSRF Note	1,875,000	Nov 2009	Sept 2030	437,744	79,535
Series 2014A Revenue Bonds	61,830,000	Aug 2014	Oct 2042	-	53,928,606
2016 OWRB DWSRF Note	29,900,000	Jun 2016	Sept 2046	27,871,940	1,296,370
2017 OWRB DWSRF Note	12,600,000	Sept 2017	Sept 2048	13,599,998	575,852
2023 OWRB CWSRF Note	10,500,000	Jan 2023	Mar 2054	13,032,571	546,613
2024 OWRB DWSRF Note	37,000,000	Dec 2023	Mar 2056	3,320,822	1,000,000
Series 2025A Revenue Bonds	45,525,000	Mar 2025	Oct 2042	68,138,750	-

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. Acquisitions resulting in deferred outflows of resources include:

The 2016 acquisition of assets and the oncology practice of Oklahoma Oncology and Hematology, Inc., and Oklahoma Cancer Specialists which is being amortized over 10 years. Amortization expense is approximately \$300,000 annually through 2026.

The 2019 acquisition of 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, 2024 were as follows:

Deferred outflows of resources	\$ 12,293,360
Accumulated amortization	<u>(11,768,360)</u>
	<u>\$ 525,000</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, 2024. The Hospital's investment in Tecumseh was approximately \$1,180,000 at December 31, 2024.

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 \$1,325,000 as of December 31, 2024.

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, 2024, 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 \$7,698,000 at December 31, 2024. During the year ended December 31, 2024, the Hospital received a distribution of \$1,127,000 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 \$207,000 at December 31, 2024.

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, 2024.

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, 2024. Effective July 1, 2021, the Hospital purchased its property insurance coverage from LAIE. For the year ended December 31, 2024, the Hospital paid approximately \$202,000 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, 2025, the SEDA abated sales tax totaling \$573,466 to 2 entities for the purposes described below:

Purpose	Percentage of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Economic revitalization and new development within the boundaries of the Tax Increment Financing District #3	22.6%	\$129,724
Development of a retail center in undeveloped parts of the City	77.4%	\$443,741

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

XII. PRIOR YEAR RESTATEMENT

With the current year implementation of GASB 101 – *Compensated Absences*, the City's beginning net position balances were restated as follows:

	Stillwater Utilities Authority	Airport	Governmental Activities	Business-Type Activities
Beginning net position as previously stated	\$ 266,852,845	\$ 38,991,270	\$ 128,894,030	\$ 309,265,448
Cumulative effect of a change in accounting principle:				
Increase in accrued compensated absence liability	(1,327,590)	(42,842)	(3,427,958)	(1,370,432)
Beginning net position as restated	\$ 265,525,255	\$ 38,948,428	\$ 125,466,072	\$ 307,895,016

In accordance with GASB Statement No. 100 – *Accounting Changes and Error Corrections*, the Hospital applied a correction in accounting error retroactively by restating balances in the financial statements as of January 1, 2023. The financial statements are restated for a correction in an accounting error related to the elimination of the long-term investments and long-term debt associated with the new market tax credits. The restatement had no effect on the Hospital's change in net position. The following table shows the restatements:

	Long-term Assets	Long-term Debt	Net Position
As previously reported	\$ 913,252	\$ 92,554,679	\$ 282,591,390
Correction of accounting error related to the elimination of long-term assets/debt in connection with the New Market Tax Credit	48,974,900	48,974,900	-
As restated	\$ 49,888,152	\$ 141,529,579	\$ 282,591,390

XIII. RECENTLY ISSUED ACCOUNTING STANDARDS

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

GASB Statement No. 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.

GASB Statement 104 – “Disclosure of Certain Capital Assets” - This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. The Statement is effective for the city in the fiscal year June 30, 2026.

DRAFT

REQUIRED SUPPLEMENTARY
INFORMATION

DRAFT

Stillwater[®] OKLAHOMA
stillwaterok.gov

Convenience Collection Center

In fiscal year 2025, the Convenience Collection Center had 48,711 visitors and collected more than 1,529 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.



CITY OF STILLWATER, OKLAHOMA
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2025

CITY OF STILLWATER, OKLAHOMA
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 For the fiscal year ended June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT BUDGETARY BASIS	Budget to GAAP Difference	Actual Amount GAAP Basis
REVENUES					
Sales and use tax	\$ 34,523,000	\$ 36,673,000	\$ 37,084,884	\$ -	\$ 37,084,884
Other taxes	3,779,000	4,714,000	4,709,992	-	4,709,992
Intergovernmental	50,000	1,656,386	3,335,046	3,427,939	6,762,985
Charges for Services	1,209,000	1,209,000	1,725,942	-	1,725,942
Fines and forfeits	634,000	634,000	798,859	-	798,859
Fees and rentals	431,000	431,000	418,746	-	418,746
Licenses and permits	319,000	319,000	364,685	-	364,685
Investment Income	127,000	127,000	1,065,697	-	1,065,697
Other miscellaneous revenue	1,409,000	9,448,085	7,361,302	-	7,361,302
Total revenues	<u>42,481,000</u>	<u>55,211,471</u>	<u>56,865,153</u>	<u>3,427,939</u>	<u>60,293,092</u>
EXPENDITURES					
Public Safety:					
Police:					
Personal Services	13,282,984	13,685,478	13,604,451	3,494,089	17,098,540
Materials and supplies	865,354	841,387	781,827	-	781,827
Contract Services	386,625	501,406	413,024	-	413,024
Fire:					
Personal Services	8,088,119	8,761,707	8,676,223	3,818,924	12,495,147
Materials and supplies	288,325	322,997	291,145	-	291,145
Contract Services	308,950	552,772	329,459	-	329,459
Total Public Safety	<u>23,220,357</u>	<u>24,665,747</u>	<u>24,096,129</u>	<u>7,313,013</u>	<u>31,409,142</u>
Recreation and culture					
Parks and recreation:					
Personal Services	733,050	742,509	703,021	161,833	864,854
Materials and supplies	88,206	84,553	76,020	-	76,020
Contract Services	918,173	937,963	884,709	5,854	890,563
Library:					
Personal Services	1,080,392	1,112,782	1,067,698	240,571	1,308,269
Materials and supplies	107,685	107,685	106,272	-	106,272
Contract Services	108,150	394,043	287,269	-	287,269
Total recreation and culture	<u>3,035,656</u>	<u>3,379,535</u>	<u>3,124,989</u>	<u>408,258</u>	<u>3,533,247</u>
General government:					
Personal Services	13,173,065	13,906,422	12,769,812	(9,825,246)	2,944,566
Materials and supplies	121,857	158,498	126,399	-	126,399
Contract Services	7,702,475	9,518,239	5,913,039	(1,745,800)	4,167,239
Total general government	<u>20,997,397</u>	<u>23,583,159</u>	<u>18,809,250</u>	<u>(11,571,046)</u>	<u>7,238,204</u>
Financial administration:					
Personal Services	700,923	689,351	643,615	262,978	906,593
Materials and supplies	27,400	32,430	30,384	-	30,384
Contract Services	98,910	99,330	54,626	58,368	112,994
Total financial administration	<u>827,233</u>	<u>821,111</u>	<u>728,625</u>	<u>321,346</u>	<u>1,049,971</u>

(continued...)

CITY OF STILLWATER, OKLAHOMA
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT BUDGETARY BASIS	Budget to GAAP Difference	Actual Amount GAAP Basis
Street and highways:					
Personal Services	3,123,643	2,874,774	2,755,752	916,842	3,672,594
Materials and supplies	781,419	726,949	698,793	-	698,793
Contract Services	658,930	831,948	528,913	288,227	817,140
Total streets and highways	4,563,992	4,433,671	3,983,458	1,205,069	5,188,527
Health and welfare:					
Personal Services	1,197,837	1,063,902	956,489	243,838	1,200,327
Materials and supplies	25,146	25,866	18,922	-	18,922
Contract Services	169,250	304,612	179,901	-	179,901
Total health and welfare	1,392,233	1,394,380	1,155,312	243,838	1,399,150
Debt Service:					
Police	-	-	-	3,097	3,097
Fire	325,475	325,475	325,475	2,604	328,079
Parks and recreation	-	-	-	3,174	3,174
Library	-	-	-	3,518	3,518
General government	197,854	197,854	197,854	301,925	499,779
Financial administration	-	-	-	30,097	30,097
Streets and highways	-	-	-	6,804	6,804
Total debt service	523,329	523,329	523,329	351,219	874,548
Capital Outlay:					
Police	-	146,818	144,571	-	144,571
Fire	-	261,397	158,689	-	158,689
Parks and recreation	-	140,299	15,143	-	15,143
General government	-	8,615	8,614	-	8,614
Health and welfare	-	4,571,484	3,111,415	-	3,111,415
Streets and highways	-	8,471,655	6,150,524	-	6,150,524
Total capital outlay	-	13,600,268	9,588,956	-	9,588,956
Total expenditures	54,560,197	72,401,200	62,010,048	(1,728,303)	60,281,745
Excess (deficiency) of revenues over (under) expenditures	(12,079,197)	(17,189,729)	(5,144,895)	5,156,242	11,347
OTHER FINANCING SOURCES (USES)					
Transfers in	32,387,783	33,531,033	30,806,943	(11,665,942)	19,141,001
Transfers out	(21,120,951)	(26,786,237)	(26,596,968)	7,189,792	(19,407,176)
Insurance proceeds	-	41,071	162,853	-	162,853
Proceeds from long-term lease	-	-	-	482,424	482,424
Total other financing sources (uses)	11,266,832	6,785,867	4,372,828	(3,993,726)	379,102
Net change in fund balance	(812,365)	(10,403,862)	(772,067)	1,162,516	390,449
FUND BALANCE, beginning of year	-	21,597,833	21,597,833		21,597,833
FUND BALANCE, end of year	\$ (812,365)	\$ 11,193,971	\$ 20,825,766	\$ 1,162,516	\$ 21,988,282

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, 2025 the City complied, in all material respects, with the applicable budget laws.

CITY OF STILLWATER, OKLAHOMA
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2025

**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,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability	1.993%	1.940%	2.015%	1.919%	2.027%	1.913%	1.922%	1.905%	1.929%	1.927%
City's proportionate share of the net pension liability (asset)	\$ 5,220,885	\$ (592,397)	\$ (1,616,064)	\$ (9,203,474)	\$ 2,327,809	\$ (122,109)	\$ (915,585)	\$ 146,562	\$ 2,954,182	\$ 78,571
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
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-(67.79%)	(8.12%)	(22.38%)	141.873%	(35.90%)	(2.00%)	15.74%	2.62%	50.29%	(1.45%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	92.40%	101.02%	102.74%	117.01%	95.80%	100.24%	101.89%	99.68%	93.50%	99.82%

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**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability	1.656%	1.668%	1.844%	1.728%	1.824%	1.706%	1.687%	1.802%	1.763%	1.733%
City's proportionate share of the net pension liability	\$ 21,810,935	\$ 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
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
City's proportionate share of the net pension liability as a percentage of its covered payroll	340.83%	346.30%	395.06%	204.78%	404.19%	343.94%	383.11%	446.48%	425.45%	394.20%
Plan fiduciary net position as a percentage of the total pension liability	71.94%	70.85%	69.49%	84.24%	69.98%	72.85%	70.73%	66.61%	64.87%	68.27%

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, 2025

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

	<u>2025</u>	<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>
Statutorily required contribution	\$ 1,003,734	\$ 1,001,241	\$ 948,721	\$ 938,695	\$ 843,322	\$ 842,890	\$ 795,457	\$ 756,167	\$ 726,443	\$ 763,592
Contributions in relation to the statutorily required contribution	<u>(1,003,734)</u>	<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>
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	\$ 7,721,031	\$ 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
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>2025</u>	<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>
Statutorily required contribution	\$ 957,439	\$ 895,917	\$ 870,235	\$ 854,391	\$ 778,175	\$ 778,342	\$ 733,622	\$ 694,101	\$ 710,808	\$ 708,897
Contributions in relation to the statutorily required contribution	<u>(957,439)</u>	<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>
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	\$ 6,838,850	\$ 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
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, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 406,463	\$ 386,463	\$ 456,754	\$ 432,790	\$ 351,194	\$ 319,735	\$ 289,621	\$ 326,718
Interest	306,805	307,498	168,516	170,569	247,914	240,241	204,729	160,852
Experience Gain/(Loss)	(448,407)	(424,723)	68,410	59,209	(423,902)	(23,365)	140,297	-
Changes of assumptions	(56,265)	(159,899)	(691,863)	(384,456)	550,856	430,376	(304,645)	(459,374)
Expected net benefit payments	(224,290)	(213,549)	(216,247)	(220,694)	(125,017)	(120,931)	(100,180)	(91,192)
Net change in total OPEB liability	(15,694)	(104,210)	(214,430)	57,418	601,045	846,056	229,822	(62,996)
Balances at Beginning of Year	7,134,386	7,238,596	7,453,026	7,395,608	6,794,563	5,948,507	5,718,685	5,781,681
Balances End of Year	\$ 7,118,692	\$ 7,134,386	\$ 7,238,596	\$ 7,453,026	\$ 7,395,608	\$ 6,794,563	\$ 5,948,507	\$ 5,718,685
Covered employee payroll	\$ 34,799,000	\$ 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	20.46%	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%

Changes of assumptions in fiscal year 2025 relates mainly to the following:

Discount rate changed from 4.13% to 4.21%

OTHER SUPPLEMENTARY
INFORMATION

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Stillwater[®] 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.

Facebook - @FlyStillwaterOK 

Instagram - stillwater_regional_airport 

X - @FlyStillwaterOK 

CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2025

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS
 For the fiscal year ended June 30, 2025

	Capital Project Fund Transportation Improvement Fund				Capital Project Fund City Capital Fund			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES								
Taxes	\$ 10,000,000	\$ 10,350,000	10,439,486	89,486	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	974,696	974,696	-	-	203,043	203,043
Intergovernmental	-	-	-	-	-	145,877	-	(145,877)
Other miscellaneous revenue	-	-	12,719	12,719	-	-	8,973	8,973
Total revenues	10,000,000	10,350,000	11,426,901	1,076,901	-	145,877	212,016	66,139
EXPENDITURES								
General Government:								
Materials and supplies	-	-	-	-	-	49,998	49,998	-
Total General Government	-	-	-	-	-	49,998	49,998	-
Police:								
Contract services	-	-	-	-	-	32,000	-	32,000
Total Police	-	-	-	-	-	32,000	-	32,000
Streets and highways:								
Personal services	-	-	-	-	-	-	-	-
Materials and supplies	-	199,502	64,145	135,357	-	-	-	-
Contract services	-	496,029	496,029	496,029	-	32,000	6,400	25,600
Total Streets and highways	-	695,531	64,145	631,386	-	32,000	6,400	25,600
Debt service:								
General government	-	-	-	-	-	91,975	76,647	15,328
Emergency management	-	-	-	-	1,355,000	1,355,000	1,354,999	1
Total debt service	-	-	-	-	1,355,000	1,446,975	1,431,646	15,329
Capital outlay:								
Parks and recreation	-	-	-	-	-	508,162	485,007	23,155
General government	-	-	-	-	-	1,053,442	1,570,544	(517,102)
Police	-	-	-	-	-	828,671	147,102	681,569
Streets and highways	-	16,183,948	7,263,394	8,920,554	-	1,521,006	1,363,725	157,281
Emergency management	-	-	-	-	-	660,237	539,862	120,375
Total capital outlay	-	16,183,948	7,263,394	8,920,554	-	4,571,518	4,106,240	465,278
Excess (deficiency) of revenues over (under) expenditures	10,000,000	(6,529,479)	4,099,362	10,628,841	(1,355,000)	(5,954,614)	(5,382,268)	572,346
OTHER FINANCING SOURCES (USES)								
Proceeds from long-term debt	-	-	-	-	-	-	812,500	812,500
Transfers in	-	-	-	-	-	2,452,317	1,885,000	(567,317)
Transfers out	-	-	-	-	-	(1,007,391)	(1,007,391)	-
Total other financing sources (uses)	-	-	-	-	-	1,444,926	1,690,109	245,183
Net change in fund balance	10,000,000	(6,529,479)	4,099,362	10,628,841	(1,355,000)	(4,509,688)	(3,692,159)	817,529
FUND BALANCE, beginning of year	14,084,057	25,682,739	25,682,739	-	3,266,325	7,545,865	7,545,865	-
FUND BALANCE, end of year	\$ 24,084,057	\$ 19,153,260	\$ 29,782,101	\$ 10,628,841	\$ 1,911,325	\$ 3,036,177	\$ 3,853,706	\$ 817,529

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 and amended by Ordinance Nos. 3494 and 3521. Funding is provided by incremental ad-valorem and sales tax revenue.

Tax Increment District #5 – Accounts for funds used for improvements in the additional 2022 Amended Project Plan area as defined in Ordinance No. 3494 and amended by Ordinance No. 3521. Funding is provided by incremental ad-valorem 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 and 2025 general obligation bond proceeds to be used for construction of a new animal control facility.

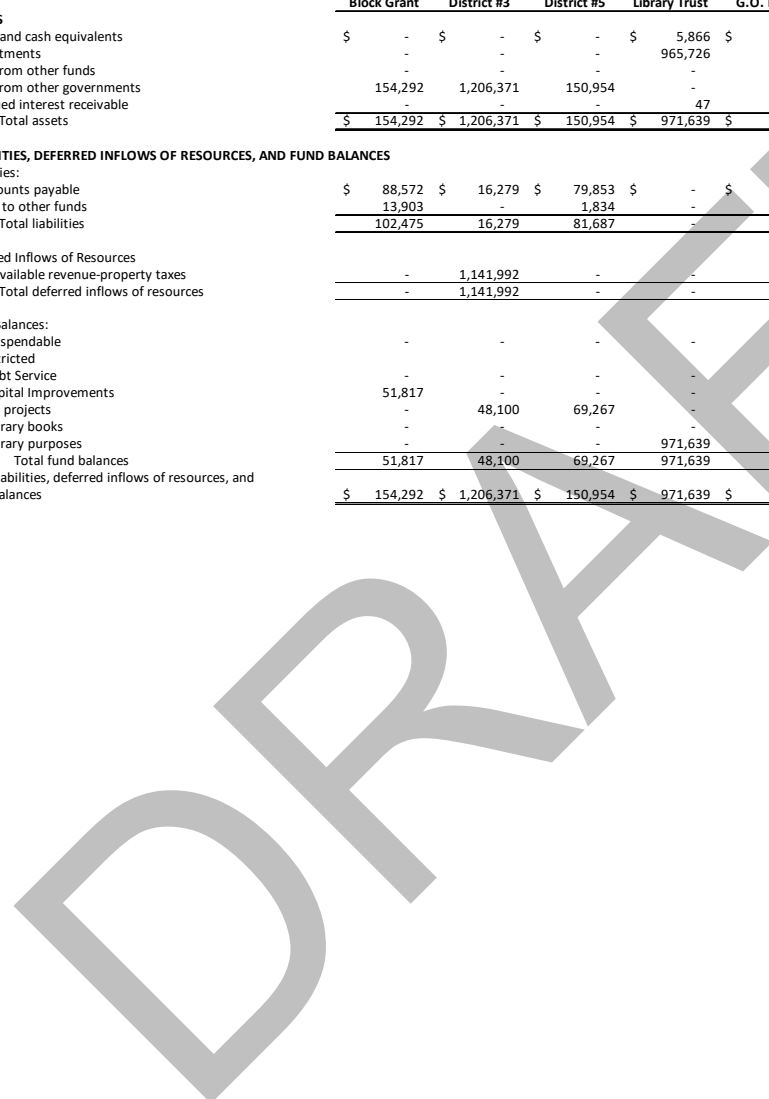
Sinking Fund – to account for the accumulation of ad valorem taxes levied by the City for the payment of general long-term principal, interest and related costs.

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

CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2025

City of Stillwater
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2025

	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
	Community Development Block Grant	Tax Increment District #3	Tax Increment District #5	Stillwater Public Library Trust	G.O. Bond Fund	Sinking Fund	Mabel King Trust	
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 5,866	\$ 9,185,759	\$ 967,503	\$ 54,106	\$ 10,213,234
Investments	-	-	-	965,726	1,160,509	202,062	-	2,328,297
Due from other funds	-	-	-	-	-	1,834	-	1,834
Due from other governments	154,292	1,206,371	150,954	-	-	-	-	1,511,617
Accrued interest receivable	-	-	-	47	1,561	272	16	1,896
Total assets	\$ 154,292	\$ 1,206,371	\$ 150,954	\$ 971,639	\$ 10,347,829	\$ 1,171,671	\$ 54,122	\$ 14,056,878
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 88,572	\$ 16,279	\$ 79,853	\$ -	\$ 1,198,092	\$ -	\$ -	\$ 1,382,796
Due to other funds	13,903	-	1,834	-	-	-	-	15,737
Total liabilities	102,475	16,279	81,687	-	1,198,092	-	-	1,398,533
Deferred Inflows of Resources								
Unavailable revenue-property taxes	-	1,141,992	-	-	-	-	-	1,141,992
Total deferred inflows of resources	-	1,141,992	-	-	-	-	-	1,141,992
Fund Balances:								
Nonspendable	-	-	-	-	-	-	50,000	50,000
Restricted	-	-	-	-	-	1,171,671	-	1,171,671
Debt Service	-	-	-	-	-	-	-	-
Capital Improvements	51,817	-	-	-	9,149,737	-	-	9,201,554
TIF projects	-	48,100	69,267	-	-	-	-	117,367
Library books	-	-	-	-	-	-	4,122	4,122
Library purposes	-	-	-	971,639	-	-	-	971,639
Total fund balances	51,817	48,100	69,267	971,639	9,149,737	1,171,671	54,122	11,516,353
Total liabilities, deferred inflows of resources, and fund balances	\$ 154,292	\$ 1,206,371	\$ 150,954	\$ 971,639	\$ 10,347,829	\$ 1,171,671	\$ 54,122	\$ 14,056,878



CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2025

City of Stillwater
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Fund Community Development Block Grant	Special Revenue Fund Tax Increment District #3	Special Revenue Fund Tax Increment District #5	Special Revenue Fund Stillwater Public Library Trust	Capital Project Fund G.O. Bond Fund	Debt Service Fund Sinking Fund	Permanent Fund Label King Trust	Total Governmental Funds
REVENUES								
Taxes	\$ -	\$ 1,307,602	\$ 149,120	\$ -	\$ -	\$ 1,013,151	\$ -	\$ 2,469,873
Intergovernmental	154,293	-	-	-	-	-	-	154,293
Investment income (loss)	-	-	-	98,722	218,438	33,311	2,036	352,507
Miscellaneous	-	-	-	9,504	-	-	-	9,504
Total revenues	154,293	1,307,602	149,120	108,226	218,438	1,046,462	2,036	2,986,177
EXPENDITURES								
Current:								
Recreation and culture	-	-	-	7,496	-	-	5,880	13,376
General government	-	411,882	79,853	-	230,738	-	-	722,473
Debt Service:								
Principal	-	-	-	-	-	470,000	-	470,000
Interest and other charges	-	-	-	-	-	388,700	-	388,700
Capital Outlay	327,517	-	-	-	6,386,650	-	-	6,714,167
Total Expenditures	327,517	411,882	79,853	7,496	6,617,388	858,700	5,880	8,308,716
Excess (deficiency) of revenues over expenditures	(173,224)	895,720	69,267	100,730	(6,398,950)	187,762	(3,844)	(5,322,539)
OTHER FINANCING SOURCES (USES)								
Issuance of debt	-	-	-	-	8,750,000	-	-	8,750,000
Bond Premium	-	-	-	-	451,012	-	-	451,012
Transfers In	2,542	-	-	-	-	377,112	-	379,654
Transfers Out	-	(852,527)	-	-	(377,112)	(165,692)	-	(1,395,331)
Total other financing sources and uses	2,542	(852,527)	-	-	8,823,900	211,420	-	8,185,335
Net change in fund balances	(170,682)	43,193	69,267	100,730	2,424,950	399,182	(3,844)	2,862,796
Fund Balances - beginning	222,499	4,907	-	870,909	6,724,787	772,489	57,966	8,653,557
Fund Balances - ending	\$ 51,817	\$ 48,100	\$ 69,267	\$ 971,639	\$ 9,149,737	\$ 1,171,671	\$ 54,122	\$ 11,516,353

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CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2025

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2025

	Special Revenue Fund Community Development Block Grant				Special Revenue Fund Tax Increment District #3			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,795,000	\$ 1,795,000	\$ 1,307,602	\$ (487,398)
Intergovernmental	-	222,500	154,293	(68,207)	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Other miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	-	222,500	154,293	(68,207)	1,795,000	1,795,000	1,307,602	(487,398)
EXPENDITURES								
General government:								
Contract services	-	-	-	-	560,000	560,000	411,882	148,118
Debt service:	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total general government	-	-	-	-	560,000	560,000	411,882	148,118
Capital Outlay:								
General government	-	445,000	327,517	117,483	-	-	-	-
Streets and highway	-	-	-	-	-	-	-	-
Total capital outlay	-	445,000	327,517	117,483	-	-	-	-
Total expenditures	-	445,000	327,517	117,483	560,000	560,000	411,882	148,118
Excess (deficiency) of revenues over (under) expenditures	-	(222,500)	(173,224)	49,276	1,235,000	1,235,000	895,720	(339,280)
OTHER FINANCING SOURCES (USES)								
Transfers in	2,542	2,542	2,542	-	-	-	-	-
Transfers out	-	-	-	-	(1,185,000)	(1,185,000)	(852,527)	332,473
Total other financing sources (uses)	2,542	2,542	2,542	-	(1,185,000)	(1,185,000)	(852,527)	332,473
Net change in fund balance	2,542	(219,958)	(170,682)	49,276	50,000	50,000	43,193	(6,807)
FUND BALANCE, beginning of year	(2,542)	222,499	222,499	-	49,856	4,907	4,907	-
FUND BALANCE, end of year	\$ -	\$ 2,541	\$ 51,817	\$ 49,276	\$ 99,856	\$ 54,907	\$ 48,100	\$ (6,807)

CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2025

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2025

	Special Revenue Fund Tax Increment District #5			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES				
Taxes	\$ -	\$ -	\$ 149,120	\$ 149,120
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Other miscellaneous revenue	-	-	-	-
Total revenues	-	-	149,120	149,120
EXPENDITURES				
General government:				
Contract services	-	-	79,853	(79,853)
Debt service:	-	-	-	-
Principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total general government	-	-	79,853	(79,853)
Capital Outlay:				
General government	-	-	-	-
Recreation and culture	-	-	-	-
Streets and highway	-	-	-	-
Total capital outlay	-	-	-	-
Total expenditures	-	-	79,853	(79,853)
Excess (deficiency) of revenues over (under) expenditures	-	-	69,267	69,267
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	69,267	69,267
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 69,267	\$ 69,267

(Continued)

CITY OF STILLWATER, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2025

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2025

	Capital Project Fund G.O. Bond Fund				Debt Service Fund Sinking Fund			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,046,000	\$ 1,046,000	\$ 1,013,151	\$ (32,849)
Intergovernmental	-	-	-	-	-	-	-	-
Investment income	-	-	218,438	218,438	-	-	33,311	33,311
Other miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	-	-	218,438	218,438	1,046,000	1,046,000	1,046,462	462
EXPENDITURES								
General government								
Contract services	-	-	230,738	(230,738)	-	-	-	-
Debt service:								
General government	-	-	-	-	858,700	858,700	858,700	-
Capital Outlay:								
Public safety	-	6,816,942	6,386,650	430,292	-	-	-	-
Total expenditures	-	6,816,942	6,617,388	199,554	858,700	858,700	858,700	-
Excess (deficiency) of revenues over (under) expenditures	-	(6,816,942)	(6,398,950)	417,992	187,300	187,300	187,762	462
OTHER FINANCING SOURCES (USES)								
Proceeds from long-term debt	-	-	9,201,012	9,201,012	-	-	-	-
Transfers in	-	-	-	-	-	-	377,112	377,112
Transfers out	-	-	(377,112)	(377,112)	(165,692)	(165,692)	(165,692)	-
Total other financing sources (uses)	-	-	8,823,900	8,823,900	(165,692)	(165,692)	211,420	377,112
Net change in fund balance	-	(6,816,942)	2,424,950	9,241,892	21,608	21,608	399,182	377,574
FUND BALANCE, beginning of year	195,351	6,724,787	6,724,787	-	198,665	772,489	772,489	-
FUND BALANCE, end of year	\$ 195,351	\$ (92,155)	\$ 9,149,737	\$ 9,241,892	\$ 220,273	\$ 794,097	\$ 1,171,671	\$ 377,574

(Continued)

CITY OF STILLWATER, OKLAHOMA
 OTHER SUPPLEMENTARY INFORMATION
 June 30, 2025

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
 For the fiscal year ended June 30, 2025

	Permanent Fund Mabel King Trust				Stillwater Public Library Trust			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNT	Variance from Final Budget
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Investment income	-	-	2,036	2,036	-	-	98,722	98,722
Other miscellaneous revenue	-	-	-	-	-	-	9,504	9,504
Total revenues	-	-	2,036	2,036	-	-	108,226	108,226
EXPENDITURES								
Recreation and culture:								
Materials and supplies	-	5,880	5,880	-	-	-	-	-
Contract services	-	-	-	-	-	11,645	7,496	4,149
Debt service:	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total general government	-	5,880	5,880	-	-	11,645	7,496	4,149
Capital Outlay:								
Recreation and culture	-	-	-	-	-	-	-	-
Total capital outlay	-	-	-	-	-	-	-	-
Total expenditures	-	5,880	5,880	-	-	11,645	7,496	4,149
Excess (deficiency) of revenues over (under) expenditures	-	(5,880)	(3,844)	2,036	-	(11,645)	100,730	112,375
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	-	(5,880)	(3,844)	2,036	-	(11,645)	100,730	112,375
FUND BALANCE, beginning of year	-	57,966	57,966	-	-	870,909	870,909	-
FUND BALANCE, end of year	\$ -	\$ 52,086	\$ 54,122	\$ 2,036	\$ -	\$ 859,264	\$ 971,639	\$ 112,375

STATISTICAL SECTION

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Statistical Section

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

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

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

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

	<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>	<u>2025</u>
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 100,598,696
Restricted for capital projects	62,633	62,415	323,382	374,262	331,935	243,410	9,034	208,351	222,499	51,817
Restricted for pensions	7,706,462	7,834,767	8,374,505	9,478,658	10,056,817	0	-	1,309,975	-	-
Restricted for debt service	209,523	188,857	139,552	152,309	162,401	306,175	673,299	671,370	772,489	1,171,671
Restricted for street improvements	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	29,782,101
Restricted for specific operating activities	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	4,471,356
Restricted for permanent fund - nonexpendable	-	-	-	-	50,000	50,000	50,000	50,000	50,000	50,000
Unrestricted	(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	(2,397,087)
Total governmental activities net position	\$ 80,179,141	\$ 82,889,471	\$ 82,694,493	\$ 94,415,191	\$ 99,842,715	\$ 100,757,800	\$ 102,135,943	\$ 115,170,438	\$ 128,894,030	\$ 133,728,554
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 180,901,785
Restricted for capital projects	1,655,304	808,415	862,552	886,016	908,232	944,789	985,783	1,017,844	2,451,545	1,078,710
Restricted for debt service	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	1,911,993
Restricted for specific operating activities	2,712	2,460	-	-	-	-	-	-	-	-
Unrestricted	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	150,337,239
Total business-type activities net position	\$ 199,248,851	\$ 213,628,732	\$ 227,822,536	\$ 231,413,592	\$ 239,104,327	\$ 259,214,869	\$ 265,168,950	\$ 283,951,190	\$ 309,265,448	\$ 334,229,727
Primary government:										
Net investment in capital assets	\$ 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	\$ 281,500,481
Restricted for capital projects	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	1,130,527
Restricted for pensions	7,706,462	7,834,767	8,374,505	9,478,658	10,056,817	-	-	1,309,975	-	-
Restricted for debt service	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	3,083,664
Restricted for street improvements	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	29,782,101
Restricted for specific operating activities	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	4,471,356
Restricted for permanent fund - nonexpendable	-	-	-	-	50,000	50,000	50,000	50,000	50,000	50,000
Unrestricted	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	147,940,152
Total primary government net position	\$ 279,427,992	\$ 296,518,203	\$ 310,517,029	\$ 325,828,783	\$ 338,947,042	\$ 359,972,669	\$ 367,304,893	\$ 399,121,628	\$ 438,159,478	\$ 467,958,281

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
Public Safety	\$ 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	\$ 38,178,206
Cultural, parks and recreation	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	3,187,704
General government	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	10,358,950
Financial administration	732,799	747,028	621,538	480,187	614,702	627,071	737,819	860,711	1,070,490	1,037,478
Streets and highways	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	9,907,772
Engineering and public works administration	0	-	-	-	-	-	-	-	-	-
Economic development	27,903	13,316	25,381	24,562	7,805	5,127	-	-	-	-
Health and welfare	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	1,610,956
Interest on long-term debt	108,120	76,111	44,113	12,129	(19,671)	(50,163)	(30,311)	616,833	490,695	614,860
Total governmental activities expenses	46,690,676	47,086,726	44,882,589	41,412,864	47,472,123	49,645,941	48,431,863	49,683,618	55,467,220	64,895,926
Business-type activities:										
Electric, water, wastewater, and sanitation operations	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	84,243,194
Stillwater Public Golf Authority	-	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	15,000	0	1,686,158	-	-	-	-
Business area development	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	2,927,178
Airport operations	2,625,889	2,875,967	3,572,997	3,620,279	6,527,106	-	5,454,546	6,692,989	5,995,734	5,892,171
Total business-type activities expenses	57,984,150	66,750,170	68,638,461	70,635,041	70,816,540	85,842,341	95,314,851	93,806,240	90,291,211	93,062,543
Total primary government expenses	\$ 104,674,826	\$ 113,836,896	\$ 113,521,050	\$ 112,047,905	\$ 118,288,663	\$ 135,488,282	\$ 143,746,714	\$ 143,489,858	\$ 145,758,431	\$ 157,958,469
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety	\$ 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	549,951
Cultural, parks and recreation	1,064,755	914,995	712,549	274,101	166,543	194,895	131,783	266,084	288,125	300,823
General government	554,497	1,362,082	1,296,850	1,099,376	1,119,503	519,323	1,100,510	489,614	626,950	912,232
Financial administration	1,132,852	1,036,065	1,131,545	1,136,937	801,154	571,347	815,144	818,870	897,572	846,899
Streets and highways	555,381	1,107,030	405,717	392,285	407,476	452,487	466,625	413,708	768,303	1,416,177
Health and welfare	302,888	430,744	262,807	426,387	270,528	258,701	304,682	264,184	262,633	308,345
Operating grants and contributions	526,732	79,813	198,989	524,836	3,000,657	1,943,963	1,528,637	1,017,972	4,146,302	3,770,158
Capital grants and contributions	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	10,362,443
Total governmental activities program revenues	9,086,806	13,208,988	7,860,763	7,746,691	9,961,469	8,485,927	6,728,230	9,372,573	13,947,718	18,467,028

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-type activities:										
Charges for services:										
Electric, water, wastewater, and sanitation operations	\$ 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	\$ 98,000,021
Stillwater Public Golf Authority	-	-	-	-	-	-	-	-	-	-
Business area development	169,335	204,548	14,783	848	1,512	935	1,048	605	-	-
Airport operations	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	2,897,866
Operating grant and contributions	-	-	-	61,392	323,914	801,946	1,260,327	1,213,934	472,383	55,259
Capital grants and contributions	1,115,450	1,845,117	2,246,048	2,403,555	6,383,537	11,656,049	4,901,172	6,174,278	8,605,861	7,795,292
Total business-type activities program revenues	75,565,542	83,888,799	85,697,053	83,331,771	85,099,448	108,252,713	102,616,782	110,569,944	108,143,926	108,748,438
Total primary government program revenues	\$ 84,652,348	\$ 97,097,787	\$ 93,557,816	\$ 91,078,462	\$ 95,060,917	\$ 116,738,640	\$ 109,345,012	\$ 119,942,517	\$ 122,091,644	\$ 127,215,466
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (46,428,898)
Business-type activities	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	15,685,895
Total primary government net expense	\$ (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)	\$ (30,743,003)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 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	\$ 47,524,370
Property taxes	1,170,237	987,082	978,693	927,799	1,205,509	1,465,530	733,849	1,805,264	2,835,513	2,949,652
Franchise and public service taxes	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	2,059,196
E911 taxes	76,503	48,274	65,245	62,591	61,217	59,566	60,375	54,951	41,751	38,000
Hotel/motel taxes	736,485	819,592	842,623	777,659	641,945	624,718	874,248	1,721,177	1,678,361	2,612,796
Investment income	186,077	58,500	103,431	234,296	345,279	269,882	(485,727)	775,781	1,964,079	2,596,102
Miscellaneous	-	-	-	-	44,334	11,250	102,611	943,452	1,906,833	289,338
Transfers-internal activity	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)	(3,378,074)
Special item - close out of retirement fund	-	-	-	-	-	1,766,951	-	-	-	-
Total governmental activities	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	54,691,380
Business-type activities:										
Investment income	715,402	171,150	334,844	1,385,880	1,508,512	476,365	(538,677)	3,352,242	7,040,702	7,198,940
Miscellaneous	3,500	224,699	(631,707)	51,627	(499,308)	(541,424)	224,768	(417,914)	(130,180)	71,802
Transfers-internal activity	(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	3,378,074
Total business-type activities	(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	10,648,816
Total primary government	\$ 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	\$ 65,340,196
Change in Net Position										
Governmental activities	\$ (1,039,519)	\$ 2,710,330	\$ 203,135	\$ 11,720,698	\$ 5,394,058	\$ 469,578	\$ 278,045	\$ 13,034,495	\$ 13,723,592	\$ 8,262,482
Business-type activities	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	26,334,711
Total primary government	\$ 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	\$ 34,597,193

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Non-spendable	\$ 110,496	\$ 116,940	\$ 61,077	\$ 38,909	\$ 45,440	\$ 31,363	\$ 39,725	\$ 38,792	\$ 104,660	\$ 109,712
Restricted for public safety	95,790	72,571	95,185	92,613	99,805	98,535	87,231	145,507	138,718	134,349
Restricted for economic development	360,813	299,183	556,147	580,600	500,929	-	-	-	-	-
Restricted for sales tax transfer	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	454,619
Restricted for opioid settlement	-	-	-	-	-	-	-	197,280	738,882	943,765
Committed to public safety	567,333	612,968	-	-	-	-	-	-	-	727,027
Committed to capital improvements	-	-	-	486,577	587,131	722,006	878,905	284,231	436,268	799,635
Committed to stormwater	-	-	-	477,583	505,643	615,373	684,256	799,245	1,069,849	1,755,987
Assigned to self insurance	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	1,628,371
Assigned to recreation and culture	144,517	118,186	64,567	66,039	65,425	13,294	27,397	67,810	29,447	9,609
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	35,307
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	3,148,664
Unassigned	6,442,469	2,478,143	5,663,427	-	-	12,433,775	11,927,800	11,744,428	11,474,512	12,241,237
Total general fund	\$ 11,442,302	\$ 7,510,057	\$ 7,683,636	\$ 13,191,886	\$ 14,637,286	\$ 24,567,734	\$ 22,972,201	\$ 22,578,677	\$ 21,597,833	\$ 21,988,282
All other governmental funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Restricted for debt service	209,523	188,857	139,552	152,309	162,401	306,175	673,299	671,370	772,489	1,171,671
Restricted for capital improvements	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	38,983,655
Restricted for TIF projects	-	-	-	-	-	556,775	77,856	29,856	4,907	117,367
Restricted for library books	-	-	-	-	4,232	4,568	4,846	6,030	7,966	4,122
Restricted for library purposes	-	-	-	-	519,957	642,012	620,492	725,543	870,909	971,639
Assigned for capital improvements	-	-	-	2,979,724	5,026,307	6,097,082	6,199,479	7,703,412	7,545,865	3,853,706
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 613,867	\$ 5,350,520	\$ 9,566,634	\$ 14,106,901	\$ 17,627,420	\$ 21,323,974	\$ 30,953,177	\$ 39,818,893	\$ 41,882,161	\$ 45,152,160

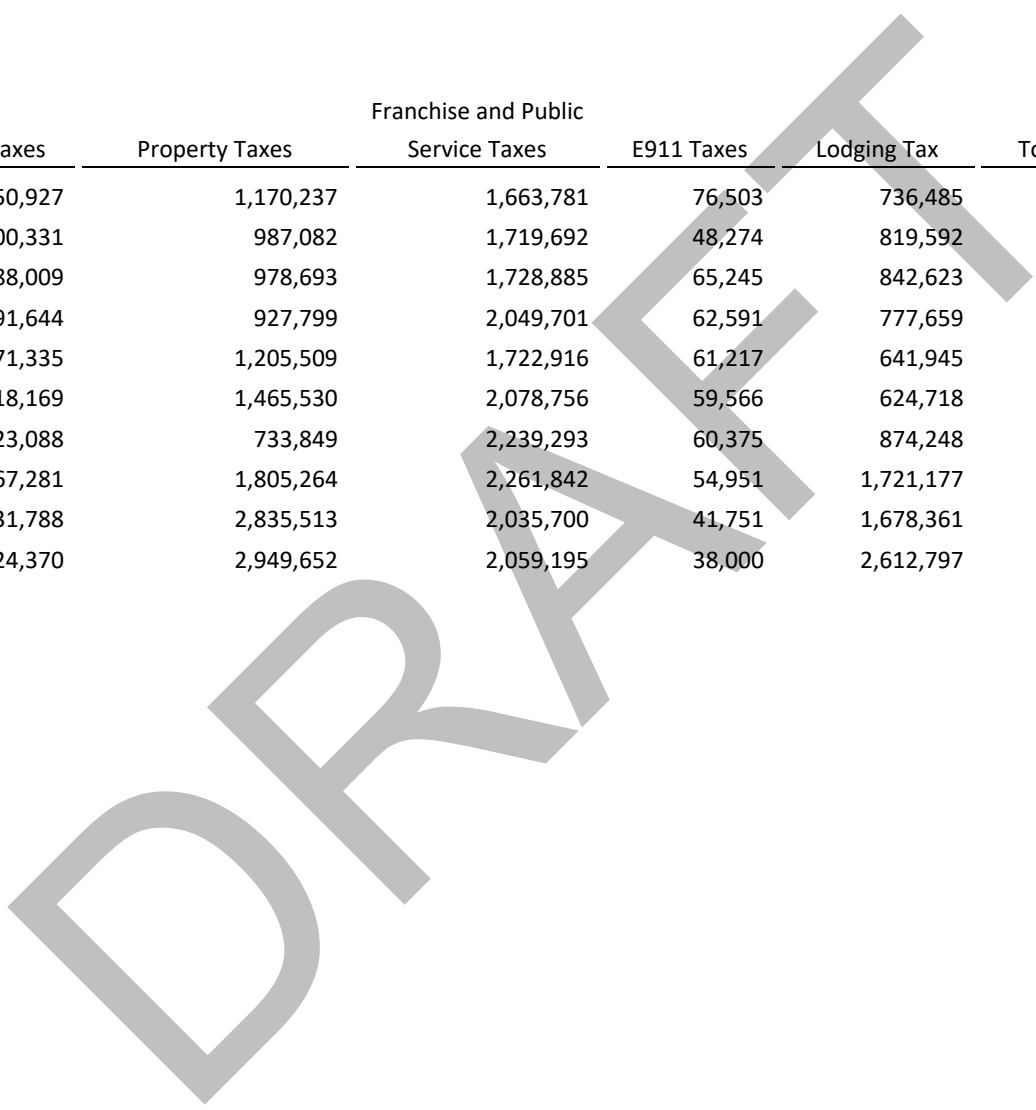
(1) Per the SUA Transfer Policy, transfers from the SUA not needed to balance the City's General Fund shall be returned to the SUA.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	\$ 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	54,704,235
Intergovernmental	524,126	541,595	439,114	636,609	2,988,724	1,882,763	1,514,605	4,958,535	8,203,208	6,917,278
Charges for service	671,485	799,313	566,985	529,946	578,575	578,124	625,213	550,262	885,514	1,725,942
Fines and forfeits	1,162,590	1,045,956	1,123,676	1,084,493	715,114	489,762	725,291	686,027	762,971	798,859
Fees and rentals	1,087,411	1,051,225	806,716	497,038	452,428	500,159	401,218	482,400	415,961	418,746
Investment income	186,025	58,378	102,982	233,772	344,899	269,872	(485,760)	668,027	1,958,710	2,595,943
Licenses and permits	377,683	383,629	243,017	278,769	328,791	291,463	357,396	319,506	363,628	364,685
Other miscellaneous revenues	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	7,392,498
Total revenues	38,569,538	39,040,567	39,645,639	39,247,324	41,380,718	42,092,158	45,972,186	59,734,660	66,818,496	74,918,186
Expenditures										
Current:										
Public safety	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	31,409,142
Recreation and culture	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	3,546,623
General government	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	8,010,675
Financial administration	844,480	688,490	641,620	473,228	612,456	638,336	713,241	868,380	1,043,848	1,049,971
Streets and highways	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	5,259,072
Operations	-	-	-	-	-	-	-	-	-	-
Economic development	27,903	13,316	25,381	24,562	9,316	6,062	1,048	-	-	-
Health and welfare	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	1,399,150
Debt service:										
Principal retirements	805,000	800,000	800,000	795,000	795,000	350,000	33,579	1,627,987	2,336,455	2,551,114
Interest and fiscal charges	174,200	142,000	110,000	78,000	46,200	14,400	528	550,317	587,504	613,780
Capital outlay	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	27,672,757
Total expenditures	46,111,479	40,449,661	36,460,441	39,028,872	44,495,142	43,150,775	48,367,988	58,808,417	67,373,293	81,512,284
Excess of revenues over (under) expenditures	(7,541,941)	(1,409,094)	3,185,198	218,452	(3,114,424)	(1,058,617)	(2,395,802)	926,243	(554,797)	(6,594,098)
Other Financing Sources (Uses)										
Issuance of debt	-	-	-	-	-	-	9,395,532	6,630,157	2,387,483	10,044,924
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	451,012
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	-	162,853
Transfers in	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	21,331,348
Transfers out	(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)	(21,735,591)
Total other financing sources (uses)	1,344,286	2,213,502	1,204,495	9,830,065	7,601,377	2,234,771	10,429,472	7,545,949	1,637,221	10,254,546
Special Item - proceeds from close out of retirement plan	-	-	-	-	-	12,450,842	-	-	-	-
Net change in fund balances	\$ (6,197,655)	\$ 804,408	\$ 4,389,693	\$ 10,048,517	\$ 4,486,953	\$ 13,626,996	\$ 8,033,670	\$ 8,472,192	\$ 1,082,424	\$ 3,660,448
Debt service as a percentage of noncapital expenditures	2.44%	2.48%	2.56%	2.40%	2.06%	0.91%	0.08%	4.67%	5.13%	5.88%

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			Total Taxes	Sales Tax as Percentage of
			Service Taxes	E911 Taxes	Lodging Tax		Total Taxes
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%
2025	47,524,370	2,949,652	2,059,195	38,000	2,612,797	55,184,014	86.12%



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
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%
2025	419,912	32,360	8,082	460,354	4,368	3,142	452,844	2.11	4,038,193	11.21%

The assessed value of the taxable property as certified by the Payne County Assessor to be used for the 2026 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
2026	\$ 466,243	\$ 35,697	\$ 8,080	\$ 510,020	\$ 4,279	\$ 3,606	\$ 502,135	3.17	\$ 4,473,860

(1) Source: Payne County Assessor

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

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

The direct and overlapping tax rates for FY 2026 are as follows:

<u>Fiscal Year</u>	<u>City of Stillwater Debt Service Fund</u>	<u>Independent School District No. 16</u>	<u>Meridian Technology Center</u>	<u>Payne County</u>	<u>Total</u>
2026	3.17	66.20	15.47	16.43	101.27

(1) Source: Payne County Assessor

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

Taxpayer	Type of Business	2025			2016		
		Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank
Stillwater Ranch Holdings, LLC	Retirement community development	\$ 7,029,283	1.28%	1			
Plato II OK I, PropCo, LP	Apartments	6,260,388	1.14%	2			
One On 4th St, LLC	Apartments	4,898,078	0.89%	3			
Monument Square Investments Group, LLC	Real estate developer	4,895,133	0.89%	4			
Tradan Heights Stillwater, LLC	Apartments	4,503,628	0.82%	5			
Links at Stillwater	Apartments/golf/fitness development	4,311,933	0.78%	6	3,005,534	0.99%	4
213 W Elm, LLC	Apartments	4,161,215	0.75%	7			
BA Quarters Oks Owner, LLC	Apartments	3,167,095	0.57%	8			
Wal-Mart Real Estate	Discount supercenter	3,021,000	0.55%	9	2,695,101	0.89%	6
Oklahoma Natural Gas/OneGas Inc	Utility	3,028,964	0.55%	10			
Lakeview Pointe Shopping Center, LLC	Shopping center				2,770,798	0.91%	5
ASCO Aerospace USA	Manufacturer of aerospace components				7,326,330	2.41%	1
Breckenridge Group Stillwater OK LLC	Off campus student housing				3,249,056	1.07%	2
Sifty One at Tradan Heights	Apartments				2,222,478	0.73%	8
Avenue East Apartments, LLC	Apartments				2,654,903	0.87%	7
National Standard Co.	Manufacturer of steel cords for radial tires				2,142,250	0.70%	9
Prime Place	Apartments				3,167,307	1.04%	3
Lowes Home Center, Inc.	Home improvement store				1,756,587	0.58%	10
		<u>\$ 45,276,717</u>	<u>8.20%</u>		<u>\$ 30,990,344</u>	<u>10.19%</u>	

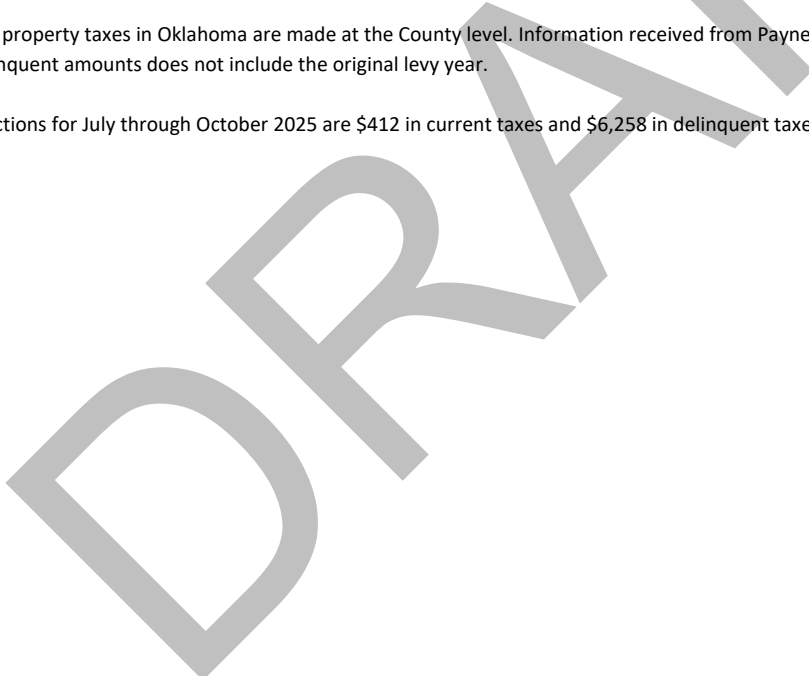
(1) Source: Payne County Assessor

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)
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
2025	955	990	104%	23

(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 2025 are \$412 in current taxes and \$6,258 in delinquent taxes.



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

	<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>	<u>2025</u>
Retail trade	\$ 480,512	\$ 459,539	\$ 469,452	\$ 467,503	\$ 507,064	\$ 536,154	\$ 579,134	589,883	\$ 593,616	\$ 623,201
Accommodation and food services	154,198	154,052	161,040	161,562	150,159	155,762	197,648	200,441	208,288	221,360
Wholesale	42,187	38,811	44,628	38,728	34,891	35,898	45,024	49,228	49,222	49,921
Utilities	41,983	43,885	45,169	46,255	42,656	44,177	52,142	59,768	54,679	56,794
Information	25,041	24,427	23,039	22,658	22,728	22,471	24,706	23,677	22,049	22,404
Education services	4,801	11,449	27,145	23,582	81	90	109	155	174	180
Manufacturing	17,096	15,074	15,060	11,880	5,503	12,466	15,429	17,567	18,427	18,901
Unclassified	26,363	15,627	3,107	2,229	3,368	2,546	2,528	4,338	6,127	(4,718)
Other services (except Public Administration)	7,847	7,692	7,966	8,661	8,513	8,913	10,194	11,033	12,861	13,576
Real estate, rental, and leasing	11,966	14,289	13,262	14,454	11,351	10,191	11,501	14,574	14,316	15,482
Arts, entertainment, and recreation	3,898	4,349	4,061	4,267	6,364	6,244	8,305	8,053	8,006	8,081
Professional, scientific, and technical services	2,670	2,789	3,034	3,169	3,519	4,520	5,180	4,572	5,548	4,920
Transportation and warehousing	2,630	2,935	2,887	2,740	2,647	3,517	3,419	3,906	3,767	4,703
Finance and insurance	252	356	468	583	584	697	548	542	648	626
Construction	1,172	2,123	1,469	1,584	1,817	1,734	2,422	2,498	2,298	3,198
Mining, quarrying, and oil and gas extraction	127	46	3	104	20	72	140	186	209	805
Administrative, support, waste management, and rem	306	382	635	523	380	433	404	1,214	1,836	622
Agriculture, forestry, fishing, and hunting	64	72	82	103	173	154	153	258	343	416
Health care and social assistance	20	337	615	372	241	858	515	370	535	551
Public administration	(8)	(2)	0	32	4	175	6	65	2	215
All other outlets	-	-	-	-	-	-	-	-	1	-
Total	\$823,125	\$798,232	\$823,122	\$810,989	\$802,063	\$847,074	\$959,507	\$992,328	\$1,002,952	\$1,041,238
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%	1.0%	1.0%	1.0%
Total tax rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4.0%	4.0%	4.0%

(1) Source: Oklahoma Tax Commission

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

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

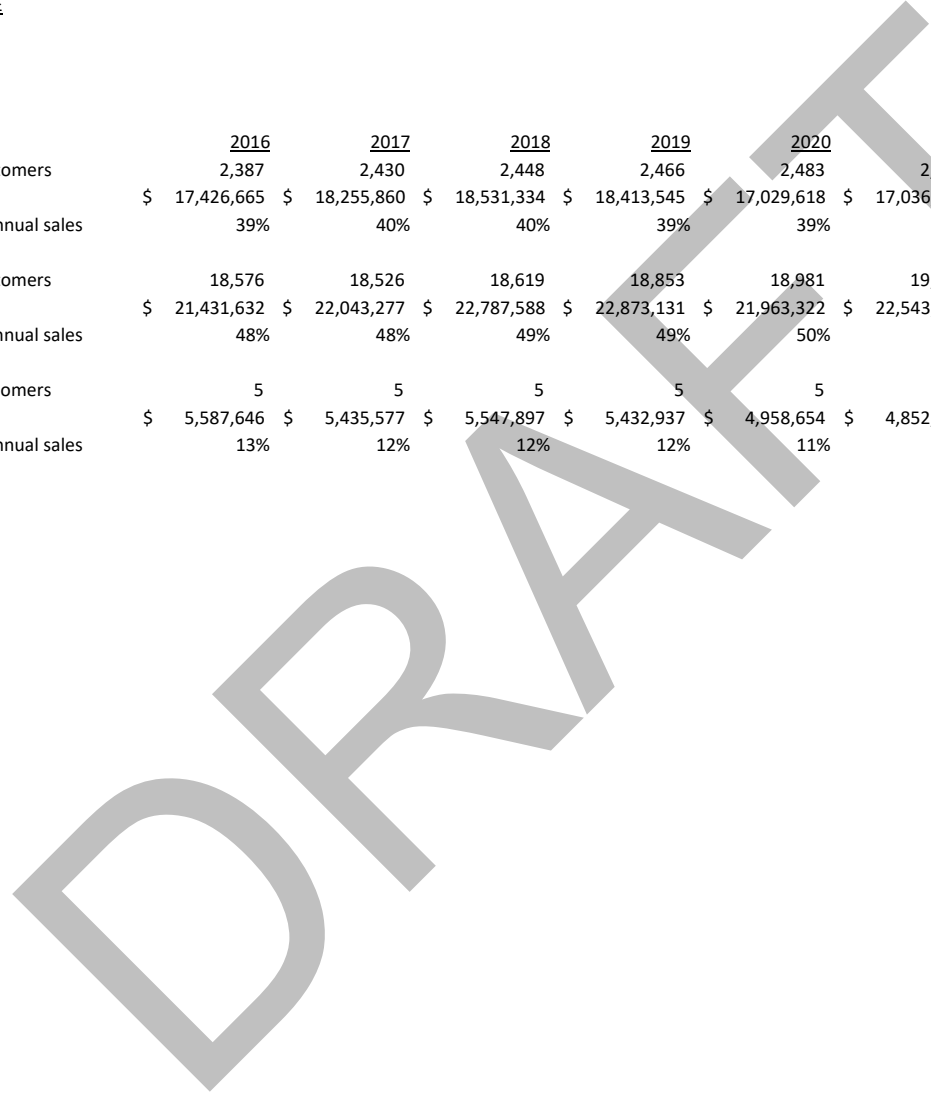
CITY OF STILLWATER, OKLAHOMA
DIRECT AND OVERLAPPING SALES TAX RATES (1)
 LAST TEN CALENDAR YEARS

Fiscal Year	City of Stillwater (2)	State of Oklahoma	Payne County (3)
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%
2025	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, waste management 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

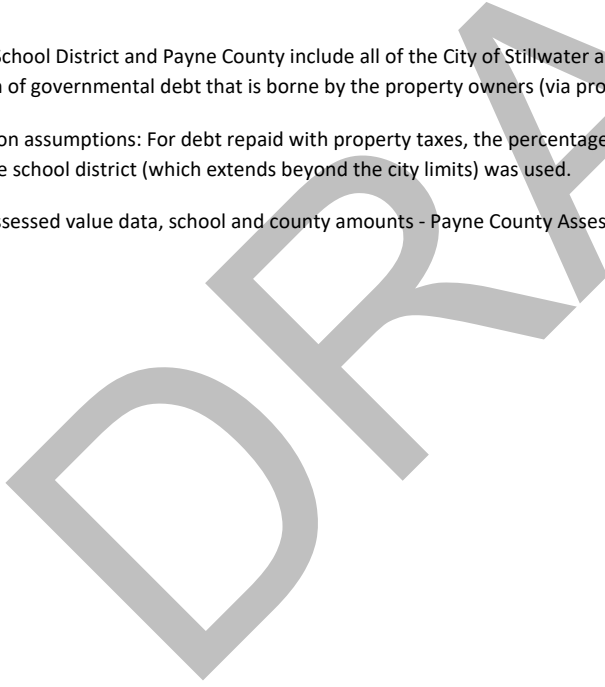
		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Commercial:	Average monthly customers	2,387	2,430	2,448	2,466	2,483	2,484	2,529	2,540	2,545	2,531
	Annual sales	\$ 17,426,665	\$ 18,255,860	\$ 18,531,334	\$ 18,413,545	\$ 17,029,618	\$ 17,036,886	\$ 20,098,237	\$ 23,373,889	\$ 22,518,085	\$ 21,349,159
	Percentage of total annual sales	39%	40%	40%	39%	39%	38%	39%	40%	41%	40%
Residential:	Average monthly customers	18,576	18,526	18,619	18,853	18,981	19,195	19,407	19,599	19,612	19,643
	Annual sales	\$ 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	\$ 28,607,870
	Percentage of total annual sales	48%	48%	49%	49%	50%	51%	50%	51%	51%	53%
Industrial/Institutional:	Average monthly customers	5	5	5	5	5	5	5	5	5	5
	Annual sales	\$ 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	\$ 4,083,898
	Percentage of total annual sales	13%	12%	12%	12%	11%	11%	11%	9%	8%	8%



CITY OF STILLWATER, OKLAHOMA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1) (2)
AS OF JUNE 30, 2025
(in thousands of dollars)

<u>Governmental Unit:</u>	<u>Bonds Outstanding</u>	<u>Percentage Applicable to City of Stillwater Property Owners / Patrons</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Stillwater Independent School District #16 (3)	\$ 61,735	82.86%	\$ 51,154
City of Stillwater GO Bond	\$ 17,559	100.00%	\$ 17,559
Debt repaid with other governmental revenues:			
Notes Payable	\$ 4,991	100.00%	\$ 4,991
Lease & SBITA Obligations	\$ 520	100.00%	\$ 520
Total direct and overlapping debt			<u><u>\$ 74,224</u></u>

- (1) Stillwater School District and Payne County include all of the City of Stillwater and extend beyond the physical boundaries of the City. This schedule estimates the portion of governmental debt that is borne by the property owners (via property taxes) and patrons (via sales tax) of the City of Stillwater.
- (2) Computation assumptions: For debt repaid with property taxes, the percentage of assessed property within the City of Stillwater in relation to the assessed value of the school district (which extends beyond the city limits) was used.
- (3) Sources: assessed value data, school and county amounts - Payne County Assessor's Office



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

Fiscal Year	Governmental Activities			Business-type Activities				Total Primary Government	Personal Income (in thousands of dollars)	Debt as Percentage of Personal Income	Population	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)					
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	118,917,300	3,871,954	3.1%	49,525	2,401.16
2024	8,845,969	375,482	5,921,651	55,890,427	41,842,696	12,032,020	34,855	124,943,100	**	**	**	**
2025	17,559,364	519,571	4,991,370	48,818,502	48,737,431	11,015,316	621,689	132,263,244	**	**	**	**

** 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 General Bonded Debt	Net General Bonded Debt	Population	Net Bonded Debt Per Capita (1)	Total Estimated Actual Value (in thousands)	Net Bonded Debt per \$1,000 of Assessed Value
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
2025	17,559,364	17,559,364	1,171,671	16,387,693	**	**	4,038,193	4.06

** 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 2014 and 2025 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
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	-	-	-	-
2025	114,397	67,312	47,085	5,338	3,358	5.41	-	-	-	-

(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>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>	<u>2025</u>
Governmental activities:										
Public safety	202.0	203.8	196.5	200.5	193.0	206.0	206.0	203.5	200.0	204.0
Recreation and culture (1) (2)	51.5	60.0	35.0	33.5	32.0	32.0	32.0	33.5	36.5	35.5
General government	55.3	51.3	53.5	54.0	56.0	53.5	50.5	52.0	51.0	46.5
Financial administration	17.0	17.0	15.0	15.0	14.0	13.5	14.5	15.5	14.5	16.5
Streets and highways	42.0	37.0	35.0	34.0	34.0	37.0	40.0	37.0	38.0	35.0
Engineering and public works administration	7.0	6.0	5.0	5.5	6.5	6.5	6.5	7.0	8.0	12.0
Health and welfare	18.0	13.0	13.5	13.5	12.0	12.0	13.0	12.5	12.0	15.0
Business-type activities:										
Electric, water, and wastewater operations	156.8	157.3	145.5	159.5	153.5	137.0	146.5	151.5	149.0	158.5
Sanitation operations	31.0	28.0	27.0	28.0	29.0	28.0	28.0	30.0	29.0	27.0
Airport operations	10.8	11.5	10.5	15.5	17.0	16.0	18.5	19.0	19.0	21.0
Total	591.4	584.9	536.5	559.0	547.0	541.5	555.5	561.5	557.0	571.0

Source: City Payroll Division

- (1) In March 2018 Henderson Golf assumed management of Lakeside Golf Course.
- (2) In April 2018 Stillwater YMCA Center assumed management of the municipal pool.

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

<u>Function/Program</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>	<u>2025</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	8	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)	234	234	234	234	235	236	237	212	212	212
Traffic signals	65	67	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	24.1	25.7	24.3	24.3	24.3	24.3	23.9	23.9
Water										
Water plant	1	1	1	1	1	1	1	1	1	1
Water storage towers (away from plant)	13	13	14	13	13	13	13	13	13	13
Wastewater										
Wastewater plant	1	1	1	1	1	1	1	1	1	1
Lift stations	15	16	16	16	16	16	16	17	17	17

Sources: Various City departments

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

<u>Function/Program</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>	<u>2025</u>
Governmental activities:										
Public safety										
Traffic citations	4,719	5,980	5,511	5,668	5,782	2,339	3,172	2,818	4,284	5,256
Parking tickets	12,243	10,565	13,110	9,531	8,160	4,242	9,714	9,099	8,687	7,635
Police calls for service	39,508	38,496	40,573	38,999	33,232	27,597	62,017	34,924	42,822	50,733
Animals handled by Animal Welfare	1,977	2,161	2,088	2,076	2,062	1,237	1,544	1,635	1,512	1,289
Fire calls for service	4,678	5,362	5,859	4,721	3,588	3,530	4,132	4,100	4,303	4,825
Recreation and culture										
Acres mowed (1)	4,829	16,524	18,103	13,970	16,016	13,821	9,864	9,351	7,334	4,912
Program participants (2)	2,368	2,469	2,048	2,065	1,849	0	87	326	687	2,395
Senior Center daily average attendance (2)	65	53	56	50	47	31	40	45	50	59
Multi Arts participants (3)	-	-	-	-	-	-	-	-	-	-
Swimming pool admissions (4)	10,723	10,751	-	-	-	-	-	-	-	-
Lakeside Golf Course - rounds of golf (5)	27,103	26,952	18,824	-	-	-	-	-	-	-
Volumes in library (6)	98,312	92,134	87,916	100,035	72,071	83,487	79,274	79,366	80,272	86,623
Total circulation of library materials (6)	373,257	368,164	352,953	374,176	331,493	322,190	345,025	357,006	422,364	425,108
Community Center admissions (2)	123,538	125,715	136,735	183,689	81,510	23,670	62,900	59,165	80,210	86,319
General government										
Supported micro-computers by IT	450	450	450	475	475	477	482	520	560	565
Helpdesk/trouble calls by IT	2,800	2,500	2,800	3,200	3,325	3,300	3,300	3,450	3,770	3,575
Ordinances drafted	36	26	31	31	15	22	21	26	16	27
Financial administration										
Computer generated accounts payable checks	2,414	2,876	2,721	2,249	2,229	2,643	4,360	4,732	5,090	5,314
Budget revisions/amendments processed	281	404	361	449	527	752	873	744	832	794
Requisitions reviewed	1,295	1,390	1,119	1,018	1,979	4,190	4,062	4,265	4,730	4,619
Municipal court cases	8,009	6,957	7,346	8,375	7,703	3,530	4,100	3,785	3,767	3,934
Streets and highways										
Feet of striping (7)	106,305	15,750	30,320	12,364	15,284	21,329	18,658	24,824	34,123	15,409
Signs made	451	541	1,095	1,115	1,116	1,118	1,492	903	1,105	939
Crack sealant (blocks) (8)	9,090	88	76	16	147	6	0	81	9,090	1,785
Slurry sealant (blocks)	-	-	-	-	-	-	-	-	-	-
Concrete replacement (cu. yds.)	516	974	923	1,006	727	700	720	593	514	579
Health and welfare										
Developments reviewed	65	67	74	103	120	120	129	100	101	196
Permits issued	2,760	3,040	2,181	2,064	2,728	2,961	2,790	2,688	2,898	3,253
Code enforcement inspections (9)	5,204	811	2,230	3,334	1,040	1,260	1,616	508	2,114	810
High grass and weed cases (9)	699	101	143	279	121	315	254	279	512	564
Trees and shrubs planted	-	501	450	10	8	-	-	550	8	0

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

	<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>	<u>2025</u>
Business-type activities:										
Electric, water, and wastewater operations										
Electric connections	20,476	20,921	21,071	21,324	21,470	21,684	21,941	22,143	22,162	22,179
Water connections	17,077	18,695	18,779	18,783	18,856	18,980	19,230	19,366	19,563	18,880
Waterline repairs (10)	189	216	225	225	191	278	376	382	311	341
Water treated (million gallons)	4,472	2,586	2,209	1,849	1,877	2,402	2,437	2,434	2,724	2,575
Sewage treated (million gallons)	1,776	1,671	1,596	1,746	1,728	1,655	1,851	1,483	1,963	1,700
Sanitation operations										
Landfill usage (tons)	19,076	20,200	21,072	21,041	21,079	22,107	22,147	22,650	22,894	25,131
Yard waste hauled (tons)	1,233	992	1,121	1,185	1,185	838	616	1,102	1,163	1,830
Fleet operations										
Vehicles maintained	575	580	495	507	522	522	533	568	552	577
Fleet job orders completed	3,886	2,256	2,166	2,223	2,199	2,300	2,215	2,117	1,991	19,007
Airport operations										
Air traffic operations (avg month)	5,765	5,899	6,520	6,154	5,096	6,314	6,601	6,448	6,045	6,178

- (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	5,738	1	24%	4,850	1	20%
Stillwater Medical Center	1,012	2	4%	951	2	4%
Stillwater Public Schools	839	3	3%	755	3	3%
City of Stillwater	591	4	2%	602	4	2%
Wal-Mart (2)	502	5	2%	457	5	2%
Stan Clark Companies	255	6	1%	138		
Oncue Marketing	233	7	1%	164	10	1%
OK State Dept. of Career Tech	220	8	1%	220	6	1%
Stillwater Designs/Kicker Audio	187	9	1%	187	7	1%
ASCO Aerospace USA	167	10	1%	180	8	1%
National Standard	160			180	9	1%
Others:						
Meridian Technology Center	151			126		
Frontier Electronics	135			113		
Simmons Bank (3)	38			129		

- (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	Percentage High- School Graduate or Higher			
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%	
2025	**	**	**	**	**	**	6,150	28,314	3.6%	

** 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.

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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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December XX, 2025

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, 2025. 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 May 7, 2025. 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 I to the financial statements. Effective July 1, 2024, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*. As discussed in Note XII to the financial statements, beginning net position for the City’s governmental activities decreased by \$3,428,000 and business-type activities decreased by \$1,370,000 as a result of implementing GASB 101. The implementation of GASB 102 had no material effect on the financial statements. 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.

HSPG & ASSOCIATES, PC

5400 N Grand Blvd, Suite 330 • Oklahoma City, Oklahoma 73112 • Phone: 405.844.9995 • Fax: 405.844.9975

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

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.

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. Uncorrected adjustments in the government wide governmental activities consist of an over accrual of year-end compensated liabilities related to the implementation of GASB 101 of \$138,000 and an over accrual of beginning of year compensated liabilities totaling approximately \$142,000. Collectively, these amounts would reduce payroll expense by \$4,000. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

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 XX, 2025.

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



DATE XX, 2025

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

In planning and performing our audit of the financial statements of the City of Stillwater, Oklahoma (the City”) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the City’s internal control over financial reporting (internal control) as a basis for designing auditing 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.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. Our comments regarding these matters are discussed below. This letter does not affect our report dated DATE xx, 2025, on the financial statements of the City.

Investments

State statutes broadly restrict applicable securities to direct obligations of the United States Government, its agencies or instrumentalities to the payment of which the full faith and credit of the Government of the United States is pledged, or obligations to the payment of which the full faith and credit of the state is pledged, or revenue bonds issued by county, municipal, or school districts within the state. At June 30, 2025, The Stillwater Library Trust held investments which are not allowable under state statutes. It is our understanding that the City has begun steps to resolve this issue, and we encourage the City to continue its efforts and resolve the matter in a timely manner.

We will review the status of internal controls during our next audit engagement. We have already discussed these comments with various personnel, and we will be pleased to discuss them in further detail at your convenience.

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

Sincerely,

HSPG & ASSOCIATES, PC

CITY OF STILLWATER, OKLAHOMA

**SINGLE AUDIT REPORTS
AND SUPPLEMENTARY SCHEDULES**

Year Ended June 30, 2025

DRAFT

HSPG
&
ASSOCIATES

ACCOUNTING | TAX | ADVISORY

CITY OF STILLWATER, OKLAHOMA

**SINGLE AUDIT REPORTS
AND SUPPLEMENTARY SCHEDULES
Year Ended June 30, 2025**

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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, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated December 15, 2025. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 15, 2025

DRAFT



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE 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, 2025. 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, 2025.

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

5400 N Grand Blvd, Suite 330 • Oklahoma City, Oklahoma 73112 • Phone: 405.844.9995 • Fax: 405.844.9975

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. 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 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basis financial statements. We issued our report thereon dated December 15, 2025, 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 15, 2025

DRAFT

CITY OF STILLWATER, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

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:			
Community Development Block Grant	19168 CDBG 23	14.228	\$ 154,292
Total U.S. Department of Housing and Urban Development			<u>154,292</u>
<u>U.S. Department of Justice:</u>			
Bulletproof Vest Partnership Program			
		16.607	37,707
Internet Crimes Against Children Grant:			
Passed through Oklahoma State Bureau of Investigation:			
Oklahoma Internet Crimes Against Children	FY25 ICAC Grant	16.800	7,706
Total U.S. Department of Justice			<u>45,413</u>
<u>U.S. Department of Transportation</u>			
Airport Improvement Programs:			
Airport Improvement Program - Master Plan Update	3-40-0090-033-2021	20.106	2,830
Airport Improvement Program - BIL Grant #1	3-40-0090-038-2022	20.106	35,516
Terminal Construction Grant	3-40-0090-041-2024	20.106	4,534,290
Terminal Construction Grant	3-40-0090-044-2025	20.106	188,304
Terminal Construction Grant	3-40-0090-039-2023	20.106	3,299
Terminal Construction Grant	3-40-0090-040-2023	20.106	3,299
Sub-total			<u>4,767,538</u>
Passed through Oklahoma Highway Safety Office			
State and Community Highway Safety	PT-24-03-42-02	20.600	18,120
State and Community Highway Safety	PT-24-03-42-01	20.600	5,671
Sub-total			<u>23,791</u>
Total U.S. Department of Transportation			<u>4,791,329</u>
<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	616,920
Passed through State of Oklahoma:			
COVID-19 - American Rescue Plan Act	-	21.027	2,950,910
Total U.S. Department of Treasury			<u>3,567,830</u>
<u>National Endowment for the Humanities:</u>			
Grants to States:			
Passed through Oklahoma Department of Libraries:			
Adult Online HS	F-23-179	45.310	637
eRate	eRate F-25-06	45.310	825
eMedia	eMedia F-25-74	45.310	100,000
LTSA Emedia Grant	F-24-93	45.310	30,000
ODL Lucky Day Collection	-	45.310	7,500
OLA Conference Grant	-	45.310	1,316
Total National Endowment for the Humanities			<u>140,278</u>
<u>Environmental Protection Agency</u>			
Passed through Oklahoma Water Resources Board			
Congressionally Mandated Projects	GG-02F76401-0	66.202	353,780
Total U.S. Department of Energy			<u>353,780</u>
<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	33,929
Emergency Management Performance Grants:			
Emergency Management Performance Grant	EMPG-24	97.042	25,000
Emergency Management Performance Grant	EMPG-25	97.042	25,000
Sub-total			<u>50,000</u>
Assistance to Firefighters Grant:			
Fire Assistance Grant	EMW-2021-FG-02169	97.044	1,203
Passed through Oklahoma Department of Homeland Security:			
State and Local Cybersecurity Grant	1599.329	97.137	48,414
Hazard Mitigation Grant	DR-4706	97.047	71,088
Total U.S. Department of Homeland Security			<u>204,634</u>
Total expenditures of federal awards			<u>\$ 9,257,556</u>

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, 2025

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, 2025. 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, 2025.

**CITY OF STILLWATER, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025**

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 X no

 Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

 Material weakness(es) identified? _____ yes X no

 Significant deficiency(ies) identified? _____ yes X 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 X 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? _____ X yes _____ no

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

DRAFT

City of Stillwater
Prior Year Finding Follow-up
2025

Reference Number: 2024-001
Fund Type: Proprietary Fund: Enterprise Fund
Status: Corrected

DRAFT

CITY OF STILLWATER, OKLAHOMA
PASSENGER FACILITY CHARGE PROGRAM AUDIT

Year Ended June 30, 2025

DRAFT

HSPG
&
ASSOCIATES

ACCOUNTING | TAX | ADVISORY

CITY OF STILLWATER, OKLAHOMA

**PASSENGER FACILITY CHARGE PROGRAM AUDIT
Year Ended June 30, 2025**

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The City of Stillwater, Oklahoma financial statements and related notes for the year ended June 30, 2025 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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Schedule of Passenger Facility Charges Collected and Expended.	4
Notes to Schedule of Passenger Facility Charges Collected and Expended.	5
Summary of Auditor's Results.	6



**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 EXPENDED**

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, 2025.

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, 2025.

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, 2025, 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, 2025**, 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, 2025

CITY OF STILLWATER, OKLAHOMA
 STILLWATER REGIONAL AIRPORT
 SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED
 For the Year Ended June 30, 2025

	Cumulative Program Total June 30, 2024	For the Quarter Ended				For the Year Ended June 30, 2025	Cumulative Program Total June 30, 2025
		September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025		
Revenues:							
Passenger facility charges	\$ 428,475	\$ 33,716	\$ 33,627	\$ 32,981	\$ 28,666	\$ 128,990	\$ 557,465
Interest	4,382	1,216	1,216	1,216	1,219	4,867	9,249
Total revenues	432,857	34,932	34,843	34,197	29,885	133,857	566,714
Expenses:							
Application # 2020-01-C-00-SWO:							
001 - Reconstruct north portion of apron (design and construction)	73,830	-	-	-	185,000	185,000	258,830
002 - Acquire aircraft rescue and firefighting vehicle	212,560	-	-	-	-	-	212,560
003 - PFC application preparation expenses	18,537	-	-	-	-	-	18,537
Total expenses	304,927	-	-	-	185,000	185,000	489,927
Net passenger facility charges revenue	\$ 127,930	\$ 34,932	\$ 34,843	\$ 34,197	\$ (155,115)	\$ (51,143)	\$ 76,787

See accompanying independent auditors' report and notes to schedule of passenger facility charges collected and expended.

CITY OF STILLWATER, OKLAHOMA
NOTES TO THE SCHEDULE OF PASSENGER
FACILITY CHARGES COLLECTED AND EXPENDED
For the Year Ended June 30, 2025

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, 2025

Summary of Auditor's Results

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

Findings Required to be Reported by the Guide

None.

DRAFT