

The City of  
**Stillwater**  
OKLAHOMA

STILL PIONEERING

2016

**CITY OF STILLWATER**  
Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2016

ACCESS TO  
PITOT DRAIN

WARNING  
DOORS HYDRAULICALLY CLOSE WHEN  
LANDING GEAR IS RETRACTED

HEAVY WEIGHT  
MODIFIED AIRCRAFT





## ABOUT OUR COVER

**The cover picture features** the first commercial air flight, with OSU President and First Cowgirl Burns and Ann Hargis on aboard, left DFW and landed at Stillwater Regional Airport Aug. 23, 2016.

**Above:** On February 5, 2016, the City of Stillwater, Oklahoma State University and American Airlines celebrated the announcement of daily, commercial flights between DFW International Airport and Stillwater Regional Airport. Attendees included Governor Mary Fallin, OSU President V. Burns Hargis, Mayor Gina Noble, Rep. Frank Lucas, and Sen. James Inhofe.

*Report design / Office of Marketing and Public Relations*

*Cover photo / Courtesy of OSU Marketing*

*Photo right / Courtesy of Visit Stillwater*

*Photos / City of Stillwater Photo Collection*



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

And Accompanying Independent Auditor's Report  
For the Fiscal Year Ended June 30, 2016

*Prepared by*  
Department of Finance

Melissa Reames  
Chief Financial Officer

The City of  
*Stillwater*  
OKLAHOMA

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# INTRODUCTORY SECTION

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# LETTER OF TRANSMITTAL

December 01, 2016

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

The comprehensive annual financial report of the City of Stillwater, for the fiscal year ended June 30, 2016, is submitted herewith. This report was prepared by the City's Department of Finance. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City in accordance with accounting principles generally accepted in the United States of America; and, accordingly, all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Management's Discussion and Analysis.

## OVERVIEW

### Report Format

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

For fiscal year 2016, the independent auditor's report on the internal control and compliance with applicable laws, is presented in a separate document which is available upon request.

### Governmental Structure, Local Economic Conditions and Outlook

The City of Stillwater, located in north central Oklahoma, is a municipal corporation organized in 1891 under the applicable laws of the State of Oklahoma. The City currently has a land area of 28 square miles and a population of over 48,000. Located in Payne County, the City serves as a regional center for shopping, entertainment, health care, and education. Stillwater is home to Oklahoma State University.

The City is governed under the council-manager form of government according to its charter adopted in 1960. Policymaking and legislative authority are vested in the governing body, which consists of a five-member council. The five councilors, including the mayor, are elected at-large on a non-partisan basis. In April 2016 Stillwater citizens voted to amend the council election term. Ordinance 3334 provides for the transition from three to four year terms beginning with the February 2017 election. Councilors will be allowed to serve for a combination of years not to exceed twelve. The mayor is elected at large by the citizenry while the vice-mayor is elected by the council from its membership. The council holds regular meetings on the first and third Monday evenings each month.

The City of Stillwater has a diverse economy with a high degree of stability. Stillwater is the county seat for Payne County and houses other governmental entities and educational centers that provide a stable labor force. Oklahoma State University is the City's largest employer and the City is also the headquarters for the Oklahoma Department of Career and Technology Education and the Meridian Technology Center. Employment in the state and local government sectors account for approximately 40% of local wage and salary jobs. In addition manufacturing and advanced technology companies cover a large share of the local economic base. The health care sector has been a contributor to local job growth in the past decade with continued expansion into the future. Commercial air service from Dallas-Ft Worth to Stillwater became a reality during FY16 with the inaugural flight taking place on August 23, 2016. Stillwater's retail sector has seen some volatility with the closing of several retailers only to have an equal number of new retailers opening. Internet sales not subject to sales tax continue to affect local retailers putting them at a disadvantage. Stillwater attributes several retail closures to this phenomenon.

## LETTER OF TRANSMITTAL

...continued

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

### The Reporting Entity and Its Services

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

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

## FINANCIAL INFORMATION

### Internal Controls

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

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

### Budgetary Control

The administrative level of budgetary control is maintained at the character classification level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. The legal level of control at which expenditures and encumbrances may not exceed appropriations is at the category levels for personal services, materials and supplies, other services and charges, capital outlay and debt service for each department within each fund. The method of budget adoption and amendment process is described in the Notes to RSI in the financial statements in the financial section of this report.

### Accounting System

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

# LETTER OF TRANSMITTAL

...continued

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

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

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

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

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

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

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

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

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

## General Fund Operations

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

## Enterprise Fund Operations & Similar Component Units

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

## Risk Management

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

The City had been self-insured for workers compensation and unemployment compensation coverage prior to the decision to implement a self-insurance program. To create a self-insurance fund for the City, the workers compensation and unemployment compensation funds were combined with the funds budgeted in the 1987 fiscal year for insurance premiums. Within this fund, accounts were created for the different types

## LETTER OF TRANSMITTAL

...continued

of losses the City could anticipate. Expenditures from the fund are determined by claims filed with the City during the year and approved for payment. Payment of claims \$50,000 and over require City Council approval. Payments of claims under \$50,000 require City Manager approval.

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

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

### Cash Management

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

### Reserve Policy

The City has implemented a policy designed to add to the emergency reserves. This policy is an informal budgetary policy utilized at the direction of the City Manager with council agreement. The policy allows for the reserve to increase as funds are available.

### Independent Audit

The Oklahoma State Statutes and City Charter require an annual audit by certified public accountants or qualified independent public accountants. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act of 1984, as amended in 1996, and related OMB circular A-133 and "Government Auditing Standards" issued by the Comptroller General of the United States. The independent certified public accountants that performed the audit were selected by the City Council.

The City's Audit Committee is a five-member advisory committee provided for under City Ordinance #1929. Under the provisions of the ordinance, the City Council appoints the committee. The purpose of the Audit Committee is to maintain independence between the outside auditors and city management. The primary responsibilities of the Audit Committee are to review and evaluate the year-end financial statements and independent auditor's report, review and report deficiencies in internal control, oversee the audit function and to report to the City Council as required. The independent auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The independent auditor's reports related specifically to the Single Audit are included in a separately bound Single Audit supplement.

# LETTER OF TRANSMITTAL

...continued

## Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Stillwater for its comprehensive annual financial report for the fiscal year ended June 30, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

## Acknowledgments

The preparation of this report could not be accomplished without the dedicated services of the departments of Finance and Public Relations, with special thanks to Tammy Brown, Christy Cluck, and Sherry Fletcher and the professional assistance of the City's independent auditors, Berberich Trahan & Company, P.A. In addition, thanks are extended to the members of the Audit Committee for their review and oversight of the audit process and to the members of the City Council for their interest and support in strengthening and improving the fiscal policies of the City of Stillwater.

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

Respectfully submitted,



**NORMAN McNICKLE**  
City Manager



**MELISSA REAMES**  
Chief Financial Officer





# CITY OFFICIALS AND AUDIT COMMITTEE

As of June 30, 2016

## Mayor and City Council



**GINA NOBLE**  
Mayor



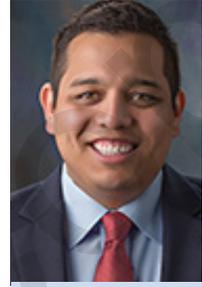
**PAT DARLINGTON**  
Vice Mayor



**WILL JOYCE**  
Councilor



**ALANE ZANNOTTI**  
Councilor



**MIGUEL NAJERA**  
Councilor

## Audit Committee

**KELLY COX**  
Committee Chair

**JOHN KILLAM**  
Member

**JERRY FRANKLIN**  
Member

**ANGELA SPENCER**  
Member

**VACANT**  
Member

**VACANT**  
Ex-Officio  
Council Member

## City Administration

**NORMAN McNICKLE**  
City Manager

**DAN BLANKENSHIP**  
Deputy City Manager/Stillwater  
Utilities Authority Director

**MELISSA REAMES**  
Chief Financial Officer

**JOHN DORMAN**  
City Attorney

**JOHN McCLENNY**  
Director of  
Special Projects

**SHERRY FLETCHER**  
Director of Marketing  
and Public Relations

**ELIZABETH CHRZ**  
City Clerk

**PATTI OSMUS**  
Executive Assistant/  
Deputy City Clerk

## Department of Finance

**TAMMY BROWN**  
Finance Manager

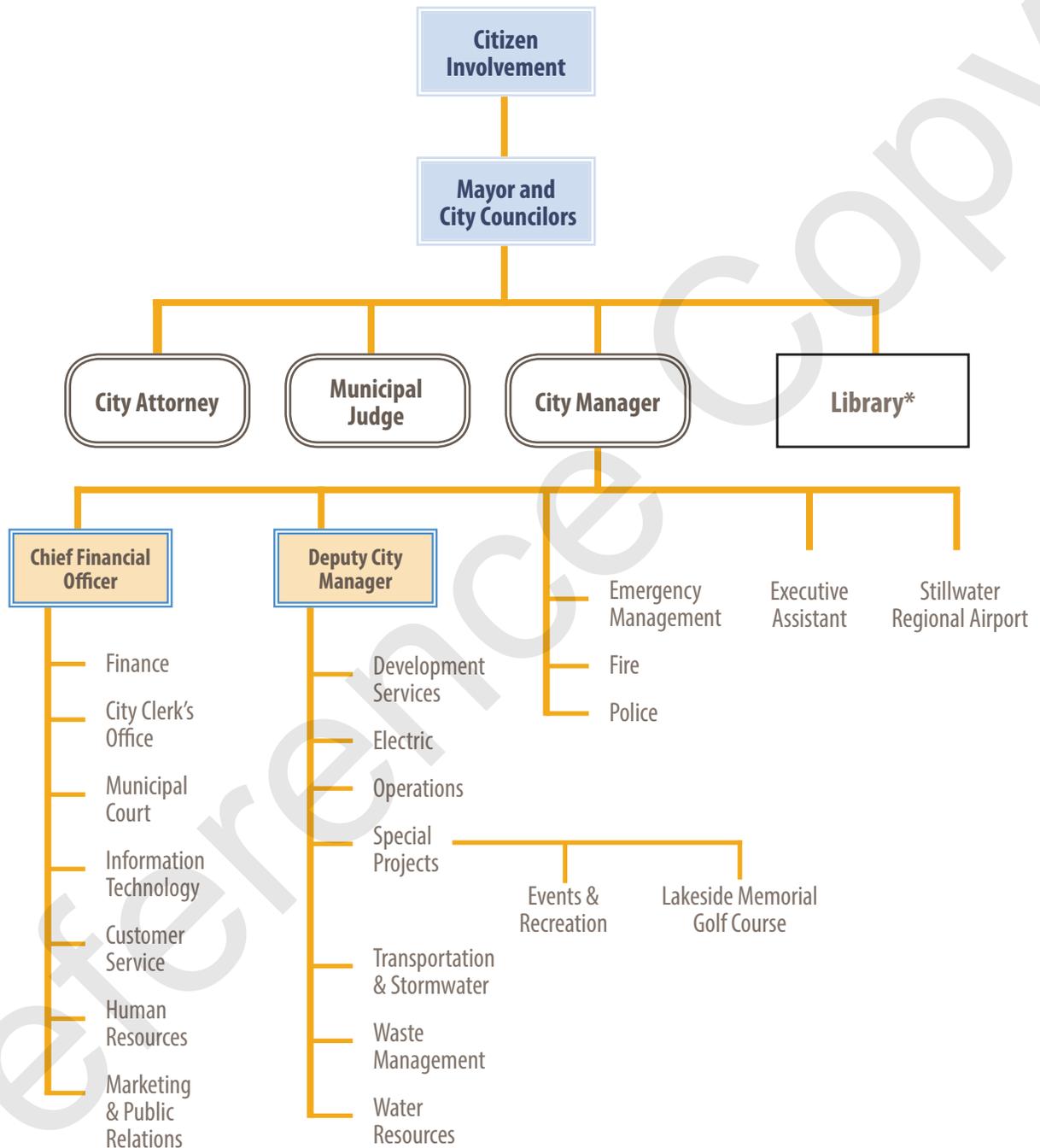
**CHRISTY CLUCK**  
Finance Accounting Supervisor

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



# CITY ADMINISTRATION ORGANIZATION CHART

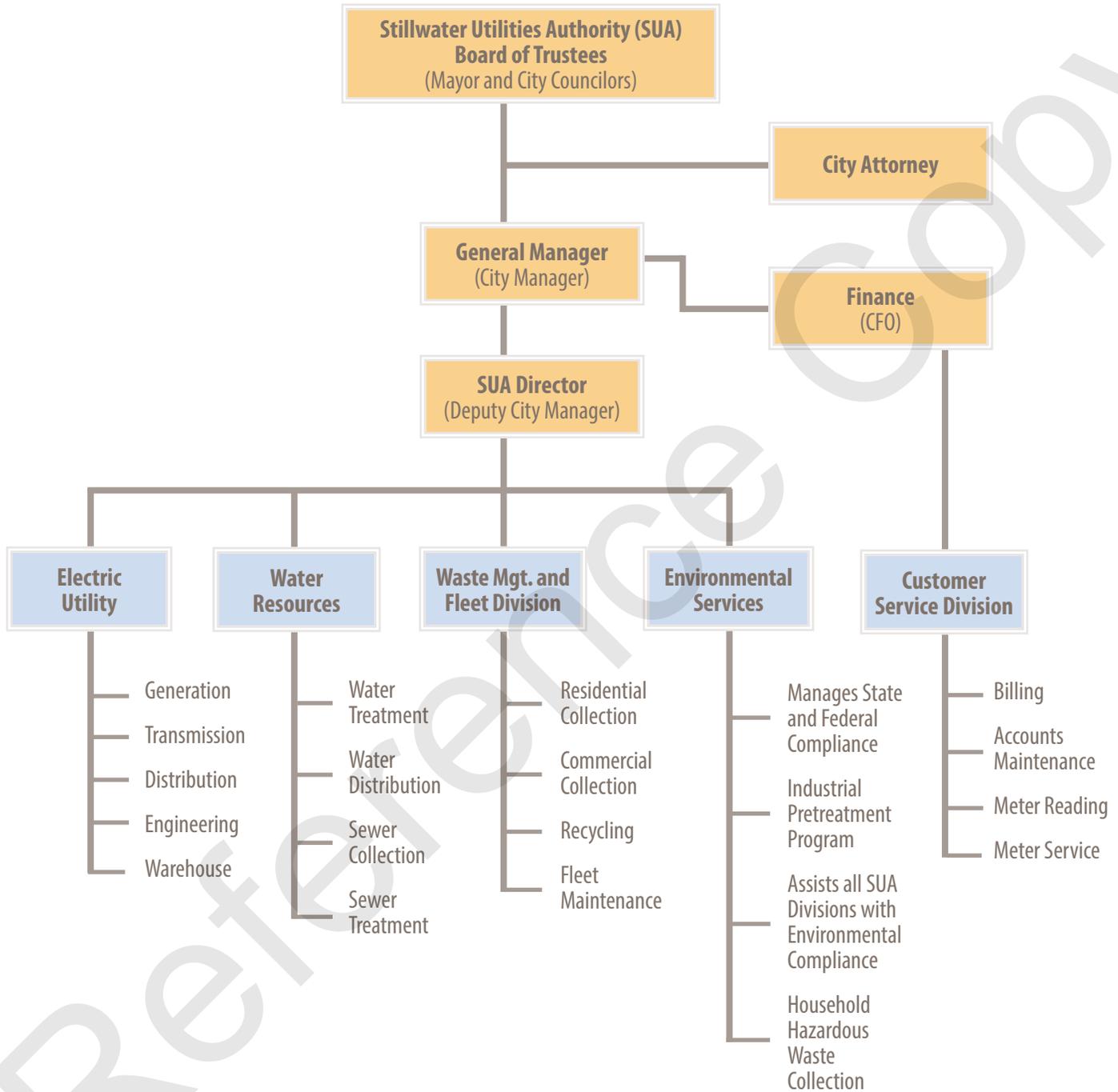
As of Oct. 5, 2016



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

# STILLWATER UTILITIES AUTHORITY ORGANIZATION CHART

As of June 30, 2016



# FINANCIAL SECTION

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## Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stillwater, Oklahoma (the City), as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

BERBERICH TRAHAN & CO., P.A. 3630 SW Burlington Rd., Topoka, KS 66611-2050 t 785-234-3427 toll free 800-530-5266 f 785-233-1768 [btandco.com](http://btandco.com)

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Independent Auditor's Report ... *continued*

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

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

**Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2016, 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.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

Independent Auditor's Report ... *continued*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Berberich Trahan & Co., P.A.*

December 1, 2016  
Topeka, Kansas



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# City of Stillwater, Oklahoma

## MANAGEMENT DISCUSSION AND ANALYSIS

### FISCAL YEAR ENDED JUNE 30, 2016



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, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

#### Using the Financial Statement in this Annual Report

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

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

#### Reporting the City as a Whole – Statements of Net Position and Activities

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

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

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

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

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

## Reporting the City’s Most Significant Funds – Fund Financial Statements

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

**Governmental funds** — Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

The General Fund’s fund balance decreased from fiscal 2015 by \$2.7 million as a result of a decline in sales tax collections during fiscal 2016.

The Transportation Fund received a transfer from the general fund of a ½ percent sales tax dedicated for transportation improvements. The Transportation Fund’s fund balance decreased from fiscal year 2015 by \$3.4 million due to an increase in expenditures on transportation capital projects.

**Proprietary fund** — When the City charges customers for the services it provides- whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. In fact, the City’s enterprise funds, along with certain capital project funds, are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows. The net position of the Stillwater Utilities Authority (SUA) has increased by \$15.1 million or 9.1%. Operating expenses decreased by \$3.8 million due to a reduction in the power cost adjustment (PCA) billed to the Authority by the purchased power supplier. Because the Authority passes on the PCA billed by the power supplier to its customers, a decrease in operating revenues in the amount of \$2.4 million was realized when the PCA was reduced. Transfers to the City’s general fund increased \$1.1 million over the prior year.

### The City as Trustee

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

### The City as a Whole

For the year ended June 30, 2016, the net position for the governmental activities and business-type activities changed as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Beginning net position	\$81,219	\$183,429	\$264,648
Increase/(Decrease)	(1,040)	15,820	14,780
Ending net position	\$80,179	\$199,249	\$279,428



The above numbers reflect a decrease of 1.3% 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 5.6% for this fiscal year.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Assets:</b>						
Current and other assets	\$22,360	\$30,436	\$100,157	\$146,246	\$122,517	\$176,682
Capital assets	89,526	87,686	204,221	139,908	293,747	227,594
Total assets	111,886	118,122	304,378	286,154	416,264	404,276
Deferred Outflows	4,011	1,796	0	0	4,011	1,796
<b>Liabilities:</b>						
Long-term liabilities	27,146	28,106	88,035	95,736	115,181	123,842
Other liabilities	4,242	5,017	17,094	6,989	21,336	12,006
Total liabilities	31,388	33,123	105,129	102,725	136,517	135,848
Deferred Inflows	4,329	5,576	0	0	4,329	5,576
<b>Net Position:</b>						
Net investment in capital assets	85,670	82,962	126,388	109,015	212,058	191,977
Restricted	3,112	7,038	2,715	3,342	5,827	10,380
Unrestricted	(8,602)	(8,781)	70,146	71,072	61,544	62,291
Total net position	\$80,180	\$81,219	\$199,249	\$183,429	\$279,429	\$264,648

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, 75.9%, reflects its investment in capital assets, less any related debt used to acquire those assets to provide services to citizens. Capital assets are items such as land, buildings, machinery and equipment, and infrastructure. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 2.1%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

## Governmental Activities

Governmental activities decreased the City of Stillwater's net position by \$1.0 million which contributed to a 1.3% decrease of the net position of the City of Stillwater. The following provides details of the decrease:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>REVENUES:</b>						
Program revenues:						
Charges for services	\$6,232	\$6,266	\$74,450	\$76,932	\$80,682	\$83,198
Operating Grants and contributions	527	572	0	0	527	572
Capital grants and contributions	2,328	601	1,115	764	3,443	1,365
General revenues:						
Sales and Use taxes	30,251	29,926	0	0	30,251	29,926
Other taxes	2,834	3,786	0	0	2,834	3,786
Other general revenues	999	169	719	878	1,718	1,047
<b>Total Revenues</b>	<b>43,171</b>	<b>41,320</b>	<b>76,284</b>	<b>78,574</b>	<b>119,455</b>	<b>119,894</b>
<b>PROGRAM EXPENSES:</b>						
General Government	4,446	4,264	0	0	4,446	4,264
Financial Administration	733	715	0	0	733	715
Public Safety	20,487	20,409	0	0	20,487	20,409
Streets and Sewers	15,089	13,933	0	0	15,089	13,933
Engineering and Public Works Administration	0	595	0	0	0	595
Recreation and Culture	4,643	4,441	0	0	4,643	4,441
Economic Development	28	15	0	0	28	15
Health and Welfare	1,157	1,643	0	0	1,157	1,643
Interest on Long-term Debt	108	141	0	0	108	141
Stillwater Utilities Authority	0	0	53,379	58,016	53,379	58,016
Business Area Development	0	0	1,979	1,970	1,979	1,970
Airport Operations	0	0	2,626	2,676	2,626	2,676
<b>Total Expenses</b>	<b>46,691</b>	<b>46,156</b>	<b>57,984</b>	<b>62,662</b>	<b>104,675</b>	<b>108,818</b>
Increase/(Decrease) in Net Position Before Transfers	(3,520)	(4,836)	18,300	15,912	14,780	11,076
Net Transfers	2,480	940	(2,480)	(940)	0	0
<b>Increase/(Decrease) in Net Position</b>	<b>\$(1,040)</b>	<b>\$(3,896)</b>	<b>\$15,820</b>	<b>\$14,972</b>	<b>\$14,780</b>	<b>\$11,076</b>

Sales and use tax received in fiscal year 2016 resulted in an increase from the prior year of \$0.3 million. Transfers from the SUA to the general fund increased by \$1.5 million. Increases in expenditures for streets and sewers and recreation and culture of 3.9% and 4.5%, respectively, contributed to the decrease of net position for governmental activities.

## Business-type Activities

Business-type activities increased the City of Stillwater's net position by \$15.8 million, which contributed a 6.0% increase in the net position of the City of Stillwater. Details are presented in the preceding chart.

## General Fund Budgetary Highlights

The City of Stillwater's FY16 budgetary resources totaled \$38.2 million, which is relatively unchanged from the FY15 budgetary resources. FY16 budgeted expenditures were approached in a conservative manner, with adopted expenditures remaining relatively unchanged from the amounts approved in the previous year and focused on the delivery of core service operations. These core services are concentrated in the areas of public safety, infrastructure improvements and neighborhood street projects.

The differences between the original expenditure budget and the final amended expenditure budget amounted to \$4.4 million coming from budget carryovers from fiscal year 2015.

The differences between the final budgeted revenue and actual revenue collections amounted to \$1.4 million under budget. Based on a review by the finance department, this variance is attributable to sales tax collections and considered a normal variance.

## Capital Asset & Debt Administration

The following is a summary of changes in capital assets and debt administration for fiscal year 2016. More detailed information on capital asset activity and long-term debt activity is contained in the accompanying notes to the financial statements on pages 46, 56, 57 and pages 59-65.

## Capital Assets

At the end of June 30, 2016, the City had \$294 million invested in capital assets including police and fire equipment, buildings, park facilities, water and waste water lines, electric systems and roads.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$10,801	\$9,734	\$2,047	\$2,042	\$12,848	\$11,776
Buildings	24,019	24,158	71,099	4,945	95,119	29,103
Other Improvements	167,429	164,571	29,881	29,774	29,881	29,774
Equipment	24,895	22,081	31,826	30,906	56,721	52,987
Infrastructure	0	0	139,393	200,573	306,821	365,144
Intangible Assets	0	0	1,604	1,604	1,604	1,604
Construction-in-progress	6,375	3,914	89,697	24,004	96,072	27,918
	233,519	224,458	365,547	293,848	599,066	518,306
Less Accumulated Depreciation	143,993	136,772	161,327	153,940	305,320	290,712
<b>Totals</b>	<b>\$89,526</b>	<b>\$87,686</b>	<b>\$204,220</b>	<b>\$139,908</b>	<b>\$293,746</b>	<b>\$227,594</b>

## Debt Administration

At year-end, the City had \$93 million in long term debt. These debts are further detailed below as follows:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
General Obligation Bonds	\$3,856	\$4,725	\$ 0	\$ 0	\$3,856	\$4,725
Capital Lease Obligations	0	0	3,122	3,258	3,122	3,258
Notes Payable	0	0	85,518	88,877	85,518	88,877
Refundable Grant Obligations	123	143	211	64	334	207
<b>Totals</b>	<b>\$3,979</b>	<b>\$4,868</b>	<b>\$88,851</b>	<b>\$92,199</b>	<b>\$92,830</b>	<b>\$97,067</b>

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

FY17 revenue budgets were determined by performing trend analysis and comparing these trends to the state and national indices. The City's finance department monitors revenue collections and, if warranted, makes reductions in expenditure budgets to prevent deficit spending. For FY17, the City had projected no increase in Sales Tax revenue. During November 2016 the City underwent a budget revision due to a projected shortfall in Sales Tax collections compared to collections a year ago. Expenditure budgets have been reduced City wide. The City attributes this shortfall, in part, to an increase in internet sales. FY17 capital expenditures are concentrated in the area of public safety and street projects. Staffing levels for FY17 were budgeted at the level of FY16 however as part of the budget revision process open positions have been evaluated and in some cases deferred for the foreseeable future.

Based on the addition of commercial air service at Stillwater Regional Airport, construction of student apartments and a senior living community and the opening of several hotels and grocery stores, Sales and Use Tax revenue are expected to remain stable through the end of FY17.

Trends in rising operational costs for the utility authority led to the adoption of a resolution in June 2007 providing for annual rate increases for the electric utility effective January 1 of year equal to 3% or the most recent annual consumer price index for the south urban region as determined by the U.S. Bureau of Labor Statistics, whichever is less. No rate increases were effective for electric service rates on January 1, 2016.

A water and wastewater cost of service and rate design study was completed in FY15, which led to the adoption of a resolution establishing new water and wastewater rate structures for our retail, wholesale, and raw water customers. The resolution sets the rates for Fiscal Years 2016, 2017, and 2018.

The budget includes a reserve for emergencies and capital projects in the electric, water and wastewater utilities.

## Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department at 723 S. Lewis, P.O. Box 1449, Stillwater, Oklahoma or phone at (405) 742-8209.



**City of Stillwater, Oklahoma**  
**Statement of Net Position**  
**June 30, 2016**

	<b>PRIMARY GOVERNMENT</b>			<b>COMPONENT UNIT</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Stillwater Medical Center Authority</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$7,127,777	\$57,946,648	\$65,074,425	\$34,315,520
Investments	0	9,277,614	9,277,614	40,842,968
Accounts receivable, net of allowance	577,119	10,831,419	11,408,538	17,250,847
Internal balances	1,365,909	(1,365,909)	0	0
Interest receivable	584	4,217	4,801	0
Installment loans receivable	57,500	129,327	186,827	0
Leasehold receivable	0	123,333	123,333	0
Inventories	110,496	4,109,307	4,219,803	3,306,429
Intergovernmental receivable	5,336,665	687,945	6,024,610	0
Other assets	0	0	0	2,438,902
Restricted cash and cash equivalents	0	14,109,230	14,109,230	1,871,253
Restricted investments	0	4,304,317	4,304,317	0
Capital assets:				
Capital assets, non depreciable	17,176,395	93,273,583	110,449,978	11,271,161
Capital assets, net of accumulated depreciation	72,349,703	110,946,939	183,296,642	51,326,913
Investments in joint ventures	0	0	0	2,405,932
Goodwill, net	0	0	0	5,159,962
Net pension assets	7,783,899	0	7,783,899	0
<b>Total assets</b>	<b>111,886,047</b>	<b>304,377,970</b>	<b>416,264,017</b>	<b>170,189,887</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related	4,010,904	0	4,010,904	0
<b>LIABILITIES</b>				
Accounts payable	838,260	11,276,610	12,114,870	3,669,050
Accrued liabilities	2,356,700	297,699	2,654,399	9,577,007
Accrued interest payable	11,800	877,088	888,888	0
Long-term liabilities:				
Due within one year	1,035,492	4,642,449	5,677,941	3,575,337
Due in more than one year	5,445,842	86,601,888	92,047,730	10,495,149
Other postemployment benefits	3,222,392	1,433,385	4,655,777	0
Net pension liabilities	18,478,001	0	18,478,001	0
<b>Total liabilities</b>	<b>31,388,487</b>	<b>105,129,119</b>	<b>136,517,606</b>	<b>27,316,543</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related	4,329,323	0	4,329,323	0
<b>NET POSITION</b>				
Net investment in capital assets	85,669,817	126,387,848	212,057,665	48,452,215
Restricted for:				
Debt service	209,523	1,057,398	1,266,921	0
Capital projects	62,633	1,655,304	1,717,937	1,853,382
Street improvements	341,711	0	341,711	0
Specific operating activities	2,497,975	2,712	2,500,687	0
Unrestricted	(8,602,518)	70,145,589	61,543,071	92,567,747
<b>Total net position</b>	<b>\$80,179,141</b>	<b>\$199,248,851</b>	<b>\$279,427,992</b>	<b>142,873,344</b>

The accompanying notes are an integral part of this statement.



**City of Stillwater, Oklahoma**  
**Statement of Activities**  
**For the Year Ended June 30, 2016**

Function/Programs	Expenses	Program Revenues			PRIMARY GOVERNMENT Net (Expense) Revenue and Changes in Net Position			COMPONENT UNIT
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Stillwater Medical Center Authority
<b>PRIMARY GOVERNMENT</b>								
Government Activities:								
Public safety	\$20,487,015	\$2,622,099	\$189,688	\$436,264	\$(17,238,964)	\$0	\$(17,238,964)	\$0
Recreation and culture	4,642,710	1,064,755	337,044	600,000	(2,640,910)	0	(2,640,911)	0
General government	4,446,150	554,497	0	1,003,276	(2,888,377)	0	(2,888,377)	0
Financial administration	732,799	1,132,852	0	0	400,053	0	400,053	0
Streets and sewers	15,088,869	555,381	0	288,062	(14,245,426)	0	(14,245,426)	0
Economic development	27,903	0	0	0	(27,903)	0	(27,903)	0
Health and welfare	1,157,110	302,888	0	0	(854,222)	0	(854,222)	0
Interest on long-term debt	108,120	0	0	0	(108,120)	0	(108,120)	0
<b>Total governmental activities</b>	<b>46,690,676</b>	<b>6,232,472</b>	<b>526,732</b>	<b>2,327,602</b>	<b>(37,603,870)</b>	<b>0</b>	<b>(37,603,870)</b>	<b>0</b>
Business-type activities:								
Electric, water, wastewater and sanitation operations	53,378,815	73,148,660	0	87,040	0	19,856,885	19,856,885	0
Business area development	1,979,446	169,335	0	0	0	(1,810,111)	(1,810,111)	0
Airport operations	2,625,889	1,132,097	0	1,028,410	0	(465,382)	(465,382)	0
<b>Total business-type activities</b>	<b>57,984,150</b>	<b>74,450,092</b>	<b>0</b>	<b>1,115,450</b>	<b>0</b>	<b>17,581,392</b>	<b>17,581,392</b>	<b>0</b>
<b>Total primary government</b>	<b>\$104,674,826</b>	<b>\$80,682,564</b>	<b>\$526,732</b>	<b>\$3,443,052</b>	<b>(37,603,870)</b>	<b>17,581,392</b>	<b>(20,022,478)</b>	<b>0</b>
<b>COMPONENT UNIT</b>								
Medical Center	\$136,038,413	\$153,688,684	\$136,800	\$214,000	0	0	0	18,001,071
General revenues:								
Taxes								
Sales and use tax					30,250,927	0	30,250,927	0
Property tax					1,170,237	0	1,170,237	0
Franchise and public service tax					1,663,781	0	1,663,781	0
E911 tax					76,503	0	76,503	0
Lodging tax					736,485	0	736,485	0
Investment income					186,077	715,402	901,479	402,606
Other miscellaneous revenues					0	3,500	3,500	0
Transfers-internal activity					2,480,341	(2,480,341)	0	0
<b>Total general revenues and transfers</b>					<b>36,564,351</b>	<b>(1,761,439)</b>	<b>34,802,912</b>	<b>402,606</b>
Change in net position					(1,039,519)	15,819,953	14,780,434	18,403,677
<b>Total net position, beginning of year</b>					<b>81,218,660</b>	<b>183,428,898</b>	<b>264,647,558</b>	<b>124,469,667</b>
<b>Total net position, end of year</b>					<b>\$80,179,141</b>	<b>\$199,248,851</b>	<b>\$279,427,992</b>	<b>\$142,873,344</b>

The accompanying notes are an integral part of this statement.

**City of Stillwater, Oklahoma**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	<u>General</u>	<u>Transportation Improvement</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$6,328,206	\$436,601	\$258,971	\$7,023,778
Due from other governments	5,250,633	0	86,032	5,336,665
Accounts receivable, net of allowance	577,119	0	0	577,119
Due from other funds	1,246,355	0	0	1,246,355
Interest receivable	488	66	30	584
Inventories	110,496	0	0	110,496
<b>Total assets</b>	<b>\$13,513,297</b>	<b>\$436,667</b>	<b>\$345,033</b>	<b>\$14,294,997</b>
<b>LIABILITIES</b>				
Accounts payable	\$748,613	\$89,647	\$0	\$838,260
Accrued liabilities	1,057,050	1,519	0	1,058,569
Due to other funds	0	3,790	0	3,790
Unearned revenue	26,853	0	0	26,853
<b>Total liabilities</b>	<b>1,832,516</b>	<b>94,956</b>	<b>0</b>	<b>1,927,472</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	0	0	72,877	72,877
Unavailable revenue-court fines	94,280	0	0	94,280
Unavailable revenue-grant proceeds	144,199	0	0	144,199
<b>Total deferred inflows of resources</b>	<b>238,479</b>	<b>0</b>	<b>72,877</b>	<b>311,356</b>
<b>FUND BALANCE</b>				
Non-spendable: inventories	110,496	0	0	110,496
Restricted for:				
Debt service	0	0	209,523	209,523
Police equipment	53,961	0	0	53,961
Police undercover operations	41,829	0	0	41,829
Capital improvements	0	341,711	62,633	404,344
Visitor and event recruitment	360,813	0	0	360,813
Sales tax transfer	2,041,372	0	0	2,041,372
Committed to:				
Rural fire activities	539,776	0	0	539,776
Fire training activities	27,557	0	0	27,557
Assigned to:				
Self insurance	1,679,512	0	0	1,679,512
Parks and recreation	144,517	0	0	144,517
Unassigned	6,442,469	0	0	6,442,469
<b>Total fund balance</b>	<b>11,442,302</b>	<b>341,711</b>	<b>272,156</b>	<b>12,056,169</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$13,513,297</b>	<b>\$436,667</b>	<b>\$345,033</b>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$143,993,297	89,080,598
Certain long-term receivables are not available to pay for current fund liabilities and, therefore, are deferred in the funds	338,209
Installment note receivable received for sale of asset is not reported in the fund statements	57,500
Internal service fund assets and liabilities are reported in the proprietary fund in the fund financial statements but are included in government activities in the Statement of Net Position	549,510
Certain long-term liabilities are not due and payable from current financial resources and, therefore are not reported in the funds:	
Net pension liabilities and associated deferred inflows and outflows of resources	(11,012,521)
Accrued workers' compensation claims	(1,298,131)
Accrued interest payable	(11,800)
General obligation bonds payable	(3,856,281)
Accrued compensated absences	(2,501,720)
Accrued post employment obligations	(3,222,392)
<b>Net position of governmental activities</b>	<b>\$80,179,141</b>

The accompanying notes are an integral part of this statement.

**City of Stillwater, Oklahoma**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

	General	Transportation Improvement	Other Governmental Funds	Total
<b>REVENUES</b>				
Taxes	\$32,727,696	\$0	\$1,139,768	\$33,867,464
Intergovernmental	238,149	0	285,977	524,126
Charges for services	671,485	0	0	671,485
Fines and forfeits	1,162,590	0	0	1,162,590
Fees and rentals	1,087,411	0	0	1,087,411
Investment income	170,208	10,819	4,998	186,025
Licenses and permits	377,683	0	0	377,683
Other miscellaneous revenues	691,914	840	0	692,754
<b>Total revenues</b>	<b>37,127,136</b>	<b>11,659</b>	<b>1,430,743</b>	<b>38,569,538</b>
<b>EXPENDITURES</b>				
Public safety	19,242,906	0	144,509	19,387,415
Recreation and culture	4,062,328	0	0	4,062,328
General government	4,001,412	0	0	4,001,412
Financial administration	844,480	0	0	844,480
Streets and sewers	4,426,177	81,234	0	4,507,411
Economic development	27,903	0	0	27,903
Health and welfare	1,118,418	0	0	1,118,418
Debt service				
Principal retirements	0	0	805,000	805,000
Interest and fiscal charges	0	0	174,200	174,200
Capital outlay	5,624,849	5,416,470	141,593	11,182,912
<b>Total expenditures</b>	<b>39,348,473</b>	<b>5,497,704</b>	<b>1,265,302</b>	<b>46,111,479</b>
Excess (deficiency) of revenues over (under) expenditures	(2,221,337)	(5,486,045)	165,441	(7,541,941)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	14,734,446	4,102,634	0	18,837,080
Transfers out	(15,254,648)	(2,051,317)	(186,829)	(17,492,794)
<b>Total other financing sources (uses)</b>	<b>(520,202)</b>	<b>2,051,317</b>	<b>(186,829)</b>	<b>1,344,286</b>
<b>Net change in fund balance</b>	<b>(2,741,539)</b>	<b>(3,434,728)</b>	<b>(21,388)</b>	<b>(6,197,655)</b>
FUND BALANCE, beginning of year	14,183,841	3,776,439	293,544	18,253,824
FUND BALANCE, end of year	\$11,442,302	\$341,711	\$272,156	\$12,056,169

...continued



**City of Stillwater, Oklahoma**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

...continued

Reconciliation to Statement of Activities:	
Net change in fund balances	\$(6,197,655)
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	5,963,371
Depreciation	(7,445,730)
Net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations)	3,322,065
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Unavailable revenue	149,750
Non-employer pension contributions	2,265,457
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	805,000
Internal Service Fund net revenue	62
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest payable	66,080
Accrued compensated absences	(92,751)
Accrued workers' compensation claims	208,312
Accrued experience and investment differences for pension plans	224,491
Accrued post employment benefits	(307,971)
Change in net position-governmental activities	<u>\$(1,039,519)</u>

*The accompanying notes are an integral part of this statement.*

**City of Stillwater, Oklahoma**  
**Statement of Net Position—Proprietary Funds**  
**June 30, 2016**

	BUSINESS-TYPE ACTIVITIES: ENTERPRISE FUNDS			Governmental Activities Internal Service Fund
	Stillwater Utilities Authority	Non Major Enterprise Funds	Total	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$56,663,743	\$1,282,905	\$57,946,648	\$103,999
Restricted cash and cash equivalents	12,663,828	49,431	12,713,259	0
Investments	9,277,614	0	9,277,614	0
Accounts receivable, net of allowance	10,823,272	8,147	10,831,419	0
Intergovernmental receivable	0	687,945	687,945	0
Installment loans receivable	0	129,327	129,327	0
Leasehold receivable	0	20,000	20,000	0
Due from other funds	0	24,052	24,052	11
Interest receivable	4,132	85	4,217	0
Inventories	4,065,805	43,502	4,109,307	0
<b>Total current assets</b>	<b>93,498,394</b>	<b>2,245,394</b>	<b>95,743,788</b>	<b>104,010</b>
<b>Noncurrent Assets:</b>				
Restricted cash and cash equivalents	1,395,971	0	1,395,971	0
Restricted investments	4,304,317	0	4,304,317	0
Advanced to other funds	0	0	123,333	0
Leasehold receivable	0	103,333	103,333	0
Capital assets, non depreciable	89,851,974	3,421,609	93,273,583	445,500
Capital assets, net of accumulated depreciation	98,749,716	12,197,223	110,946,939	0
<b>Total noncurrent assets</b>	<b>194,301,978</b>	<b>15,722,165</b>	<b>210,024,143</b>	<b>568,833</b>
<b>Total assets</b>	<b>287,800,372</b>	<b>17,967,559</b>	<b>305,767,931</b>	<b>672,843</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	10,846,989	429,621	11,276,610	0
Accrued liabilities	286,111	11,588	297,699	0
Current portion of compensated absences	127,491	9,205	136,696	0
Due to other funds	1,229,487	37,141	1,266,628	0
Accrued interest payable	877,088	0	877,088	0
Current portion of customer deposits payable	775,016	11,244	786,260	0
Current portion of long-term debt obligations	3,508,247	0	3,508,247	20,000
Current portion of advances from other funds	0	20,000	20,000	0
Current portion of refundable grant obligations	0	211,246	211,246	0
<b>Total current liabilities</b>	<b>17,650,429</b>	<b>730,045</b>	<b>18,380,474</b>	<b>20,000</b>
<b>Noncurrent Liabilities:</b>				
Noncurrent portion of compensated absences	771,736	43,071	814,807	0
Noncurrent portion of customer deposits payable	644,402	11,680	656,082	0
Noncurrent portion of long-term debt obligations	85,130,999	0	85,130,999	103,333
Other postemployment benefits	1,433,385	0	1,433,385	0
Noncurrent portion of advances from other funds	0	103,333	103,333	0
<b>Total noncurrent liabilities</b>	<b>87,980,522</b>	<b>158,084</b>	<b>88,138,606</b>	<b>103,333</b>
<b>Total liabilities</b>	<b>105,630,951</b>	<b>888,129</b>	<b>106,519,080</b>	<b>123,333</b>
<b>NET POSITION</b>				
Net investment in capital assets	110,769,016	15,618,832	126,387,848	445,500
Restricted for debt service	1,057,398	0	1,057,398	0
Restricted for capital projects	1,655,304	0	1,655,304	0
Restricted donation	0	2,712	2,712	0
Unrestricted	68,687,703	1,457,886	70,145,589	104,010
<b>Total net position</b>	<b>\$182,169,421</b>	<b>\$17,079,430</b>	<b>\$199,248,851</b>	<b>\$549,510</b>

The accompanying notes are an integral part of this statement.

**City of Stillwater, Oklahoma**  
**Statement of Revenues, Expenses and**  
**Changes in Net Position—Proprietary Funds**  
**For the Year Ended June 30, 2016**

	BUSINESS-TYPE ACTIVITIES: ENTERPRISE FUNDS			Governmental Activities Internal Service Fund
	Stillwater Utilities Authority	Non Major Enterprise Funds	Total	
<b>Operating Revenues:</b>				
Charges for services, net of bad debt expense	\$69,632,931	\$794,050	\$70,426,981	\$0
Other	3,515,729	507,382	4,023,111	10
<b>Total operating revenues</b>	<b>73,148,660</b>	<b>1,301,432</b>	<b>74,450,092</b>	<b>10</b>
<b>Operating Expenses:</b>				
Operations and maintenance	45,967,377	3,638,360	49,605,737	0
Depreciation	6,809,697	966,975	7,776,672	0
<b>Total operating expenses</b>	<b>52,777,074</b>	<b>4,605,335</b>	<b>57,382,409</b>	<b>0</b>
<b>Operating income</b>	<b>20,371,586</b>	<b>(3,303,903)</b>	<b>17,067,683</b>	<b>10</b>
<b>Nonoperating Revenues (Expenses):</b>				
Investment income (loss)	701,429	13,973	715,402	52
Miscellaneous	(1,218,062)	3,500	(1,214,562)	0
Debt issuance costs	(155,500)	0	(155,500)	0
Interest expense and fiscal charges	(364,234)	0	(364,234)	0
<b>Total nonoperating revenues (expenses)</b>	<b>99,688</b>	<b>17,473</b>	<b>117,161</b>	<b>52</b>
<b>Income before contributions</b>	<b>20,471,274</b>	<b>(3,286,430)</b>	<b>17,184,844</b>	<b>62</b>
Capital contributions	87,040	1,028,410	1,115,450	0
Transfers in	10,256,584	2,946,747	13,203,331	0
Transfers out	(14,547,617)	0	(14,547,617)	0
<b>Change in net position</b>	<b>15,131,226</b>	<b>688,727</b>	<b>15,819,953</b>	<b>62</b>
<b>Total net position, beginning of year</b>	<b>167,038,195</b>	<b>16,390,703</b>	<b>183,428,898</b>	<b>549,448</b>
<b>Total net position, end of year</b>	<b>\$182,169,421</b>	<b>\$17,079,430</b>	<b>\$199,248,851</b>	<b>\$549,510</b>

*The accompanying notes are an integral part of this statement.*

**City of Stillwater, Oklahoma**  
**Statement of Cash Flows—Proprietary Funds**  
**For the Year Ended June 30, 2016**

	BUSINESS-TYPE ACTIVITIES: ENTERPRISE FUNDS			Governmental Activities Internal Service Fund
	Stillwater Utilities Authority	Non Major Enterprise Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers, including deposits	\$69,356,667	\$797,308	\$70,153,975	\$0
Payments to suppliers	(24,941,984)	(2,759,644)	(28,226,628)	0
Payments to employees	(13,333,501)	(575,723)	(13,909,224)	0
Payments of business development incentives	0	(252,944)	(252,944)	0
Collection of business development incentive loan principal	0	29,901	29,901	0
Payments (to) from other funds	(1,178,370)	160,023	(1,018,347)	0
Other receipts	3,515,729	507,382	4,023,111	10
Net cash provided by (used in) operating activities	33,418,541	(2,093,697)	31,324,844	10
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	8,205,267	2,922,695	11,127,962	0
Operating subsidies and transfers to other funds	(14,487,281)	0	(14,487,281)	0
Net cash provided by (used in) noncapital financing activities	(6,282,014)	2,922,695	(3,359,319)	0
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from capital debt	306,638	0	306,638	0
Capital contributions	0	340,465	340,465	0
Proceeds from sale of capital assets	25,846	3,500	29,346	0
Transfers from other funds related to capital financing	2,051,317	0	2,051,317	0
Purchases of capital assets	(66,545,573)	(2,449,783)	(68,995,356)	0
Debt issue costs paid	(155,500)	0	(155,500)	0
Principal paid on capital debt	(4,196,780)	0	(4,196,780)	0
Interest paid on capital debt	(3,458,729)	0	(3,458,729)	0
Principal received on capital debt	0	20,000	20,000	0
Net cash used in capital and related financing activities	(71,972,781)	(2,085,818)	(74,078,599)	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of investments	(9,022,042)	0	(9,022,042)	0
Proceeds from maturities of investments	9,022,042	0	9,022,042	0
Interest received	333,458	14,188	347,646	52
Net cash provided by investing activities	333,458	14,188	347,646	52
Net increase (decrease) in cash and cash equivalents	(44,502,796)	(1,242,632)	(45,745,428)	62
Cash and cash equivalents, beginning of year	115,226,338	2,574,968	117,801,306	103,937
Cash and cash equivalents, end of year	\$70,723,542	\$1,332,336	\$72,055,878	\$103,999
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$20,371,586	\$(3,303,903)	\$17,067,683	\$10
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	6,809,697	966,975	7,776,672	0
Changes in assets and liabilities:				
Receivables, net	(299,164)	21,914	(277,250)	0
Inventories	850,683	(20,610)	830,073	0
Accounts and other payables	5,726,018	244,426	5,970,444	0
Accrued liabilities	(198,931)	(2,499)	(201,430)	0
Other postemployment benefits	158,652	0	158,652	0
Net cash provided by (used in) operating activities	\$33,418,541	\$(2,093,697)	\$31,324,844	\$10
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Capital assets contributed to the Authority	\$87,040	\$0	\$87,040	\$0
Capital assets transferred to other funds	548,131	0	548,131	0
Borrowings under capital lease	628,106	0	628,106	0
Premium amortization	233,962	0	233,962	0
Change in fair value of investments	378,883	0	378,883	0

The accompanying notes are an integral part of this statement.



**City of Stillwater, Oklahoma**  
**Statement of Fiduciary Net Position**  
**Fiduciary Fund**  
**June 30, 2016**

	<b>Agency Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$283,259
Certificates of deposit	105,531
Common stock mutual funds	179,864
Assessment receivable	26,616
Interest receivable	73
<b>Total assets</b>	<b>595,343</b>
<b>LIABILITIES</b>	
Accounts payable	161
Amounts held in escrow	595,182
<b>Total liabilities</b>	<b>\$595,343</b>

*The accompanying notes are an integral part of this statement.*



POLICE



# City of Stillwater, Oklahoma

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2016



### 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 and fiduciary funds of the City include those of separately administered organizations that are controlled by or dependent on the legislative or executive branches, the City Council and the City Manager, respectively. In accordance with the Governmental Accounting Standards Board Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units,” and as amended by GASB Statement No. 61, “The Financial Reporting Entity: Omnibus,” the City has presented the entities which comprise the primary government along with its discretely presented component units in the basic financial statements. As required by accounting principles generally accepted in the United States of America, the basic financial statements present the reporting entity which consists of the primary government and organizations for which the primary government is financially accountable.

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

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

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

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

### C. Basis of Presentation

1. **Government-wide Financial Statements:** The statement of net position and statement of activities display information about the City as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.
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 three fund categories which are governmental, proprietary and fiduciary. 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, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 10% of the corresponding fund category total, and
  - Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental funds and enterprise funds combined.



The funds of the City are described below:

- 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 is the only special revenue fund active during the fiscal year ending June 30, 2016.
- c. Debt Service Fund: The debt service fund is used to account for the accumulation of ad-valorem taxes levied by the City for the payment of long term debt principal, interest and related costs.
- d. Capital Projects Fund: A capital projects fund is used to account for the resources restricted for the acquisition or construction of specific capital projects or items. The Transportation Improvement Fund is the only capital projects fund active during the fiscal year ending June 30, 2016.
- e. 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
- f. 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.
- g. Fiduciary Fund: The Fiduciary fund is used to account for assets held in a trustee or agency capacity for others and cannot be used to support the City's programs. The City has the following fiduciary or agency accounts:
  - Property Rehabilitation Escrow
  - Business Improvement District Assessment
  - Sidewalk Escrow
  - Right of Way Escrow
  - Performance Guarantee Escrow
  - Public Library Donations
  - Bond Escheatment Escrow
  - Street Assessment

<b>Governmental Funds:</b>	<b>Description</b>
<b>Major:</b>	
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 projects as approved by the voters in 2001 and other transportation projects. Financing is provided by the 1/2 cent sales tax also approved by the voters.
<b>Non-Major:</b>	
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, other state and federal grants, and local matching funds.
Debt Service Fund	Accounts for the accumulation of ad-valorem taxes levied by the City for the payment of general long-term debt principal, interest and related costs.
<b>Enterprise Funds:</b>	
<b>Major:</b>	
Stillwater Utilities Authority	Accounts for the operation of the electric, water, wastewater and solid waste systems.
<b>Non-major:</b>	
Airport	Accounts for the operation of the Stillwater Municipal Airport including capital additions and improvements financed through federal and state grant proceeds and City contributions.
Stillwater Economic Development Authority	Accounts for expenditures for industrial redevelopment. Financing provided from federal grants, federal loans, City contributions and citizen participation.
<b>Internal Service Fund:</b>	
Stillwater Public Works Authority	Accounts for 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. Agency funds do not have a measurement focus and use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

## E. Assets, Liabilities 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 (comprised of Treasury repurchase agreements) are stated at amortized cost if the investment had a maturity of one year or less at the time of purchase. All investments held are authorized under Oklahoma State Statutes. Permissible investments include direct obligations of the U. S. government and agency securities, certificates of deposit, and savings accounts or savings certificates of savings and loan associations. Each fund's equity in the pooled investments account is reported in the basic financial statements as cash and cash equivalents.

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

2. **Assets Internally Designated:** Assets internally designated consist of cash and cash equivalents set aside by the SUA Board of Trustees in anticipation of future potential operating cost increases and/or future substantial capital expenditure requirements and at the Board's discretion may subsequently be used for other purposes. As of June 30, 2016, cash and cash equivalents in the amount of \$43,854,970 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 \$591,954 are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants and court fines.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax and grants and other similar intergovernmental revenues, since they are usually both measurable and available. Non-exchange revenues collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Proprietary fund receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable of \$279,028 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 \$5,116,000 for uncollectible accounts receivable based upon historical trends and the existing economic conditions.

5. **Restricted Assets:** Proceeds from debt and related sinking fund accounts and contributions from governmental grantors to the Enterprise Funds are classified as restricted assets, since their use is restricted by applicable bond indentures and grant agreements. Customer utilities deposits held by the City are classified as restricted assets.
6. **Inventories:** Inventories consist primarily of materials and supplies and are stated at weighted average cost. The consumption method of accounting is used by the governmental funds; therefore, inventory purchases are recorded in these funds as expenditures as they are used. Inventories are adjusted to annual physical count. Inventories of proprietary funds consist primarily of materials, supplies and fuel oil and are reported at the lower of average cost or market.
7. **Bond Premiums/Discounts:** Debt discount and premium are amortized using the straight-line method, which approximates the effective interest method, over the life of the applicable debt. Amortized debt discount and premium are reported as a component of interest expense.

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

- a. Government-wide Financial Statements: In the government-wide financial statements, property, plant and equipment are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. The threshold for capitalization of assets is \$5,000. All land acquired by the city is capitalized.

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method.

- 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.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by business-type activities was \$3,207,284. Of this amount, \$2,843,050 was capitalized on construction in progress during 2016.

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	10 to 70 Years
Other Improvements	2 to 70 Years
Equipment and vehicles	1 to 58 Years
Infrastructure	25 to 50 Years

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

- a. Government-wide Financial Statements: All long-term debt to be repaid from governmental and similar discretely presented component unit resources and business-type and similar discretely presented component unit resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of accrued compensated absences, general obligation bonds payable, capital leases payable, notes payable, other post-employment benefits and revenue bonds payable.
- b. Fund Financial Statements: Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. Payment of principal and interest is reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

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

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

**11. Deferred Inflows:** Deferred inflows of resources arise in governmental funds using the modified accrual basis of accounting to indicate that, although an enforceable legal claim to resources exists, those resources are not available within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City of Stillwater General Fund has deferred inflows related to grant proceeds and municipal court fines receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. The Debt Service Fund has deferred inflows related to property taxes receivable at the end of the fiscal year that were not available to pay the liabilities of the current fiscal year. Both types of deferred inflows will be recognized as revenue in the next fiscal year when they are available.

**12. 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.

### 13. 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 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, 2016, the statement of net position reports restricted net position in the amount of \$5,827,256 of which \$696,813 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:** As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2016, 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 for” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts and long-term notes receivable.
  - Restricted fund balance—includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. These restrictions arise from bond indentures, City Charter, and votes of the citizens of Stillwater. Restrictions may effectively be changed or lifted only with the consent of the applicable resource providers.
  - Committed fund balance—includes amounts that can only be used for specific purposes determined by a formal action (resolution) of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action (resolution) that imposed the constraint originally.
  - Assigned fund balance comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City’s Council or (2) a body or official to which the City’s Council has delegated the authority to assign amounts to be used for specific purposes. Such delegation is made to the City Manager, CFO, or applicable department manager at a City Council meeting and is recorded in the meeting minutes.
  - Unassigned fund balance—the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

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

## F. Adoption of New Accounting Standards

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

GASB Statement No. 72, “Fair Value Measurement and Application”—This Statement addresses accounting and financial reporting issues related to fair value measurements. The application of this statement resulted in the categorization of City investment assets as reflected in Note III. This statement was not effective for the Component Unit’s reporting period ending December 31, 2015 and is, therefore, not reflected in Note III. It will become effective for the Component Unit in the year ended December 31, 2016.

GASB Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”—The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This statement did not have an impact on the City’s financial statements.

GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”—The objective of this Statement is to identify the hierarchy of generally accepted accounting principles and supersedes GASB Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.” This statement did not have an impact on the City’s financial statements.



## G. Revenues, Expenditures and Expenses

1. **Sales Tax:** The City levies a three and one-half cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The Tax Commission receives the sales tax approximately one month after collection by vendors. The entire sales tax is recorded as revenue within the General Fund. Upon receipt, the General Fund distributes the dedicated portion of the sales tax as follows:
  - Two cents retained by the General Fund for operations.
  - One cent transferred to the SUA as required by revenue bond indentures. The proceeds are used in accordance with the trust indenture and current bond indentures.
  - Half cent transferred to the Transportation Fund to be used for the projects approved by the voters in September 2001, other transportation projects and, as approved by voters in May 2007, debt service related to transportation projects.

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, 2016 was used to fund the annual debt service requirements of the 2010 General Obligation Refunding 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, fire run fees, operating and capital grants from the Department of Homeland Security, U.S. Department of Justice, Oklahoma Highway Safety Grants and the Department of Juvenile Affairs and donations from outside contributors.
Recreation and culture	Park and recreation fees; capital and operating grants from the Oklahoma Department of Transportation, Department of Wildlife, and donations.
General government	Property rentals and donations.
Financial administration	Licenses and municipal court fines collected.
Streets and sewers	Capital grants, motor fuel tax and commercial vehicle tax revenues.
Economic Development	Donations
Health and welfare	Ambulance fees, permits, grants from the Oklahoma Department of Commerce and the Oklahoma Department of Forestry

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

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



## 5. Expenditures/Expenses

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

Proprietary funds report expenses relating to use of economic resources.

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

## I. 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.

## 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

### 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, 2016, 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 & Commercial Vehicle Tax	Street and Alley Purposes
E-911 Revenue	E-911 Emergency Service Purposes
Ad-valorem Tax	Debt Service on Bonds and Judgments
Grants Revenue	Based upon Individual Grant Agreements
Lodging Tax	Economic Development
Storm Water Fee	Storm Water Management Purposes
Fire and Police Training Fee	Training of fire and police department employees

For the year ended June 30, 2016, the City complied, in all material respects, with these revenue restrictions.

### D. Debt Restrictions And Covenants

1. **General Obligation Debt:** Article 10, Sections 26 and 27 of the Oklahoma Constitution limits the amount of outstanding general obligation bonded debt of the municipality for non-utility or non-street purposes to no more than 10% of net assessed valuation. For the year ended June 30, 2016, the City complied with this restriction.
2. **Other Long-term Debt:** As required by the Oklahoma State Constitution, the City (excluding public trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without obtaining voter approval. For the year ended June 30, 2016, no such debt was incurred by the City.
3. **Revenue Bond Debt:** The bond indenture relating to the revenue bond issue of the SUA contains a number of restrictions or covenants that are financial related. These include covenants such as a required flow of funds through special accounts, required reserve account balances, and revenue bond debt service coverage requirements. The following schedule presents a brief summary of the most significant requirements and the SUA's level of compliance thereon as of June 30, 2016.

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 Note Requirement	For the year ended June 30, 2016, available sales tax and revenues, as defined by the bond indenture, was \$76,788,829; the bond coverage requirement is operating and maintenance excluding depreciation or \$43,247,626 plus 125% of primary principal and interest plus 100% of subordinate principal and interest or \$5,214,135. Excess coverage was \$28,327,068 or over 5 times the required principal and interest coverage.

### E. Fund Equity/Net Position Restrictions

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund. For the year ended June 30, 2016, the City did not incur any fund balance deficits.

## III. DETAILED NOTES-TRANSACTION CLASSES/ACCOUNTS

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

### 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, 2016 the City's bank balance of \$71,566,253 was not exposed to custodial credit risk. At December 31, 2015, \$4,993,000 of the Hospital's bank balance of \$10,451,000 was uninsured and uncollateralized.



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

**Interest Rate Risk—**Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The City's investment policy does not address interest rate risk. The Hospital's investment policy generally limits the investment portfolio to maturities of three to five years with an average overall portfolio duration great 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 investments to a credit rating of no less than investment grade and an overall weighted-average rating of A by Standard and Poor's (S & P) or an equivalent rating by another reputable institution.

**Concentration of Credit Risk—**The City places no limit on the amount that may be invested in any one issuer. The Hospital's investment policy limits equity investments in any one issuer, other than the U.S. government or its agencies, to 10% of the fair value of the fixed income portfolio and to 5% of the fair value of the equity portfolio. At December 31, 2015, no investments exceeded 5% of the total value of all Hospital investments.

**Custodial Credit Risk—**Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial risk. However, the City's investments are in the City's name, thus the City has no custodial risk at June 30, 2016. The Hospital's investment policy does not address how these securities are to be held.

**Fair Value Measurement—**The City categorizes its fair value measurements 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; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. For the year ended June 30, 2016, mutual funds held by the City were valued using quoted prices in active markets (Level 1 inputs). All other investments of the City were valued using pricing of similar assets in markets that are not active (Level 2 inputs).

The City had the following investments at June 30, 2016:

Type	Credit Rating	Fair Value	Less than 1	1-5	6-10	More than 10
Certificates of Deposit	(1)	\$8,687,327	\$4,317,479	\$65,531	\$4,304,317	\$0
Mutual Funds	(1)	179,864	179,864	0	0	0
U.S. Agencies-FHLMC	AA (2)	6,000,162	0	6,000,162	0	0
		\$14,867,353	\$4,497,343	\$6,065,693	\$4,304,317	\$0

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

The Hospital had the following investments at December 31, 2015:

Type	Credit Rating	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. Treasury Obligations	(1)	\$1,988,013	\$0	\$815,005	\$453,789	\$719,219
U.S. Agencies	AA+ (2)	3,383,851	344,008	261,331	472,890	2,305,622
Corporate Bonds	Not Rated to AAA (2)	5,120,619	0	1,821,522	1,523,036	1,776,061
Money Market Mutual Funds	AAAm (2)	30,925,147	30,925,147	0	0	0
Mutual Funds-Fixed Income	(1)	6,468,313	0	2,721,921	3,746,392	0
Mutual Funds-Domestic Equities	(1)	6,053,186	6,053,186	0	0	0
Mutual Funds-International Equities	(1)	1,550,505	1,550,505	0	0	0
		55,489,634	\$38,872,846	\$5,619,779	\$6,196,107	\$4,800,902
Corporate Stocks		11,815,664				
Accrued Investment Income		99,100				
<b>Total Investments</b>		<b>\$67,404,398</b>				

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

A summary of the carrying values of the City's deposits and investments as well as a reconciliation to the presentation in the Government-wide Statement of Net Position as of June 30, 2016 is below:

	Primary Government	Component Unit	Total
<b>Carrying Amounts:</b>			
Deposits	\$78,466,887	\$9,625,343	\$88,092,230
Investments	14,867,353	67,404,398	82,271,751
<b>Total</b>	<b>\$93,334,240</b>	<b>\$77,029,741</b>	<b>\$170,363,981</b>
<b>Reconciliation to the Government-wide Statement of Net Position:</b>			
<b>Cash and Cash Equivalents:</b>			
Unrestricted	\$65,074,425	\$34,315,520	\$99,389,945
Restricted	14,109,230	1,871,253	15,980,483
<b>Investments:</b>			
Unrestricted	9,277,614	40,842,968	50,120,582
Restricted	4,304,317	0	4,304,317
Fiduciary Funds	568,654	0	568,654
<b>Total</b>	<b>\$93,334,240</b>	<b>\$77,029,741</b>	<b>\$170,363,981</b>

### B. Accounts Receivable

The accounts receivable of the governmental activities consist of franchise taxes, police fines, E911, rural fire charges, development services fees, and stormwater fee receivables. Police fines are 20%, cable franchise taxes are 17%, natural gas franchise taxes are 8% and stormwater fees are 7% of the total. The remaining receivables are intergovernmental and/or due from various customers. The accounts receivable of the business-type activities are amounts due from utility customers. All receivables are expected to be collected within one year.

### C. Accounts Payable

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



## 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 \$11,807,704 at June 30, 2016 have been restricted in use to the service of debt. Investments, classified as noncurrent, in the amount \$4,304,317 at June 30, 2016 have been restricted for this purpose.

Certain cash and cash equivalents of the SUA are restricted by agreement for the purpose of acquiring necessary easements related to water line upgrades for an area of service purchased from a rural water district. As of June 30, 2016 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 \$696,813 at June, 30 2016 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, 2016 cash and cash equivalents, classified as current, in the amount of \$81,108 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, 2016 cash and cash equivalents in the amount of \$1,419,418, of which \$775,016 is classified as current and \$644,402 is classified as non-current, have been restricted for customer deposits.

## E. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance at June 30, 2015	Additions, Net of Transfers	Deletions, Net of Transfers	Balance at June 30, 2016
<b>PRIMARY GOVERNMENT:</b>				
<u>Governmental Activities</u>				
Capital assets not being depreciated:				
Land	\$9,734,224	\$1,066,785	\$0	\$10,801,009
Construction work in progress	3,913,796	5,672,968	3,211,378	6,375,386
Total capital assets not being depreciated	13,648,020	6,739,753	3,211,378	17,176,395
Other capital assets:				
Buildings	24,019,458	0	0	24,019,458
Improvements other than buildings	164,517,358	2,921,324	10,121	167,428,561
Machinery and equipment	22,273,598	2,835,737	214,354	24,894,981
Total other capital assets at historical cost	210,810,414	5,757,061	224,475	216,343,000
Less accumulated depreciation for:				
Buildings	9,602,236	517,232	0	10,119,468
Improvements other than buildings	109,966,702	6,014,073	10,121	115,970,654
Machinery and equipment	17,203,104	914,425	214,354	17,903,175
Total accumulated depreciation	136,772,042	7,445,730	224,475	143,993,297
Other capital assets, net	74,038,372	(1,688,669)	0	72,349,703
Total capital assets, net	\$87,686,392	\$5,051,084	\$3,211,378	\$89,526,098
<u>Business-type Activities</u>				
Capital assets not being depreciated:				
Land	\$2,044,621	\$2,000	\$0	\$2,046,621
Intangible assets	1,530,403	0	0	1,530,403
Construction work in progress	24,004,017	70,429,052	4,736,510	89,696,559
Total capital assets not being depreciated	27,579,041	70,431,052	4,736,510	93,273,583
Other capital assets:				
Buildings	70,705,567	406,867	13,263	71,099,171
Improvements other than buildings	29,850,756	30,585	0	29,881,341
Machinery and equipment	30,643,369	1,945,228	762,166	31,826,431
Intangible assets	74,054	0	0	74,054
Infrastructure	134,995,256	4,570,920	173,219	139,392,957
Total other capital assets at historical cost	266,269,002	6,953,600	948,648	272,273,954
Less accumulated depreciation for:				
Buildings	44,603,276	1,962,488	13,263	46,552,501
Improvements other than buildings	17,102,665	929,112	0	18,031,777
Machinery and equipment	17,219,966	1,483,780	203,571	18,500,175
Infrastructure	74,940,435	3,401,292	173,219	78,168,508
Amortization for intangible assets	74,054	0	0	74,054
Total accumulated depreciation	153,940,396	7,776,672	390,053	161,327,015
Other capital assets, net	112,328,606	(823,072)	558,595	110,946,939
Total capital assets, net	\$139,907,647	\$69,607,980	\$5,295,105	\$204,220,522



	Balance at December 31, 2014	Additions, Net of Transfers	Deletions, Net of Transfers	Balance at December 31, 2015
<b>COMPONENT UNITS:</b>				
Stillwater Medical Center Authority:				
Capital assets not being depreciated:				
Land	\$4,470,073	\$0	\$0	\$4,470,073
Construction work in progress	434,937	6,673,178	307,027	6,801,088
<b>Total capital assets not being depreciated</b>	<b>4,905,010</b>	<b>6,673,178</b>	<b>307,027</b>	<b>11,271,161</b>
Other capital assets:				
Land improvements	3,057,729	51,670	0	3,109,399
Building, improvements and fixed equipment	64,417,609	3,259,425	79,091	67,597,943
Major moveable equipment	64,792,788	4,372,842	447,336	68,718,294
<b>Total other capital assets at historical cost</b>	<b>132,268,126</b>	<b>7,683,937</b>	<b>526,427</b>	<b>139,425,636</b>
Less accumulated depreciation for:				
Land improvements	1,311,821	37,808	0	1,349,629
Building, improvements and fixed equipment	32,246,552	2,483,282	86,160	34,643,674
Major moveable equipment	47,706,074	4,831,721	432,375	52,105,420
<b>Total accumulated depreciation</b>	<b>81,264,447</b>	<b>7,352,811</b>	<b>518,535</b>	<b>88,098,723</b>
<b>Other capital assets, net</b>	<b>51,003,679</b>	<b>331,126</b>	<b>7,892</b>	<b>51,326,913</b>
<b>Total capital assets, net</b>	<b>\$55,908,689</b>	<b>\$7,004,304</b>	<b>\$314,919</b>	<b>\$62,598,074</b>

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

<b>PRIMARY GOVERNMENT:</b>	
<b>Governmental Activities:</b>	
Public Safety	\$570,883
Recreation and Culture	557,656
General Government	630,539
Streets and Sewers	5,686,652
<b>Total Depreciation Expense For Governmental Activities</b>	<b>\$7,445,730</b>
<b>Business-type Activities:</b>	
Stillwater Utilities Authority	\$6,809,697
Airport (includes amortization of intangible assets)	964,585
Stillwater Economic Development Authority	2,390
<b>Total Depreciation Expense For Business-Type Activities</b>	<b>\$7,776,672</b>
<b>COMPONENT UNITS:</b>	
Stillwater Medical Center Authority	\$7,352,811

### 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, 2016 are as follows:

DUE FROM	DUE TO			
	General Fund	Nonmajor Proprietary Funds	Internal Service Fund	Total
General Fund	\$0	\$24,052	\$11	\$24,063
Transportation Improvement Fund	3,790	0	0	3,790
Nonmajor Proprietary Funds	37,141	0	0	37,141
Stillwater Utilities Authority	1,229,487	0	0	1,229,487
	\$1,270,418	\$24,052	\$11	\$1,294,481

The Stillwater Public Works Authority made an advance to the Stillwater Economic Development Authority as a requirement under a grant/loan received by the Oklahoma Department of Commerce. The balance of this advance at June 30, 2016 was \$123,333 and will not be paid within one year.

### G. Interfund Transfers

Interfund transfers were made to comply with sales tax collection provisions and agreements and to fund cash shortages in various funds as needed. These shortages occurred due to operating expenditures exceeding fund revenues. Interfund transfers reported in the fund financial statements for the year ended June 30, 2016, consisted of the following:

TRANSFER IN	TRANSFER OUT				Total
	General Fund	Transportation Improvement Fund	Non Major Gov't Funds	Stillwater Utilities Authority	
General Fund	\$0	\$0	\$186,829	\$14,547,617	\$14,734,446
Transportation Improvement Fund	4,102,634	0	0	0	4,102,634
Nonmajor Proprietary Funds	2,946,747	0	0	0	2,946,747
Stillwater Utilities Authority	8,205,267	2,051,317	0	0	10,256,584
	\$15,254,648	\$2,051,317	\$186,829	\$14,547,617	\$32,040,411



## H. 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, 2016, the governmental activities long-term debt consisted of the following:

<b>General Obligation Bonds</b>	
2010 Refunding Bonds dated April 8, 2010, original issue amount of \$8,390,000, interest rate of 4%, semiannual interest and annual principal installments commencing June 1, 2011 through June 1, 2021	\$3,540,000
Plus: Unamortized Debt Premium	<u>316,281</u>
<b>Total Revenue Bonds Payable</b>	<u>\$3,856,281</u>
Current portion	\$800,000
Noncurrent portion	<u>3,056,281</u>
<b>Total Revenue Bonds Payable</b>	<u>\$3,856,281</u>
<b>Accrued Compensated Absences</b>	
Current portion	\$215,492
Noncurrent portion	<u>2,286,228</u>
<b>Total Accrued Compensated Absences</b>	<u>\$2,501,720</u>
<b>Refundable Grant Obligations—SPWA</b>	
Grant from Oklahoma Department of Commerce, original issue amount of \$400,000, interest rate of 0%, monthly principal installments commencing October 1, 2002 through September 1, 2022, collateralized by a lease between SEDA and Nomadics, Inc.	<u>\$123,333</u>
Current portion	<u>\$20,000</u>
Noncurrent portion	<u>103,333</u>
<b>Total Refundable Grant Obligations Payable</b>	<u>\$123,333</u>

2. **Business-type Activities:** As of June 30, 2016, the long-term liabilities payable from business-type activities consisted of the following:

<b>Revenue Bonds Payable - SUA</b>	
Series 2014A Revenue Bonds dated August 14, 2014, original issue amount of \$61,830,000, secured by utility revenues, interest rates range from 3% to 5%, semiannual interest and annual principal installments commencing October 1, 2014 through October 1, 2042	\$61,830,000
Plus: Unamortized Debt Premium	<u>6,147,127</u>
<b>Total Revenue Bonds Payable</b>	<b><u>\$67,977,127</u></b>
Current portion	\$233,963
Noncurrent portion	<u>67,743,164</u>
<b>Total Revenue Bonds Payable</b>	<b><u>\$67,977,127</u></b>
<b>Notes Payable - SUA</b>	
2002 Oklahoma Water Resources Board (OWRB) SRF Note Payable dated February 28, 2002, original amount of \$3,413,483, secured by utility revenues, no interest plus an administrative fee of 0.5%, semiannual installments of principal commencing March 15, 2002 through September 15, 2021	\$938,708
2002 OWRB SRF Note Payable dated December 19, 2002, original amount of \$4,876,086, secured by utility revenues, no interest plus an administrative fee of 0.5%, semiannual installments of principal commencing March 15, 2003 through September 15, 2022	1,584,728
2005 OWRB Fixed Rate Note Payable dated June 29, 2005, original amount of \$7,620,000, secured by utility revenues, 2.6% interest plus an administrative fee of 0.5%, semiannual installments of principal and interest commencing September 15, 2005 through March 15, 2025	4,018,999
2007 Revenue Note dated December 5, 2007, original amount of \$6,010,000, secured by dedicated 1/2 cent sales tax revenues, 3.68% interest rate, semiannual installments of principal and interest commencing December 1, 2008 through December 1, 2016	420,000
2009 OWRB DWSRF Note Payable dated November 24, 2009, original amount of \$11,645,000, \$2,000,000 in principal forgiveness from American Recovery and Reinvestment Act 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	8,236,636
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	955,638
2010 Revenue Note dated September 23, 2010, original amount of \$6,075,000 secured by dedicated 1/2 cent sales tax revenues, 2.33% interest rate, semiannual installments of principal and interest commencing December 1, 2010 through December 1, 2016	540,000
2016 OWRB SRF Note Payable dated June 27, 2016, not to exceed \$29,900,000, secured by utility revenues, 1.82% interest plus an administrative fee of 0.5%, semiannual principal installments commence the earlier of March 15, 2017 or construction completion	0
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>845,728</u>
<b>Total Notes Payable</b>	<b><u>\$17,540,437</u></b>
Current portion	\$2,233,931
Noncurrent portion	<u>15,306,506</u>
<b>Total Notes Payable</b>	<b><u>\$17,540,437</u></b>

<b>Capital Lease Obligations - SUA</b>	
Borrowings have been advanced pursuant to a credit agreement with Bank of America, N.A. that provides for the purchase of equipment. Total borrowings are limited to \$7.9 million with a fixed interest rate determined at the time of funding. Total borrowings under this credit agreement at June 30, 2016 amounted to \$5.2 million and are denoted with a (*) below.	
Total cost of capital assets financed by lease obligations	\$5,107,091
Less: accumulated depreciation	(1,109,892)
Net capital assets financed by lease obligations	\$3,997,199
\$124,760 capital lease with Capital One for equipment, interest rate of 2.4337% monthly installments commencing October 30, 2011 through September 30, 2016	\$6,609
\$258,550 capital lease with Capital One for equipment, interest rate of 2.5442% monthly installments commencing January 15, 2102 through December 15, 2016	27,358
\$123,127 capital lease with Bank of America for equipment, interest rate of 2.4857% monthly installments commencing February 29,2012 through January 30, 2017*	15,169
\$92,387 capital lease with Bank of America for equipment, interest rate of 2.4957% monthly installments commencing June 15, 2012 through May 15, 2017*	17,798
\$80,244 capital lease with Bank of America for equipment, interest rate of 2.3687%, monthly installments commencing September 30, 2012 through August 30, 2017*	19,594
\$62,427 capital lease with Bank of America for equipment, interest rate of 2.3167%, monthly installments commencing October 30, 2012 through September 30, 2017*	16,297
\$412,263 capital lease with Bank of America for equipment, interest rate of 2.2972%, monthly installments commencing January 30, 2013 through December 30, 2017*	128,757
\$223,323 capital lease with Bank of America for equipment, interest rate of 2.3882%, monthly installments commencing March 30, 2013 through February 28, 2018*	77,461
\$286,920 capital lease with Bank of America for equipment, interest rate of 2.3362%, monthly installments commencing April 15, 2013 through March 15, 2018*	104,252
\$78,040 capital lease with Bank of America for equipment, interest rate of 2.3687%, monthly installments commencing May 15, 2013 through April 15, 2018*	29,706
\$122,925 capital lease with Bank of America for equipment, interest rate of 2.3362%, monthly installments commencing May 30, 2013 through April 30, 2018*	46,771
\$524,527 capital lease with Bank of America for equipment, interest rate of 2.3622%, monthly installments commencing June 30, 2013 through May 30, 2018*	208,429
\$324,915 capital lease with Bank of America for equipment, interest rate of 2.4792%, monthly installments commencing January 30, 2014 through December 30, 2018*	167,623
\$99,988 capital lease with Bank of America for equipment, interest rate of 1.5800%, monthly installments commencing March 13, 2015 through February 13, 2020*	74,092

<b>Capital Lease Obligations Cont. - SUA</b>	
\$95,660 capital lease with Bank of America for equipment, interest rate of 1.5036%, monthly installments commencing April 16, 2015 through March 16, 2020*	72,414
\$1,422,942 capital lease with Bank of America for equipment, interest rate of 1.4871% monthly installments commencing July 30, 2015 through April 30, 2020*	1,100,518
\$180,966 capital lease with Bank of America for equipment, interest rate of 1.4588%, monthly installments commencing July 9, 2015 through June 9, 2020*	145,820
\$190,579 capital lease with Bank of America for equipment, interest rate of 1.4780%, monthly installments commencing August 24, 2015 through July 24, 2020*	156,685
\$339,721 capital lease with Bank of America for equipment, interest rate of 1.2729%, monthly installments commencing March 11, 2016 through February 11, 2021*	317,739
\$288,385 capital lease with Bank of America for equipment, interest rate of 1.2985%, monthly installments commencing April 10, 2016 through March 10, 2021*	274,406
\$116,059 capital lease with Bank of America for equipment, fixed interest rate of 1.2537%, monthly installments commencing June 18, 2016 through May 18, 2021*	114,184
<b>Total Capital Leases</b>	<b><u>\$3,121,682</u></b>
Current portion	\$1,040,353
Noncurrent portion	<u>2,081,329</u>
<b>Total Capital Leases</b>	<b><u>\$3,121,682</u></b>
<b>Accrued Compensated Absences</b>	
Current portion	\$136,696
Noncurrent portion	<u>814,807</u>
<b>Total Accrued Compensated Absences</b>	<b><u>\$951,503</u></b>
<b>Deposits Subject to Refund</b>	
Current portion	\$786,260
Noncurrent portion	<u>656,082</u>
<b>Total Deposits Subject to Refund</b>	<b><u>\$1,442,342</u></b>
<b>Refundable Grant Obligations</b>	
Current portion	\$211,246
Noncurrent portion	<u>0</u>
<b>Total Refundable Grant Obligations</b>	<b><u>\$211,246</u></b>



3. **Component Unit:** As of June 30, 2016, the long-term debt of the component unit, Stillwater Medical Center Authority, consisted of the following:

<b>Revenue Bonds</b>	
2014 Series Revenue Bonds dated March 28, 2014, original issue amount of \$15,570,000, secured by gross revenue, personal property and trustee-held assets, interest rate of 1.69%, semiannual interest and annual principal installments through May 15, 2019	\$12,550,000
<b>Total Revenue Bonds Payable</b>	<b>\$12,550,000</b>
Current portion	\$3,070,000
Noncurrent portion	9,480,000
<b>Total Revenue Bonds Payable</b>	<b>\$12,550,000</b>
<b>Capital Lease Obligations</b>	
Total cost of capital assets financed by lease obligations	\$2,028,415
Less: accumulated depreciation	534,381
<b>Net capital assets financed by lease obligations</b>	<b>\$1,494,034</b>
Capital leases issued for equipment, interest rates from 1.69% to 5.00% installments payable through 2019	\$1,520,486
Current portion	\$505,337
Noncurrent portion	103,333
<b>Total Capital Lease Obligations Payable</b>	<b>\$1,520,486</b>

### I. 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 non-compliance 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.

### J. Changes in Long-Term Liabilities

Changes in the long-term liabilities for the year ended June 30, 2016 are summarized below:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Amounts Due Within One Year
<b>PRIMARY GOVERNMENT:</b>					
<b>Governmental Activities</b>					
General Obligations Bonds	\$4,724,678	\$0	\$868,397	\$3,856,281	\$800,000
Refundable Grant Obligations	143,333	0	20,000	123,333	20,000
Accrued Compensated Absences	2,408,969	308,244	215,493	2,501,720	215,492
Total Governmental Activities	\$7,276,980	\$308,244	\$1,103,890	\$6,481,334	\$1,035,492
<b>Business-type Activities</b>					
Notes Payable	\$20,666,471	\$0	\$3,126,034	\$17,540,437	\$2,233,931
Revenue Bonds Payable, net	68,211,090	0	233,963	67,977,127	233,963
Capital Lease Obligations	3,257,684	934,744	1,070,746	3,121,682	1,040,353
Refundable Grant Obligations	63,849	402,000	254,603	211,246	211,246
Accrued Compensated Absences	854,075	229,430	132,002	951,503	136,696
Deposits Subject to Refund	1,408,198	863,918	829,774	1,442,342	786,260
Total Business-type Activities	\$94,461,367	\$2,430,092	\$5,647,122	\$91,244,337	\$4,642,449
	<b>Balance</b>	<b>Addition</b>	<b>Reductions</b>	<b>Balance</b>	<b>Amounts Due</b>
	<b>December 31, 2014</b>			<b>December 31, 2015</b>	<b>Within One Year</b>
<b>COMPONENT UNIT:</b>					
<u>Stillwater Medical Center Authority</u>					
Revenue Bonds Payable, net	\$15,570,000	\$0	\$3,020,000	\$12,550,000	\$3,070,000
Capital Lease Obligations	648,411	1,185,428	313,353	1,520,486	505,337
Total Governmental Activities	\$16,218,411	\$1,185,428	\$3,333,353	\$14,070,486	\$3,575,337

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

## K. Maturities of Long-term Debt

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

<b>PRIMARY GOVERNMENT:</b>				
<b>Government Activities</b>				
Year Ending	GENERAL OBLIGATION BOND PAYABLE		REFUNDABLE GRANT OBLIGATIONS	
	Principal	Interest	Principal	Interest
June 30,				
2017	\$800,000	\$141,600	\$20,000	\$0
2018	800,000	109,600	20,000	0
2019	795,000	77,600	20,000	0
2020	795,000	45,800	20,000	0
2021	350,000	14,000	20,000	0
2022-2024	0	0	23,333	0
Total	\$3,540,000	\$388,600	\$123,333	\$0

<b>Business-type Activities</b>						
Year Ending	REVENUE BONDS PAYABLE		NOTES PAYABLE		CAPITAL LEASES	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30,						
2017	\$0	\$2,843,050	\$2,233,931	\$458,112	\$1,040,353	\$43,425
2018	1,295,000	2,823,625	1,302,434	413,965	875,823	25,187
2019	1,330,000	2,777,600	1,331,403	382,921	588,476	13,187
2020	1,385,000	2,723,300	1,360,402	351,829	500,897	4,997
2021	1,440,000	2,659,600	1,392,186	317,993	116,133	605
2022-2026	8,320,000	12,157,875	5,319,120	1,099,095	0	0
2027-2031	10,430,000	10,003,100	3,427,153	517,924	0	0
2032-2036	13,125,000	7,242,650	1,173,808	50,756	0	0
2037-2041	16,710,000	3,563,625	0	0	0	0
2042-2046	7,795,000	314,700	0	0	0	0
Total	\$61,830,000	\$47,109,125	\$17,540,437	\$3,592,595	\$3,121,682	\$87,401

<b>COMPONENT UNIT:</b>				
<b>Stillwater Medical Center</b>				
Year Ending	REVENUE BONDS PAYABLE		CAPITAL LEASES	
	Principal	Interest	Principal	Interest
December 31,				
2016	\$3,070,000	\$189,112	\$533,976	0
2017	3,125,000	135,444	498,498	0
2018	3,150,000	81,682	345,060	0
2019	3,205,000	27,233	194,136	0
Total	\$12,550,000	\$433,471	\$1,571,670	\$0



## IV.EMPLOYEE PENSION AND OTHER BENEFIT PLANS

### A. Non-uniformed Employees

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

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

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

The total contribution, net of forfeitures, for the year ended June 30, 2016, was \$2,166,623 which consisted of \$1,102,829 (net of \$86,611 in forfeitures) from the City and \$1,063,794 from employees.

The Hospital also participates in the Oklahoma Municipal Retirement Defined Contribution Plan. All full time employees of the Hospital are covered. The Hospital and employees contribute 6% and 3%, respectively of eligible salaries into the plan. Contributions, net of forfeitures, were approximately \$2,339,000 from the Hospital and \$1,290,000 from employees for the year ended December 31, 2015. Forfeitures of \$205,014 were applied to the Hospital's required 6% contribution.

- 2. Defined Contribution Plan—City Manager Plan:** The City also provides a defined contribution plan available to any person who is in the position of City Manager. Employees are eligible on the employee's employment commencement date. The City has elected the variable funding option. The City intends to make a contribution to the Plan for the benefit of the participants on a monthly basis. The contribution may be varied from year to year by the City. The City's contributions for each employee (and interest allocated to the employee's account) are vested at 100% immediately upon the participation date. Benefits depend solely on amounts contributed to the plan plus investment earnings. The authority to establish and amend the provisions of the plan rests with the City Council. The City contributed 13% to the plan through December, 2015 and then 6% beginning in May, 2016. The enrolled employees contribute 3% to the plan. The total contributions for the year ended June 30, 2016 was \$32,714 which consisted of \$25,396 from the City and \$7,318 from employees.
- 3. Defined Benefit (Retiree) Plan:** Plan Description—In 1985, the City replaced a defined benefit plan with the current defined contribution 401(a) plan. The assets of the defined benefit plan were apportioned to all eligible participants in the plan as of June 30, 1985, except those assets attributable to retired participants as of June 30, 1985, which were used to fund the future retirement benefits of such retired participants. This plan is closed to new entrants. The plan is administered and reported by the Oklahoma Municipal Retirement Fund (OMRF) as an agent multiple-employer plan. There has been no required employer contribution associated with this plan for the last ten years. No additional employee contributions are required or allowed. Although this plan is considerably overfunded, the plan assets are not available for City operations until such time as the obligation to pay the two remaining retirees is exhausted.

Benefits provided—The plan retirement benefit is equal to an elected percentage of final compensation for each year of credited service. Final compensation is defined as the average salary for the highest 60 consecutive months out of the last 10 years of the participant's employment. Benefits in payment status

are adjusted each July 1st based on the percentage change in the Consumer Price Index. The maximum increase or decrease in any year is 3%.

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

Net Pension Assets: The net pension assets of the Defined Benefit (Retiree) Plan for the year ended June 30, 2016 was measured as of July 1, 2015 based on an actuarial valuation that determined the total pension liability as of that date.

Actuarial Assumptions: The actuarial valuation that provided the total pension liability as of July 1, 2015 used the following assumptions:

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

\* Net of pension plan investment expense; includes inflation

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3%). Best estimates of arithmetic real rate of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2015 are summarized in the following table:

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

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

Change in Net Pension Asset: A summary of the change in net pension asset for the Defined Benefit (Retiree) Plan for the year ended June 30, 2016 is below:

	Total Pension Liability	Plan Net Fiduciary Position	Net Pension Liability (Asset)
Balance at 7/1/2014	\$27,389	\$7,617,513	\$(7,590,124)
Interest cost	1,899	0	1,899
Difference between expected and actual experience	2,754	0	2,754
Net investment income	0	214,331	(214,331)
Benefit payments	(5,887)	(5,887)	0
Administrative expense	0	(15,903)	15,903
Net changes during year	(1,234)	192,541	(193,775)
Balance at 7/1/2015	\$26,155	\$7,810,054	\$(7,783,899)

Sensitivity of Net Pension Asset to Changes in Discount Rate: The following shows the effect of a 1% increase or decrease from the 7.75% discount rate that was used to calculate the net pension asset.

	1% Decrease to 6.5%	Current Discount Rate 7.75%	1% Increase 8.5%
Total pension liability	\$27,200	\$26,155	\$25,193
Plan net fiduciary position	7,810,054	7,810,054	7,810,054
Net pension asset	\$(7,782,854)	\$(7,783,899)	\$(7,784,861)

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

Pension Expense and Deferred Inflows of Resources Related to Pensions: Pension expense was reduced by \$594,003 in fiscal year 2016. The following shows what makes up the pension expense reduction:

Interest cost	\$1,899
Expected return on plan investments	(565,346)
Administrative expenses	15,903
Amortization of deferred (inflows) and outflows:	
Actuarial (gains) and losses	2,754
Investment (gains) and losses	(49,213)
Pension expense	\$(594,003)

Deferred inflows or outflows are the result of investment gains or losses. The total ending deferred inflow associated with the difference between projected and actual earnings on pension plan investments is \$77,437. Deferred inflows will be recognized in pension expense as follows:

Fiscal Year	Amount
2017	\$(49,213)
2018	(49,213)
2019	(49,213)
2020	70,202

## B. Uniformed Employees

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

	Oklahoma Police Pension and Retirement System	Oklahoma Firefighter's Pension and Retirement System
Obtaining separately issued financial statements	Police Pension and Retirement 1001 N.W. 63rd St. Suite 305 Oklahoma City Ok 73116-7335	Firefighters Pension & Retirement 4545 N. Lincoln Blvd. Suite 265 Oklahoma City, Ok. 73105-3414
Authority establishing contribution obligations and benefits	State Statute	State Statute
Eligibility to participate	All full-time officers, employed by a participating municipality, not less than 21 years of age or more than 45 years of age when hired	All full-time or voluntary firefighters of a participating municipality hired before age 45
Employee's required contribution rate (percent of covered payroll)	8%	9%
City's required contribution rate (percent of covered payroll)	13%	14%
State obligation	State appropriation to fund the unfunded actuarial accrued liability	State appropriation to fund the unfunded actuarial accrued liability
Periods required to vest	10 years	10 years
Eligibility and benefits for distribution (full-time)	20 years credited service, 2.5% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; reduced benefits if vested at or after age 50 or after 10 but before 20 years of credited service	20 years credited service, 2.5% of final average salary multiplied by the years of credited service with a maximum of 30 years considered; reduced benefits if vested at or after age 50 or after 10 but before 20 years of credited service
Deferred retirement option	Yes. 20 years credited service with additional option to participate in deferred compensation plan (Louisiana Plan)	Yes. 20 years credited service with continued service for a maximum of 30 years
Provisions for: Cost of living adjustments (normal retirement)	Yes	Yes
Death (duty, non-duty, post-retirement)	Yes	Yes
Disability (duty, non-duty)	Yes	Yes
Cost of living allowances	Yes	Yes

Contributions required by state statute:

Fiscal Year	OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM		OKLAHOMA FIREFIGHTER'S PENSION AND RETIREMENT SYSTEM	
	City's Required Contribution	Percentage Contributed	City's Required Contribution	Percentage Contributed
2016	\$763,592	100%	\$708,897	100%
2015	705,649	100%	663,084	100%
2014	650,255	100%	651,083	100%
2013	649,483	100%	577,517	100%
2012	612,606	100%	571,980	100%

Pension Liability, Expense and Deferred Inflows and Outflows of Resources: At June 30, 2016, the City reported a liability of \$78,571 for its proportionate share of the collective net pension liability of the Oklahoma Police Pension and Retirement System and a liability of \$18,399,430 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, 2015 using an actuarial valuation to calculate the total pension liability as of that date. The City's proportion of the net pension liability represents the City's actual cash basis contributions for the fiscal year divided by the total of all employer cash basis contributions for the fiscal year. The City's proportion of the Police Pension plan increased from 1.788% to 1.927% during the fiscal year and resulted in a deferred outflow of \$114,683. The City's proportion of the Fire Pension plan decreased from 1.742% to 1.733% during the fiscal year and resulted in a deferred inflow of \$83,323.

For the year ended June 30, 2016, the City recognized pension expense of \$305,880 for the police pension plan and \$1,536,400 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 AND RETIREMENT SYSTEM		OKLAHOMA FIREFIGHTER PENSION AND RETIREMENT SYSTEM	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	\$0	\$ 434,464	\$363,515	\$0
Net difference between projected and actual earnings on pension plan investments	1,407,949	1,710,285	652,268	2,023,814
Effect of City's proportion of plan	114,683	0	0	83,323
City contributions made subsequent to the measurement date	763,592	0	708,897	0
<b>Total</b>	<b>\$2,286,224</b>	<b>\$2,144,749</b>	<b>\$1,724,680</b>	<b>\$2,107,137</b>

Deferred outflows resulting from City contributions to the plans subsequent to the measurement date will be recognized as a reduction of pension expense in the fiscal year ending June 30, 2017. Other deferred inflows and deferred outflows related to pensions will be recognized in pension expense as shown in the following chart:

	OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM		OKLAHOMA FIREFIGHTER'S PENSION AND RETIREMENT SYSTEM	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	\$376,030	\$(708,893)	\$248,816	\$(747,621)
2018	376,030	(708,893)	248,816	(747,622)
2019	376,030	(708,893)	248,816	(747,621)
2020	376,031	8,404	248,816	156,282
2021	18,511	(26,474)	24,214	(15,692)
Thereafter	0	0	(3,695)	(4,863)

Actuarial Assumptions: The actuarial valuation that provided the total pension liability as of June 30, 2015 used the following assumptions:

Assumption	Oklahoma Police Pension & Retirement System	Oklahoma Firefighters Pension & Retirement System
Inflation	3.0%	3.0%
Salary increases*	4.5%-17.0%	3.5% – 9.0%
Investment rate of return	7.5%	7.5%

\*Based on years of service; includes inflation

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

The actuarial assumptions used for both plans' June 30, 2015 valuations were based on actuarial experience studies for the respective plans for a 5 year period of July 1, 2007 through June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in the following table:

Assets Class	OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM	OKLAHOMA FIREFIGHTER'S PENSION AND RETIREMENT SYSTEM
	Long-term Expected Real Rate of Return	Long-term Expected Real Rate of Return
Fixed income	3.27%	5.18%
Domestic equity	5.16%	8.70%
International equity	8.61%	10.87%
Real estate	4.97%	7.23%
Private equity	8.32%	0.00%
Commodities	2.42%	0.00%
Other assets	0.00%	6.24%

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

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

	1% Decrease to 6.5%	Current Discount Rate 7.5%	1% increase to 8.5%
City's share of police plan net pension liability (asset)	\$4,721,083	\$78,571	\$(3,835,391)
City's share of fire plan net pension liability (asset)	23,889,729	18,399,430	13,794,689

**Non-employer Contributing Entity:** For the City's police and firefighters pension plans, the State of Oklahoma is considered to be a non-employer contributing entity. The State contributes 14% of the insurance premium tax collected through its taxing authority to the police pension plan and 36% of the insurance premium tax collected to the firefighter's pension plan. The City is required to recognize revenue for its share of the support provided by the State by multiplying the State's total contribution to each pension plan by the City's calculated proportionate share of the collective net pension liability or asset for each pension plan. For the year ended June 30, 2016, the City recorded revenues of \$683,892 for the police pension plan and \$1,581,565 for the firefighter's pension plan.

## 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. At June 30, 2016, 36 retiree-related participants (retirees and/or spouses and/or families) were participating in the City healthcare plan. There were 14 retirees who met the eligibility requirements at June 30 who did not choose to participate. 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. During the fiscal year ended June 30, 2016, net expenditures of \$274,906 were attributable to post-retirement health care. The plan does not issue a stand-alone report.

**Funding Policy:** The City funds healthcare benefits on a pay-as-you-go basis utilizing a third party administrator, Blue Cross Blue Shield of Oklahoma. Eligible employees are required to pay set premiums for a portion of the cost, with the City subsidizing the remaining costs. Contribution requirements of active employees are established and amended as needed by the City Council. Premium rates for retirees and COBRA participants are set by City management upon recommendations provided by the third party administrator and the City's re-insurance agent. The required monthly contribution rates for plan members for fiscal year 2016 range from \$49 to \$412 for active employees, \$497 to \$1,827 for retired participants, and \$506 to \$1,863 for COBRA participants.

**Annual OPEB Cost and Net OPEB Obligation:** The annual OPEB cost is equal to the annual required contribution (ARC) plus an adjustment if the ARC is not funded each year. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost of each year plus any unfunded actuarial liabilities as amortized over thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount contributed to the plan and the changes in the City's net OPEB obligation to the retiree health plan:

Annual required contribution	\$789,904
Interest on prior year net OPEB obligation	125,675
Adjustment to annual required contribution	(327,270)
Annual OPEB cost	588,309
Employer contributions	(121,686)
Increase in net OPEB obligation	466,623
Beginning OPEB obligation	4,189,154
Ending OPEB obligation	\$4,655,777

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

Fiscal Year Ended	Annual OPEB Cost	Net Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	\$588,309	\$121,686	20.7%	\$4,655,777
2015	631,171	95,108	15.1%	4,189,154
2014	643,619	70,002	10.9%	3,653,091

**Funding Status and Funding Progress:** The unfunded actuarial liability is being amortized using level dollar amortization on a closed basis over thirty years, beginning July 1, 2008. As of June 30, 2016, the funded status of the retiree health plan was as follows:

Actuarial accrued liability (AAL)	\$6,047,547
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	\$6,047,547
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Annual covered payroll (active plan members)	\$28,130,000
UAAL as a percentage of annual covered payroll	21.5%

The required supplementary information schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Methods and Assumptions:** Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funding status of the plan and the annual required contribution are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuar-

ial methods and assumption used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuations as of July 1, 2015, the projected unit credit (PUC) actuarial cost method was used to measure accruing costs. Under the principles of the PUC method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated pro-rata to each year of service between entry age and assumed exit. The actuarial valuation utilized several significant assumptions affecting the valuation results including the medical claims costs assumptions, the medical trend assumptions, and the discount rate. The resulting annual required contribution was based on a 3.0% discount rate and a medical trend rate beginning at 6.12% in 2015 and grading to 4.87% in 2060. Other assumptions used include inflation at 2.5%, real GNP growth of 1.7% and an income multiplier of 1.4%. Additionally, it was assumed that 50% of future retired participants would opt for retiree healthcare coverage. It was also assumed that 50% of future retirees who opt for healthcare coverage would cover a spouse at retirement.

## VI. RISK MANAGEMENT

As of June 30, 2016, claims outstanding against the City and its public authorities were \$2,005,043 and are accrued under the heading “Accrued Liabilities” in the accompanying financial statements. Liabilities were accrued for tort claims, general liability claims and employee health insurance claims. The City is self-insured for group medical, general liability, workers compensation, unemployment and property damage. The City has a reinsurance policy which limits the City’s liability for major medical to \$120,000 per individual. The City purchases conventional insurance for excess losses for general liability and property damage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The claims liability for health claims incurred but not reported is estimated by management using a five-month claims lag analysis. The claims liability for workers compensation claims and judgments is estimated using information provided by a third party administrator based on their opinion of probable outcome of litigation. The balance of the claim liability is expected to be paid within the next year and is included in accrued liabilities on the statement of net position. All claims are paid from the consolidated cash account, funded by the General Fund. Changes in the balances of claims liabilities for the years ending June 30, 2016 and 2015 were as follows:

	Beginning Liability Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Liability Balance
2016	\$2,115,584	\$5,549,188	\$5,659,729	\$2,005,043
2015	1,637,920	6,445,343	5,967,679	2,115,584

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

The Hospital is self-insured for health claims of participating employees and dependents up to an annual aggregate amount of approximately \$175,000 and any amounts over \$1,000,000. The Hospital purchases annual stop-loss insurance coverage for claims in excess of \$175,000 up to \$1,000,000.

The Hospital is self-insured for risks related to workers’ compensation claims up to \$500,000 per occurrence with an annual liability of \$1,000,000 in the aggregate. In connection with the self-insured workers’ compensation policy, the Hospital was required to obtain a \$250,000 standby letter of credit. As of December 31, 2015 the Hospital had not drawn upon the letter of credit. Subsequent to year-end, the Hospital substituted the letter of credit with a \$300,000 certificate of deposit held in escrow at a local bank.

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

Activity in the Hospital's accrued employee health and workers compensation claims liability for years ended December 31, 2015 and 2014 is summarized as follows:

	<b>Beginning Liability Balance</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Ending Liability Balance</b>
2015	\$1,209,392	\$9,024,074	\$7,955,815	\$2,277,651
2014	1,519,448	6,802,669	7,112,725	1,209,392

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

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

The Hospital has commitments for non-cancellable operating leases for equipment and building space which expire in various years through December 2027. These leases generally contain renewal options for periods ranging from five to ten years and require the Hospital to pay all executory costs (property taxes, maintenance and insurance). Future minimum lease payments at December 31, 2015, were approximately:

<b>Fiscal Year</b>	<b>Amount</b>
2016	\$974,000
2017	940,000
2018	877,000
2019	795,000
2020	746,000
2021-2025	2,683,000
2026-2027	796,000
<b>Total</b>	<b>\$7,811,000</b>

### 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 had pledged future ad valorem taxes to repay the \$8,500,000 2000 General Obligation bonds and the \$6,470,000 2001 General Obligation bonds used to provide financing for the construction and remodel of the City Hall/Police building. These bonds were refunded during the fiscal year ended June 30, 2010. The refunding bonds of \$8,390,000 are due in payments commencing June, 2011 through June, 2021. The total principal and interest payable for the remainder of the life of these bonds is \$3,928,600. Ad valorem taxes received in the current year were \$1,139,768. Debt service payments of \$978,800 in the current fiscal year were 86% of the total ad valorem taxes received.

The SUA has pledged future sales tax revenues to repay a \$6,010,000 note issued in December 2007 and a \$6,075,000 note issued in September 2010 to finance transportation improvement projects identified in the 2006 Transportation Sales Tax Ordinance. The notes are payable solely from sales tax revenue equal to one half of the one-half cent transportation sales tax collected by the City and transferred to the Authority by way of the Sales Tax Agreement. Sales taxes are projected to produce 100 percent of the debt service requirements over the life of the notes. Total principal and interest remaining on the 2007 Note is \$427,728 at June 30, 2016, payable semiannually commencing December 2008 and concluding December 2016. Total principal and interest remaining on the 2010 Note is \$546,291 at June 30, 2016, payable semiannually commencing December 2010 and concluding December 2016. For the year ended June 30, 2016, total sales tax revenues were \$2,051,317.

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, 2016, sales tax revenues were \$8,205,267, and net revenues were \$25,335,936. The following is a summary of the debt issues included in this pledge of revenues as of June 30, 2016:

Debt Issue	Issue Amount	Issue Date	Maturity Date	Remaining Principal and Interest	Current Year Principal and Interest
2002 OWRB SRF Note	\$3,413,483	Feb 2002	Sept 2021	\$952,999	\$175,218
2002 OWRB SRF Note	4,876,086	Dec 2002	Sept 2022	1,612,874	251,532
2005 OWRB Fixed Rate Note	7,620,000	Jun 2005	Mar 2025	4,452,243	494,147
2009 OWRB DWSRF Note	11,645,000	Nov 2009	Sept 2032	10,820,972	655,817
2009 OWRB CWSRF Note	1,875,000	Nov 2009	Sept 2030	1,175,935	81,099
Series 2014A Revenue Bonds	61,830,000	Aug 2014	Oct 2042	108,939,125	2,843,050



## IX. COMPONENT UNIT BUSINESS ACQUISITIONS AND ASSOCIATED GOODWILL

In 2009, the Hospital acquired 100% of the assets of Stillwater Surgery Center, LLC., an outpatient ambulatory surgery center providing surgery services to patients of the surrounding geographic area. The excess of the purchase price of the Stillwater Surgery Center, LLC over the fair value of the assets and liabilities is attributable to goodwill. Goodwill will be amortized on the straight-line basis over 15 years. Amortization expense is estimated to be approximately \$388,000 each year through 2024.

In 2012, the Hospital acquired 100% of the assets of OrthoOklahoma, P.C. and W.S. & J. Management, LLC. (Ortho-Oklahoma). The excess of the purchase price of Ortho-Oklahoma over the fair value of the assets and liabilities is attributable to goodwill. Goodwill will be amortized on the straight-line basis over five years. Amortization expense is estimated to be approximately \$632,000 each year through 2017.

In 2014, the Hospital acquired the assets of Women First, LLC. The excess of the purchase price of Women First, LLC over the fair value of the assets and liabilities is attributable to goodwill. Goodwill will be amortized on the straight-line basis over three years. Amortization expense is estimated to be approximately \$256,000 each year through 2017.

## X. COMPONENT UNIT INVESTMENTS IN JOINT VENTURES

The Hospital's investments in joint ventures relate to a 10% ownership in Heartland Healthcare Reciprocal Risk Retention Group which is accounted for using the equity method of accounting; a 62% ownership in Stillwater Medical Center Imaging, LLC which is accounted for using the equity method (as the Hospital only controls 50% of the entity); a 50% ownership in Bristol Hospice and Homecare-Stillwater, LLC which is accounted for using the equity method; a 9% ownership in Fresenius Medical Care-Stillwater, LLC which is accounted for using the cost method; and a 0.93% ownership in Upper Midwest Consolidated Services Center, LLC which is accounted for using the cost method.

Heartland Healthcare Reciprocal Risk Retention Group (Heartland) provides insurance coverage. The Hospital paid approximately \$214,000 to purchase its professional liability (medical malpractice) and general liability insurance from Heartland during the year ended December 31, 2015. The Hospital's investment in Heartland was \$862,094 at December 31, 2015.

Stillwater Medical Imaging, LLC (SMI) owns and operates MRI, CT and other imaging equipment. The Hospital purchases imaging services for its patients from the joint venture. Included in accrued expenses of the Hospital is approximately \$524,000 at December 31, 2015 due to the joint venture. During the year ended December 31, 2015, the Hospital earned approximately \$952,000 in fees from billing and collection services related to SMI. The Hospital's investment in SMI was \$1,018,653 at December 31, 2015.

Bristol Hospice and Homecare-Stillwater, LLC (BHHC) was formed to own and operate hospice and homecare subsidiary companies. BHHC is the sole member of Judith Karman Bristol Hospice, LLC (JKBH). JKBH provides hospice services to residents of Stillwater and the surrounding area. For the year ended December 31, 2015, the Hospital invested \$325,000 in capital contributions to BHHC. The Hospital's investment in BHHC was \$188,410 at December 31, 2015.

Fresenius Medical Care-Stillwater, LLC provides dialysis services to residents of Stillwater and the surrounding area. The Hospital's investment in Fresenius was \$261,775 at December 31, 2015.

Upper Midwest Consolidated Services Center, LLC (UMCSC) is a health care supply purchasing and management organization. For the year ended December 31, 2015, the Hospital invested \$75,000 in capital contributions to UMCSC. The Hospital's investment in UMCSC was \$75,000 at December 31, 2015.

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

## XI. 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. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"—The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability and replaces the requirements of GASB Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" and GASB Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans." This Statement also includes requirements for those OPEB plans in GASB Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and GASB Statement No. 50, "Pension Disclosures." This Statement will become effective for the City in the fiscal year ended June 30, 2017.

GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"—The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions and replaces the requirements of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" and GASB Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans." This Statement will become effective for the City in the fiscal year ended June 30, 2018.

GASB Statement No. 77, "Tax Abatement Disclosures"—This Statement requires governments that enter into tax abatement agreements to disclose information about the nature and magnitude of the agreements to increase transparency to financial statement users. This Statement will become effective for the City in the fiscal year ended June 30, 2017.

GASB Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans"—The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement will become effective for the City in the fiscal year ended June 30, 2017.

GASB Statement No. 79, "Certain External Investment Pools and Pool Participants"—This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will become effective for the City in the fiscal year ended June 30, 2017.

GASB Statement No. 80, "Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14"—The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement will become effective for the City in the fiscal year ended June 30, 2018.

GASB Statement No. 81, "Irrevocable Split-Interest Agreements"—The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will become effective for the City in the fiscal year ended June 30, 2018.

GASB Statement No. 82, "Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73"—This Statement addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement will become effective for the City in the fiscal year ended June 30, 2018.

# REQUIRED SUPPLEMENTARY INFORMATION

Reference Copy

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STILL PIONEERING



**City of Stillwater, Oklahoma**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual — General Fund**  
**For the Year Ended June 30, 2016**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance from Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Sales tax	\$31,685,000	\$31,685,000	\$30,250,926	\$(1,434,074)
Other taxes	2,615,000	2,615,000	2,476,770	(138,230)
Intergovernmental	49,100	401,971	238,149	(163,822)
Charges for services	566,800	566,800	671,485	104,685
Fines and forfeits	776,500	776,500	1,162,590	386,090
Fees and rentals	1,208,800	1,211,205	1,087,411	(123,794)
Investment income	60,000	60,000	170,208	110,208
Licenses and permits	270,100	270,100	377,683	107,583
Other miscellaneous revenue	932,850	976,300	691,914	(284,386)
<b>Total revenues</b>	<b>38,164,150</b>	<b>38,562,876</b>	<b>37,127,136</b>	<b>(1,435,740)</b>
<b>EXPENDITURES</b>				
<b>Public safety:</b>				
<b>Police:</b>				
Personal services	11,635,332	11,546,161	10,866,893	679,268
Materials and supplies	657,776	483,928	399,133	84,795
Contract services	731,792	653,862	479,948	173,914
<b>Fire:</b>				
Personal services	7,623,829	7,552,159	7,210,953	341,206
Materials and supplies	303,400	256,900	184,234	72,666
Contract services	292,783	221,783	101,745	120,038
<b>Total public safety</b>	<b>21,244,912</b>	<b>20,714,793</b>	<b>19,242,906</b>	<b>1,471,887</b>
<b>Recreation and culture:</b>				
<b>Parks and recreation:</b>				
Personal services	1,526,621	1,428,737	1,242,483	186,254
Materials and supplies	426,733	431,692	447,680	(15,988)
Contract services	884,701	948,012	803,227	144,785
<b>Library:</b>				
Personal services	1,184,362	1,135,431	1,079,525	55,906
Materials and supplies	124,600	116,855	102,685	14,170
Contract services	205,518	570,091	386,726	183,365
<b>Total recreation and culture</b>	<b>4,352,535</b>	<b>4,630,818</b>	<b>4,062,328</b>	<b>568,490</b>
<b>General government:</b>				
Personal services	3,088,233	3,275,588	2,515,425	760,163
Materials and supplies	181,156	185,356	160,063	25,293
Contract services	3,833,435	3,662,597	1,325,925	2,336,672
<b>Total general government</b>	<b>7,102,824</b>	<b>7,123,541</b>	<b>4,001,412</b>	<b>3,122,129</b>
<b>Financial administration:</b>				
Personal services	921,298	783,538	721,431	62,107
Materials and supplies	60,550	58,050	38,301	19,749
Contract services	53,893	120,293	84,748	35,545
<b>Total financial administration</b>	<b>1,035,741</b>	<b>961,881</b>	<b>844,480</b>	<b>117,401</b>
<b>Streets and sewers:</b>				
Personal services	3,407,503	3,048,071	2,718,476	329,595
Materials and supplies	971,480	734,688	650,943	83,745
Contract services	1,333,952	1,563,558	1,056,758	506,800
<b>Total streets and sewers</b>	<b>5,712,935</b>	<b>5,346,317</b>	<b>4,426,177</b>	<b>920,140</b>

continued...



...continued	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
<b>Health and welfare:</b>				
<b>Health:</b>				
Personal services	0	0	0	0
Materials and supplies	23,500	18,300	13,191	5,109
Contract services	32,500	27,600	20,176	7,424
<b>Community development:</b>				
Personal services	1,103,847	1,016,837	948,132	68,705
Materials and supplies	31,220	26,720	11,667	15,053
Contract services	154,193	187,913	125,251	62,662
Total human services	1,345,260	1,277,370	1,118,418	158,952
<b>Economic development:</b>				
Personal services	0	0	0	0
Materials and supplies	0	0	0	0
Contract services	0	0	27,903	(27,903)
Total economic development	0	0	27,903	(27,903)
<b>Capital outlay:</b>				
Police	474,900	539,479	464,038	75,441
Fire	35,000	35,000	31,944	3,056
Recreation and culture	0	485,888	141,187	344,701
General government	30,000	468,639	162,591	306,048
Streets and sewers	3,914,214	8,006,466	4,781,412	3,225,054
Human services	0	51,916	43,676	8,240
Total capital outlay	4,454,114	9,587,388	5,624,849	3,962,539
Total expenditures	45,248,321	49,642,108	39,348,473	10,293,635
Excess (deficiency) of revenues over (under) expenditures	(7,084,171)	(11,079,232)	(2,221,337)	8,857,895
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	20,302,682	20,302,682	14,896,743	(5,405,939)
Transfers out	(18,518,793)	(19,710,364)	(15,416,945)	4,293,419
Total other financing sources (uses)	1,783,889	592,318	(520,202)	(1,112,520)
Net change in fund balance	(5,300,282)	(10,486,914)	(2,741,539)	7,745,375
FUND BALANCES, beginning of year	14,183,841	14,183,841	14,183,841	0
FUND BALANCES, ending of year	\$8,883,559	\$3,696,927	\$11,442,302	\$7,745,375



# City of Stillwater, Oklahoma

## NOTES TO BUDGETARY COMPARISON SCHEDULE



### BUDGETARY COMPLIANCE

#### Budget Law

The City operates under the Oklahoma Municipal Budget Act of 1979 (the “Budget Act”). The budget, as adopted by the City Council, is filed with the State of Oklahoma Office of the Auditor and Inspector. Budget amendments or supplements made during the year are recommended by the City Manager and must be approved by the City Council. An amended budget is filed before year-end with the agency mentioned above. Current year amendments are not material in relation to the original appropriated amounts. The budget and actual comparisons presented in the financial statements include the legally amended budgets for the respective funds.

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

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

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

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

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

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, 2016 the City complied, in all material respects, with the applicable budget laws.



**City of Stillwater, Oklahoma**  
**Schedule of Changes in the City’s Net Pension Liability (Asset) and Related Ratios**  
**Defined Benefit (Retiree) Plan**  
**Last Ten Fiscal Years**

<b>Total Pension Liability</b>	<b>2016</b>	<b>2015</b>
Interest cost	\$1,899	\$2,202
Difference between expected and actual experience	2,754	0
Benefit payments, including refunds of employee contributions	(5,887)	(5,800)
Net change in total pension liability	(1,234)	(3,598)
Total pension liability - beginning	27,389	31,265
Total pension liability - ending	26,155	27,667
<b>Plan Net Fiduciary Position</b>		
Net investment income	214,331	1,082,842
Benefit payments, including refunds of employee contribution	(5,887)	(5,800)
Administrative expense	(15,903)	(16,023)
Net change in plan fiduciary net position	192,541	1,061,019
Plan net fiduciary position - beginning	7,617,513	6,556,494
Plan net fiduciary position - ending	7,810,054	7,617,513
<b>Net pension asset - ending</b>	<b>\$7,783,899</b>	<b>\$7,589,846</b>
<b>Plan net fiduciary position as percentage of total pension liability</b>	<b>29760.65%</b>	<b>27432.85%</b>
<b>Covered employee payroll</b>	<b>N/A</b>	<b>N/A</b>
<b>Net pension asset position as percentage of covered employee payroll</b>	<b>N/A</b>	<b>N/A</b>

**Notes to Schedule:**

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



**City of Stillwater, Oklahoma**  
**Schedule of City's Proportionate Share of the Net Pension Liability (Asset)**  
**Cost-sharing Pension Plans**  
**Last Ten Fiscal Years**

	Oklahoma Police Pension & Retirement System		Oklahoma Firefighters Pension & Retirement System	
	2016	2015	2016	2015
City's proportion of the net pension liability (asset)	1.927%	-1.788%	1.733%	1.742%
City's proportionate share of the net pension liability (asset)	\$78,571	\$(601,984)	\$18,399,430	\$17,914,151
City's covered-employee payroll	\$32,548,722	\$30,762,413	\$32,548,722	\$30,762,413
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.241%	-1.957%	56.529%	58.234%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.820%	101.530%	68.270%	68.120%

**Notes to Schedule:**

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

**City of Stillwater, Oklahoma**  
**Schedule of City Contributions**  
**Cost-sharing Pension Plans**  
**Last Ten Fiscal Years**

	Oklahoma Police Pension & Retirement System		Oklahoma Firefighters Pension & Retirement System	
	2016	2015	2016	2015
Contractually required contributions	\$763,592	\$705,649	\$708,897	\$653,459
Contributions in relation to the contractually required contribution	(763,592)	(705,649)	(708,897)	(653,459)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered-employee payroll	\$32,548,722	\$30,762,413	\$32,548,722	\$30,762,413
Contributions as a percentage of covered-employee payroll	2.346%	2.294%	2.178%	2.124%

**Notes to Schedule:**

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

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

**POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

*Schedule of Funding Progress*

Actuarial Accrued Actuarial Valuation Date	Actuarial Liability (AAL) (a)	Unfunded Value of Assets (b)	Funded AAL (UAAL) (a0b)	UAAL as a Ratio (b/a)	Covered Payroll	Percentage of Covered Payroll
7/1/2015	\$6,047,547	\$0	\$6,047,547	0.0%	\$28,130,000	21.5%
7/1/2014	6,208,752	0	6,208,752	0.0%	26,770,000	23.2%
7/1/2013	5,764,940	0	5,764,940	0.0%	26,240,000	22.0%



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INFORMATION

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**City of Stillwater, Oklahoma**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual—Transportation Improvement Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amount		Actual	Variance from Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment income	\$0	\$0	\$10,819	\$10,819
Miscellaneous	0	0	840	840
Total revenues	0	0	11,659	11,659
<b>EXPENDITURES</b>				
<b>Streets and sewers:</b>				
Personal services	108,137	70,190	77,430	(7,240)
Materials and supplies	7,400	4,244	3,804	440
Contract services	2,000	0	0	0
Capital outlay	2,664,000	6,063,468	5,416,470	646,998
Total expenditures	2,781,537	6,137,902	5,497,704	640,198
Excess (deficiency) of revenues over (under) expenditures	(2,781,537)	(6,137,902)	(5,486,045)	651,857
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	4,328,571	4,328,571	4,102,634	(225,937)
Transfers out	(2,169,587)	(2,169,587)	(2,051,317)	118,270
Total other financing sources (uses)	(2,158,984)	(2,158,984)	(2,051,317)	(107,667)
Net change in fund balance	(622,553)	(3,978,918)	(3,434,728)	544,190
FUND BALANCE, beginning of year	62,758	62,758	3,776,439	3,713,681
FUND BALANCE, end of year	\$(559,795)	\$(3,916,160)	\$341,711	\$4,257,871



## NONMAJOR GOVERNMENTAL FUNDS

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

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

Reference Copy



**City of Stillwater, Oklahoma**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**As of June 30, 2016**

	Special Revenue Fund	Debt Service Fund	Total
	Community Development Block Grant	Sinking Fund	
<b>ASSETS</b>			
Cash and cash equivalents	\$55,633	\$203,338	\$258,971
Due from other governments	7,000	79,032	86,032
Accounts receivable, net	0	30	30
Total assets	62,633	282,400	345,033
<b>LIABILITIES</b>			
Accounts payable	0	0	0
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	0	72,877	72,877
<b>FUND BALANCES</b>			
Restricted for debt service	0	209,523	209,523
Restricted for capital projects	62,633	0	62,633
Total fund balance	62,633	209,523	272,156
Total liabilities, deferred inflows of resources, and fund balances	\$62,633	\$282,400	\$345,033



**City of Stillwater, Oklahoma**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

	Special Revenue Fund	Debt Service Fund	Total
	Community Development Block Grant	Sinking Fund	
<b>REVENUES</b>			
Taxes	\$0	\$1,139,768	\$1,139,768
Intergovernmental	285,977	0	285,977
Investment income	0	4,998	4,998
<b>Total revenues</b>	<b>285,977</b>	<b>1,144,766</b>	<b>1,430,743</b>
<b>EXPENDITURES</b>			
Public safety	144,509	0	144,509
Debt service			
Principal retirements	0	805,000	805,000
Interest and fiscal charges	0	174,200	174,200
Capital outlay	141,593	0	141,593
<b>Total expenditures</b>	<b>286,102</b>	<b>979,200</b>	<b>1,265,302</b>
Excess (deficiency) of revenues over (under) expenditures	(125)	165,566	165,441
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	0	(186,829)	(186,829)
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>(186,829)</b>	<b>(186,829)</b>
<b>Net change in fund balance</b>	<b>(125)</b>	<b>(21,263)</b>	<b>(21,388)</b>
FUND BALANCE, beginning of year	62,758	230,786	293,544
<b>FUND BALANCE, end of year</b>	<b>\$62,633</b>	<b>\$209,523</b>	<b>\$272,156</b>



**City of Stillwater, Oklahoma**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual — Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

REVENUES	<b>Special Revenue Fund Community Development Block Grant</b>				<b>Debt Service Fund</b>			
	BUDGETED AMOUNT		Actual	Variance From Final Budget	BUDGETED AMOUNT		Actual	Variance From Final Budget
	Original	Final			Original	Final		
Taxes	\$0	\$0	\$0	\$0	\$1,050,000	\$1,050,000	\$1,139,768	\$89,766
Intergovernmental	0	382,433	285,977	(96,456)	0	0	0	0
Investment income	0	0	0	0	0	0	4,998	4,998
<b>Total revenues</b>	<b>0</b>	<b>382,433</b>	<b>285,977</b>	<b>(96,456)</b>	<b>1,050,000</b>	<b>1,050,000</b>	<b>1,144,766</b>	<b>94,766</b>
<b>EXPENDITURES</b>								
Streets and sewers	0	335,371	141,593	193,778	0	0	0	0
Public safety	0	194,386	144,388	49,998	0	0	0	0
Human Services	0	63,762	121	63,641	0	0	0	0
Debt service								
Principal retirements	0	0	0	0	805,000	805,000	805,000	0
Interest and fiscal charges	0	0	0	0	174,200	174,200	174,200	0
<b>Total expenditures</b>	<b>0</b>	<b>593,519</b>	<b>286,102</b>	<b>307,417</b>	<b>979,200</b>	<b>979,200</b>	<b>979,200</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	0	(211,086)	(125)	(210,961)	70,800	70,800	165,566	94,766
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers out	0	0	0	0	(186,829)	(186,829)	(186,829)	0
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(186,829)</b>	<b>(186,829)</b>	<b>(186,829)</b>	<b>0</b>
<b>Net change in fund balance</b>	<b>0</b>	<b>(211,086)</b>	<b>(125)</b>	<b>(210,961)</b>	<b>(116,029)</b>	<b>(116,029)</b>	<b>(21,263)</b>	<b>94,766</b>
<b>FUND BALANCE,</b>								
beginning of year	62,758	62,758	62,758	0	230,786	230,786	230,786	0
<b>FUND BALANCE, end of year</b>	<b>\$62,758</b>	<b>\$(148,328)</b>	<b>\$62,633</b>	<b>\$(210,961)</b>	<b>\$114,757</b>	<b>\$114,757</b>	<b>\$209,523</b>	<b>\$94,766</b>



## NONMAJOR PROPRIETARY FUNDS

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

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

Reference Copy

**City of Stillwater, Oklahoma**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**As of June 30, 2016**

	<b>Airport</b>	<b>Stillwater Economic Development Authority</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$257,891	\$1,025,014	\$1,282,905
Restricted cash and cash equivalents	49,431	0	49,431
Accounts receivable, net of allowance	8,147	0	8,147
Intergovernmental receivable	687,945	0	687,945
Installment loans receivable	0	129,327	129,327
Leasehold receivable	0	20,000	20,000
Due from other funds	0	24,052	24,052
Interest receivable	40	45	85
Inventories	43,502	0	43,502
<b>Total current assets</b>	<b>1,046,956</b>	<b>1,198,438</b>	<b>2,245,394</b>
<b>Noncurrent assets:</b>			
Leasehold receivable	0	103,333	103,333
Capital assets, non depreciable	3,421,609	0	3,421,609
Capital assets, net of accumulated depreciation	12,153,019	44,204	12,197,223
<b>Total noncurrent assets</b>	<b>15,574,628</b>	<b>147,537</b>	<b>15,722,165</b>
<b>Total assets</b>	<b>16,621,584</b>	<b>1,345,975</b>	<b>17,967,559</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	417,324	12,297	429,621
Accrued liabilities	9,762	1,826	11,588
Current portion of compensated absences	4,511	4,694	9,205
Due to other funds	37,141	0	37,141
Current portion of customer deposits payable	11,244	0	11,244
Current portion of advances from other funds	0	20,000	20,000
Current portion of refundable grant obligations	0	211,246	211,246
<b>Total current liabilities</b>	<b>479,982</b>	<b>250,063</b>	<b>730,045</b>
<b>Noncurrent liabilities:</b>			
Noncurrent portion of compensated absences	43,071	0	43,071
Noncurrent portion of customer deposits payable	11,680	0	11,680
Noncurrent portion of advances from other funds	0	103,333	103,333
<b>Total noncurrent liabilities</b>	<b>54,751</b>	<b>103,333</b>	<b>158,084</b>
<b>Total liabilities</b>	<b>534,733</b>	<b>353,396</b>	<b>888,129</b>
<b>NET POSITION</b>			
Net investment in capital assets	15,574,628	44,204	15,618,832
Restricted donation	0	2,712	2,712
Unrestricted	512,223	945,663	1,457,886
<b>Total net position</b>	<b>\$16,086,851</b>	<b>\$992,579</b>	<b>\$17,079,430</b>



**City of Stillwater, Oklahoma**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Nonmajor Proprietary Funds**  
**For the Year Ended June 30, 2016**

	<b>Airport</b>	<b>Stillwater Economic Development Authority</b>	<b>Total</b>
<b>Operating revenues:</b>			
Charges for services, net of bad debt expense	\$794,050	\$0	\$794,050
Other	338,047	169,335	507,382
<b>Total operating revenues</b>	<b>1,132,097</b>	<b>169,335</b>	<b>1,301,432</b>
<b>Operating expenses:</b>			
Operations and maintenance	1,661,304	1,977,056	3,638,360
Depreciation	964,585	2,390	966,975
<b>Total operating expenses</b>	<b>2,625,889</b>	<b>1,979,446</b>	<b>4,605,335</b>
<b>Operating loss</b>	<b>(1,493,792)</b>	<b>(1,810,111)</b>	<b>(3,303,903)</b>
<b>Nonoperating revenues:</b>			
Investment income	6,616	7,357	13,973
Miscellaneous	3,500	0	3,500
<b>Total nonoperating revenues</b>	<b>10,116</b>	<b>7,357</b>	<b>17,473</b>
<b>Loss before contributions</b>	<b>(1,483,676)</b>	<b>(1,802,754)</b>	<b>(3,286,430)</b>
Capital contributions	1,028,410	0	1,028,410
Transfers in	1,377,583	1,569,164	2,946,747
Transfers out	0	0	0
<b>Change in net position</b>	<b>922,317</b>	<b>(233,590)</b>	<b>688,727</b>
<b>Total net position, beginning of year</b>	<b>15,164,534</b>	<b>1,226,169</b>	<b>16,390,703</b>
<b>Total net position, end of year</b>	<b>\$16,086,851</b>	<b>\$992,579</b>	<b>\$17,079,430</b>

**City of Stillwater, Oklahoma**  
**Combining Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**For the Year Ended June 30, 2016**

	<b>Airport</b>	<b>Stillwater Economic Development Authority</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers, including deposits	\$797,308	\$0	\$797,308
Payments to suppliers	(970,743)	(1,788,901)	(2,759,644)
Payments to employees	(452,654)	(123,069)	(575,723)
Payments of business development incentives	0	(252,944)	(252,944)
Collection of business development incentive loan principal	0	29,901	29,901
Payments from other funds	32,627	127,396	160,023
Other receipts	338,047	169,335	507,382
Net cash used in operating activities	(255,415)	(1,838,282)	(2,093,697)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	1,377,583	1,545,112	2,922,695
Net cash provided by noncapital financing activities	1,377,583	1,545,112	2,922,695
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital contributions	340,465	0	340,465
Proceeds from sale of capital assets	3,500	0	3,500
Purchases of capital assets	(2,436,283)	(13,500)	(2,449,783)
Principal received on capital debt	0	20,000	20,000
Net cash provided by (used in) capital and related financing activities	(2,092,318)	6,500	(2,085,818)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	6,576	7,612	14,188
Net cash provided by investing activities	6,576	7,612	14,188
Net decrease in cash and cash equivalents	(963,574)	(279,058)	(1,242,632)
Cash and cash equivalents, beginning of year	1,270,896	1,304,072	2,574,968
Cash and cash equivalents, end of year	\$307,322	\$1,025,014	\$1,332,336
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating loss	\$(1,493,792)	\$(1,810,111)	\$(3,303,903)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	964,585	2,390	966,975
Changes in assets and liabilities:			
Receivables, net	(7,987)	29,901	21,914
Inventories	(20,610)	0	(20,610)
Accounts and other payables	296,569	(52,143)	244,426
Accrued liabilities	5,820	(8,319)	(2,499)
Net cash used in operating activities	\$(255,415)	\$(1,838,282)	\$(2,093,697)



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**City of Stillwater, Oklahoma**  
**Statement of Changes in Assets And Liabilities**  
**Agency Fund**  
**For the Year Ended June 30, 2016**

	<b>Balance June 30, 2015</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2016</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$134,331	\$222,112	\$158,805	\$197,638
Pooled investments	76,892	0	0	76,892
Other investments	288,854	28,464	23,194	294,124
Assessment receivable	16,115	153,046	142,545	26,616
Interest receivable	0	73	0	73
<b>Total assets</b>	<b>516,192</b>	<b>403,695</b>	<b>324,544</b>	<b>595,343</b>
<b>LIABILITIES</b>				
Accounts payable	25	161	25	161
Amounts held in escrow	516,167	403,559	324,544	595,182
<b>Total liabilities</b>	<b>\$516,192</b>	<b>\$403,720</b>	<b>\$324,569</b>	<b>\$595,343</b>



# STATISTICAL SECTION

Reference Copy

The City of  
*Stillwater*  
OKLAHOMA

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STILL PIONEERING



# City of Stillwater, Oklahoma

## Statistical



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

- **Financial Trends**— These schedules contain trend information to help the reader understand how the City's financial performance and well-being changed over time. *See pages 103 – 107.*
- **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 108 – 115.*
- **Debt Capacity**— These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and City's ability to issue additional debt in the future. *See pages 116 – 120.*
- **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 121 – 124.*
- **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 125 – 126.*

*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)*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities</b>										
Net investment in capital assets	\$75,874,538	\$78,005,755	\$82,079,030	\$87,623,606	\$84,399,362	\$85,208,395	\$87,319,852	\$86,794,143	\$82,961,714	\$85,669,817
Restricted for capital projects	156,719	99,216	14,093	703,907	6,633,915	578,769	37,603	63,053	62,758	62,633
Restricted for debt service	96,746	129,488	279,996	245,659	384,409	320,160	327,051	316,318	230,786	209,523
Restricted for street improvements	10,044,476	9,609,597	6,199,305	3,382,031	5,964,692	6,003,859	3,262,729	2,804,030	3,776,439	341,711
Restricted for specific operating activities	558,210	630,646	745,814	876,105	1,022,401	1,228,415	1,263,008	3,189,626	2,968,212	2,497,975
Unrestricted	4,075,193	1,575,602	787,697	3,537,015	(1,655,568)	5,857,898	9,068,213	7,485,506	(8,781,249)	(8,602,518)
<b>Total governmental activities net position</b>	<b>\$90,805,882</b>	<b>\$90,050,304</b>	<b>\$90,105,935</b>	<b>\$96,368,323</b>	<b>\$96,749,211</b>	<b>\$99,197,496</b>	<b>\$101,278,456</b>	<b>\$100,652,676</b>	<b>\$81,218,660</b>	<b>\$80,179,141</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$80,898,110	\$84,155,142	\$88,903,110	\$92,324,322	\$92,794,475	\$95,439,173	\$100,709,423	\$100,788,701	\$109,014,991	\$126,387,848
Restricted for capital projects	0	54,756	54,756	1,827,220	5,017,007	741,699	601,298	637,596	2,282,192	1,655,304
Restricted for debt service	1,912,627	2,208,517	2,248,810	2,440,346	2,609,803	1,366,601	159,714	344,724	1,056,953	1,057,398
Restricted for specific operating activities	0	0	0	2,712	2,712	2,712	2,712	2,712	2,712	2,712
Unrestricted	21,526,947	22,594,009	22,271,698	23,198,816	28,632,774	39,359,091	50,165,806	66,683,251	71,072,050	70,145,589
<b>Total business-type activities net position</b>	<b>\$104,337,684</b>	<b>\$109,012,424</b>	<b>\$113,478,374</b>	<b>\$119,793,416</b>	<b>\$129,056,771</b>	<b>\$136,909,276</b>	<b>\$151,638,953</b>	<b>\$168,456,984</b>	<b>\$183,428,898</b>	<b>\$199,248,851</b>
<b>Primary government</b>										
Net investment in capital assets	\$156,772,648	\$162,160,897	\$170,982,140	\$179,947,928	\$177,193,837	\$180,647,568	\$188,029,275	\$187,582,844	\$191,976,705	\$212,057,665
Restricted for capital projects	156,719	153,972	68,849	2,531,127	11,650,922	1,320,468	638,901	700,649	2,344,950	1,717,937
Restricted for debt service	2,009,373	2,338,005	2,528,806	2,686,005	2,994,212	1,686,761	486,765	661,042	1,287,739	1,266,921
Restricted for street improvements	10,044,476	9,609,597	6,199,305	3,382,031	5,964,692	6,003,859	3,262,729	2,804,030	3,776,439	341,711
Restricted for specific operating activities	558,210	630,646	745,814	876,105	1,025,113	1,231,127	1,265,720	3,192,338	2,970,924	2,500,687
Unrestricted	25,602,140	24,169,611	23,059,395	26,735,831	26,977,206	45,216,989	59,234,019	74,168,757	62,290,801	61,543,071
<b>Total primary government net position</b>	<b>\$195,143,566</b>	<b>\$199,062,728</b>	<b>\$203,584,309</b>	<b>\$216,159,027</b>	<b>\$225,805,982</b>	<b>\$236,106,772</b>	<b>\$252,917,409</b>	<b>\$269,109,660</b>	<b>\$264,647,558</b>	<b>\$279,427,992</b>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental activities:</b>										
Public safety	\$15,590,805	\$17,238,579	\$16,473,868	\$17,560,992	\$16,700,682	\$18,235,770	\$17,133,051	\$18,468,117	\$20,409,139	\$20,487,015
Recreation and culture	5,428,234	5,645,050	5,778,583	5,989,071	6,134,272	5,850,043	5,505,481	5,927,464	4,441,026	4,642,710
General government	3,466,609	3,811,781	4,362,965	4,289,502	3,750,252	4,067,084	5,047,562	4,661,263	4,263,765	4,446,150
Financial administration	635,329	648,327	614,382	732,379	627,877	619,486	621,148	609,518	714,638	732,799
Street and sewers	6,454,425	7,009,091	7,393,163	6,779,917	7,484,979	8,444,721	7,334,958	9,463,507	13,933,432	15,088,869
Engineering and public works administration	767,258	630,423	858,882	554,088	569,523	479,849	475,008	493,598	594,723	0
Economic development	1,004,617	1,035,287	1,056,928	481,197	422,624	577,816	621,820	739,409	14,916	27,903
Health and welfare	1,593,649	1,669,649	1,786,891	1,793,027	1,534,775	1,885,038	1,298,401	2,192,472	1,642,867	1,157,110
Interest on long-term debt	578,703	528,335	478,827	463,252	271,253	238,855	206,045	173,262	140,679	108,120
<b>Total governmental activities expenses</b>	<b>35,519,629</b>	<b>38,216,522</b>	<b>38,804,489</b>	<b>38,643,425</b>	<b>37,496,237</b>	<b>40,398,662</b>	<b>38,243,474</b>	<b>42,728,610</b>	<b>46,155,185</b>	<b>46,690,676</b>
<b>Business-type activities:</b>										
Electric, water, wastewater and sanitation operations	46,993,426	45,651,630	45,926,941	45,446,929	49,122,135	52,823,732	50,680,617	53,624,597	58,016,108	53,378,815
Stillwater Public Golf Authority	1,194,269	1,204,793	1,149,566	399,188	0	0	0	0	0	0
Business area development	0	45,740	208,731	203,470	240,027	173,476	494,190	772,631	1,970,265	1,979,446
Airport operations	2,113,932	2,670,192	2,032,704	1,884,854	2,132,392	2,695,168	2,749,481	2,714,304	2,676,008	2,625,889
<b>Total business-type activities expenses</b>	<b>50,301,627</b>	<b>49,572,355</b>	<b>49,317,942</b>	<b>47,934,441</b>	<b>51,494,554</b>	<b>55,692,376</b>	<b>53,924,288</b>	<b>57,111,532</b>	<b>62,662,381</b>	<b>57,984,150</b>
<b>Total primary government expenses</b>	<b>\$85,821,256</b>	<b>\$87,788,877</b>	<b>\$88,122,431</b>	<b>\$86,577,866</b>	<b>\$88,990,791</b>	<b>\$96,091,038</b>	<b>\$92,167,762</b>	<b>\$99,840,142</b>	<b>\$108,817,566</b>	<b>\$104,674,826</b>
<b>Program Revenues</b>										
<b>Governmental activities</b>										
<b>Charges for services:</b>										
Public safety	\$164,246	\$189,049	\$261,425	\$416,131	\$282,866	\$261,900	\$447,420	\$354,296	\$2,290,884	\$2,622,099
Recreation and culture	757,084	765,242	781,810	1,170,983	1,433,340	1,397,513	1,284,758	1,218,766	1,121,462	1,064,755
General government	277,421	393,280	1,030,075	419,156	323,591	387,053	815,659	638,624	934,955	554,497
Financial administration	1,116,601	890,515	1,065,196	1,162,439	829,461	1,182,234	1,058,148	1,026,063	1,207,448	1,132,852
Streets and sewers	449,124	445,976	547,636	920,188	561,452	698,777	674,190	437,901	483,411	555,381
Economic Development	3,261	0	0	0	0	0	0	0	0	0
Health and welfare	1,412,587	1,408,365	1,235,782	891,780	693,700	29,551	163,907	282,297	227,846	302,888
Operating grants and contributions	119,845	120,693	213,327	129,901	178,380	310,693	177,373	1,075,844	571,493	526,732
Capital grants and contributions	2,166,742	853,309	783,066	1,171,658	784,756	805,756	927,215	660,101	600,714	2,327,602
<b>Total governmental activities program revenues</b>	<b>6,466,911</b>	<b>5,066,429</b>	<b>5,918,317</b>	<b>6,282,236</b>	<b>5,087,546</b>	<b>5,073,477</b>	<b>5,548,670</b>	<b>5,693,892</b>	<b>7,438,213</b>	<b>9,086,806</b>

## City of Stillwater, Oklahoma

## Changes in Net Position

## Last Ten Fiscal Years

(Accrual Basis of Accounting) (page 2)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Business-type activities:</b>										
Charges for services:										
Electric, water, wastewater, and sanitation operations	\$51,315,037	\$52,517,022	\$53,076,534	\$56,340,873	\$61,199,054	\$65,532,650	\$65,531,694	\$72,927,436	\$75,491,830	\$73,148,660
Stillwater Public Golf Authority	697,495	730,872	724,559	280,237	0	0	0	0	0	0
Business area development	0	2,712	10,480	22,766	15,671	23,328	23,207	28,130	29,303	169,335
Airport operations	1,150,365	1,509,281	1,169,831	1,180,915	1,429,150	1,637,831	1,623,080	1,582,906	1,410,731	1,132,097
Operating grants and contributions	0	0	0	0	0	0	0	0	0	0
Capital grants and contributions	2,185,284	2,155,469	3,288,383	7,884,246	2,507,495	3,407,199	3,932,591	296,813	764,017	1,115,450
<b>Total business-type activities program revenues</b>	<b>55,348,181</b>	<b>56,915,356</b>	<b>58,269,787</b>	<b>65,709,037</b>	<b>65,151,370</b>	<b>70,601,008</b>	<b>71,110,572</b>	<b>74,835,285</b>	<b>77,695,881</b>	<b>75,565,542</b>
<b>Total primary government program revenues</b>	<b>\$61,815,092</b>	<b>\$61,981,785</b>	<b>\$64,188,104</b>	<b>\$71,991,273</b>	<b>\$70,238,916</b>	<b>\$75,674,485</b>	<b>\$76,659,242</b>	<b>\$80,529,177</b>	<b>\$85,134,094</b>	<b>\$84,652,348</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$(29,052,718)	\$(33,150,093)	\$(32,886,172)	\$(32,361,189)	\$(32,408,691)	\$(35,325,185)	\$(32,694,804)	\$(37,034,718)	\$(38,716,972)	\$(37,603,870)
Business-type activities	5,046,554	7,343,001	8,951,845	17,774,596	13,656,816	14,908,632	17,186,284	17,723,753	15,033,500	17,581,392
<b>Total primary government net expense</b>	<b>\$(24,006,164)</b>	<b>\$(25,807,092)</b>	<b>\$(23,934,327)</b>	<b>\$(14,586,593)</b>	<b>\$(18,751,875)</b>	<b>\$(20,416,553)</b>	<b>\$(15,508,520)</b>	<b>\$(19,310,965)</b>	<b>\$(23,683,472)</b>	<b>\$(20,022,478)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Sales and use taxes	\$22,857,240	\$23,860,004	\$24,129,712	\$23,410,504	\$24,389,442	\$25,787,401	\$28,249,872	\$31,096,996	\$29,926,023	\$30,250,927
Property taxes	1,315,487	1,343,353	991,643	1,377,028	1,448,266	1,343,480	1,310,488	1,296,462	1,196,973	1,170,237
Franchise and public service taxes	1,330,835	1,502,845	2,047,096	1,595,344	1,548,118	1,544,506	1,564,301	1,729,912	1,710,990	1,663,781
E911 taxes	84,444	81,681	81,928	81,621	66,529	63,870	60,338	64,278	90,535	76,503
Hotel/motel taxes	406,552	439,953	437,781	494,145	560,749	615,997	805,941	970,100	787,488	736,485
Investment income	616,842	464,024	105,909	29,969	104,666	78,162	74,677	(99,634)	168,627	186,077
Miscellaneous	532,498	587,117	0	0	0	0	0	0	0	0
Transfers-internal activity	5,679,621	4,115,538	5,147,735	11,634,966	4,671,809	8,217,054	2,710,147	1,452,784	939,980	2,480,341
<b>Total governmental activities</b>	<b>32,823,519</b>	<b>32,394,515</b>	<b>32,941,804</b>	<b>38,623,577</b>	<b>32,789,579</b>	<b>37,650,470</b>	<b>34,775,764</b>	<b>36,510,898</b>	<b>34,820,616</b>	<b>36,564,351</b>
Business-type activities:										
Investment income	1,212,709	847,390	232,822	144,148	114,643	275,937	(167,141)	181,875	375,015	715,402
Miscellaneous	329,107	599,887	429,018	31,263	163,705	350,312	420,681	584,669	503,379	3,500
Transfers-internal activity	(5,679,621)	(4,115,538)	(5,147,735)	(11,634,966)	(4,671,809)	(8,217,054)	(2,710,147)	(1,452,784)	(939,980)	(2,480,341)
<b>Total business-type activities</b>	<b>(4,137,805)</b>	<b>(2,668,261)</b>	<b>(4,485,895)</b>	<b>(11,459,555)</b>	<b>(4,393,461)</b>	<b>(7,590,805)</b>	<b>(2,456,607)</b>	<b>(686,240)</b>	<b>(61,586)</b>	<b>(1,761,439)</b>
<b>Total primary government</b>	<b>\$28,685,714</b>	<b>\$29,726,254</b>	<b>\$28,455,909</b>	<b>\$27,164,022</b>	<b>\$28,396,118</b>	<b>\$30,059,665</b>	<b>\$32,319,157</b>	<b>\$35,824,658</b>	<b>\$34,759,030</b>	<b>\$34,802,912</b>
<b>Change in Net Position</b>										
Governmental activities	\$3,770,801	\$(755,578)	\$55,632	\$6,262,388	\$380,888	\$2,325,285	\$2,080,960	\$(523,820)	\$(3,896,356)	\$(1,039,519)
Business-type activities	908,749	4,674,740	4,465,950	6,315,041	9,263,355	7,317,827	14,729,677	17,037,513	14,971,914	15,819,953
<b>Total primary government</b>	<b>\$4,679,550</b>	<b>\$3,919,162</b>	<b>\$4,521,582</b>	<b>\$12,577,429</b>	<b>\$9,644,243</b>	<b>\$9,643,112</b>	<b>\$16,810,637</b>	<b>\$16,513,693</b>	<b>\$11,075,558</b>	<b>\$14,780,434</b>

**City of Stillwater, Oklahoma**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General fund</b>										
Non-spendable: inventories	\$178,914	\$215,927	\$270,012	\$332,316	\$163,741	\$178,437	\$142,282	\$127,598	\$113,209	\$110,496
Restricted for public safety	102,174	103,845	105,158	104,082	100,713	107,914	114,724	98,393	100,321	95,790
Restricted for economic development	47,115	51,781	47,111	60,059	235,673	386,097	668,398	936,095	788,185	360,813
Restricted for sales tax transfer	1,543,166	1,617,836	1,647,182	1,647,181	1,654,153	1,654,153	2,070,451	2,155,138	2,079,706	2,041,372
Committed to public safety	230,006	259,093	323,533	379,648	522,274	555,967	283,254	458,395	509,846	567,333
Assigned to self insurance	1,484,580	855,704	855,704	606,958	828,670	280,841	1,233,143	1,898,069	1,492,683	1,679,512
Assigned to recreation and culture	76,976	105,920	111,504	125,484	150,445	167,036	172,350	176,613	158,969	144,517
Unassigned	1,317,341	219,459	(115,077)	3,730,961	5,806,453	8,518,485	10,848,896	10,814,025	8,940,922	6,442,469
<b>Total general fund</b>	<b>\$4,980,272</b>	<b>\$3,429,565</b>	<b>\$3,245,127</b>	<b>\$6,986,689</b>	<b>\$9,462,122</b>	<b>\$11,848,930</b>	<b>\$15,533,498</b>	<b>\$16,664,326</b>	<b>\$14,183,841</b>	<b>\$11,442,302</b>
<b>All other governmental funds</b>										
Restricted for debt service	\$96,746	\$129,488	\$279,996	\$245,659	\$384,409	\$320,160	\$327,051	\$316,318	\$230,786	\$209,523
Restricted for capital improvements	156,719	99,216	14,093	703,907	6,633,915	6,582,628	3,300,332	2,867,083	3,839,197	404,344
Unassigned	11,077,427	10,436,732	6,961,761	4,369,761	101,368	(57,525)	54,350	0	0	0
<b>Total all other governmental funds</b>	<b>\$11,330,892</b>	<b>\$10,665,436</b>	<b>\$7,255,850</b>	<b>\$5,319,327</b>	<b>\$7,119,692</b>	<b>\$6,845,263</b>	<b>\$3,681,733</b>	<b>\$3,183,401</b>	<b>\$4,069,983</b>	<b>\$613,867</b>

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

Reference

**City of Stillwater, Oklahoma**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Taxes	\$25,893,302	\$27,326,131	\$27,682,289	\$26,963,407	\$28,024,398	\$29,371,854	\$31,991,402	\$35,156,665	\$33,690,619	\$33,867,464
Intergovernmental	308,548	422,028	373,768	493,720	963,136	533,384	408,338	1,222,484	715,097	524,126
Charges for service	1,468,896	1,357,411	1,427,691	1,343,284	1,449,277	650,145	802,270	584,908	614,263	671,485
Fines and forfeits	807,431	789,481	810,280	786,164	656,201	776,389	793,076	742,037	881,790	1,162,590
Fees and rentals	802,179	816,051	932,655	1,220,295	1,466,352	1,438,373	1,357,756	1,197,563	1,123,113	1,087,411
Investment income	609,562	458,761	103,463	29,323	104,175	77,854	74,525	(99,686)	168,575	186,025
Licenses and permits	303,354	246,636	242,593	207,401	187,563	268,209	319,497	311,218	264,840	377,683
Other miscellaneous revenues	1,092,042	1,328,187	1,428,570	1,392,714	726,410	880,825	1,219,642	1,113,058	1,091,427	692,754
<b>Total revenues</b>	<b>31,285,314</b>	<b>32,744,686</b>	<b>33,001,309</b>	<b>32,436,308</b>	<b>33,577,512</b>	<b>33,997,033</b>	<b>36,966,506</b>	<b>40,228,247</b>	<b>38,549,724</b>	<b>38,569,538</b>
<b>Expenditures</b>										
<b>Current:</b>										
Public safety	15,147,760	16,682,553	15,987,890	16,547,892	16,420,643	17,649,898	16,537,022	17,685,468	19,004,743	19,387,415
Recreation and culture	4,791,101	5,015,086	5,061,282	5,386,147	5,462,498	5,062,437	4,858,451	5,252,317	3,814,270	4,062,328
General government	2,624,051	2,986,340	3,603,225	3,027,262	2,837,873	3,330,545	3,670,808	3,643,832	3,727,050	4,001,412
Financial administration	612,413	578,968	578,460	703,529	600,203	591,712	602,812	600,062	735,423	844,480
Streets and sewers	2,375,075	2,621,006	2,658,212	2,663,639	2,380,470	2,670,103	2,415,451	2,535,981	4,233,578	4,507,411
Operations	741,181	583,597	872,035	553,600	589,376	478,606	471,523	492,586	594,143	0
Economic development	1,004,617	1,035,287	1,056,929	481,197	422,624	527,896	562,422	755,344	14,916	27,903
Human services	1,647,385	1,946,693	1,791,442	1,402,018	1,436,499	1,455,121	1,255,899	1,803,795	1,637,285	1,118,418
<b>Debt service:</b>										
Principal retirements	790,000	790,000	790,000	790,000	775,000	825,000	820,000	815,000	810,000	805,000
Interest and fiscal charges	582,865	532,525	483,045	432,225	385,408	305,000	272,000	239,200	206,600	174,200
Capital outlay	6,402,132	6,113,834	8,578,055	9,269,917	3,397,358	7,210,392	7,689,227	7,189,350	6,305,599	11,182,912
<b>Total expenditures</b>	<b>36,718,580</b>	<b>38,885,889</b>	<b>41,460,575</b>	<b>41,257,426</b>	<b>34,707,952</b>	<b>40,106,710</b>	<b>39,155,615</b>	<b>41,012,935</b>	<b>41,083,607</b>	<b>46,111,479</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(5,433,266)</b>	<b>(6,141,203)</b>	<b>(8,459,266)</b>	<b>(8,821,118)</b>	<b>(1,130,440)</b>	<b>(6,109,677)</b>	<b>(2,189,109)</b>	<b>(784,688)</b>	<b>(2,533,883)</b>	<b>(7,541,941)</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds of refunding bonds and other debt	0	0	0	9,105,336	53,488	0	0	0	0	0
Payment to refunded bond escrow agent	0	0	0	(8,392,089)	0	0	0	0	0	0
Proceeds from sale of assets	0	0	0	0	575,655	0	0	0	0	0
Transfers in	13,534,835	15,260,534	17,361,233	17,361,233	16,802,447	20,810,346	16,838,631	18,020,242	19,047,247	18,837,080
Transfers out	(9,165,164)	(11,335,494)	(12,495,991)	(12,495,991)	(12,025,352)	(12,588,290)	(14,128,484)	(16,603,058)	(18,107,267)	(17,492,794)
<b>Total other financing sources (uses)</b>	<b>4,369,671</b>	<b>3,925,040</b>	<b>4,865,242</b>	<b>5,578,489</b>	<b>5,406,238</b>	<b>8,222,056</b>	<b>2,710,147</b>	<b>1,417,184</b>	<b>939,980</b>	<b>1,344,286</b>
<b>Net change in fund balances</b>	<b>\$(1,063,595)</b>	<b>\$(2,216,163)</b>	<b>\$(3,594,024)</b>	<b>\$(3,242,629)</b>	<b>\$4,275,798</b>	<b>\$2,112,379</b>	<b>\$521,038</b>	<b>\$632,496</b>	<b>\$(1,593,903)</b>	<b>\$(6,197,655)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>4.51%</b>	<b>4.06%</b>	<b>3.84%</b>	<b>3.88%</b>	<b>3.71%</b>	<b>3.32%</b>	<b>3.42%</b>	<b>2.95%</b>	<b>2.60%</b>	<b>2.39%</b>

**City of Stillwater, Oklahoma**  
**Tax Revenues By Source, Governmental Funds**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

<b>Fiscal Year</b>	<b>Sales &amp; Use Taxes</b>	<b>Property Taxes</b>	<b>Franchise and Public Service Taxes</b>	<b>E911 Taxes</b>	<b>Hotel/Motel Taxes</b>	<b>Total Taxes</b>	<b>Sales Tax as Percentage of Total Taxes</b>
2007	\$22,857,240	\$1,315,487	\$1,330,835	\$84,444	\$406,552	\$25,994,558	87.93%
2008	23,860,004	1,343,353	1,502,845	81,681	439,953	27,227,836	87.63%
2009	24,129,712	991,643	2,047,096	81,928	437,781	27,688,160	87.15%
2010	23,410,504	1,377,028	1,595,344	81,621	494,145	26,958,642	86.84%
2011	24,389,442	1,448,266	1,548,118	66,529	560,749	28,013,104	87.06%
2012	25,787,401	1,343,480	1,544,506	63,870	615,997	29,355,254	87.85%
2013	28,249,872	1,310,488	1,564,301	60,338	805,941	31,990,940	88.31%
2014	31,096,996	1,296,462	1,729,912	64,278	970,100	35,157,748	88.45%
2015	29,926,023	1,196,973	1,710,990	90,535	787,488	33,712,009	88.77%
2016	30,250,927	1,170,237	1,663,781	76,503	736,485	33,897,933	89.24%

Reference

**City of Stillwater, Oklahoma**  
**Assessed Value And Actual Value Of Taxable Property (1)**  
**Last Ten Fiscal Years**  
*(In Thousands)*

Fiscal Year	Real Property	Personal Property	Public Service Property	Total Valuation	Homestead Exemption	Other Exemption(2)	Net Total Valuation	Total Direct Tax Rate	Total Estimate Actual Value	Ratio of Total Assessed to Actual Value
2007	\$173,283	\$35,512	\$11,516	\$220,311	\$5,198		\$215,113	6.17	\$1,932,553	11.13%
2008	190,637	38,567	9,911	239,115	5,300		233,815	5.72	2,097,439	11.15%
2009	205,793	40,243	8,976	255,012	5,307		249,705	5.75	2,236,947	11.16%
2010	220,793	40,426	9,324	270,543	5,322		265,221	5.24	2,373,184	11.18%
2011	233,860	40,031	9,692	283,583	5,334		278,249	5.23	2,487,570	11.19%
2012	237,228	28,578	9,444	275,250	5,199		270,051	4.95	2,414,474	11.18%
2013	242,749	22,543	8,953	274,245	5,173		269,072	4.90	2,405,658	11.18%
2014	252,163	23,619	6,481	282,263	5,054	\$1,033	276,176	4.69	2,475,991	11.15%
2015	261,644	27,453	5,718	294,815	4,925	1,156	288,734	4.16	2,586,096	11.16%
2016	271,254	31,739	7,588	310,581	4,838	1,288	304,455	3.78	2,724,395	11.18%

The assessed value of the taxable property as certified by the Payne County Assessor to be used for the 2016-2017 fiscal year is as follows:

Fiscal Year	Real Property	Personal Property	Public Service Property	Total Valuation	Homestead Exemption	Other Exemption (2)	Net Total Valuation	Total Direct Tax Rate	Total Estimate Actual Value
2017	\$286,207	\$32,288	\$7,158	\$325,653	\$4,777	\$1,287	\$319,589	3.25	\$2,856,605

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

Reference

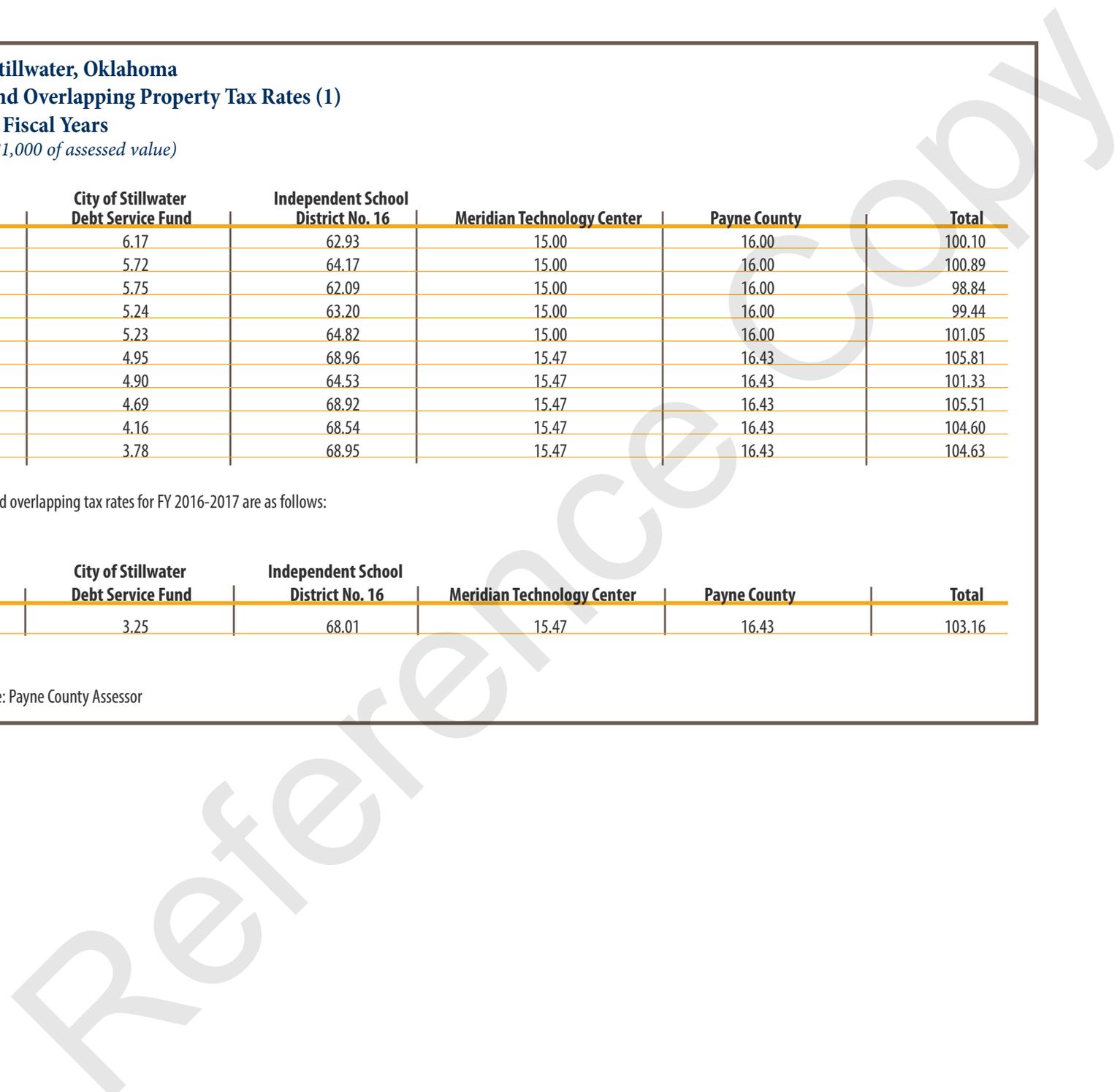
**City of Stillwater, Oklahoma**  
**Direct and Overlapping Property Tax Rates (1)**  
**Last Ten Fiscal Years**  
*(rate per \$1,000 of assessed value)*

<b>Fiscal Year</b>	<b>City of Stillwater Debt Service Fund</b>	<b>Independent School District No. 16</b>	<b>Meridian Technology Center</b>	<b>Payne County</b>	<b>Total</b>
2007	6.17	62.93	15.00	16.00	100.10
2008	5.72	64.17	15.00	16.00	100.89
2009	5.75	62.09	15.00	16.00	98.84
2010	5.24	63.20	15.00	16.00	99.44
2011	5.23	64.82	15.00	16.00	101.05
2012	4.95	68.96	15.47	16.43	105.81
2013	4.90	64.53	15.47	16.43	101.33
2014	4.69	68.92	15.47	16.43	105.51
2015	4.16	68.54	15.47	16.43	104.60
2016	3.78	68.95	15.47	16.43	104.63

The direct and overlapping tax rates for FY 2016-2017 are as follows:

<b>Fiscal Year</b>	<b>City of Stillwater Debt Service Fund</b>	<b>Independent School District No. 16</b>	<b>Meridian Technology Center</b>	<b>Payne County</b>	<b>Total</b>
2017	3.25	68.01	15.47	16.43	103.16

(1) Source: Payne County Assessor



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

Taxpayer	Type of Business	2016			2007		
		2016 Assessed Valuation	Percentage of Total Assessed Valuation	Rank	2006 Assessed Valuation	Percentage of Total Assessed Valuation	Rank
ASCO Aerospace USA, LLC	Aerospace	\$7,326,330	2.41%	1			
Breckenridge Group Stillwater OK LLC	Off campus student housing	3,249,056	1.07%	2			
Prime Place Apartments	Apartments	3,167,307	1.04%	3			
Links at Stillwater	Apartments/golf/fitness development	3,005,534	0.99%	4	\$3,415,290	1.46%	3
Lakeview Pointe	Shopping Center	2,770,798	0.91%	5	1,856,702	0.79%	9
Wal-Mart Real Estate	Discount supercenter	2,695,101	0.89%	6	3,314,290	1.42%	4
Avenue East Apartments, LLC	Apartments	2,654,903	0.87%	7			
Fifty One at Tradan Heights	Apartments	2,222,478	0.73%	8			
National Standard Co.	Manufacturer of steel cord for radial tires	2,142,250	0.70%	9			
Lowes Home Center, Inc	Home improvement store	1,756,587	0.58%	10			
Oklahoma Natural Gas	Gas Utility				1,644,041	0.70%	10
Armstrong World Industries, Inc.	Manufacturer of floor coverings				6,126,384	2.62%	1
Southwestern Bell Telephone, LP	Telephone utility				2,809,475	1.20%	5
Brunswick Corporation	Manufacturer of stern-drive boat motors				5,011,327	2.14%	2
Chickasaw Telecom Services, Inc.	Telephone utility				2,252,538	0.96%	8
Quebecor World Inc.	Printer of magazines and advertising inserts				2,692,571	1.15%	6
		\$30,990,344	10.18%		\$31,641,109	13.53%	

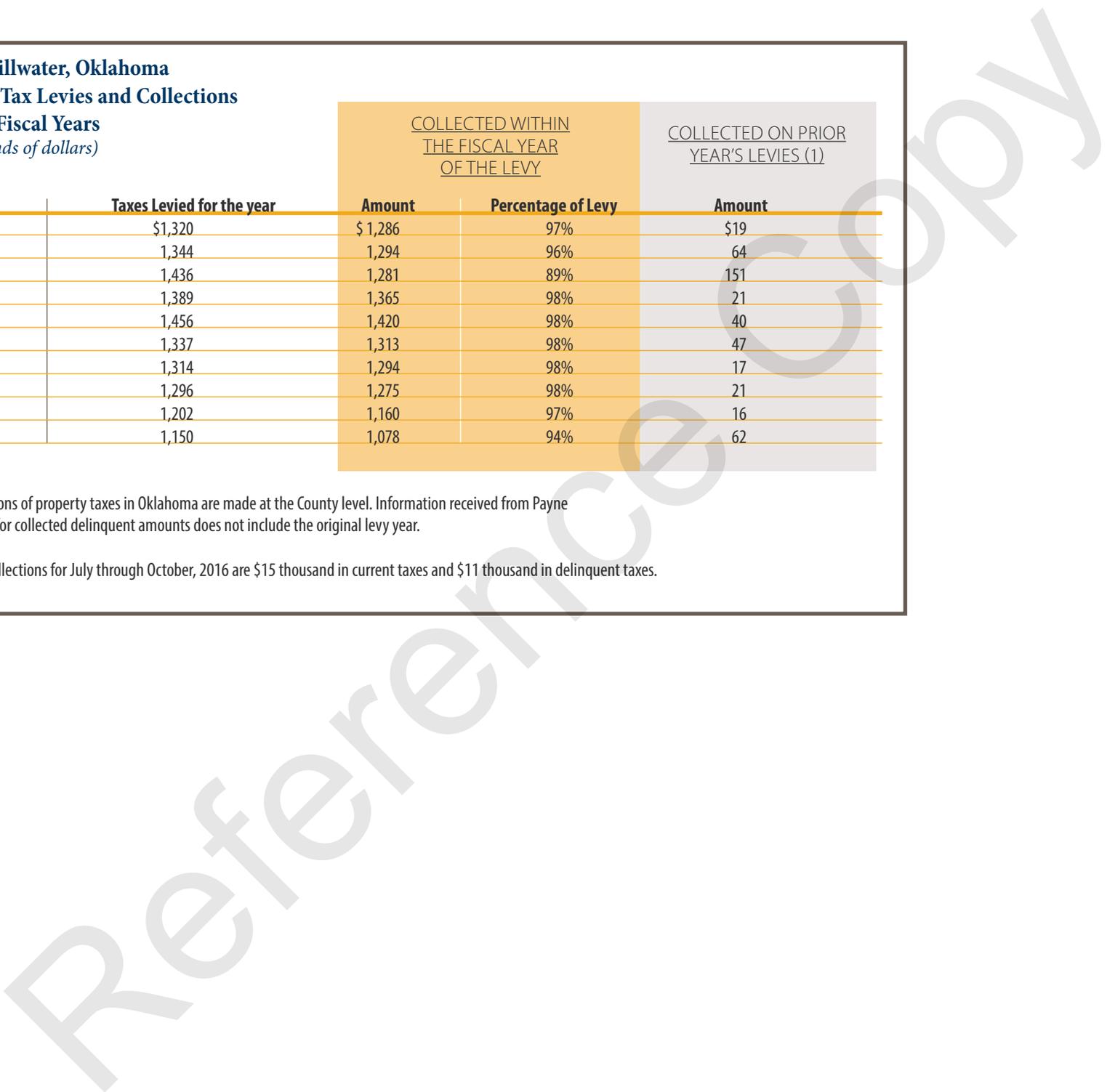
(1) Source: Payne County Assessor

**City of Stillwater, Oklahoma**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
*(in thousands of dollars)*

Fiscal Year	Taxes Levied for the year	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTED ON PRIOR YEAR'S LEVIES (1)
		Amount	Percentage of Levy	Amount
2007	\$1,320	\$ 1,286	97%	\$19
2008	1,344	1,294	96%	64
2009	1,436	1,281	89%	151
2010	1,389	1,365	98%	21
2011	1,456	1,420	98%	40
2012	1,337	1,313	98%	47
2013	1,314	1,294	98%	17
2014	1,296	1,275	98%	21
2015	1,202	1,160	97%	16
2016	1,150	1,078	94%	62

(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, 2016 are \$15 thousand in current taxes and \$11 thousand in delinquent taxes.



## City of Stillwater, Oklahoma Taxable Sales By Category (1)

Last Ten Fiscal Years  
(in thousands of dollars)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Retail Trade*							\$445,548	\$483,038	\$480,420	\$480,512
Accommodation and Food Services*							137,002	148,363	148,904	154,198
Wholesale*							44,145	70,324	51,578	42,187
Utilities*							42,350	44,616	46,131	41,983
Information*							23,014	25,105	25,393	25,041
Education services	\$12,768	\$10,555	\$19,021	\$16,804	\$17,867	\$18,788	18,567	18,517	14,818	4,801
Manufacturing*							14,419	16,697	14,454	17,096
Unclassified*								8,847	7,592	26,363
Other services (except Public Administration)*							11,425	7,190	7,801	7,847
Real Estate, Rental, and Leasing*							8,911	13,102	12,796	11,966
Arts, Entertainment and Recreation*							4,925	3,995	3,955	3,898
Professional, Scientific and Technical Services*							2,228	3,002	2,800	2,670
Transportation and Warehousing*							1,809	2,496	2,435	2,630
Finance and Insurance*							1,522	2,349	292	252
Construction*							1,094	1,392	1,609	1,172
Mining, Quarrying, and Oil and Gas Extraction*							60	842	755	127
Administrative and Support and Waste Management and Remediation*									261	269,306
Agriculture, Forestry, Fishing and Hunting*							346	55	70	64
Health Care and Social Assistance*							39	27	17	20
Public Admin*								3	5	(8)
All other outlets	14,811	51,539	53,009	49,662	54,324	57,182	889			
General merchandise stores	144,281	165,326	168,961	163,369	163,683	171,170	0			
Eating and drinking places	84,125	88,711	95,953	95,055	100,179	108,943	0			
Miscellaneous retail	59,973	63,590	60,811	58,989	61,044	65,576	0			
Building material, hardware, garden supply	51,659	58,193	56,626	48,296	44,602	47,178	0			
Food stores	35,924	34,492	35,269	35,101	36,763	39,301	0			
Electric, gas, and sanitary services	39,310	38,680	39,300	39,922	39,611	40,763	0			
Wholesale trade durable goods	25,108	26,072	27,365	23,481	24,607	24,995	0			
Apparel & accessory stores	35,824	34,128	32,717	33,376	35,328	39,194	0			
Furniture, home furnishings & equipment	24,478	26,142	26,924	23,240	35,526	35,764	0			
Communications	23,368	23,531	22,948	23,564	20,890	22,985	0			
Automotive dealers & gasoline service	15,227	14,103	13,847	13,765	15,732	16,055	0			
Business services	14,276	13,639	13,604	11,122	14,629	12,360	0			
<b>Total</b>	<b>\$581,132</b>	<b>\$648,701</b>	<b>\$666,355</b>	<b>\$635,746</b>	<b>\$664,785</b>	<b>\$700,254</b>	<b>\$758,293</b>	<b>\$850,221</b>	<b>\$822,094</b>	<b>\$823,125</b>
City general sales tax rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Transferable to SUA	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Dedicated sales tax - transportation projects (2)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
<b>Total tax rate</b>	<b>3.5%</b>									

(1) Source: Oklahoma Tax Commission

(2) Dedicated sales tax of 0.5% was effective October 1, 2001. This additional tax was to expire September 30, 2006 but was extended until September 30, 2016 by a vote of the citizens of Stillwater on April 4, 2006.

Note: The State of Oklahoma retains 1% of the sales tax collected as an administrative fee.

Note: Beginning Fiscal Year 2013, collections are reported by NAICS code in place of SIC code. \*

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

<b>Fiscal Year</b>	<b>City of Stillwater (2)</b>	<b>State of Oklahoma</b>	<b>Payne County (3)</b>
2007	2.50%	4.50%	0.75%
2008	2.50%	4.50%	0.75%
2009	2.50%	4.50%	0.75%
2010	2.50%	4.50%	0.75%
2011	2.50%	4.50%	0.75%
2012	2.50%	4.50%	0.75%
2013	2.50%	4.50%	0.813%
2014	2.50%	4.50%	0.813%
2015	2.50%	4.50%	0.813%
2016	2.50%	4.50%	0.813%

- (1) Sales tax is a major revenue source of the General Fund of the City of Stillwater. Sales tax is collected by local merchants and remitted to the State of Oklahoma Tax Commission by the 15th of the month following its receipt. The Tax Commission returns the City's portion of the sales tax to the city by the 15th of the following month. Beginning in 1979, an additional 1% sales tax was levied by the City for use by the Stillwater Utilities Authority (SUA), i.e., a Public Trust which operates the water, sewer and electric utilities of the City. The sales tax dedicated for the SUA is received by the City's General Fund and is immediately transferred to SUA.
- (2) The City portion of sales tax increased to 2.50% effective October 1, 2001. The additional .50% is dedicated to fund transportation (street) projects. This additional tax will expire September 30, 2026.
- (3) Stillwater is located in Payne County which initiated a .5% sales tax effective January 1, 1994.  
 The .5% sales tax expired and was replaced with a .375% sales tax effective January 1, 1999.  
 The Payne County sales tax was increased to .5% effective April 1, 2000.  
 The Payne County sales tax was increased to 0.75% effective April 1, 2006.  
 The Payne County sales tax was increased to 0.813% effective April 1, 2013.

**City of Stillwater, Oklahoma**  
**Electric Utility Customers and Sales by Type**  
**Last Ten Fiscal Years**

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Commercial	Ave monthly customers	1,801	1,873	1,920	1,956	1,958	1,983	2,060	2,088	2,111	2,387
	Annual Sales	\$12,735,235	\$13,059,881	\$13,561,716	\$14,102,173	\$14,451,894	\$15,682,222	\$15,756,870	\$17,063,666	\$18,115,939	\$17,426,665
	Percentage of Total Annual Sales	13%	14%	15%	15%	14%	13%	15%	15%	15%	39%
Residential	Ave monthly customers	16,690	16,874	17,060	17,280	17,434	17,341	17,549	17,996	18,278	18,576
	Annual Sales	\$16,803,705	\$16,639,744	\$16,793,576	\$17,710,450	\$18,350,527	\$20,445,780	\$20,035,777	\$21,896,747	\$22,477,571	\$21,431,632
	Percentage of Total Annual Sales	44%	45%	45%	46%	46%	47%	49%	50%	48%	48%
Industrial/Institutional	Ave monthly customers	5	5	5	5	5	5	5	5	5	5
	Annual Sales	\$8,618,384	\$7,654,815	\$7,055,745	\$7,107,348	\$7,422,493	\$7,179,718	\$4,933,893	\$5,086,290	\$5,991,449	\$5,587,646
	Percentage of Total Annual Sales	23%	20%	19%	18%	18%	17%	12%	12%	13%	13%

Reference

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

Legal Debt Margin Calculation for Fiscal Year 2016:

Net assessed valuation	\$319,589
Allowable debt of nonpublic utility bonds, limited by State Constitution, Article 10, Section 26, to 10% of net assessed valuation	\$31,959
Less - Debt applicable to debt limit:	
Municipal/police building general obligation bonds	(3,855)
<b>Legal Debt Margin</b>	<b>\$28,104</b>

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$23,381	\$24,971	\$26,522	\$27,825	\$27,005	\$26,819	\$27,618	\$28,873	\$30,446	\$31,959
Less - Total net debt applicable to limit	(10,620)	(9,830)	(9,040)	(9,086)	(8,248)	(7,359)	(6,476)	(5,598)	(4,725)	(3,855)
Legal debt margin	\$12,761	\$15,141	\$17,482	\$18,739	\$18,757	\$19,460	\$21,142	\$23,275	\$25,721	\$28,104
Total net debt applicable to the limit as a percentage of debt limit	45.4%	39.4%	34.1%	32.7%	30.5%	27.4%	23.4%	19.4%	15.5%	12.1%

Reference Copy

**City of Stillwater, Oklahoma**  
**Direct and Overlapping Governmental Activities Debt (1) (2)**  
**As of June 30, 2016**  
*(in thousands of dollars)*

<b>Government Unit</b>	<b>Bonds Outstanding</b>	<b>Percentage Applicable to City of Stillwater Property Owners/Patrons</b>	<b>Estimate Share of Overlapping Debt</b>
Debt repaid with property taxes			
Stillwater Independent School District #16 (3)	\$30,480	83.93%	\$25,581
Debt repaid with sales taxes			
Payne County Facilities Authority	\$8,580	68.31%	5,861
Subtotal - overlapping debt			31,441
<b>City of Stillwater direct debt</b>	\$3,855	100.00%	3,855
<b>Total direct and overlapping debt</b>			\$35,296

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

Reference Copy

**City of Stillwater, Oklahoma**  
**Ratios Of Outstanding Debt By Type**  
**Last Ten Fiscal Years**

Fiscal Year	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES			Total Primary Government	Personal Income (in thousands of dollars)	Debt as Percentage of Personal Income	Population	Total Debt per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases						
2007	\$10,620,000	\$16,557,496	\$13,307,167	\$1,663,711	\$42,148,374	\$2,102,451	2.0%	46,383	\$908.70	
2008	9,830,000	13,824,750	18,606,464	1,030,812	43,292,026	2,306,093	1.9%	46,976	921.58	
2009	9,040,000	10,967,229	17,390,784	938,198	38,336,211	2,314,505	1.7%	47,653	804.49	
2010	9,085,959	7,989,348	17,914,992	1,904,495	36,894,794	2,402,414	1.5%	45,688	807.54	
2011	8,247,737	4,877,590	26,066,740	2,127,695	41,319,762	2,523,379	1.6%	46,048	897.32	
2012	7,359,342	1,605,608	27,159,609	2,347,169	38,471,728	2,836,935	1.4%	46,560	826.28	
2013	6,476,120	0	25,779,455	3,233,271	35,488,846	2,878,256	1.2%	47,186	752.11	
2014	5,597,899	0	23,692,419	2,442,643	31,732,962	2,991,209	1.1%	48,406	655.56	
2015	4,724,678	68,211,090	20,666,471	3,257,684	96,859,923	**	**	48,967	1,978.07	
2016	3,856,281	67,977,127	17,540,437	3,121,682	92,495,527	**	**	**	**	

\*\* Data not available at time of publication

Reference Copy

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

Fiscal Year	GENERAL OBLIGATION BONDS		Accumulated Resources Restricted to repayment of		Population	Net Bonded Debt per Capita	Total Estimated Actual Value (in thousands of dollars)	Net Bonded Debt per \$1,000 of Assessed Value
	Governmental Activities	Total Primary Government	General Bonded Debt	Net General Bonded Debt				
2007	\$10,620,000	\$10,620,000	\$96,746	\$10,523,254	46,383	\$226.88	\$1,932,553	\$5.45
2008	9,830,000	9,830,000	129,488	9,700,512	46,976	206.50	2,097,439	4.62
2009	9,040,000	9,040,000	279,996	8,760,004	47,653	183.83	2,236,947	3.92
2010	9,085,959	9,085,959	245,659	8,840,300	45,688	193.49	2,373,184	3.73
2011	8,247,737	8,247,737	384,409	7,863,328	46,048	170.76	2,487,570	3.16
2012	7,359,342	7,359,342	320,160	7,039,182	46,560	151.19	2,414,474	2.92
2013	6,476,120	6,476,120	327,051	6,149,069	47,186	130.32	2,405,658	2.56
2014	5,597,899	5,597,899	316,318	5,281,581	48,406	109.11	2,475,991	2.13
2015	4,724,678	4,724,678	238,199	4,486,479	48,967	91.62	2,586,096	1.73
2016	3,856,281	3,856,281	182,612	3,673,669	**	**	2,724,395	1.35

\*\* Data not available at time of publication

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

Fiscal Year	<u>Oklahoma Water Resources Board (OWRB) Notes and 2002, 2005 and 2014 Revenue Bonds</u>						<u>2007 and 2010 Revenue Notes (2)</u>			
	Utility Operating Revenues	Less: Operating Expenses	Net Available Revenue	DEBT SERVICE		Coverage	Pledged Transportation Sales Tax	DEBT SERVICE		Coverage
			Principal	Interest			Principal	Interest		
2007	\$55,757	\$37,841	\$17,916	\$3,327	\$955	4.18	0	0	0	0
2008	56,463	35,929	20,534	3,441	870	4.76	\$929	0	0	0
2009	56,241	35,762	20,479	3,576	774	4.71	1,644	\$495	\$326	2.00
2010	58,601	37,250	21,351	3,660	666	4.94	1,576	645	197	1.87
2011	63,906	40,692	23,214	3,808	613	5.25	1,646	1,270	269	1.07
2012	68,779	42,063	26,716	4,015	582	5.81	1,712	1,615	270	0.91
2013	68,835	39,663	29,172	2,654	520	9.19	1,876	1,675	223	0.99
2014	77,396	42,098	35,298	1,190	481	21.12	2,093	1,740	174	1.09
2015	78,625	45,920	32,705	1,190	2,281	9.42	2,050	1,805	123	1.06
2016	77,026	43,485	33,541	1,214	3,289	7.45	2,051	1,880	69	1.05

- (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.

Reference

**City of Stillwater, Oklahoma**  
**Full-Time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Function/Program</b>										
Governmental activities:										
Public safety	188.0	193.0	193.0	199.0	196.0	194.0	197.0	199.0	202.5	202.0
Recreation and culture	102.0	93.8	87.8	75.5	67.0	56.3	72.3	80.5	67.3	51.5
General government	25.0	38.0	40.5	38.0	33.0	36.5	45.0	56.5	50.3	65.0
Financial administration	13.5	15.0	15.0	15.0	13.0	16.0	18.5	14.8	17.0	17.0
Street and sewers	22.0	33.0	35.0	37.5	35.0	37.3	26.0	26.0	29.0	39.5
Engineering and public works administration	28.0	17.0	14.5	9.5	6.0	4.0	11.0	6.0	6.0	7.0
Health and welfare	18.0	23.0	15.0	22.0	19.0	18.3	16.5	18.0	20.0	18.0
Business-type activities:										
Electric, water and wastewater operations	130.0	138.5	132.1	137.3	128.0	136.0	142.3	146.8	158.3	160.4
Sanitation operations	30.0	34.5	31.0	37.5	31.0	29.5	30.0	30.0	29.0	31.0
Stillwater Public Golf Authority (1)	19.5	21.0	20.0	20.0	0.0	0.0	0.0	0.0	0.0	0.0
Airport Operations	5.0	5.0	6.0	5.5	5.0	5.0	5.3	5.8	5.8	10.8
<b>Total</b>	<b>581.0</b>	<b>611.8</b>	<b>589.9</b>	<b>596.8</b>	<b>533.0</b>	<b>532.9</b>	<b>563.8</b>	<b>583.3</b>	<b>585.0</b>	<b>602.1</b>

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

Reference

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Function/Program</b>										
<b>Governmental activities:</b>										
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
Recreation and culture										
Athletic fields	24	24	24	24	24	24	24	23	23	23
Tennis Courts	14	10	10	10	10	10	10	10	7	8
Neighborhood/community parks	24	22	22	22	22	22	22	22	22	22
Lakeside Golf Course - acreage	160	160	160	160	160	160	160	160	160	160
Street and sewers										
Streets (miles)*	230	230	215	216	216	217	215	215	216	234
Traffic signals	61	61	61	61	60	60	62	64	65	65
<b>Business-type activities:</b>										
Electric, water, wastewater										
Power plants	1	1	1	1	1	1	1	1	1	1
Substations	8	8	8	8	8	8	8	8	8	8
Miles of 69KV line	20.9	20.9	20.1	20.1	20.1	20.1	20.2	20.8	21.3	21.3
Water										
Water Plant	1	1	1	1	1	1	1	1	1	1
Water storage towers (away from plant)	5	5	5	5	5	5	5	6	6	13
Wastewater										
Wastewater Plant	1	1	1	1	1	1	1	1	1	1
Lift Stations	15	15	15	15	15	15	15	15	15	15

Sources: Various City departments

\*Beginning in 2009 street mileage was measured using more accurate GIS data.

Reference Copy

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Function/Program</b>										
Governmental activities:										
Public safety										
Traffic citations	5,075	5,010	4,196	4,018	3,468	2,481	3,065	2,779	2,574	4,719
Parking tickets	13,662	11,601	13,682	16,493	17,076	13,419	16,610	14,709	11,135	12,243
Police calls for service	39,841	33,810	43,713	42,136	44,683	43,518	33,213	31,548	33,241	39,508
Animals handled by Animal Welfare	738	2,434	2,208	2,434	2,530	2,387	2,398	2,465	2,081	1,977
Fire calls for service	1,632	1,447	1,520	1,544	1,948	1,927	4,077	4,130	4,453	4,678
Ambulance calls for service	3,971	3,574	4,026	3,939	4,268	0	0	0	0	0
Recreation and culture										
Acres mowed (1)	11,552	11,240	8,296	7,493	5,735	5,735	5,490	5,490	4,829	4,829
Program participants	7,490	2,296	6,030	4,765	5,046	4,987	5,100	2,618	1,990	2,368
Senior Center daily average attendance	60	70	42	34	40	40	22	25	63	65
Multi Arts participants (2)	2,236	6,000	6,000	6,000	6,200	4,700	0	0	0	0
Swimming pool admissions	18,094	18,056	15,280	16,759	12,859	12,356	10,804	10,840	11,431	10,723
Lakeside golf course - rounds of golf	25,717	25,088	24,515	25,577	29,247	29,764	31,237	29,563	27,651	27,103
Mini bus rides (3)	9,699	4,390	1,974	516	0	0	0	0	0	0
Volumes in library	**	91,674	95,219	97,555	100,119	110,918	110,728	111,072	101,941	98,312
Total circulation of library materials	349,502	340,421	364,243	370,043	369,340	369,191	360,423	353,860	362,895	373,257
General government										
Supported micro-computers by IT	407	430	421	468	511	590	450	450	450	450
Helpdesk/trouble calls by IT	1,858	2,547	2,084	2,429	2,785	3,355	2,500	2,100	2,050	2,800
Ordinances drafted	35	35	36	32	35	37	52	35	35	36
Financial administration										
Computer generated accounts payable checks	4,123	2,963	2,888	3,382	3,945	2,598	2,218	2,399	2,374	2,414
Budget revisions/amendments processed	325	328	388	428	325	274	317	289	271	281
Requisitions reviewed	1,608	1,709	1,794	1,541	1,355	1,231	1,228	1,639	1,515	1,295
Municipal court cases	10,008	10,318	9,289	7,815	8,165	6,880	7,568	7,263	6,532	8,009
Street and sewers										
Blocks of striping (4)	96	82	103	76	8,755	80	80	31,680	54,269	106,305
Signs made	305	159	346	571	251	1,142	814	736	250	451
Crack sealant (blocks) (5)	252	10,765	143	117	216	0	49	6,237	16,475	9,090
Slurry sealant (blocks)	72	23	8	39	29	26	40	0	8	0
Concrete replacement (cu. yds.)	758	834	1,162	1,207	1,714	1,229	1,169	1,252	1,425	516
Engineering and public works administration										
Developments reviewed	140	95	69	39	80	52	73	66	66	65
Permits issued	3,478	3,047	2,650	2,963	3,406	4,116	3,285	3,124	2,784	2,760
Vehicles maintained	323	340	346	271	305	362	494	539	573	575
Fleet job orders completed	3,388	3,619	3,789	3,721	3,754	3,848	4,284	4,540	5,095	3,886
Health and welfare										
Code enforcement inspections	8,595	3,163	4,722	4,975	5,574	5,638	7,059	8,114	6,061	5,204
High grass and weed cases	490	746	373	1,055	1,076	266	40	309	635	699
Trees and shrubs planted	54	22	94	56	0	70	50	42	42	0

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities										
Electric, water and wastewater operations										
Electric connections	18,338	19,605	20,580	20,338	20,208	20,856	21,399	20,336	20,624	20,476
Water connections	15,274	16,200	16,654	16,312	16,218	16,390	16,256	16,607	17,015	17,077
Water line repairs (6)	281	272	176	85	900	252	349	340	300	189
Water treated (million gallons)	**	2,604	2,567	2,338	2,282	2,438	2,407	2,321	2,400	4,472
Sewage treated (million gallons)	1,940	2,035	1,957	2,048	1,648	1,651	1,825	1,905	1,799	1,776
Sanitation operations										
Landfill usage (tons)	22,884	21,000	19,602	18,986	19,713	18,631	18,605	18,602	18,602	19,076
Yard waste hauled (tons)	1,198	1,183	1,135	1,002	1,403	1,021	1,071	1,040	1,040	1,233
Community Center operations										
Admissions	104,129	118,310	130,141	131,202	118,082	132,251	137,541	159,548	138,807	123,538
Airport Operations										
Operations (avg month)	6,292	**	5,976	4,324	4,994	4,885	4,945	4,911	5,526	5,765

\*\*unavailable

- (1) Acres mowed times number of mowings.
- (2) Operation of the Multi Arts programming assumed by the Friends of the Multi Arts Center, Inc. on May 1, 2012
- (3) Mini bus program ended March 2010
- (4) Measured in ft. in 2011 and 2014-2016
- (5) Measured in lbs. in 2008
- (6) 2007-2010 includes water main repairs only. Beginning in 2011, both water main and service line repairs are included.

Sources: Various City departments

**City of Stillwater, Oklahoma  
Principal Employers (1)  
Current Year And Nine Years Ago**

Employers	CURRENT YEAR			NINE YEARS AGO		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Oklahoma State University	4,850	1	20%	5,589	1	30%
Stillwater Medical Center	951	2	4%	815	3	4%
Stillwater Public Schools	755	3	3%	700	4	4%
City of Stillwater	602	4	2%	581	5	3%
Wal-Mart (1)	457	5	2%	500	6	3%
OK State Dept. of Career Tech	220	6	1%	275	9	1%
Stillwater Designs/Kicker Audio	187	7	1%	238		
National Standard	180	8	1%	250	10	1%
ASCO Aerospace USA	180	9	1%			
OnCue Marketing	164	10	1%	117		
Stan Clark Companies	138			426	7	2%
Mercury MerCruiser	0			901	2	5%
Quebecor World/Quad Graphics	0			400	8	2%
Others:						
Bank SNB	129					
Meridian Technology Center	126					
Frontier Electronics	113					
Armstrong World Industries	112					
Flir Technology	60					
Stillwater Milling	57					

(1) Sources: Human Resource departments of various local employers.

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

Fiscal Year	Population (1)	Personal Income (in thousands) of dollar) (2)	Per Capita Personal Income	Median Age (3)	EDUCATION LEVEL IN YEARS OF SCHOOLING (3)		K-12 School Enrollment (4)	Post-Secondary Enrollment (4)	Unemployment Rate (5)
					Percentage High School Graduate or Higher	Percentage Bachelor's Degree or Higher			
2007	46,383	\$2,102,451	\$27,050				5,460	23,486	4.8%
2008	46,976	2,306,093	29,290				5,489	23,564	4.3%
2009	47,653	2,314,505	29,030				5,596	23,719	6.3%
2010	45,688	2,402,414	31,021	23.9	92.5%	46.6%	5,780	24,018	5.8%
2011	46,048	2,523,379	32,356	24.1	93.3%	47.0%	5,960	24,622	5.9%
2012	46,560	2,836,935	36,186	23.7	93.4%	49.0%	6,061	25,623	5.1%
2013	47,186	2,878,256	37,146	23.7	94.0%	48.7%	6,147	26,312	5.5%
2014	48,406	2,991,209	38,028	23.7	94.5%	48.5%	6,212	27,974	4.8%
2015	48,967	**	**	**	**	**	6,285	28,030	4.2%
2016	**	**	**	**	**	**	6,137	27,842	4.2%

\*\* Data not available at time of publication

- (1) Population estimates provided by the City of Stillwater Department of Community Development and the U.S. Census Bureau.  
2007 population estimate reflects the acceptance of the City's estimate challenge by 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.

CITY OF STILLWATER, OKLAHOMA  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

Fiscal Year Ended June 30, 2016

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