

2014 City of Stillwater, Oklahoma Historical Financial Data Analysis

Executive Summary

“Navigating Stillwater’s Fiscal Health: A 2014 Financial Overview and Deep Dive”

4 July 2025

This report synthesizes three core 2014 financial documents for the City of Stillwater and its principal component unit, the **Stillwater Medical Center Authority**:

1. **2014 Annual Comprehensive Financial Report (ACFR)**
2. **2014 Annual Survey of City and Town Finances (SA&I Form 2643) 2014-Stillwater-2643**
3. **2014 Independent Auditor’s Reports & Financial Statements for the Stillwater Medical Center Authority 2014-Stillwater-Medical...**

Key Findings

City of Stillwater (SA&I Form 2643) 2014-Stillwater-2643

- **Tax Revenues:** Property taxes (General, Building & Sinking Funds) and local sales taxes (general, franchise, cigarette, hotel/motel, use) constitute the bulk of municipal revenues.
- **Intergovernmental Support:** The City received substantial state-shared fuel and vehicle taxes (Streets & Highways), alcoholic beverage tax distributions, and various grants (water/wastewater, housing/community development).
- **Other Revenues & Fees:** Utility sales (water, electric) and service charges (sewer, refuse) provided steady non-tax income, supplemented by interest earnings and miscellaneous fees.
- **Expenditures by Function:**
 - **Public Safety:** Police and fire services dominate the budget, funded through salaries, operations, and capital outlay.
 - **Transportation & Utilities:** Street maintenance, storm sewers, and landfill operations were significant, reflecting ongoing infrastructure investments.
 - **Culture & Recreation:** Parks, libraries, and community programs consumed a modest share, emphasizing quality-of-life services.
- **Debt Profile:** Long-term debt and capital leases are responsibly managed, with defined sinking and bond funds to secure revenue bonds.
- **Fund Balances:** Healthy sinking and bond funds, with prudent reserves in “all other funds,” indicate strong liquidity and debt-service capacity.

Disclaimer: This executive summary is based on preliminary reviews of the City of Stillwater’s 2014 ACFR, State Auditor & Inspector Survey (SA&I Form 2643), and the Stillwater Medical Center Authority’s 2014 audited financial statements. It is intended for informational purposes only and does not constitute an audit, attestation, or legal opinion. While every effort has been made to ensure accuracy, readers should consult the original reports and seek independent professional advice before making financial or policy decisions.

2014 City of Stillwater, Oklahoma Historical Financial Data Analysis

Executive Summary

“Navigating Stillwater’s Fiscal Health: A 2014 Financial Overview and Deep Dive”

4 July 2025

Stillwater Medical Center Authority (SMCA) 2014-Stillwater-Medical...

- **Operating Performance:**
 - **Net Patient Service Revenue:** Increased to \$137.2 M (up 17.4% from 2013), driven by higher outpatient volumes and rate adjustments.
 - **Operating Income:** \$14.1 M in 2014 (102.5% growth year-over-year), reflecting disciplined expense control and strategic service expansions (e.g., oncology, orthopedic clinics).
- **Nonoperating Results:**
 - **Investment Income:** \$2.6 M, down 49% as market returns normalized;
 - **Debt Refinancing:** 2014 Bonds at 1.69% interest replaced higher-coupon 2003/2005 debt, reducing long-term cost by \$2.07 M.
- **Net Position & Liquidity:**
 - **Net Position:** Grew by \$16.0 M to \$124.5 M (up 14.8%), underscoring robust financial health.
 - **Cash & Equivalents:** \$20.4 M (58.9% increase), financed by operating cash flows (\$21.2 M) and prudent investing.
- **Capital Investments:**
 - **Capital Assets:** Net increase to \$55.9 M, including new hospital equipment and infrastructure projects.
 - **Planned Expansion:** A \$13 M Medical Office Building underway, funded through reserves.
- **Risk Management:**
 - **Self-Insured Programs:** Worker’s compensation and employee health liabilities are well-funded; insurance coverage for malpractice is maintained through Heartland RRG.
 - **Regulatory Environment:** Active participation in Electronic Health Records incentives and the Supplemental Hospital Offset Payment Program (SHOPP) bolsters revenue despite healthcare reform uncertainties.

Disclaimer: This executive summary is based on preliminary reviews of the City of Stillwater’s 2014 ACFR, State Auditor & Inspector Survey (SA&I Form 2643), and the Stillwater Medical Center Authority’s 2014 audited financial statements. It is intended for informational purposes only and does not constitute an audit, attestation, or legal opinion. While every effort has been made to ensure accuracy, readers should consult the original reports and seek independent professional advice before making financial or policy decisions.

2014 City of Stillwater, Oklahoma Historical Financial Data Analysis

Executive Summary

“Navigating Stillwater’s Fiscal Health: A 2014 Financial Overview and Deep Dive”

4 July 2025

Deep Dive Analysis

1. Revenue Diversification & Sustainability

- *City*: The narrow tax base (property & sales) is buffered by state/federal grants, but declining retail activity or legislative changes to shared taxes could stress budgets.
- *SMCA*: Reliance on Medicare/Medicaid ($\approx 50\%/41\%$ of revenue) poses reimbursement-rate risk; diversification into outpatient and specialty clinics mitigates exposure.

2. Expenditure Efficiency & Infrastructure

- *City*: Capital outlay for streets, utilities, and municipal airports is aligned with long-term debt capacity, preserving service levels without overleveraging.
- *SMCA*: Operating expense growth (6.9% for payroll; 13.5% for supplies) was proportionate to revenue gains, driving a 102.5% leap in operating income.

3. Debt Management & Financial Flexibility

- *City*: Maintains sinking funds and bond reserves, meeting debt-service coverage covenants and retaining capacity for future capital needs.
- *SMCA*: Refinancing at historic lows extends debt maturity prudently and releases cash for facility expansion.

4. Risk & Reform Preparedness

- The City’s self-insurance and stable enterprise fund operations mitigate premium spikes; ongoing compliance with Open Meetings and reporting statutes underpins transparency.
- SMCA’s proactive engagement with PPACA provisions, EHR incentives, and SHOPP demonstrates adaptability to evolving healthcare policy.

Disclaimer: This executive summary is based on preliminary reviews of the City of Stillwater’s 2014 ACFR, State Auditor & Inspector Survey (SA&I Form 2643), and the Stillwater Medical Center Authority’s 2014 audited financial statements. It is intended for informational purposes only and does not constitute an audit, attestation, or legal opinion. While every effort has been made to ensure accuracy, readers should consult the original reports and seek independent professional advice before making financial or policy decisions.