

The City of Bethany, Oklahoma
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014





*The City of Bethany, Oklahoma
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014*



*Prepared by
Finance Department of the City of Bethany*

The City of Bethany, Oklahoma
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014
Table of Contents

	Page
<i>Introductory Section</i>	
Letter of Transmittal	3
List of Principal Officials	7
Organizational Chart	8
<i>Financial Section</i>	
Independent Auditor's Report	11
Management's Discussion and Analysis (Unaudited)	13
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	24
Statement of Activities	25
Fund Financial Statements:	
Balance Sheet -- Governmental Funds	26
Statement of Revenues, Expenditures, and Changes in Fund Balances -- Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	28
Statement of Net Position -- Proprietary Funds	29
Statement of Revenues, Expenses, and Changes in Fund Net Position -- Proprietary Funds	30
Statement of Cash Flows -- Proprietary Funds	31-32
Statement of Fiduciary Net Assets -- Fiduciary Funds	33
Statement of Changes in Fiduciary Net assets- Fiduciary Funds	33
Notes to the Financial Statements	35
Required Supplementary Information:	
Budgetary Comparison Schedule --General Fund (Unaudited)	60
Schedule of Funding Progress -- Defined Benefit Pension Plan (Unaudited)	61
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet -- Non-major Governmental Funds	64
Statement of Revenues, Expenditures, and Changes in Fund Balances -- Non-major Governmental Funds	65
Combining Balance Sheet -- All Agency Funds	66
Combining Statement of Changes in Assets and Liabilities -- All Agency Funds	66

The City of Bethany, Oklahoma
Table of Contents, continued

Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards	71
Supplementary Information	
Schedule of Expenditure of Federal Awards	73
Notes to Schedule of Expenditure of Federal Awards	74
 <i>Statistical Section (Unaudited)</i>	
Financial Trend Information:	76
Net Assets by Component	77
Change in Net Assets	78
Program revenues by Function / Program	79
Fund Balance, Governmental Funds	80
Changes in Fund Balance, Governmental Funds	81
Revenue Capacity Information	82
Tax Revenues by Source	83
Assessed Value of Taxable Property	84
Direct and Overlapping Property taxes	85
Property Tax Levies and Collections	86
Taxable Sales by Category	87
Direct and Overlapping Sales Tax Rates	88
Sales Tax Remitted by Industry	89
Ratios of Outstanding Debt by Type	90
Pledged-Revenue Bond Coverage	91
Demographic and Economic Information	92
Principal Employment Data	93
Demographic and Economic Statistics	93
Operating Information	94
City Employees by Function / Program	95
Capital Asset Statistics by Function / Program	96



Introductory Section



The City of Bethany

*A Great Place to Live, Work, Shop
and Grow a Business!*

January 8, 2014

**Citizens of Bethany,
Honorable Mayor and City Council
And Other Interested Readers:**

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014.

The purpose of this report is to provide the Mayor, City Council, Management, citizens, representatives of financial institutions and others with detailed information on the financial position and performance of the City of Bethany. In addition, this report provides assurance that the City's financial position is presented fairly as verified by the independent auditors.

State law requires these audited financial statements to be filed in the office of the State Auditor and Inspector each year. We refer you to the Independent Auditor's Report of Casey J. Russell CPA, Inc. for an explanation of the scope and purpose of the audit process. The accuracy of the data and the completeness of the presentation, including relevant disclosures, are the responsibilities of City management. We believe this report is accurate in all material respects and fairly presents the financial position of the City and the results of its operations on both a government-wide and a fund basis for the fiscal year recently ended. We encourage you to read this document in its entirety and discuss the important items that it addresses.

The City of Bethany has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Bethany's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the City of Bethany's comprehensive framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

City management's narrative on the financial activities of the City is in the Management's Discussion and Analysis (MD&A). This letter or transmittal is written to complement the MD&A and the financial statements, and should be read from that perspective.

*6700 NW 36th Street, PO Box 219
Bethany, Oklahoma 73008 · (405) 789-2146 · FAX (405) 787-5467
www.cityofbethany.org*

Financial Reporting Entity

The City's reporting entity consists of the primary government and related public trusts for which the primary government is financially accountable. The definition of the reporting entity is based on financial accountability.

Profile of the City of Bethany, Oklahoma

The City of Bethany, incorporated as a municipality in 1910, is situated in the central part of the state. Located on the Oklahoma Scenic Byway of Historic Route 66, Bethany's 5.5 square miles on the western edge of the Oklahoma City metropolitan area embody the historical, spiritual, and commercial fabric that represents the abundant life grown out of the prairie.

Bethany has a council-manager form of government. This means that policy-making and legislative authority are vested in a governing council consisting of the mayor and eight other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager, City Attorney and Municipal Judge. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government and for appointing the heads of the various departments.

The council is elected on a non-partisan basis. Council members serve four-year staggered terms with four council members elected every two years. The mayor is elected to serve a four-year term. All council members are elected by ward. The mayor is elected at large.

The City of Bethany provides basic municipal services, including water, sewer, sanitation, public safety, streets and public parks.

The City maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund are included in the annual appropriated budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by department and category of expenditures (personal services, materials and supplies, other services, and capital outlay) within an individual fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Bethany operates. Located on the western edge of the Oklahoma City urbanized area, Bethany is primarily a residential community. As the economy of the entire area expands, Bethany will benefit with an increase in population, retail sales and jobs. While surrounded on all sides by

Oklahoma City and Warr Acres, there is still room for new commercial and residential development.

Long-term financial planning

City of Bethany staff and elected officials have long recognized the need for long-term financial planning. City officials seek additional input from citizen groups.

A citizen's group presented a petition in 1990 asking the city council for an election to increase the city sales tax from two to three percent. The election passed. The voters stipulated that seventy percent (70%) of the additional cent was to be spent solely on capital improvements. Capital improvements means equipment, land, buildings, water or sewer lines and all other items not consumed but diminished in value with prolonged use or time.

Early in 2000, another citizen's group recommended that the city raise its sales tax rate from three to four percent. On August 22, 2000, the Bethany voters approved an additional sales tax levy of one (1) percent. This tax went into effect on October 1, 2000. The proceeds of the tax will be used for general governmental purposes.

The City is increasing its efforts to bring additional retail business to enhance the sales tax base through a contract with The Buxton Company. Their proprietary method of matching retailers to a community's demographic and economic profile is being used to solicit potential retailers to the City. Based on Buxton's data, these retailers should find Bethany a great place to open or expand their business.

Capital projects planned for the near future include significant efforts to improve and replace aging sewer lines. These service lines will be financed with long-term debt that will be repaid with increases in user fees.

Investment and Cash Management

The objective of the investment and cash management process of the City of Bethany is to manage and invest public funds with regard to the following criteria.

Safety of principal is the first objective of the investment and cash management program for the City. All investments are undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. Liquidity is the second objective. The City's investment portfolio is structured in such a manner as to remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated. Finally, the City's investment portfolio is designed with the objective of attaining a market yield throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.

Risk Management

The City's risk management activities are designed to help prevent losses. City employees participate in accident investigation as well as prevention training.

The City participates in an insurance program administered by the Oklahoma Municipal Assurance Group (OMAG) for workers' compensation and pays a quarterly participation fee based on an actuarial estimate of claims. The City also purchases general liability insurance.

Pension and other post employment benefits

City employees participate in a variety of retirement plans.

Uniformed police and fire department employees are members of State of Oklahoma plans. The City's liability to these plans is limited to its' required contribution.

All other employees participate in the Oklahoma Municipal Retirement Fund. This agent multiple-employer public retirement system acts as a common investment and administrative agent for cities in Oklahoma. This plan is funded on an actuarially sound basis.

The City does not provide any other post employment benefits.

Contacting City Government

For other information or specific questions related to this CAFR, please contact the Finance Department of the City at 6700 NW 36th, Bethany, Oklahoma, 73008, (405) 789-2146, jon.robinson@bethanyok.org. Please also visit our website www.cityofbethany.org.

Acknowledgments

Appreciation and thanks must be given to the Finance Department staff whose daily dedication and attention to each transaction makes this report the accurate and fairly presented report that it is. Appreciation is also extended to the leadership of the governing body for their continued interest in and support of the financial reporting process.

Respectfully submitted,



John D. Shugart
City Manager



Jon Robinson
Finance Director

The City of Bethany, Oklahoma
List of Principal Officials
June 30, 2014

Elected Officials

Mayor

Bryan Taylor

Council Members

Ward 1

Randy Luinstra, Vice Mayor
Curtis Moore

Ward 3

Tom Ray
Kathy Larsen

Ward 2

Kathi Holloway
Jeff Siems

Ward 4

Phill Shirey
Jeff Knapp

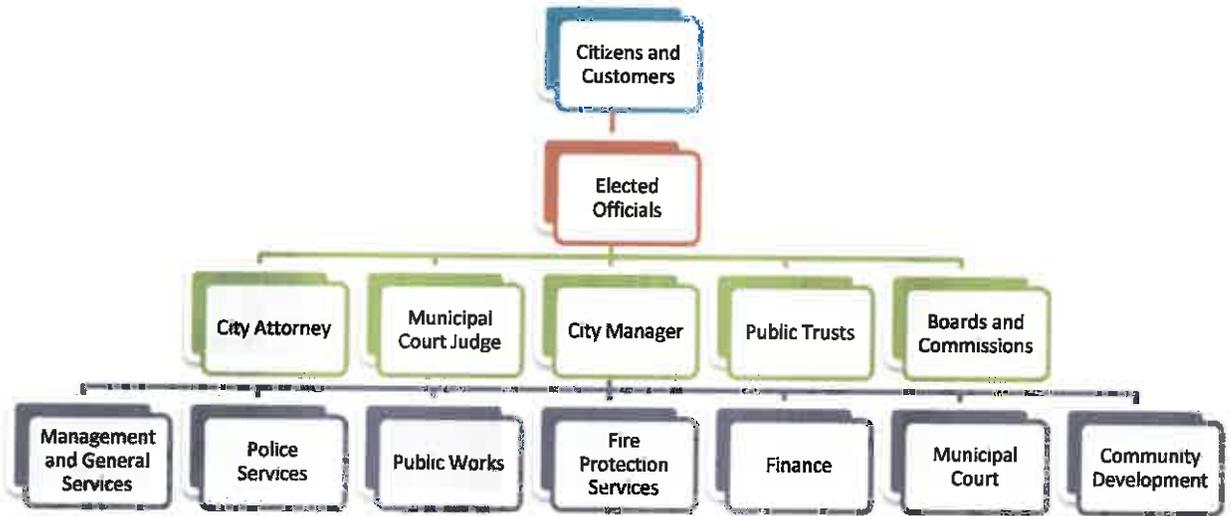
Appointed Officials

John D. Shugart, City Manager
David A. Davis, City Attorney
Kathleen A. Himmler, Municipal Court Judge

Department Managers

Phil Cole, Police Chief
Kristin Harwell, Court Administrator
Steve Katen, Public Works Director
S. R. Hunter, Interim Fire Chief
Julie Shannon, Community Development Director
Jon Robinson, Finance Director

The City of Bethany, Oklahoma
Organization Chart





Financial Section



Russell & Williams CPA's, PC

Casey J. Russell, C.P.A., M.B.A.
Autumn L. Williams, C.P.A., Esq.
Member AICPA & OSCP

2812 NW 57th Street, Suite 102
Oklahoma City, Oklahoma 73112

Phone: (405) 607-8743
Fax: (405) 607-8744
Email: caseycpa@hotmail.com

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Bethany, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bethany, Oklahoma as of and for the year ended June 30, 2014, 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 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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bethany, Oklahoma as of June 30, 2014, 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, budgetary comparison information and schedule of funding progress on pages 13–24, 64 and 65 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bethany, Oklahoma's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, statistical section, schedule of federal awards and accompanying notes and are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical sections and schedule of federal awards 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 July 25, 2014, on our consideration of the City of Bethany, Oklahoma'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 City of Bethany, Oklahoma's internal control over financial reporting and compliance.



Oklahoma City, Oklahoma
January 30, 2015

The City of Bethany, Oklahoma
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2014

Unaudited

The Management's Discussion and Analysis section of the City of Bethany's 2014 annual financial report provides narrative discussion and analysis of the financial activities for the fiscal year ended June 30, 2014. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Additional information is available in the transmittal letter that is included in the Introductory Section.

Financial Highlights

- The City's assets exceeded its liabilities by \$40,161,738 (net assets) at the close of the fiscal year.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$17,692,852 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Reserved net assets of \$8,232,831 represent the portion of net assets that are reserved for capital projects, debt service, emergencies, and for other specific fund purposes.
 - (3) Unrestricted net assets of \$14,236,055 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
- Total liabilities of the City were \$18,849,818 at the end of the fiscal year. This includes \$16,780,426 in outstanding debt and \$810,265 in accrued compensated absences.
- The City's governmental funds reported total ending fund balance of \$6,577,363 this year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$3,448,517, or 38.8% of total General Fund expenditures.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also provides additional information to supplement the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to the private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference between the four elements reported as net position. Over time, increases or decreases in net position serve as a useful indicator on whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and fines and earned but not used vacation and sick leave as stated in City policy and union contracts). Both the Statement of Net Position and the Statement of Activities are prepared using the accrual basis of accounting as opposed to the modified accrual basis used for Fund Financial Statements of the governmental funds.

In its Statement of Net Position and the Statement of Activities, the City is divided between two types of activities:

- **Governmental activities.** Most of the City's basic services are reported here, including general government, public safety, streets, culture and recreation, health and welfare and economic development. Sales taxes and franchise taxes finance most of these activities as reflected on Page 18.
- **Business-type activities.** The City charges a fee to customers to cover the cost of services it provides. The City's utility system (water, sewer, sanitation, and drainage), conference center/hotel, golf, trailer park and industrial park activities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, but not the City as a whole. Some funds are required to be established by state law or bond covenants. However, the City Council 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 monies. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- **Governmental funds.** The majority 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 identified as the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements on page 26 and 28 of this report.

The City of Bethany maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Police, Fire, Hospital Authority, and the Tax Increment Financing funds. Data from the debt service fund, 13 special revenue funds, and 7 capital project funds, all of which are considered to be governmental, are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements starting on page 69 of this report.

- **Proprietary funds.** The City charges customers for certain services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are similar to the business-type activities that are reported in the Government-wide statements but provide more detail and additional information, such as cash flows. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities, such as the risk management functions, health self-insurance fund, fleet services, surplus property activities and public works function. Because these services benefit both governmental and business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The City of Bethany maintains two major enterprise funds. The City uses these funds to account for its water, sewer, sanitation, and hospital operations. The funds provide the same type of information as the government-wide financial statements. The City considers these enterprise fund activities to be major funds.

The City's financial reporting includes the funds of the City (primary government) and organizations for which the City is accountable (component units). Most of these legally separate organizations operate like City departments, serve as financing vehicles for City services (revenue bond issuers), or are governed by a board of trustees wholly comprised of the City's Mayor and Council. These organizations are blended into the primary government for financial reporting purposes. The blended organizations reported as City funds include the Bethany Public Works Authority, The Bethany Hospital Trust and the Bethany Development Authority.

Notes to the financial statements The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Other supplementary information includes detail by fund and component unit for receivables,

payables, transfers, and payments within the reporting entity. Supplementary information follows the notes to the financial statements.

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Government-wide Financial Analysis

As year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole. Net assets represent the difference between total assets and total liabilities. The City of Bethany's assets exceeded its liabilities by \$40,161,662 at fiscal year end. The following table provides a summary of the City's net assets:

Summary of Net Assets

	Governmental Activities		Business-type Activities		Totals		Amount Change	% Change
	2014	2013	2014	2013	2014	2013		
Current and other assets	\$ 7,023,100	\$ 6,256,664	\$ 18,478,890	\$ 16,435,464	\$ 25,501,990	\$ 22,692,129	\$ 2,809,862	12.4%
Capital assets	<u>6,159,850</u>	<u>6,652,012</u>	<u>27,349,650</u>	<u>27,472,816</u>	<u>33,509,500</u>	<u>34,124,828</u>	<u>(615,329)</u>	-1.8%
Total assets	\$ <u>13,182,950</u>	\$ <u>12,908,676</u>	\$ <u>45,828,540</u>	\$ <u>43,908,281</u>	\$ <u>59,011,490</u>	\$ <u>56,816,957</u>	\$ <u>2,194,533</u>	3.9%
Long term liabilities	\$ 645,122	\$ 95,481	\$ 15,981,791	\$ 13,548,257	\$ 16,626,913	\$ 13,643,739	\$ 2,983,175	21.9%
Other liabilities	<u>445,736</u>	<u>671,594</u>	<u>1,777,171</u>	<u>2,164,227</u>	<u>2,222,906</u>	<u>2,835,821</u>	<u>(612,915)</u>	-21.6%
Total liabilities	\$ <u>1,090,858</u>	\$ <u>767,075</u>	\$ <u>17,758,962</u>	\$ <u>15,712,484</u>	\$ <u>18,849,820</u>	\$ <u>16,479,560</u>	\$ <u>2,370,260</u>	14.4%
Net Assets:								
Invested in Capital assets, net of related debt	\$ 6,159,850	\$ 6,652,012	\$ 11,533,002	\$ 12,230,060	\$ 17,692,852	\$ 18,882,071	\$ (1,189,220)	-6.3%
Restricted	3,128,847	2,600,329	5,103,983	3,581,637	8,232,829	6,181,965	2,050,864	33.2%
Unrestricted	<u>2,893,395</u>	<u>2,889,260</u>	<u>11,432,593</u>	<u>12,384,101</u>	<u>14,235,988</u>	<u>15,273,361</u>	<u>(1,037,373)</u>	-6.8%
Total net assets	\$ <u>12,092,092</u>	\$ <u>12,141,601</u>	\$ <u>28,069,577</u>	\$ <u>28,195,796</u>	\$ <u>40,161,662</u>	\$ <u>40,337,397</u>	\$ <u>(175,728)</u>	-0.4%

The City reported positive balances in net assets for both governmental and business-type activities. By far the largest portion of the City of Bethany's net assets (44.05 percent) reflects its investment in capital assets. Capital assets are used to provide services to our citizens. However, capital assets are not available for future spending. It should also be noted that the investment in capital assets is reported net of related debt. The debt must be repaid from other resources since the capital assets themselves cannot be used to pay these liabilities.

An additional portion of net assets (\$8,232,831) is restricted on how they may be used. The remaining balance of unrestricted net assets (\$14,235,975) may be used to meet the government's ongoing obligations to citizens and creditors.

Unrestricted net assets decreased \$1,037,386 primarily as a result of loan covenant restrictions.

The "Statement of Activities" shows on an accrual basis the major activities of the government. These activities are broken down into governmental and business type activities. The table below shows a summary of the information contained in the statement of activities.

Summary of Changes in Net Assets

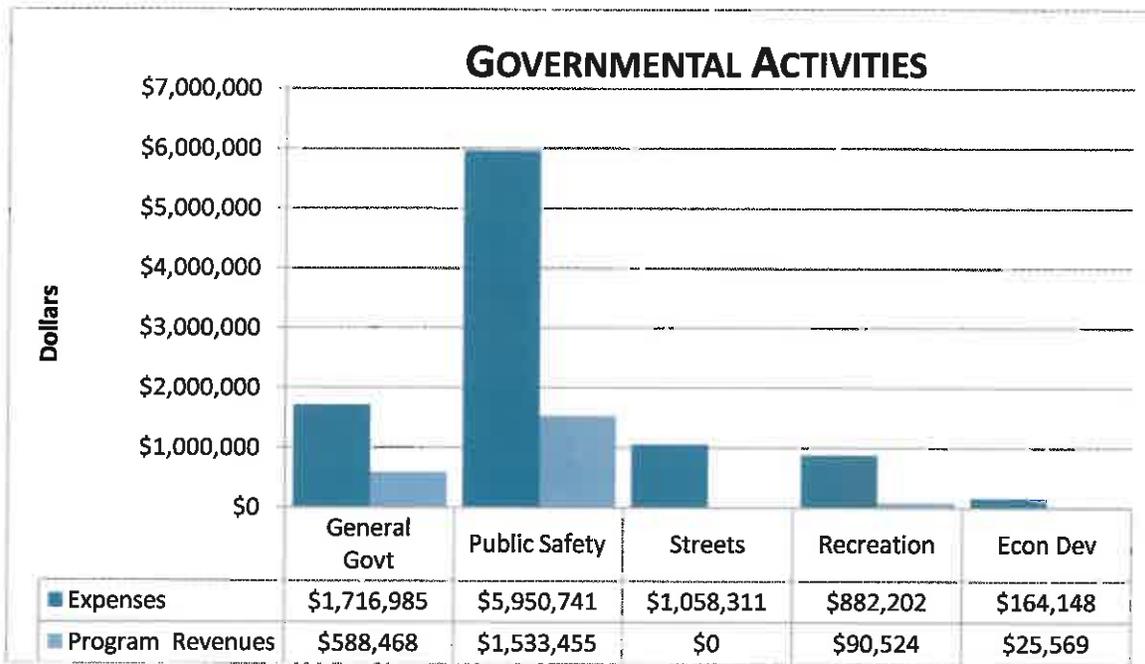
	Governmental Activities		Business-type Activities		Totals		Amount Change	% Change
	2014	2013	2014	2013	2014	2013		
Program revenues								
Charges for Services	2,238,016	1,708,750	7,967,236	8,067,135	10,205,252	9,775,884	429,368	4.39%
Operating Grants	-	73,289	-	-	-	73,289	(73,289)	-100.00%
Capital Grants	-	5,294	-	-	-	5,294	(5,294)	
General revenues								
Sales and Use taxes	4,561,665	4,803,349	-	-	4,561,665	4,803,349	(241,684)	-5.03%
Franchise taxes	1,447,857	821,579	-	-	1,447,857	821,579	626,278	76.23%
Property tax	-	21,230	-	-	-	21,230	(21,230)	-100.00%
Occupancy taxes	-	64,994	-	-	-	64,994	(64,994)	
Emergency mgmt tax	-	6,315	-	-	-	6,315	(6,315)	-100.00%
Intergovernmental	-	286,001	-	-	-	286,001	(286,001)	-100.00%
Investment income	20,108	17,510	45,834	166,462	65,941	183,973	(118,032)	-64.16%
Miscellaneous income	-	181,183	(276,421)	179,106	(276,421)	360,289	(636,709)	-176.72%
Total revenues	8,267,646	7,989,494	7,736,649	8,412,703	16,004,295	16,402,197	(397,902)	-2.43%
Expenses								
General government	1,716,985	2,112,183	-	-	1,716,985	2,112,183	(395,198)	-18.71%
Public safety	5,950,741	6,125,172	-	-	5,950,741	6,125,172	(174,431)	-2.85%
Highways and streets	1,058,311	777,614	-	-	1,058,311	777,614	280,697	36.10%
Culture and recreation	882,202	662,830	-	-	882,202	662,830	219,372	33.10%
Economic development	164,148	99,695	-	-	164,148	99,695	64,453	64.65%
Water	-	-	2,888,482	3,360,932	2,888,482	3,360,932	(472,450)	-14.06%
Sewer	-	-	2,132,681	1,522,332	2,132,681	1,522,332	610,350	40.09%
Sanitation	-	-	1,211,902	1,523,653	1,211,902	1,523,653	(311,752)	-20.46%
Hospital	-	-	231,126	226,126	231,126	226,126	5,000	2.21%
Total expenses	9,772,386	9,777,493	6,464,191	6,633,043	16,236,578	16,410,536	(173,959)	-1.06%
Increase (decrease) in net assets before transfers	(1,504,740)	(1,787,999)	1,272,457	1,779,660	(232,283)	(8,340)	(223,943)	2685.31%
Transfers	1,398,595	1,391,421	(1,398,595)	(1,391,421)	-	-	-	
Changes in net assets	(106,145)	(396,579)	(126,138)	388,239	(232,283)	(8,340)		
Beginning net assets	12,198,237	12,538,182	28,195,797	27,807,557	40,394,034	40,345,739		
Ending net assets	12,092,092	12,141,603	28,069,659	28,195,796	40,161,751	40,337,400		

Sales and use taxes	\$ 4,561,665
Franchise taxes	1,447,857
Investment income	20,108
Miscellaneous	-
Transfers between funds	1,398,595
Total general revenues	\$ 7,428,225

The City of Bethany's business activities help pay the expenses of the governmental activities. It is important to note that Business-type activities transferred \$1,398,595 to help finance governmental type activities.

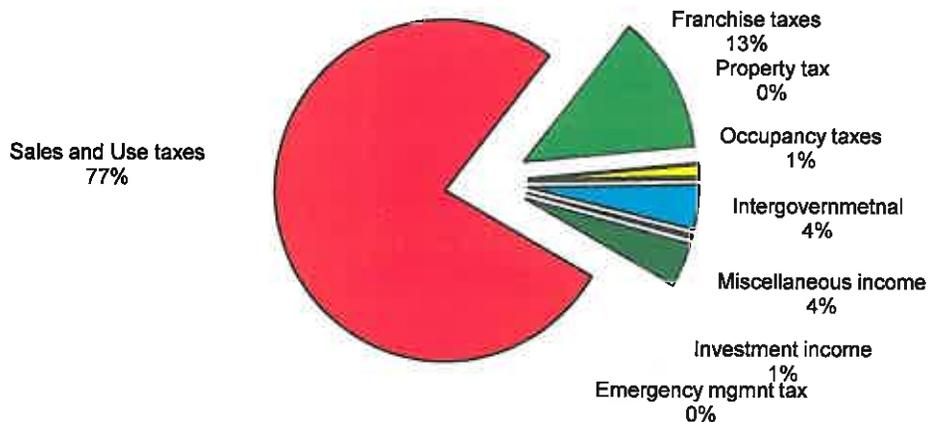
Governmental activities Governmental activities decreased the City of Bethany's net assets by \$106,145. The City narrowed the gap between revenues and expenditures through increased revenues and continued cost controls.

The graph below shows the major governmental activities and their associated program revenues. You can easily see that all governmental activities are financed almost entirely by taxes, rather than user fees. You can also see that public safety activities account for approximately \$6.166 million of the total \$9.76 million in governmental expenditures.



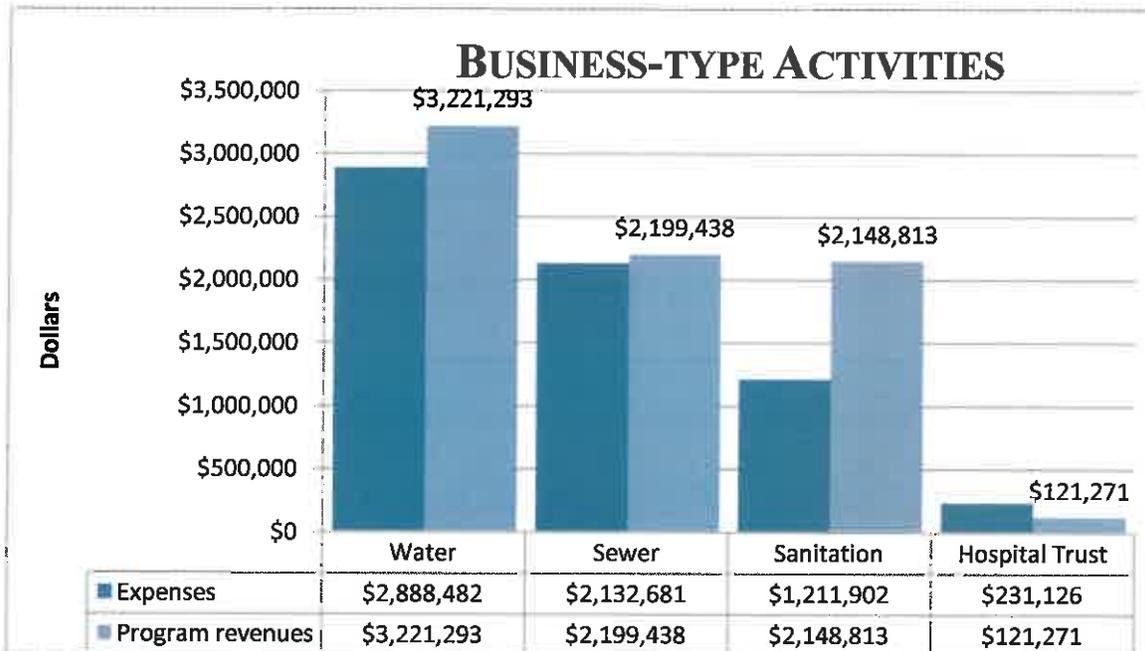
The pie chart below shows governmental general revenue by source. Sales and use taxes account for 77 percent of general revenue. Transfers from other funds account for 4 percent of general revenue.

GOVERNMENTAL GENERAL REVENUES



Business-type activities Business type activities decreased the City of Bethany's net assets by \$126,217. This relatively flat performance was holding rates and minimal inflationary costs.

The graph below shows the major business-type activities and their associated program revenues. Business-type activities are financed by user fees. All four business-type activities provided a positive change in net assets.



The positive change in net assets in business-type activities helps fund governmental activities.

Financial Analysis of the Government's Funds

The City of Bethany uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City of Bethany's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. This information is used to assess Bethany's financing needs. The unreserved fund balance is used to measure net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, total governmental fund balance is \$12,092,078. Of this amount \$2,803,381 is unrestricted. The remaining balance is restricted for specific governmental fund purposes. It is interesting to note that \$1,495,152 of the fund balance

is restricted for the purchase of capital assets. The capital improvement fund receives and disburses the sales tax dedicated for capital purchases that passed in 1990.

The general fund is the chief operating fund of the City. Most governmental activities are funded through this fund. At the end of the fiscal year, General Fund unreserved fund balance was \$3,448,517 while total fund balance was \$4,110,212. The General Fund's fund balance increased \$5,171 during the year.

Proprietary Funds: The City of Bethany's proprietary funds provide the same type of information found in the government-wide financial statements. Additional detail is provided.

Unrestricted net assets of the Bethany Hospital Trust at the end of the year were \$2,469,493. Unrestricted net assets of the Bethany Public Works Authority (BPWA) were \$10,630,870.

The BPWA continues the process of rehabilitating sewer lines in south Bethany. Accordingly, part of the unrestricted net assets will be used to pay for construction costs and long term debt.

General Fund Budgetary Highlights

There were no changes to the final authorized expenditures in the general fund. Management is allowed to make transfers between departments subject to a ten percent (10%) limitation.

General fund revenues were \$71,799 more than the budget. A 1.80% increase in sales tax collections and a decrease in fines and court cost collection resulted in a relatively flat \$228,814 increase in budgetary basis general fund revenues.

Expenditures were \$1,256,191 less than the budget. The variance from the expenditure target resulted from management actions to control spending. Every department came in under their approved budget.

Capital Asset and Debt Administration

Capital assets The City of Bethany's investment in capital assets for both governmental and business-type activities as of June 30, 2014 totals \$33,509,500 (net of accumulated depreciation). This investment includes land, buildings, equipment, park facilities, street and drainage improvements, water system and sewer system improvements.

Capital asset additions and construction work in progress during the year totaled \$2,235,196 and included the following:

- Replacement of various machinery and equipment.
- Major Sewer and water line improvement projects were continued.

Long-term debt At the end of the fiscal year, the City had total bonded debt of \$16,780,427. \$963,779 of that amount is due within one year. All of this debt is backed by the sales tax and utility revenues. The Bethany Public Works Authority issued this debt for construction of a new police and municipal court building, water treatment plant improvements, and sewer line replacement. Improvements were also made to the existing animal control building and city hall.

The Bethany Public Works Authority has a loan agreement with the Oklahoma Water Resources Board for \$10,000,000 to finance the new water treatment plant. This debt is backed by utility revenue and at June 30, 2014 totaled \$ 9,415,000 after re-funding on July 1, 2013. Another loan agreement with the OWRB for \$5,140,000 exists to reconstruct sewer lines. This debt is backed by utility revenues and totaled \$4,095,426 at June 30, 2014. One revenue bond outstanding with an original issue of \$3,585,000 was used to refund an earlier bond issue and reconstruct sewer lines. At June 30, the remaining balance on this note was \$3,270,000 and is also backed by utility and sales tax revenue.

Economic Factors and Next Year's Budgets and Rates

The City of Bethany is located on the western edge of Oklahoma City. The ability of our citizens to pay for municipal services is greatly dependent on the health of the economy of the overall metropolitan area. Many of our citizens work in Oklahoma City and the surrounding municipalities. Economists with the Oklahoma State University College of Business Administration and others predict modest job growth through the next fiscal year.

The Bethany City Council is certainly aware that the overall economic condition of the region is important in the budgeting process. The Council is also aware that quality municipal services are important to our citizens. Accordingly for the fiscal year 2014-2015 the City Council General approved a General Fund budget of \$12.4 million. This represents a responsible balance between services provided and income available to pay for those services. The City of Bethany is continuing significant efforts to attract additional retail business. Construction has begun on three new retail centers within the City. All rates are subject to review by the City Council at any time as conditions warrant.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Bethany's Finance Department at PO Box 219, Bethany, Oklahoma, 73008, telephone (405) 789-2146, or download the information from www.cityofbethany.org.



Basic Financial Statements

City of Bethany, Oklahoma

**Statement of Net Position
June 30, 2014**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 5,621,646	\$ 6,975,717	\$ 12,597,363
Investments	469,038	4,094,076	4,563,114
Receivables (net of allowance for uncollectibles)	902,700	622,080	1,524,779
Interest receivable	9,533	93,555	103,088
Due from other funds	20,183	-	20,183
Restricted cash and cash equivalents	-	676,627	676,627
Restricted investments	-	4,074,386	4,074,386
Lease settlement receivable	-	1,942,450	1,942,450
Prepaid debt expense	-	-	-
Capital assets (net of accumulated depreciation)	6,159,850	27,349,650	33,509,500
Total assets	\$ 13,182,950	\$ 45,828,540	\$ 59,011,490
Liabilities:			
Accounts payable	\$ 306,486	\$ 354,163	\$ 660,649
Accrued salaries and related taxes	139,250	13,329	152,579
Interest payable	-	132,316	132,316
Current portion of long term debt	-	963,779	963,779
Amount due other Funds	-	20,183	20,183
Customer deposits payable from restricted assets	-	293,400	293,400
Deferred revenue payable from restricted assets	-	-	-
Long term portion of compensated absences	645,122	165,143	810,265
Long term debt	-	15,816,647	15,816,647
Total liabilities	\$ 1,090,858	\$ 17,758,961	\$ 18,849,818
Net Position:			
Invested in capital assets, net of related debt	6,159,850	11,533,002	17,692,852
Restricted by:			
Capital projects	1,495,152	1,251,025	2,746,178
Debt service	104,807	272,095	376,903
Emergencies	600,000	600,000	1,200,000
Other purposes	928,887	2,980,862	3,909,750
Encumbrances	-	-	-
Unrestricted	2,803,395	11,432,595	14,235,989
Total net position	\$ 12,092,092	\$ 28,069,579	\$ 40,161,672
Total liabilities and net position	\$ 13,182,950	\$ 45,828,540	\$ 59,011,490

The notes to the financial statements are an integral part of this statement.

City of Broken, Oklahoma

**Statement of Activities
For the Fiscal Year Ended June 30, 2014**

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:					
General government	\$ 1,716,985	\$ 480,641	\$ (1,236,343)	\$ -	\$ (1,236,343)
Public safety	5,950,741	1,533,455	(4,417,285)	-	(4,417,285)
Highways and streets	1,058,311	107,827	(950,485)	-	(950,485)
Culture and recreation	882,202	90,524	(791,678)	-	(791,678)
Economic development	164,148	25,569	(138,579)	-	(138,579)
Total governmental activities	9,772,386	2,238,016	(7,534,370)	-	(7,534,371)
Business-type activities:					
Water	2,888,482	3,221,293	-	332,811	332,811
Sewer	2,132,681	2,199,438	-	66,757	66,757
Sanitation	1,211,902	2,148,813	-	936,911	936,911
Hospital	231,126	121,271	-	(109,855)	(109,855)
Total business-type activities	6,464,191	7,690,815	-	1,226,624	1,226,624
Total primary government	\$ 16,236,578	\$ 9,928,832	\$ (7,534,370)	\$ 1,226,624	\$ (6,307,746)
General revenues:					
Sales and use taxes			4,561,665	-	4,561,665
Other taxes			1,447,857	-	1,447,857
Investment income			20,108	45,753	65,861
Miscellaneous			-	-	-
Transfers between funds			1,398,595	(1,398,595)	-
Total general revenues			7,428,225	(1,352,842)	6,075,383
Change in net position			(106,145)	(126,218)	(232,363)
Net position - beginning			12,198,237	28,195,797	40,394,034
Net position - ending			\$ 12,092,092	\$ 28,069,579	\$ 40,161,671

The notes to the financial statements are an integral part of this statement.

City of Okemah, Oklahoma

**Balance Sheet
Governmental Funds
as of June 30, 2014**

	General Fund	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,307,093	\$ 1,257,117	\$ 1,057,435	\$ 5,621,646
Investments	232,032	237,006	-	469,038
Accounts receivable (net of allowance for uncollectibles)	902,700	-	-	902,700
Interest receivable	9,533	-	-	9,533
Due from other funds	19,154	1,030	-	20,183
Prepaid expenses	-	-	-	-
Total assets	\$ 4,470,512	\$ 1,495,152	\$ 1,057,435	\$ 7,023,100
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 221,050	\$ -	\$ 85,437	306,487
Accrued salaries and related taxes	139,250	-	-	139,250
Due to other funds	-	-	-	-
Total liabilities	360,300	-	85,437	445,737
Fund balances:				
Restricted for:				
Debt service	-	-	104,807	104,807
Capital projects	-	1,495,152	-	1,495,152
Emergencies	600,000	-	-	600,000
Other purposes	61,695	-	867,191	928,886
Unrestricted	3,448,517	-	-	3,448,517
Total fund balances	4,110,212	1,495,152	971,998	6,577,362
Total liabilities and fund balances	\$ 4,470,512	\$ 1,495,152	\$ 1,057,435	\$ 7,023,100

Total fund balances - governmental funds \$ 6,577,363

Amounts reported for governmental activities in the statement of net assets 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. See Note III. A.4. for additional detail. 6,159,850

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Lease/purchase obligations 0
 Accrued compensated absences (645,122)

Net assets of governmental activities \$ 12,092,092

City of Bethany, Oklahoma

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Fiscal Year Ended June 30, 2014**

	General Fund	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 5,799,289	\$ -	\$ 6,513	\$ 5,805,802
Interest	19,605	502	1	20,108
Licenses and permits	98,304	-	-	98,304
Intergovernmental	203,720	-	13,719	217,439
Charges for services	503,757	-	120,279	624,036
Fines and court costs	1,133,798	-	-	1,133,798
Miscellaneous	245,094	1,697	121,368	368,159
Total revenues	<u>8,003,567</u>	<u>2,199</u>	<u>261,881</u>	<u>8,267,646</u>
Expenditures:				
General government	1,927,579	-	-	1,927,579
Public safety	5,711,730	-	134,563	5,846,293
Public services	721,882	-	700	722,582
Culture and recreation	523,503	-	-	523,503
Economic development	-	-	158,744	158,744
Capital outlay	-	-	-	-
Total expenditures	<u>8,884,694</u>	<u>-</u>	<u>294,008</u>	<u>9,178,702</u>
Excess (deficiency) of revenues over (under) expenditures	(881,127)	2,199	(32,128)	(911,056)
Other financing sources:				
Transfers from other funds	5,591,467	400,123	125,000	6,116,590
Transfers to other funds	(4,705,168)	-	(12,828)	(4,717,996)
Total other financing sources	<u>886,299</u>	<u>400,123</u>	<u>112,172</u>	<u>1,398,594</u>
Net changes in fund balances	5,171	402,323	80,045	487,537
Fund balance - beginning	4,105,041	1,092,830	891,954	6,089,824
Fund balance - ending	<u>\$ 4,110,212</u>	<u>\$ 1,495,152</u>	<u>\$ 971,999</u>	<u>\$ 6,577,363</u>

The notes to the financial statements are an integral part of this statement.

City of Bethany, Oklahoma

**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended June 30, 2014**

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

Net change in fund balances-total governmental funds \$ 487,539

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

Capital asset purchases capitalized 127,811
Depreciation expense (676,559)

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:

Net Change in Accrued Compensated Absences (44,936)

Change in Net Assets of Governmental Activities \$ (106,145)

City of Bethany, Oklahoma

**Statement of Net Position
Proprietary Funds
As of June 30, 2014**

	Enterprise Funds		Totals
	Bethany Hospital Trust	Bethany Public Works Authority	
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,029,496	\$ 4,946,221	\$ 6,975,717
Investments	655,515	3,438,561	4,094,076
Accounts receivable, net of allowances	-	622,080	622,080
Prepaid expense	-	-	-
Interest receivable	93,555	-	93,555
Total current assets	<u>2,778,566</u>	<u>9,006,862</u>	<u>11,785,427</u>
Non current assets:			
Restricted cash and cash equivalents	-	676,627	676,627
Restricted investments	-	4,074,386	4,074,386
Lease settlement receivable	1,942,450	-	1,942,450
Deferred debt expense	-	-	-
Investment in capital assets net of depreciation	2,279,145	25,070,504	27,349,650
Total non current assets	<u>4,221,595</u>	<u>29,821,517</u>	<u>34,043,112</u>
Total assets	<u>\$ 7,000,161</u>	<u>\$ 38,828,379</u>	<u>\$ 45,828,539</u>
Liabilities			
Current Liabilities:			
Accounts payable	\$ -	\$ 354,163	\$ 354,163
Accrued salaries	-	13,329	13,329
Current portion of compensated absences	-	165,143	165,143
Due to other Funds	-	20,183	20,183
Interest payable	-	132,316	132,316
Current portion of long term debt	-	963,779	963,779
Customer deposits payable from restricted assets	-	293,400	293,400
Deferred revenue payable from restricted assets	-	-	-
Total current liabilities	<u>-</u>	<u>1,942,314</u>	<u>1,942,315</u>
Non current liabilities:			
Long-term debt (net of unamortized discount)	-	15,816,647	15,816,647
Total non current liabilities	<u>-</u>	<u>15,816,647</u>	<u>15,816,647</u>
Total liabilities	<u>-</u>	<u>17,758,961</u>	<u>17,758,961</u>
Net position			
Invested in capital assets, net of debt	1,575,155	8,290,078	9,865,234
Restricted for debt service	-	272,095	272,095
Restricted for emergencies	-	600,000	600,000
Restricted for post employment benefits	-	25,351	25,351
Restricted for long term assets	2,955,512	-	2,955,512
Restricted for capital projects	-	1,251,025	1,251,025
Unrestricted	2,469,493	10,630,870	13,100,363
Total net position	<u>7,000,161</u>	<u>21,069,419</u>	<u>28,069,580</u>
Total liabilities and net position	<u>\$ 7,000,161</u>	<u>\$ 38,828,379</u>	<u>\$ 45,828,539</u>

The notes to the financial statements are an integral part of this statement.

City of Bethany, Oklahoma

**Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund Type
For the Year Ended June 30, 2014**

	<u>Enterprise Funds</u>		<u>Totals</u>
	<u>Bethany Hospital Trust</u>	<u>Bethany Public Works Authority</u>	
Operating revenues:			
Water	\$ -	\$ 3,221,293	\$ 3,221,293
Sewer	-	2,199,438	2,199,438
Sanitation	-	2,148,813	2,148,813
Lease finance income	121,271	-	121,271
Total operating revenues	<u>121,271</u>	<u>7,569,544</u>	<u>7,690,815</u>
Operating expenses:			
Water Department	-	2,713,900	2,713,900
Sewer Department	-	1,925,415	1,925,415
Sanitation Department	-	1,211,902	1,211,902
Hospital expenses	231,126	-	231,126
Total operating expenses	<u>231,126</u>	<u>5,851,217</u>	<u>6,082,343</u>
Operating income (loss)	<u>(109,855)</u>	<u>1,718,327</u>	<u>1,608,472</u>
Nonoperating revenue (expense)			
Interest expense	-	(381,848)	(381,848)
Interest and investments earnings	7,741	38,013	45,754
Total nonoperating revenue (expense)	<u>7,741</u>	<u>(343,836)</u>	<u>(336,094)</u>
Income before operating transfers	<u>(102,114)</u>	<u>1,374,492</u>	<u>1,272,378</u>
Operating transfers to (from):			
Transfer (to) from other funds	-	(1,398,595)	(1,398,595)
Total operating transfers	<u>-</u>	<u>(1,398,595)</u>	<u>(1,398,595)</u>
Net income (loss)	<u>(102,114)</u>	<u>(24,103)</u>	<u>(126,218)</u>
Net position, beginning of year	<u>7,102,275</u>	<u>21,093,521</u>	<u>28,195,796</u>
Net position, end of year	<u>\$ 7,000,161</u>	<u>\$ 21,069,418</u>	<u>\$ 28,069,579</u>

The notes to the financial statements are an integral part of this statement.

City of Bethany, Oklahoma

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2014**

	Enterprise Funds		Totals
	Bethany Hospital Trust	Bethany Public Works Authority	
Cash flows from operating activities:			
Cash received from customers	\$ 203,794	\$ 7,685,494	\$ 7,889,288
Cash payments to suppliers for materials and services	(7,000)	(2,953,076)	(2,960,076)
Cash payments to employees	-	(2,137,484)	(2,137,484)
Refunds of Meter Deposits	-	3,578	3,578
Other payments	-	-	-
Net cash provided (used) by operating activities	196,794	2,598,512	2,795,306
Cash flows from noncapital financing activities:			
Nonoperating receipts (payments)	-	-	-
Transfers to other funds	-	(1,398,595)	(1,398,595)
Net cash provided (used) in non capital financing activities	-	(1,398,595)	(1,398,595)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	(1,081,866)	(1,081,866)
Proceeds of Capital Debt	-	9,415,000	9,415,000
Principal payment on capital debt	-	(7,130,503)	(7,130,503)
Interest payment on capital debt	-	(403,197)	(403,197)
Net cash provided (used) in capital and related financing activities	-	799,435	799,435
Cash flows from investing activities:			
Purchase of investments	-	(1,404,302)	(1,404,302)
Proceeds from maturities & sales of investments	-	-	-
Investment and Interest Income	7,740	61,490	69,230
Net cash provided (used) in investing activities	7,740	(1,342,812)	(1,335,072)
Net increase (decrease) in cash	204,534	656,539	861,073
Cash and cash equivalents , beginning of year	1,824,962	9,040,695	10,865,656
Cash and cash equivalents , end of year	\$ 2,029,496	\$ 9,697,234	\$ 11,726,730
Reconciliation of Cash and Cash Equivalents			
Cash and Cash Equivalents - Unrestricted	\$ 2,029,496	\$ 4,946,221	\$ 6,975,717
Cash and Cash Equivalents - Restricted	-	4,751,012	4,751,012
Total Cash and Cash Equivalents	\$ 2,029,496	\$ 9,697,234	\$ 11,726,730

The notes to the financial statements are an integral part of this statement.

City of Bethany, Oklahoma

**Statement of Cash Flows - Proprietary Funds (continued)
For the Year Ended June 30, 2014**

	Enterprise Funds		Totals
	Bethany Hospital Trust	Bethany Public Works Authority	
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>			
Income from operations	\$ (109,855)	\$ 1,718,327	\$ 1,608,472
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	224,126	980,906	1,205,032
(Increase) decrease in interest receivable	3,794	-	3,794
Change In Investments	-	-	-
Change In Prepaid Assets	-	-	-
(Increase) decrease in accounts receivable	-	115,950	115,950
Increase (decrease) in accounts payable	-	(241,651)	(241,651)
Increase (decrease) in Annuity	78,729	-	78,729
Increase (decrease) in accrued salaries, taxes & benefits	-	1,771	1,771
(Increase) decrease in Meter Deposits	-	3,578	3,578
Increase (decrease) in compensated absences	-	19,630	19,630
Net adjustment	306,649	880,184	1,186,833
Net cash provided (used) by operating activities	\$ 196,794	\$ 2,598,512	\$ 2,795,305

City of Bethany, Oklahoma
Statement of Fiduciary Net Assets
Fiduciary Funds
as of June 30, 2014

Assets

Cash and cash equivalents	\$	109,358
Investments and receivables		<u>427</u>
Total assets	\$	<u><u>109,785</u></u>

Liabilities

Due to depositors	\$	97,027
Due to state		-
Due to other funds		<u>12,759</u>
Total liabilities	\$	<u><u>109,785</u></u>

The notes to the financial statements are an integral part of this statement.

City of Bethany, Oklahoma
Statement of Changes Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2014

Cash and investments, beginning	\$	93,973
Additions		430,348
Deductions		414,535
Cash and investments, ending	\$	<u><u>109,785</u></u>
Liabilities, beginning	\$	93,973
Additions		430,348
Deductions		414,535
Liabilities, ending	\$	<u><u>109,785</u></u>

The notes to the financial statements are an integral part of this statement.



Notes to the Financial Statements

The City of Bethany, Oklahoma
NOTES TO THE FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I.A. Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the City of Bethany are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations including required disclosures, of the City's financial activities for the fiscal year ended June 30, 2014.

I.B. Financial Reporting Entity - Basis of Presentation

I.B.1. Component Units

The City of Bethany (City) is a municipal corporation governed by an elected mayor and eight-member council. The City provides a wide range of municipal services and operates under the council-manager form of government. As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Data from these units are combined with data of the primary government.

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

The financial reporting entity was determined by evaluating each potential component unit against the criteria established by GAAP. The criterion includes (a) the City's oversight responsibility (b) the scope of service provided by the unit and (c) the existence of special financing relationships between the City and the unit.

Due to restrictions of the state constitution relating to the issuance of municipal debt, the City created public trusts to finance City services with revenue bonds or other non-general obligation financing and provide for multi-year contracting. Financing services provided by these public trusts are solely for the benefit of the City. Public trusts created to provide financing services are blended into the City's primary government as an integral part of City operations although retaining separate legal identity.

Considering the foregoing criteria, the financial statements of the following organizations are reported in the accompanying financial statements:

The Bethany Hospital Trust is a public trust created to provide health care and health care financing services to the community and surrounding area. The Council members of the City serve in ex-officio positions on the Board of Trustees for the Trust. It is included as an enterprise fund of the City.

The Bethany Public Works Authority is a public trust created for the purpose of furnishing various forms of public and municipal services within and without the boundaries of the City. The City Council members are trustees of the Authority. It is included as an enterprise fund of the City.

The Bethany Development Authority is a public trust created for the purpose of furnishing various forms of public and municipal services within and without the boundaries of the City. The City Council members are trustees of the Authority. It is included as a non-major special revenue fund of the City.

I.B.2. Related Organizations

Related organizations are excluded from the financial reporting entity because the City's accountability does not extend beyond making appointments. Audited financial statements are available from the respective organizations. Related organizations are described as follows:

The Bethany Public Works Authority and Warr Acres Public Works Authority contract with the Bethany-Warr Acres Public Works Authority (BWA-PWA) for the provision of sewer treatment service for the two cities. The Cities of Bethany and Warr Acres jointly govern the authority. The governments do not exercise specific control over budgeting and financing the authority's activities, and do not have a specified equity interest in the assets. Accordingly, the financial statements of the Bethany-Warr Acres Public Works Authority are not included with this report as a component unit of the City of Bethany, but may be requested by contacting BWA-PWA, 4301 N.W. 192, Edmond, OK, 73003-9011, (405) 341-4260.

I.B.3. Government -wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

I.B.4. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- * The financial statements include:
 - ** A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.
 - ** Financial statements prepared using full accrual accounting of all the City's activities, including infrastructure.
 - ** A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying statements and notes to the statements.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments. Reimbursements are reported as reductions to expenses. Proprietary and fiduciary fund financial statements and financial statements of City component units also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received. Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. See Note III. A.3. for information describing restricted assets. The City has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The City has elected not to apply FASB pronouncements issued after the applicable date.

I.B.5. Fund Types and Major Funds

Governmental Funds

The City reports the following major governmental funds:

General Fund -reports as the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

Capital Improvements Fund - established by a vote of the citizens and City ordinance to account for a limited purpose sales tax designated for capital improvements in the City of Bethany.

Proprietary Funds

The City reports the following major enterprise funds:

The Bethany Public Works Authority Fund (BPWA) - accounts for transactions relating to water, wastewater, and sanitation utilities construction, contracting, debt, and other matters requiring commitment for more than one fiscal year.

The Bethany Hospital Trust Fund (BHT) - accounts for transactions relating to the Bethany Hospital building and related improvement, contracting, debt, and other matters requiring commitment for more than one fiscal year.

Other Governmental Fund Types

The City also reports the following non-major fund types:

Agency Fund - accounts for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others. The City's agency fund is used to account for various deposits, bail bonds, performance bonds, and escrow monies.

The City also reports the following non-major governmental funds:

Debt Service Fund - accounts for the accumulation of financial resources for the payment of principal and interest on the City's general obligation debt. The City annually levies ad valorem taxes restricted for the retirement of general obligation bonds, interest, and judgments. This fund reports all ad valorem taxes collected.

Special Revenue Funds - Special Revenue Funds account for the proceeds and expenditures of revenue sources that are legally restricted for specific purposes.

The Public Safety Fund is used to account for proceeds and expenditures of public safety grants and special programs.

The E-911 Fund accounts for monies received and expended pursuant to the "Nine-One-One Emergency Act".

The Local Law Enforcement Administration Grant Fund is used to account for funds received from the United States Department of Justice Block Grant Program.

The Community Development Block Grant Fund (CDBG) is used to account for funds received from the Oklahoma Department of Commerce.

The Juvenile Court Fund is used to account for funds received from the Juvenile Court System.

The Bethany Development Authority Fund (BDA) is used to account for funds received for economic development.

The Parks and Streets Capital Fund is used to account to account for funds received for parks and street improvements.

The Cemetery Fund is used to account for funds received for perpetual care of the Bethany Cemetery.

New Accounting Pronouncements

- The City implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB No. 62 is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.
- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources (expenses) or inflows of resources (revenues), certain items that were previously recognized as assets and liabilities. The Statement is effective for fiscal years ended June 30, 2014.

I.C. Assets, Liabilities and Net Assets

I.C.1. Cash and Investments

For purposes of the statement of cash flows, the City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The City's cash and certificates of deposits are covered either by Federal Depository Insurance or qualified collateral (pledges) held by a third party trust department in the City's name.

Oklahoma State law allows for investment of funds in the following:

1. Direct obligations of the United States Government, its agencies or instrumentalities to the payment of which the full faith and credit of the Government of the United States is pledged, or obligations to the payment of which the full faith and credit of this state is pledged.
2. Collateralized or insured certificates of deposit in savings and loan associations, banks, savings banks and credit unions when the certificates of deposit are secured by acceptable collateral as provided by state law, or fully insured certificates of deposit at banks, savings banks, savings and loan associations and credit unions located out of state.
3. Savings accounts or savings certificates in savings and loan associations, banks, and credit unions, to the extent that the accounts or certificates are fully insured by the Federal Deposit Insurance Corporation.

4. Other investments as authorized by state law which are fully collateralized in investments specified in paragraphs 1 through 3 above, and where the collateral has been deposited with a trustee or custodian bank in an irrevocable trust or escrow account established for such purpose. All investments are stated at cost or amortized cost which approximates fair value. For further information see the note at Section III. A.

I.C.2. Prepaid Expenses

Prepaid expenses record payments to vendors that benefit future reporting periods and are also reported on the consumption basis. Prepaid expenses are similarly reported in government-wide and fund financial statements.

I.C.3. Capital Assets, Depreciation and Amortization

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary and component unit capital assets are also reported in their respective fund and combining component units' financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with cost of \$500 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	5 - 50
Improvements, other than buildings	5 - 50
Infrastructure	10-50
Mobile equipment	3 - 20
Furniture, machinery, and equipment	3 - 30

For additional information describing capital assets, see Note III. A. 4.

I.C.4. Long-Term Debt, Deferred Debt Expense, and Bond Discounts/Premiums

In the government-wide and proprietary financial statements, outstanding debt is reported as liabilities. Bond issuance costs and bond discounts or premiums were capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method. Under GASB 65, debt issuance costs are now to be an expense of the period incurred.

I.C.5. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes.

Government-Wide and Proprietary Fund Financial Statements:

Net assets are displayed in three components:

a. *Invested in capital assets, net of related debt* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

b. *Restricted net assets* - Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

c. *Unrestricted net assets* - All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.” It is the City’s policy to first use unrestricted net assets prior to the use of restricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net asset are available.

The following table shows the net assets restricted for other purposes shown on the Statement of Net Position:

Fund	Restricted By	Amount
Public Works Authority	External contracts	\$ 1,251,025
Public Works Authority	Debt service	376,903
Public Works Authority	Post employment benefits	25,351
	Sub-total Public Works	<u>1,653,278</u>
Bethany Hospital Trust	Long term asset	2,955,512
Parks & Recreation	Enabling legislation	47,969
Cemetery Fund	" "	241,463
General Fund	" "	61,695
Public Safety	" "	291,680
Emergencies	" "	1,200,000
Juvenile Court	" "	191,139
Bethany Development	" "	94,819
Utility Assistance	" "	122
Capital Improvement Fund	" "	<u>1,495,152</u>
	Sub-total Enabling Legislation	<u>3,624,041</u>
	Total	<u>\$ 8,232,831</u>

Governmental Fund Financial Statements:

Governmental fund equity is classified as fund balance. Since the City implemented GASB Statement 54, fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

These classifications are defined as:

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Committed – included amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city's highest level of decision-making authority. The City's highest level of decision-making authority is made by ordinance.
- d. Assigned – includes amounts that are constrained by the city's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for revenues in other governmental funds are made through budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General Fund.

It is the City's policy to first use unrestricted fund balance prior to the use of the restricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City's policy for the use of fund balance amounts require that unassigned amounts would be reduced first followed by assigned amounts and then committed amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet in accordance with GASB Statement 54:

	Agency Funds					All Other	Total
	General Fund	Public Safety Fund	Juvenile Fund	Cemetery Fund	Non-Major Funds	Governmental Funds	
Fund Balance:							
Restricted For:							
Police & Fire	-	291,678	-	-	-	-	291,678
Parks/Streets CIP	-	-	-	-	47,969	-	47,969
Debt Service	-	-	-	-	104,807	-	104,807
Prepaid Inspections	-	-	-	-	-	-	-
Municipal Court	-	-	-	-	-	-	-
CLEET & OSBI, E911	-	-	-	-	-	-	-
Performance Bonds	-	-	-	-	-	-	-
Juvenile Programs	-	-	191,139	-	-	-	191,139
Cemetery Expenses	-	-	-	241,462	-	-	241,462
Bethany Development	-	-	-	-	94,819	-	94,819
Utility Assistance	-	-	-	-	-	129	129
OPEB Costs	15,546	-	-	-	-	-	15,546
Sub-total Restricted	15,546	291,678	191,139	241,462	247,596	129	987,550
Assigned In:							
Capital Improvements	-	-	-	-	-	1,495,152	1,495,152
Culture & Rec Programs	-	-	-	-	-	-	-
Gen Gvn't-Encumbrances	46,149	-	-	-	-	-	46,149
Public Safety-Encumb's	-	-	-	-	-	-	-
Public Works-Encumb's	-	-	-	-	-	-	-
All Other Encumbrances	-	-	-	-	-	-	-
Other	600,000	-	-	-	-	-	600,000
Sub-total Assigned	646,149	-	-	-	-	1,495,152	2,141,301
Unassigned:	3,448,517	-	-	-	-	-	3,448,517
TOTAL FUND BALANCE	\$ 4,110,212	\$ 291,678	\$ 191,139	\$ 241,462	\$ 247,596	\$ 1,495,281	\$ 6,577,369

I.C.6. Management's Subsequent Review

Subsequent events have been evaluated through January 30, 2015, which is the date the financial statements were available to be issued.

I.D. Revenues, Expenditures, and Expenses

I.D.1. Lease Revenue

Bethany Hospital Trust Fund

The Bethany Hospital Trust is the beneficiary of an annuity. The annuity is the settlement of a breach of contract lawsuit won by the Bethany Hospital Trust. The settlement called for 25 payments of \$200,000 to commence on September 10, 2003. The discounted present value of this stream of payments as of June 30, 2014 was \$1,942,450. The discount rate used is 6%.

I.D.2. Compensated Absences

City employees are granted vacation and sick leave based upon length of employment. In the event of termination, the employee is paid for accumulated vacation leave (maximum 30 days). Payment of sick leave is restricted to those who retire with more than 85 days of accumulated benefits and is limited to a maximum compensation equivalent to 17.5 days. Compensated absences are reported as accrued in the government-wide and component unit financial statements.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

II.A. Deficit Fund Net Assets

For the fiscal year ending June 30, 2014, there were no funds with deficit fund net assets.

III. DETAILED NOTES ON FUNDS AND COMPONENT UNITS

III. A. Assets

III.A.1. Deposits and Investments

Custodial Credit Risk

At June 30, 2014, the City held deposits of \$ 22,020,847 at various financial institutions. These institutions are required by state law to pledge securities in addition to Federal Deposit Insurance Corporation (FDIC) insurance at least equal to the amount on deposit at all times. As of June 30, 2014 the balances in cash and certificates of deposit were fully secured.

Investment Interest Rate Risk

The City has a formal investment policy. However, that policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk

The City’s investment policy limits its investment choices. City-imposed limitations are more restrictive than current state law allows. Allowable investment vehicles are as follows:

1. Obligations of the United States Government, its agencies or instrumentalities,
2. Certificates of deposit or savings accounts with in-state financial institutions that are either insured or fully collateralized with acceptable securities, and fully insured certificates of deposit in out-of-state financial institutions,
3. Savings accounts or certificates which are fully insured by FDIC,
4. Repurchase agreements that have underlying collateral consisting of the items in 1 through 3 above,
5. County, municipal, or school district direct debt obligation for which an ad valorem tax may be levied, or bond and revenue anticipation notes, money judgments against such entities ordered by a court of record, or bonds or bond and revenue anticipation notes issued by a public trust that benefits such entities,
6. Money market funds regulated by the Securities and Exchange Commission (SEC) that invest in items 1 through 5 above.

As of June 30, 2014, investments held are as follows:

Type	Weighted Avg. Maturity (yrs)	Credit Rating	Market Value	Cost
Certificates of Deposit	.67	N/A	\$3,138,080	\$ 3,115,491
Money Market	N/A	AAAm	1,425,034	1,425,034
TOTAL			<u>\$4,563,114</u>	<u>\$ 4,540,525</u>

Concentration of Credit Risk

The City’s investment policy places no limit on the amount it may invest in any one issuer. Credit risk as of June 30, 2014 is as follows: 69% invested in Certificates of Deposit (\$3,115,491), 31% invested in Money Market (\$1,425,034).

III.A.2. Receivables, Uncollectible Accounts and Deferred Revenue

All outstanding balances between funds are referred to as "due to/from other funds."

The City uses the allowance method for expensing potentially uncollectible accounts receivable.

When applicable, property taxes are collected by Oklahoma County and remitted to the City. Taxes are levied annually on November 1 and are due one-half by December 31 and one-half by March 31. Significant tax payments are received from the county from December through April, and are recognized as revenue in the month received. Lien dates for personal and real property are June and October, respectively. No property taxes are currently being levied by the City.

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-Type Activities	Total
Interest	\$9,533	\$93,555	\$103,088
Accounts receivable	902,700	662,080	1,564,780
Gross receivables	912,233	755,635	1,667,868
Less allowance	0	-40,000	-40,000
Net total receivables	<u>\$912,233</u>	<u>\$715,635</u>	<u>\$1,627,868</u>

III.A.3. Restricted Assets

Total restricted assets on the balance sheet are comprised of the following cash, cash equivalents and investments:

Restricted cash , cash equivalents and investments	Business Type-Activities
Debt service and revenue bond projects	\$4,457,532
Customer deposits	293,400
Total restricted cash ,cash equivalents and investments	<u>\$4,751,012</u>

III.A.4. Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,692,059	-	-	\$ 1,692,059
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>1,692,059</u>	<u>-</u>	<u>-</u>	<u>1,692,059</u>
Capital assets being depreciated:				
Buildings	2,174,318	-	-	2,174,318
Improvements other than buildings	576,336	-	(1,615)	574,721
Machinery and equipment	5,351,467	124,009	(1,593)	5,473,883
Infrastructure	<u>13,433,043</u>	<u>63,595</u>	<u>-</u>	<u>13,496,638</u>
Total capital assets being depreciated	<u>21,535,164</u>	<u>187,604</u>	<u>(3,208)</u>	<u>21,719,560</u>
Less accumulated depreciation for:				
Buildings	(1,417,958)	(76,070)	-	(1,494,028)
Improvements other than buildings	(512,583)	(16,221)	-	(528,804)
Machinery and equipment	(4,354,028)	(292,794)	-	(4,646,822)
Infrastructure	<u>(10,290,641)</u>	<u>(291,474)</u>	<u>-</u>	<u>(10,582,115)</u>
Total accumulated depreciation	<u>(16,575,210)</u>	<u>(676,559)</u>	<u>-</u>	<u>(17,251,769)</u>
Total capital assets, being depreciated, net	<u>4,959,954</u>	<u>(552,550)</u>	<u>(3,208)</u>	<u>4,467,791</u>
Governmental activities capital assets, net	<u>\$ 6,652,013</u>	<u>\$ (552,550)</u>	<u>\$ (3,208)</u>	<u>\$ 6,159,850</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$	129,279
Public safety		434,942
Highways and streets		72,474
Culture and recreation		39,864
Total depreciation expense - governmental activities	\$	676,559

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 484,404	-	-	\$ 484,404
Construction in progress	102,512	1,831,758	(41,745)	1,892,525
Total capital assets, not being depreciated	586,916	1,831,758	(41,745)	2,376,929
Capital assets being depreciated:				
Buildings	9,405,781	-	(115,879)	9,289,902
Improvements other than buildings	116,221	-	-	116,221
Machinery and equipment	2,026,169	8,987	(11,990)	2,023,166
Infrastructure	33,208,697	270,443	-	33,479,140
Total capital assets being depreciated	44,756,868	279,430	(127,868)	44,908,429
Less accumulated depreciation for:				
Buildings	(4,964,019)	(288,108)	-	(5,252,127)
Improvements other than buildings	(31,641)	(4,860)	-	(36,501)
Machinery and equipment	(1,446,692)	(138,727)	-	(1,585,419)
Infrastructure	(12,288,324)	(773,337)	-	(13,061,661)
Total accumulated depreciation	(18,730,676)	(1,205,032)	-	(19,935,708)
Total capital assets, being depreciated, net	26,026,192	(925,603)	(127,868)	24,972,721
Governmental activities capital assets, net	\$ 26,613,108	\$ 906,155	\$ (169,613)	\$ 27,349,650

Depreciation expense was charged to business-type activities as follows:

Water	\$	600,381
Sewer	\$	249,118
Sanitation,		60,688
Administration, Finance, & Other		70,719
Hospital		224,126
Total depreciation expense - business-type activities	\$	1,205,032

LIABILITIES

III.B.1. Lease Commitments and Notes Payable

The City leases certain acreages for additional water capacity. These operating leases are only cancelable at the City's option while water is being produced at the location. Expenses related to these leases for the year ended June 30, 2014, are \$50,032 and were reported in the Bethany Public Works Authority.

III.B.2. LONG-TERM DEBT

Revenue Bonds Payable

The Bethany Public Works Authority issued its Sales Tax and Utility Revenue Bonds, Series 2003 in the principal amount of \$3,110,000 on July 1, 2003. These bonds were replaced in May, 2014 with proceeds from its Sales Tax and Utility System Revenue Bonds Refunding Series 2012 in the amount of \$3,585,000. The proceeds of the Refunding Series 2012 bonds were used to pay-off the 2003 Series (\$1,370,050), issuance and interest costs (\$184,659), and the balance, \$2,030,291, was deposited into the Project/Construction Fund administered by BancFirst as Trustee. The bonds are secured by sales tax and utility revenues.

The Bethany Public Works Authority issued its Series 2004 Drinking Water SRF Promissory Note on May 14, 2005. The note is for a principal amount of \$10,000,000 and bears interest at 3.5% per annum. This is a construction loan on a new water plant. Construction started in the fall of 2004 and was completed in the fall of 2007.

On April 10, 2008 the Bethany Public Works Authority entered into a Clean Water State Revolving Fund Promissory Note with the Oklahoma Water Resources Board for the purposes of reconstructing wastewater lines within the City. Under the terms of the loan agreement, the Water Resources Board will disburse funds as project costs are incurred. The first disbursement of funds occurred in July 2008. Total proceeds available for the project are \$5,140,000 and carry an interest rate of 3.1%. Upon completion of the project the note will be amortized over a 20 year period. The note is secured by the revenues from operations of the Authority and proceeds of a 3% sales tax levy.

Changes in balances of long-term liabilities including current portion are as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Amount Due</u>
	<u>June 30, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2014</u>	<u>in 2015</u>
Business-type Activities					
2012 Refunding BPWA 2003 Revenue Bonds	\$ 3,585,000	-	315,000	\$ 3,270,000	\$ 335,000
Sales Tax & Utility System Revenue, Series 2013	-	9,849,189	434,189	9,415,000	\$ 400,000
BPWA OWRB Water Loan	6,613,135	-	6,613,135	-	-
BPWA OWRB Sewer Loan	4,297,795	-	202,368	4,095,426	202,368
Compensated Absences	157,188	7,955	-	165,143	165,143
Total Business-type Activities	14,653,117	9,857,145	7,564,692	16,945,570	1,102,512
Governmental Activities					
Compensated Absences	602,947	42,175	-	645,122	645,122
Total All Activities	\$ 15,256,064	\$ 9,899,319	\$ 7,564,692	\$ 17,590,691	\$ 1,747,633

Debt Service to Maturity:

The annual debt service requirements to maturity for bonded debt as of June 30 are as follows:

Fiscal Year Ending	Business-Type Activities					
	2012 Revenue Bonds		2013 Re funded Bonds		2008DWSFR	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30,						
2015	335,000	82,405	400,000	266,481	222,670	112,924
2016	340,000	77,380	410,000	254,898	228,957	106,530
2017	345,000	71,430	425,000	243,029	236,098	99,387
2018	350,000	64,530	435,000	230,802	243,137	92,293
2019	360,000	56,655	445,000	218,361	250,400	84,977
2020-2024	1,540,000	124,815	3,260,000	873,873	1,368,810	307,225
2025-2030	-	-	4,040,000	271,986	1,545,356	81,554
2031	-	-	-	-	-	-
Totals	\$ 3,270,000	\$ 477,215	\$ 9,415,000	\$ 2,359,429	\$ 4,095,426	\$ 884,888

III.B.3. Risk Management - Claims and Judgments

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in a program administered by the Municipal Assurance Group ("Group") for workers' compensation whereby the Group has determined an actuarial estimate of the City's expected claims ("Loss Fund"). The City pays a quarterly participation fee that funds the Loss Fund and administrative costs. All risk in excess of the Loss Fund is reinsured by the Group. The City continues to carry commercial insurance for all other risks of loss, including general liability and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

III.C. Balances and Transfers/payments Within the Reporting Entity

III.C.1 Receivables and Payables

All outstanding balances between funds are referred to as "due to/from other funds."

III.C.2 Transfers and Payments

The composition of inter-fund transfers for the fiscal year ending June 30, 2014, were as follows:

Transfer From:	Transfer in		TRANSFER TO:			
	General Fund TRF In	General Fund TRF Out	BPWA (SALES TAX)	Capital Improvement	BDA	E-911
General Fund	\$ -	\$ (4,580,167.89)	\$ 4,580,167.89	\$ -	\$ -	\$ -
Public Safety Fund	-	-	-	-	-	-
Juvenile Justice Fund	-	-	-	-	-	-
Bethany Hospital Trust	-	-	-	-	-	-
Bethany Public Works Authority (Sales Tax)	3,778,638.53	-	(3,778,638.53)	-	-	-
Bethany Public Works Authority (Surplus)	1,800,000.00	-	(1,800,000.00)	-	-	-
Capital Improvement Fund(Capital Assets for entity-wide simts)	-	-	-	-	-	-
Bethany Development Authority	-	(125,000.00)	-	-	125,000.00	-
CIP Sales Tax Allocation	-	-	(400,124.37)	400,124.37	-	-
E-911 Fund	12,828.11	-	-	-	-	(12,828.11)
Local Law Enforcement Fund	-	-	-	-	-	-
	<u>\$ 5,591,466.64</u>	<u>\$ (4,705,167.89)</u>	<u>\$ (1,398,595.01)</u>	<u>\$ 400,124.37</u>	<u>\$ 125,000.00</u>	<u>\$ (12,828.11)</u>

All inter-fund transfers were routine in amounts and nature.

The transfers to the Bethany Development Authority were for economic development purposes.

Both the Bethany Hospital Trust and the Bethany Public Works Authority make annual transfers to the General Fund to assist with general governmental operations.

The General Fund makes monthly transfers to the Bethany Public Works Authority in an amount equal to the total sales tax received. The Public Works Authority makes the principal and interest payments on the 2003/2012 Revenue Bonds and returns the remainder to the General Fund and the Capital Improvement Fund. The Capital Improvement Fund receives seven tenths of one cent of sales tax net of the 2003 Revenue Bond payments. The General Fund receives the remainder.

V. JOINTLY GOVERNED ORGANIZATION AND JOINT VENTURE

Representatives of the cities of Bethany and Warr Acres jointly govern the Bethany-Warr Acres Public Works Authority. (BWA-PWA) The contract requires, among other things, that the cities of Warr Acres and Bethany remit all sewer collections on or before the fifteenth day of each month to the BWA-PWA. For the fiscal year ended June 30, 2014, the City remitted \$1,161,510 to the BWA-PWA.

The Bethany-Warr Acres Public Works Authority is reported and audited separately.

V. OTHER POST-EMPLOYMENT BENEFITS

Other than the pension plans described in the notes, no post-employment benefits are provided to retired employees. Current retirees are, on average, younger than some active employees. Therefore, retirees contribute to a lower average age and a lower blended rate for health insurance premiums that could be considered a subsidy to the City. The City does not contribute any funds to the premiums for retirees. Any actuarially determined premium amounts are immaterial to the financial statements as presented.

VI. CONTINGENCIES

VI.A. Federal and State Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

VI.B. Litigation

There are various lawsuits representing claims against the City of Bethany. The City and Bethany Public Works Authority are insured for full coverage on all such claims through the Municipal Assurance Group. The City Attorney does not anticipate judgments or payments to exceed the applicable coverage.

VII. SUBSEQUENT EVENTS

In the Fall of 2014, Deaconess Hospital ceased operations of the hospital and remanded the facility and all improvements back to the City of Bethany. The facility is currently being reconditioned to meet the needs of a hospital group which plans to open the hospital in the Spring of 2015.

There were no other materially significant events to be reported.

VIII. OPERATIONS INFORMATION

On April 30, 1993, Bethany Hospital Trust signed a sublease agreement with Bethany Healthcare Corporation (BHCC). BHCC was a corporation formed by a group of doctors specifically to operate Bethany General Hospital. Under the terms of the sublease, BHCC leased all assets and assumed all liabilities of the Hospital, except for revenue and general

obligation bonds issued for the Hospital, for a period of twenty years from May 1, 1993, through April 30, 2014.

On April 1, 1998, Baptist Healthcare of Oklahoma, Inc., an Oklahoma Corporation, leased the facility. Scheduled lease payments to Bethany Hospital Trust from Baptist Healthcare were \$ 18,500 per month from April 1, 1998 through March 1, 2023.

Baptist Healthcare of Oklahoma, Inc. vacated the facility prior to the March 1, 2023 expiration date of the lease. To settle the lease agreement, Baptist Healthcare of Oklahoma, Inc. made a cash payment of \$1,250,000 to the Hospital Trust. The Hospital Trust also received an annuity that will pay \$200,000 per year for 25 years starting in 2005.

In the Fall of 2014, Deaconess Hospital ceased operations of the hospital and remanded the facility and all improvements back to the City of Bethany.

IX. RETIREMENT PLANS

As of June 30, 2014 all of the City's full time regular employees were covered under one of the following retirement plans:

- (a) Oklahoma Municipal Retirement Fund (OMRF)
- (b) Oklahoma State Police Pension and Retirement System
- (c) Oklahoma State Firefighters Pension and Retirement System

Oklahoma Municipal Retirement Fund (OMRF)

1. Defined Benefit Plan Description

The City's defined benefit pension plan, Employee Retirement System of Bethany, Oklahoma death benefits to plan members and beneficiaries. The plan is affiliated with the Oklahoma Municipal Retirement Fund (OMRF), an agent multiple-employer public retirement system that acts as a common investment and administrative agent for cities in the State of Oklahoma. Oklahoma Statutes 48 O.S. Sections 101, et seq. provides the authority to establish and amend the benefit provisions of the plan. That authority rests with the Bethany City Council for City of Bethany plan members.

The OMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OMRF, 525 Central Park Drive, Suite 320, Oklahoma City, Oklahoma 73105 or by calling 1.888.394.6673.

2. Funding Policy

The City makes contributions at an actuarially determined rate. City employees do not make contributions to the defined benefit plan. The actuarially required rate for the fiscal year ending June 30, 2014, was 18.22% of covered payroll. The contribution requirements of employees are established by and may be amended by the Bethany City Council that acts as the plan's board of trustees.

3. Annual Pension Cost

The City contributed \$537,682 or 100.00% of the annual pension cost for the fiscal year ending June 30, 2014. The required contribution was determined as part of the July 1, 2014, actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) a 7.5% interest rate of return and (b) projected pay increases of 5% per annum on average. The actuarial value of the Plan's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments.

4. Trend Information for Employee Retirement System of Bethany, Oklahoma

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/2004	\$462,885	100.00%
06/30/2005	\$561,641	100.00%
06/30/2006	\$571,272	100.00%
06/30/2007	\$553,113	100.00%
06/30/2008	\$573,488	100.00%
06/30/2009	\$535,938	100.00%
06/30/2010	\$669,730	100.00%
06/30/2011	\$729,325	100.00%
06/30/2012	\$748,043	100.00%
06/30/2013	\$687,946	100.00%
06/30/2014	\$687,946	100.00%

The City in conjunction with the Oklahoma Municipal Retirement Plan participates in a defined contribution retirement plan for non uniformed employees. Employees are required to contribute 4.6% of their salary. Amounts contributed are vested immediately. Total employee contributions were \$150,355 for the year.

The City's payroll for employees covered by the System for the year ended June 30, 2014 was \$3,268,586. Total city contributions for the plan were \$688,037 which was approximately 21.05% of covered payroll.

Oklahoma Police Pension and Retirement System

The City of Bethany, as the employer, and full-time police officers participate in the statewide multi-employer Police Pension and Retirement System (System). The System, a defined benefit plan, is funded by contributions from participants, employers, insurance premium taxes and state appropriations. The City's payroll for employees covered by the System for the fiscal year ended June 30, 2014 was \$1,336,427.

All full-time officers, employed with a police department of a participating municipality, are required to participate in the System. Employees who retire upon completion of 20 years of credited service are entitled to an annual retirement benefit payable monthly for life, in an amount equal to 2 1/2% of the final average salary multiplied by the years of credited service (maximum 30 years). Final average salary is the average of the last 30 months of base salary. Benefits fully vest after 10 years of service. Vested employees may retire at or after age 50 with 10 but before 20 years of service, and receive reduced retirement benefits. The System also provides death and disability benefits. These benefits are established by State statute.

Fiscal year 2014 contributions by the City were \$200,253 (13.00% of covered payroll) and by employees were \$123,233 (8.00% of covered payroll). The City's obligation to the System is limited to monthly contributions of the above percentages of covered payroll. The percentages are established by State statute and the State assumes the obligation for any remaining unfunded accrued liability.

The OPPRS issues a publicly available financial report that includes financial statements and required supplementary information for the police employees of the City. That report may be obtained by writing to the Oklahoma State Police Pension and Retirement System, 1001 NW 63rd Street, Suite 305, Oklahoma City, Oklahoma 73116-7339, or by calling 1.405.840.3555.

Oklahoma Firefighters Pension and Retirement System

The City contributes to the Oklahoma Firefighters Pension and Retirement System (System), a multi-employer public retirement system that acts as a common investment and administrative agent for cities in the State of Oklahoma. The System, a defined benefit plan, is funded by contributions from participants, employers, insurance premium taxes and state appropriations. The City's payroll for employees covered by the System for the year ended June 30, 2014 was \$1,336,427.

All firefighters are required to participate in the System. Benefits vest after 10 years of service. Firefighters who retire after 20 years of service are entitled to an annual retirement benefit, payable monthly in an amount equal to 2 1/2% of the final average 30 months salary multiplied by the years of credited service, payable at age 50 or the date the employee would have completed 20 years of service, if later. The System also provides death and disability benefits. These benefits are established by State statute.

Fiscal year 2014 contributions by the City were \$182,770 (13.68% of covered payroll) and by employees were \$115,948 (8.68% of covered payroll). The City's obligation to the System is

limited to monthly contributions of the above percentage of covered payroll. The percentages are established by State statute and the State assumes the obligation for any remaining unfunded accrued liability.

The OFPRS issues a publicly available financial report that includes financial statements and required supplementary information for the fire fighting employees of the City. That report may be obtained by writing to the Oklahoma State Firefighter's Pension and Retirement System, 4545 North Lincoln Boulevard, Suite 265, Oklahoma City, Oklahoma 73105, or by calling 1.405.525.7813.



Required Supplemental Information

City of Muskogee, Oklahoma

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2014

Unaudited

	Budgeted Original	Amounts Final	Actual GAAP Basis	Actual Budget Basis	Variance With Final Budget Over (Under)
Revenues:					
Taxes	\$ 5,640,835	\$ 5,640,835	\$ 5,799,289	\$ 5,799,289	\$ 158,454
Interest	25,000	25,000	19,605	19,605	(5,395)
Licenses and permits	91,000	91,000	98,304	98,304	7,304
Intergovernmental	263,000	263,000	203,720	203,720	(59,280)
Charges for services	455,000	455,000	503,757	503,757	48,757
Fines and court costs	1,325,000	1,325,000	1,133,798	1,133,798	(191,202)
Miscellaneous	121,000	121,000	245,109	245,109	124,109
Total revenues	<u>7,920,835</u>	<u>7,920,835</u>	<u>8,003,582</u>	<u>8,003,582</u>	<u>82,747</u>
Expenditures:					
General Government					
Management					
Personal services	509,958	509,958	476,681	476,681	(33,277)
Materials and supplies	44,250	44,250	31,161	31,161	(13,089)
Other charges and services	99,711	99,711	111,035	111,035	11,324
Finance					
Personal services	225,561	225,561	210,429	210,429	(15,132)
Materials and supplies	8,000	8,000	91,978	91,978	83,978
Other charges and services	42,000	42,000	70,526	70,526	28,526
Community Development					
Personal services	385,242	385,242	304,236	304,236	(81,006)
Materials and supplies	15,750	15,750	7,868	7,868	(7,882)
Other charges and services	15,000	15,000	4,941	4,941	(10,059)
Public safety					
Police					
Personal services	3,210,957	3,210,957	3,178,550	3,178,550	(32,407)
Materials and supplies	68,500	68,500	65,144	65,144	(3,356)
Other charges and services	247,064	247,064	272,035	272,035	24,971
Municipal court					
Personal services	405,921	405,921	305,352	305,352	(100,569)
Materials and supplies	8,525	8,525	5,724	5,724	(2,801)
Other charges and services	51,600	51,600	77,784	77,784	26,184
Fire					
Personal services	1,773,471	1,773,471	1,832,311	1,832,311	58,840
Materials and supplies	35,200	35,200	23,489	23,489	(11,711)
Other charges and services	308,208	308,208	340,201	340,201	31,993
Public services					
Administration					
Personal services	94,624	94,624	104,088	104,088	9,464
Materials and supplies	6,200	6,200	2,660	2,660	(3,540)
Other charges and services	73,867	73,867	63,414	63,414	(10,453)
Streets					
Personal services	395,705	395,705	379,250	379,250	(16,455)
Materials and supplies	75,750	75,750	42,960	42,960	(32,790)
Other charges and services	117,000	117,000	129,510	129,510	12,510
Vehicle maintenance					
Personal services	95,683	95,683	42,686	42,686	(52,997)
Materials and supplies	161,750	161,750	112,519	112,519	(49,231)
Other charges and services	60,000	60,000	74,657	74,657	14,657
Parks and recreation					
Personal services	665,740	665,740	465,885	465,885	(199,855)
Materials and supplies	73,530	73,530	38,157	38,157	(35,373)
Other charges and services	26,800	26,800	19,462	19,462	(7,338)
Capital outlay and contingency	454,705	454,705	-	-	-
Total expenditures	<u>9,756,272</u>	<u>9,756,272</u>	<u>8,884,694</u>	<u>8,884,694</u>	<u>(871,578)</u>
Excess (deficit) of revenues over expenditures	(1,835,437)	(1,835,437)	(881,112)	(881,112)	954,325
Other financing sources (uses):					
Transfers from other funds	5,365,036	5,365,036	5,591,467	5,591,467	226,431
Transfers to other funds	(4,289,789)	(4,289,789)	(4,705,168)	(4,705,168)	415,379
Total other financing sources (uses)	<u>1,075,247</u>	<u>1,075,247</u>	<u>886,299</u>	<u>886,299</u>	<u>641,810</u>
Net change in fund balances	(760,190)	(760,190)	5,186	5,186	765,376
Fund balance - beginning	4,105,041	4,105,041	4,105,041	4,105,041	-
Fund balance - ending	<u>\$ 3,344,851</u>	<u>\$ 3,344,851</u>	<u>\$ 4,110,227</u>	<u>\$ 4,110,227</u>	<u>\$ 765,376</u>

See Notes to Budgetary Comparison Schedule

Employee Retirement System of Bethany, Oklahoma
Defined Benefit Pension Plan
Schedule of Funding Progress
Unaudited

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio		UAAAL as a Percentage of Covered Payroll
				Funded Ratio	Covered Payroll	
January 1, 2004	10,801,871	12,517,578	1,715,706	86.3%	2,640,205	65.0%
January 1, 2005	11,428,870	13,638,631	2,209,491	83.8%	2,801,837	78.9%
January 1, 2006	12,291,319	14,501,195	2,209,877	84.8%	2,693,708	82.0%
January 1, 2007	13,164,074	14,857,254	1,693,180	88.6%	2,781,531	60.9%
January 1, 2008	14,069,632	15,742,429	1,672,797	89.4%	2,753,890	60.7%
January 1, 2009	14,130,683	16,931,352	2,800,669	83.5%	2,902,582	96.5%
January 1, 2010	14,407,637	17,820,118	3,412,481	80.9%	3,066,345	111.3%
January 1, 2011	15,080,923	18,801,619	3,720,695	80.2%	3,172,627	117.3%
January 1, 2012	16,051,432	19,170,390	3,118,959	83.7%	3,185,592	97.9%
January 1, 2013	17,104,595	19,997,145	2,892,550	85.5%	3,188,625	90.7%
January 1, 2014	18,520,013	21,004,214	2,484,201	88.2%	3,164,305	78.5%



*Combining and Individual Fund
Statements and Schedules*

City of Bethany, Oklahoma
 Combining Balance Sheet
 Non-Major Governmental Funds
 As of June 30, 2014

	Public Safety Fund 021	E-911 Fund 022	Utility Assistance Fund 083	Juvenile Court Fund 078	Bethany Development Authority 082	Debt Service Fund 040	Cemetery Fund 081	Parks and Streets Capital Fund 039	Totals
Assets									
Cash	\$ 342,115	\$ 0	\$ 130	\$ 191,139	\$ 129,811	\$ 104,808	\$ 241,462	\$ 47,969	\$ 1,057,434
Investments	0	0	0	0	0	0	0	0	0
Accounts receivable	0	0	0	0	0	0	0	0	0
Total assets	\$ 342,115	\$ 0	\$ 130	\$ 191,139	\$ 129,811	\$ 104,808	\$ 241,462	\$ 47,969	\$ 1,057,435
Liabilities and Fund Balances									
Accounts payable	\$ 50,436	\$ 0	\$ 8	\$ 0	\$ 34,993	\$ 0	\$ 0	\$ 0	\$ 85,437
Due to other funds	0	0	0	0	0	0	0	0	0
Total Liabilities	50,436	0	8	0	34,993	0	0	0	85,437
Fund Balances:									
Reserved for bond retirement	0	0	0	0	0	0	0	0	0
Unreserved:									
Designated for debt service	0	0	0	0	0	104,808	0	0	104,808
Designated for specific purpose	291,678	0	122	191,139	94,819	0	241,462	47,969	867,190
Total fund balance	291,678	0	122	191,139	94,819	104,808	241,462	47,969	971,998
Total liabilities and fund balance	\$ 342,115	\$ 0	\$ 130	\$ 191,139	\$ 129,811	\$ 104,808	\$ 241,462	\$ 47,969	\$ 1,057,435

City of Bethany, Oklahoma
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances - Nonmajor Governmental Funds
 For the Year Ended June 30, 2014

	Public Safety Fund	E-911 Fund	Utility Assistance Fund	Juvenile Court Fund	Bethany Development Authority	Debt Service Fund	Cemetery Fund	Parks and Streets Capital Fund	Totals
Revenues:									
Taxes									
Telephone tax - E911		6,513							6,513
Interest income								1	1
Intergovernmental revenues	100,766								100,766
Charges for services	85,137			13,719	25,554		13,400	10	137,821
Donations and other income	16,765		15						16,780
Total revenues	202,668	6,513	15	13,719	25,554		13,400	11	261,862
Expenditures:									
Public safety	134,563								134,563
Public services							700		700
Economic development					158,744				158,744
Capital outlay									
Debt service							700		700
Total expenditures	134,563				158,744		700		294,007
Other financing sources:									
Transfers from other funds					125,000				125,000
Transfers (to) other funds		(12,828)							(12,828)
Proceeds from sales of capital assets									
Total other financing sources					125,000				112,172
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	68,105	(6,315)	15	13,719	(8,190)		12,700	11	80,047
Fund balances - beginning	223,574	6,315	107	177,420	103,009	104,808	228,762	47,958	891,954
Fund balances - ending	\$ 291,679	\$ -	\$ 122	\$ 191,139	\$ 94,819	\$ 104,808	\$ 241,462	\$ 47,969	\$ 971,998

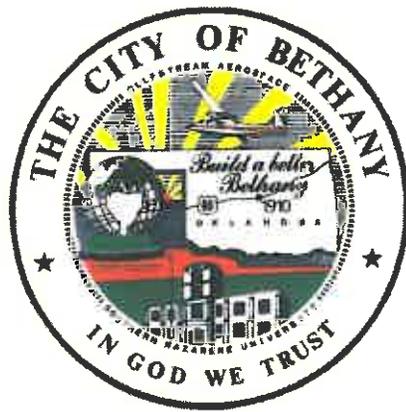
City of Bethany, Oklahoma
Combining Balance Sheet
All Agency Funds
as of June 30, 2014

	Prepaid Inspection Fund 070	Municipal Court Fund 072	Council on Law Enforcement Education and Training 073	Performance Bond Fund 074	Agency Fund Total
Assets					
Cash and cash equivalents	\$ 21,399	\$ 54,851	\$ 12,245	\$ 20,863	\$ 109,358
Investments and receivables	0	427	0	0	427
Total assets	\$ 21,399	\$ 55,278	\$ 12,245	\$ 20,863	\$ 109,785
Liabilities					
Due to depositors	\$ 21,399	\$ 54,765	\$ 0	\$ 20,863	\$ 97,027
Due to state	0	0	0	0	0
Due to other funds	0	514	12,245	0	12,759
Total liabilities	\$ 21,399	\$ 55,278	\$ 12,245	\$ 20,863	\$ 109,785

City of Bethany, Oklahoma
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2014

	Prepaid Inspection Fund	Municipal Court Fund	Council on Law Enforcement Education and Training	Performance Bond Fund	Agency Fund Total
Cash and investments, beginning	\$ 20,947	\$ 42,324	\$ 9,838	\$ 20,863	\$ 93,973
Additions	5,905	339,085	85,359	-	430,348
Deductions	5,453	326,131	82,952	-	414,535
Cash and investments, ending	\$ 21,399	\$ 55,278	\$ 12,245	\$ 20,863	\$ 109,785
Liabilities, beginning	\$ 20,947	\$ 42,324	\$ 9,838	\$ 20,863	\$ 93,973
Additions	5,905	339,085	85,359	-	430,348
Deductions	5,453	326,131	82,952	-	414,535
Liabilities, ending	\$ 21,399	\$ 55,278	\$ 12,245	\$ 20,863	\$ 109,785

*Independent Auditor's Report on Compliance and Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards*



Russell & Williams CPA's, PC

Casey J. Russell, C.P.A., M.B.A.
Autumn L. Williams, C.P.A., Esq.
Member AICPA & OSCP

2812 NW 57th Street, Suite 102
Oklahoma City, Oklahoma 73112

Phone: (405) 607-8743
Fax: (405) 607-8744
Email: caseycpa@hotmail.com

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

To the City Council
City of Bethany, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Bethany, Oklahoma, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise City of Bethany, Oklahoma's basic financial statements, and have issued our report thereon dated January 30, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Bethany, Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Bethany, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Bethany, Oklahoma's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Bethany, Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have

a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Handwritten signature in cursive script that reads "Samuel & Williams CPAs PC".

Oklahoma City, Oklahoma
January 30, 2015

Supplementary Information



City of Bethany, Oklahoma
Schedule of Expenditure of Federal Awards
Year Ended June 30, 2014

Federal Grantor / Grant Title / State Agency/Program title	Federal CFDA No.	Pass-Through Grantor's No.	Amount Expended
<u>U.S. Department of Transportation</u>			
State & Community Highway Safety Grant Oklahoma Highway Safety Office Bethany Traffic Enforcement	20.600	OP-10-03-01-10	\$ 25,748
Total U.S. Department of Transportation			<u>\$ 25,748</u>
<u>U.S. Department of Justice</u>			
Bureau of Justice Assistance			
Equitable Sharing Grant	16.922	OK0550100	\$ 32,117
Bulletproof Vest Partnership Program	16.607	2006BUBX06132373	2,664
Justice Assistance Grant - LLE Equipment	16.738	2013-DJ-BX-0033	-
Office of Juvenile Justice 2M2L Youth Alcohol	16.727		6,038
Total U.S. Department of Justice			<u>\$ 40,819</u>
<u>U.S. Department of Homeland Security</u>			
Federal Emergency Management Agency Fire District Recovery Grants			\$ 3,337
U.S. Equitable Sharing Grant			12,936
Total U.S. Department of Homeland Security			<u>\$ 16,273</u>
Total expenditures of federal awards			<u>\$ 82,840</u>

City of Bethany, Oklahoma
Notes to Schedule of Expenditures of Federal Awards
June 30, 2014

I. Summary of significant accounting policies

The schedule of expenditures of federal awards includes the federal awards activity of City of Bethany, Oklahoma and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

II. Expenditures

Expenditures represent the current year federal grant/contract portion only.

Statistical Section
(Unaudited)



City of Bethany, Oklahoma
Net Assets by Component
Last Ten Fiscal Years
Unaudited

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities										
Invested in capital assets, net of related debt	\$ 6,159,850	\$ 6,652,012	\$ 7,308,895	\$ 7,640,188	\$ 7,298,738	\$ 7,513,450	\$ 7,774,938	\$ 8,033,601	\$ 8,516,080	\$ 8,648,343
Restricted										
Capital projects	1,495,152	1,092,830	697,773	657,901	810,288	670,294	790,878	857,779	846,744	754,777
Debt service	104,807	104,809	98,283	65,039	64,675	52,480	51,768	51,250	39,180	32,291
Emergencies	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Other purposes	928,544	802,691	641,946	610,239	461,368	555,100	411,076	362,555	315,232	245,171
Encumbrances	-	-	-	-	-	-	-	32,972	32,972	32,972
Unrestricted	2,815,178	2,889,260	3,351,481	3,351,642	3,517,561	3,900,164	3,810,321	2,517,204	1,611,663	811,466
Total governmental activities net assets	\$ 12,103,531	\$ 12,141,602	\$ 12,698,378	\$ 12,925,009	\$ 12,752,630	\$ 13,291,489	\$ 13,438,982	\$ 12,455,341	\$ 11,961,871	\$ 11,125,020
Business-type activities										
Invested in capital assets, net of related debt	\$ 10,715,822	\$ 12,230,059	\$ 12,923,941	\$ 13,251,204	\$ 14,164,853	\$ 11,635,991	\$ 13,616,250	\$ 12,168,594	\$ 14,430,782	\$ 13,654,150
Restricted										
Capital projects	1,251,025	1,251,025	1,251,025	1,251,025	1,251,025	1,251,025	1,251,025	1,251,025	360,917	220,823
Debt service	272,095	272,095	272,095	272,095	1,398,104	272,095	272,095	272,095	600,000	272,095
Emergencies	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Other purposes	2,980,862	1,458,516	1,452,365	1,452,365	1,525,473	1,525,473	1,525,473	1,525,473	1,525,473	1,525,473
Unrestricted	12,283,101	12,384,101	10,092,876	9,208,849	6,355,117	8,658,879	4,614,993	5,536,483	3,185,376	3,261,713
Total business-type activities net assets	\$ 28,102,905	\$ 28,195,796	\$ 26,592,303	\$ 26,035,538	\$ 25,221,464	\$ 23,943,463	\$ 21,879,836	\$ 21,353,670	\$ 20,102,548	\$ 19,534,254
Primary government										
Invested in capital assets, net of related debt	\$ 16,875,672	\$ 18,882,071	\$ 20,232,836	\$ 20,891,392	\$ 21,463,591	\$ 19,149,441	\$ 21,391,188	\$ 20,202,195	\$ 22,946,862	\$ 22,302,493
Restricted										
Capital projects	2,746,177	2,343,855	1,948,798	1,908,926	2,061,313	1,921,319	2,041,903	2,108,804	846,744	975,600
Debt service	376,902	376,904	370,378	337,134	1,462,779	324,575	323,863	323,345	400,097	304,386
Emergencies	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Other purposes	3,909,406	2,261,207	2,094,311	2,062,604	1,913,733	2,080,573	1,936,549	1,888,008	1,840,705	1,770,644
Unrestricted	15,098,279	15,273,361	13,444,357	12,560,491	9,872,678	12,559,043	8,425,314	8,053,687	4,797,039	4,073,179
Total primary government net assets	\$ 40,206,437	\$ 40,337,399	\$ 39,290,680	\$ 38,960,547	\$ 37,974,094	\$ 37,234,951	\$ 35,318,818	\$ 33,776,039	\$ 32,031,447	\$ 30,626,302

Source: Comprehensive Annual Financial Reports
 Notes:
 (1) Accrual basis of accounting.
 (2) GASB 34 was implemented in Fiscal Year 2003.

City of Bethany, Oklahoma

**Change in Net Assets
Last Ten Fiscal Years
Unaudited**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
EXPENSES										
Governmental activities:										
General government	\$ 1,716,985	\$ 2,095,199	\$ 1,903,476	\$ 1,883,392	\$ 1,575,441	\$ 1,138,871	\$ 1,123,699	\$ 1,116,828	\$ 1,694,795	\$ 1,637,579
Public safety	5,950,741	6,125,172	6,020,024	5,787,844	5,412,530	5,510,679	5,351,017	4,879,654	4,537,030	4,919,609
Highways and streets	1,061,048	777,614	746,091	753,478	1,222,491	1,161,410	1,163,101	1,046,775	866,403	896,849
Culture and recreation	882,552	662,830	681,535	660,209	738,887	682,324	605,426	556,356	519,048	428,403
Economic development	164,148	99,695	161,612	109,435	103,679	132,811	143,955	294,732	270,147	674,868
Debt service	-	-	-	2,584	17,153	21,099	-	-	-	-
Total governmental activities expenses	\$ 9,775,474	\$ 9,760,510	\$ 9,512,738	\$ 9,196,942	\$ 9,070,181	\$ 8,647,196	\$ 8,387,199	\$ 7,894,345	\$ 7,887,423	\$ 8,557,308
Business-type activities:										
Water	\$ 2,888,482	\$ 3,360,932	\$ 3,258,843	\$ 2,909,244	\$ 2,544,281	\$ 2,582,341	\$ 2,414,114	\$ 1,861,612	\$ 1,882,671	\$ 1,653,801
Sewer	2,132,681	1,522,332	1,543,889	1,534,240	1,696,747	1,686,015	1,703,811	1,616,416	1,650,283	1,594,073
Sanitation	1,211,902	1,523,653	1,439,991	1,480,939	1,592,444	1,368,338	1,401,294	1,231,694	1,208,106	1,228,123
Hospital	231,126	226,126	201,548	201,548	145,886	135,001	133,151	133,151	133,151	140,824
Total business-type activities expenses	\$ 6,464,191	\$ 6,633,043	\$ 6,444,271	\$ 6,125,971	\$ 5,979,358	\$ 5,771,694	\$ 5,652,370	\$ 4,842,873	\$ 4,876,211	\$ 4,616,821
Total primary government expenses	\$ 16,239,665	\$ 16,393,553	\$ 15,957,009	\$ 15,322,913	\$ 15,049,539	\$ 14,418,890	\$ 14,039,569	\$ 12,737,218	\$ 12,763,634	\$ 13,174,129
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 588,483	\$ 163,800	\$ 126,883	\$ 313,564	\$ 159,363	\$ 122,073	\$ 123,525	\$ 134,190	\$ 111,538	\$ 107,992
Public safety	1,519,736	1,375,748	1,752,438	1,805,809	1,482,465	1,543,494	1,360,993	1,044,736	824,739	760,494
Highways and streets	-	108,141	108,624	148,154	109,193	108,179	108,179	109,915	-	-
Culture and recreation	77,124	42,255	45,674	53,368	90,016	84,533	59,313	73,206	64,623	64,623
Economic development	25,569	18,805	27,621	31,685	22,600	36,545	20,449	70,777	133,046	149,065
Debt service	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	73,289	83,361	56,473	107,426	122,930	15,239	36,393	52,964	258,555
Capital grants and contributions	-	5,294	8,023	201,326	-	-	86,595	76,735	151,061	145,975
Total governmental activities revenues	\$ 2,210,912	\$ 1,787,332	\$ 2,152,624	\$ 2,610,379	\$ 1,971,143	\$ 2,017,754	\$ 1,799,513	\$ 1,532,059	\$ 1,346,554	\$ 1,486,704
Business-type activities:										
Charges for services:										
Water	\$ 3,221,293	\$ 3,383,669	\$ 3,178,895	\$ 3,118,454	\$ 2,970,993	\$ 2,998,998	\$ 2,911,774	\$ 2,882,351	\$ 2,979,584	\$ 2,778,375
Sewer	2,199,438	2,280,065	2,222,341	2,147,042	2,105,710	2,077,196	2,016,549	1,664,769	1,586,350	1,519,755
Sanitation	2,148,813	2,228,420	2,205,005	2,084,509	2,036,658	1,989,130	1,895,067	1,804,077	1,750,122	1,697,293
Hospital	121,271	174,980	319,493	205,332	224,495	207,814	210,148	210,506	209,312	164,100
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	52,829	36,571
Total business-type activities revenues	\$ 7,690,815	\$ 8,067,134	\$ 7,925,734	\$ 7,555,337	\$ 7,337,856	\$ 7,273,137	\$ 7,033,537	\$ 6,561,703	\$ 6,578,197	\$ 6,196,094
Total primary government revenues	\$ 9,901,727	\$ 9,854,466	\$ 10,078,358	\$ 10,165,716	\$ 9,308,999	\$ 9,290,891	\$ 8,833,050	\$ 8,093,762	\$ 7,924,751	\$ 7,682,798
NET(EXPENSE)/REVENUE										
Governmental activities:	(7,564,562)	(7,973,178)	(7,360,114)	(6,586,563)	(7,099,038)	(6,629,442)	(6,587,686)	(6,362,286)	(6,540,869)	(7,070,604)
Business-type activities:	1,226,624	1,434,091	1,481,463	1,429,366	1,358,498	1,501,443	1,381,167	1,718,830	1,701,986	1,579,273
Total primary government net expense	\$ (6,337,938)	\$ (6,539,087)	\$ (5,878,651)	\$ (5,157,197)	\$ (5,740,540)	\$ (5,127,999)	\$ (5,206,519)	\$ (4,643,456)	\$ (4,838,883)	\$ (5,491,331)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Sale; and use taxes	\$ 4,561,665	\$ 4,803,349	\$ 4,543,380	\$ 4,341,371	\$ 4,299,598	\$ 4,563,357	\$ 4,563,357	\$ 4,305,388	\$ 4,343,051	\$ 4,248,801
Franchise taxes	921,577	821,579	847,990	803,511	820,084	759,307	759,307	784,146	767,197	682,466
Property tax	-	21,230	18,251	117	12,201	712	518	12,070	6,889	16,589
Occupancy tax	70,938	64,994	55,539	48,665	52,217	36,193	36,193	312	-	-
Emergency management taxes	6,513	6,315	7,075	8,873	12,550	14,121	13,784	13,338	11,085	11,654
Intergovernmental	203,720	286,001	220,110	232,388	267,272	272,835	272,835	271,931	286,149	225,343
Investment income	20,108	17,510	24,763	27,788	68,297	139,276	210,181	239,916	147,443	119,414
Miscellaneous	245,109	181,183	177,835	358,425	335,868	324,664	227,531	213,261	283,624	168,204
Transfers between funds	1,398,595	1,374,436	1,237,930	937,805	692,092	261,582	1,487,622	1,015,397	1,532,282	645,391
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	17,185
Total governmental activities	\$ 7,428,225	\$ 7,576,597	\$ 7,132,873	\$ 6,758,943	\$ 6,560,179	\$ 6,372,046	\$ 7,571,327	\$ 6,855,759	\$ 7,377,720	\$ 6,135,047
Business-type activities:										
Investment income	\$ 45,753	\$ 166,462	\$ 51,710	\$ 71,433	\$ 336,405	\$ 340,709	\$ 367,214	\$ 364,079	\$ 280,195	\$ 248,292
Miscellaneous	-	179,106	316,584	261,935	275,190	483,056	265,408	183,610	118,395	166,863
Transfers between funds	(1,398,595)	(1,374,436)	(1,237,930)	(937,805)	(692,092)	(261,581)	(1,487,622)	(1,015,397)	(1,532,282)	(645,391)
Total business-type activities	\$ (1,352,842)	\$ (1,028,868)	\$ (869,636)	\$ (604,437)	\$ (80,497)	\$ 562,184	\$ (855,001)	\$ (467,708)	\$ (1,133,692)	\$ (230,336)
Total primary government	\$ 6,075,383	\$ 6,547,729	\$ 6,263,237	\$ 6,154,506	\$ 6,479,682	\$ 6,934,230	\$ 6,716,326	\$ 6,388,051	\$ 6,244,028	\$ 5,904,811
CHANGE IN NET ASSETS										
Governmental activities	\$ (136,336)	\$ (396,580)	\$ (227,241)	\$ 172,380	\$ (538,859)	\$ (257,396)	\$ 983,641	\$ 493,473	\$ 836,851	\$ (935,557)
Business-type activities	(126,218)	388,238	611,827	824,929	1,278,001	2,063,627	526,166	1,251,122	568,294	1,349,037
Total primary government	\$ (262,554)	\$ (8,342)	\$ 384,586	\$ 997,309	\$ 739,142	\$ 1,806,231	\$ 1,509,807	\$ 1,744,595	\$ 1,405,145	\$ 413,480

Source: Comprehensive Annual Financial Reports

Notes:

- (1) Accrual basis of accounting.
- (2) GASB 34 was implemented in Fiscal Year 2003.
- (3) Ten years of data were not available, but will be accumulated.

City of Bethany, Oklahoma

**Program Revenues by Function / Program
Last Ten Fiscal Years
Unaudited**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
FUNCTION/PROGRAMS										
Governmental activities:										
General government	\$ 480,641	\$ 163,800	\$ 127,003	\$ 313,564	\$ 159,363	\$ 122,073	\$ 123,525	\$ 210,922	\$ 208,482	\$ 192,255
Public safety	1,533,455	1,375,748	1,843,702	1,868,608	1,482,465	1,543,494	1,462,827	1,081,129	877,703	1,031,549
Highways and streets	107,827	108,141	108,624	343,154	109,193	108,179	108,179	109,915	54,117	49,212
Culture and recreation	90,524	42,255	45,674	53,368	90,016	84,533	84,533	59,313	73,206	64,623
Economic development	25,569	18,805	27,621	31,685	22,680	36,545	20,449	70,777	133,046	149,065
Debt service	-	-	-	-	-	-	-	-	-	-
Subtotal governmental activities	\$ 2,238,016	\$ 1,708,749	\$ 2,152,624	\$ 2,610,379	\$ 1,863,717	\$ 1,894,824	\$ 1,799,513	\$ 1,532,056	\$ 1,346,554	\$ 1,486,704
Business-type activities:										
Water	\$ 3,221,293	\$ 3,383,669	\$ 3,178,895	\$ 3,118,454	\$ 2,970,993	\$ 2,998,998	\$ 2,911,774	\$ 2,882,351	\$ 3,032,413	\$ 2,814,946
Sewer	2,199,438	2,280,065	2,222,341	2,147,042	2,105,710	2,077,196	2,016,549	1,664,769	1,586,350	1,519,755
Sanitation	2,148,813	2,228,420	2,205,005	2,084,509	2,036,658	1,989,130	1,895,067	1,804,077	1,750,122	1,697,293
Hospital	121,271	174,980	319,493	205,332	224,495	207,814	210,148	210,506	209,312	164,100
Subtotal business-type activities	7,690,815	8,067,134	7,925,734	7,555,337	7,337,856	7,273,138	7,033,537	6,561,703	6,578,197	6,196,094
Total primary government	\$ 9,928,831	\$ 9,775,883	\$ 10,078,358	\$ 10,165,716	\$ 9,201,573	\$ 9,167,962	\$ 8,833,050	\$ 8,093,759	\$ 7,924,751	\$ 7,682,798

Source: Comprehensive Annual Financial Reports

Notes:

- (1) Accrual basis of accounting.
- (2) GASB 34 was implemented in Fiscal Year 2003.
- (3) Ten years of data were not available, but will be accumulated.

City of Bethany, Oklahoma

Fund Balances, Governmental Funds
Last Ten Fiscal Years

Unaudited

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Reserved for:										
Encumbrances	\$ -	\$ 32,972	\$ 32,972	\$ 32,972	\$ 32,972	\$ 32,972	\$ 32,972	\$ 32,972	\$ 32,972	\$ 32,972
Unreserved:										
Designated	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
OPEB	61,695	15,546	-	-	-	-	-	-	-	-
Undesignated	3,448,532	3,456,523	3,863,885	3,917,846	4,040,137	4,410,656	4,291,106	3,022,364	2,124,891	1,460,744
Total general fund	\$ 4,110,227	\$ 4,105,041	\$ 4,496,857	\$ 4,550,818	\$ 4,673,109	\$ 5,043,628	\$ 4,924,078	\$ 3,655,336	\$ 2,757,863	\$ 2,093,716
Other Governmental Funds										
Reserved for:										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Retirement	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Debt service	104,809	104,809	98,283	65,039	64,675	52,480	51,768	51,250	39,180	32,291
Capital projects	1,495,152	1,092,830	697,773	657,901	810,288	670,294	790,878	857,779	846,744	754,777
Special revenue	866,846	787,145	641,946	610,239	461,368	555,100	411,076	362,535	315,232	278,143
Total other governmental funds	\$ 2,466,807	\$ 1,984,784	\$ 1,438,002	\$ 1,333,179	\$ 1,336,331	\$ 1,277,874	\$ 1,253,722	\$ 1,271,564	\$ 1,201,156	\$ 1,065,211
Total governmental funds	\$ 6,577,034	\$ 6,089,825	\$ 5,934,859	\$ 5,883,997	\$ 6,009,440	\$ 6,321,502	\$ 6,177,800	\$ 4,926,900	\$ 3,959,019	\$ 3,158,927

Source: Comprehensive Annual Financial Reports

Notes:

- (1) Modified accrual basis of accounting.
- (2) GASB 34 was implemented in Fiscal Year 2003.

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

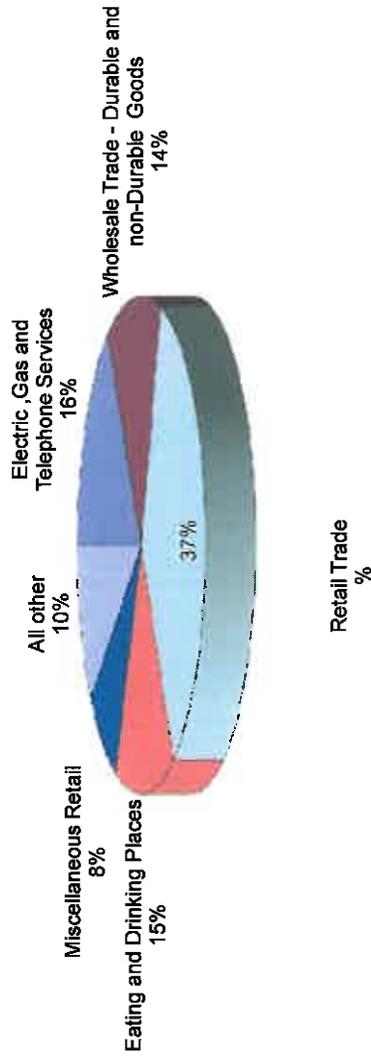
	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Taxes	\$ 5,805,802	\$ 5,717,467	\$ 5,472,234	\$ 5,202,537	\$ 5,196,650	\$ 5,342,147	\$ 5,373,158	\$ 5,115,252	\$ 5,128,222	\$ 4,959,510
Interest	20,109	18,502	29,267	34,077	68,297	139,276	210,181	239,916	147,443	119,414
Licenses and permits	98,304	131,468	99,033	97,101	118,531	91,356	82,433	98,290	71,750	71,563
Intergovernmental	304,486	343,438	295,073	599,754	374,698	431,895	374,669	461,788	339,113	568,161
Charges for services	641,568	578,634	647,768	643,285	463,556	424,678	429,489	443,100	234,599	243,272
Fines and court costs	1,133,798	1,010,627	1,319,785	1,379,962	1,239,562	1,335,185	1,143,052	847,966	800,881	734,714
Miscellaneous	262,843	186,717	185,978	474,800	466,990	359,479	282,323	242,836	318,924	200,729
Total revenues	\$ 8,266,910	\$ 7,986,853	\$ 8,049,138	\$ 8,431,516	\$ 7,928,284	\$ 8,124,017	\$ 7,893,305	\$ 7,449,148	\$ 7,040,932	\$ 6,897,463
Expenditures										
General government	\$ 1,927,579	\$ 1,931,525	\$ 1,779,307	\$ 1,746,342	\$ 1,185,667	\$ 1,129,928	\$ 1,074,230	\$ 1,055,409	\$ 1,646,624	\$ 1,562,331
Public safety	5,846,294	5,620,325	5,567,517	5,484,992	5,504,262	5,282,049	5,127,678	4,687,974	4,467,087	4,615,344
Public services	723,272	703,140	666,535	676,932	882,097	829,022	846,756	728,584	565,189	606,983
Culture and recreation	523,503	607,483	625,762	604,323	666,732	613,532	534,504	480,892	450,561	366,238
Economic development	158,744	99,695	161,612	109,434	103,679	132,811	143,955	294,732	270,147	674,368
Capital outlay	(1,092)	69,614	437,573	838,765	462,232	364,456	404,901	174,211	373,512	748,242
Debt service	-	-	-	45,673	127,770	-	-	-	-	-
Principal	-	-	13,387	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 9,178,300	\$ 9,031,782	\$ 9,251,693	\$ 9,506,461	\$ 8,932,439	\$ 8,351,800	\$ 8,132,025	\$ 7,421,802	\$ 7,773,120	\$ 8,574,506
Excess (deficiency) of revenues over (under) expenditures	\$ (911,390)	\$ (1,044,929)	\$ (1,202,555)	\$ (1,074,945)	\$ (1,004,155)	\$ (227,783)	\$ (236,720)	\$ 27,346	\$ (732,188)	\$ (1,677,043)
Other financing sources										
Transfer from other funds	\$ 6,116,590	\$ 6,009,407	\$ 5,745,747	\$ 5,089,346	\$ 4,903,146	\$ 5,000,260	\$ 6,222,794	\$ 5,814,575	\$ 5,806,894	\$ 5,269,214
Transfer to other funds	(4,717,996)	(4,634,971)	(4,507,817)	(4,151,540)	(4,211,054)	(4,738,678)	(4,735,172)	(4,874,041)	(4,274,612)	(4,623,323)
Proceeds from sales of capital assets	-	-	-	-	-	-	-	-	-	220,000
Total other financing sources	\$ 1,398,594	\$ 1,374,436	\$ 1,237,930	\$ 937,806	\$ 692,092	\$ 261,582	\$ 1,487,622	\$ 940,534	\$ 1,532,282	\$ 865,391
Net change in fund balances	\$ 487,204	\$ 329,507	\$ 35,375	\$ (137,139)	\$ (312,063)	\$ 33,798	\$ 1,250,902	\$ 967,880	\$ 800,094	\$ (811,552)
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.2%	0.5%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Comprehensive Annual Financial Reports

Notes:

- (1) Modified accrual basis of accounting.
- (2) GASB 34 was implemented in Fiscal Year 2003.

TAXABLE SALES BY CATEGORY 2014



0

City of Bethany, Oklahoma

Tax Revenues by Source

Last Ten Fiscal Years

Unaudited

	Fiscal Year										
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Property	\$ 4,561,665	\$ 4,533,965	\$ 4,301,207	\$ 4,101,719	\$ 4,088,250	\$ 4,209,640	\$ 4,283,049	\$ 4,067,876	\$ 4,117,864	\$ 4,029,335	\$ 3,914,121
Sales	290,895	251,307	242,172	239,652	211,348	239,184	280,308	237,511	225,186	219,466	180,323
Use	70,938	64,994	55,539	48,665	52,217	55,455	36,193	312	-	-	-
Hotel	786,888	821,579	847,990	803,511	820,084	823,035	709,992	734,802	767,197	682,466	706,824
Franchise	164,894	50,231	-	12,374	34,719	37,016	39,854	40,833	42,810	41,534	41,303
Motor fuel	8,697	114,934	130,335	134,306	144,911	144,911	144,120	144,119	156,413	144,092	144,159
Motor vehicle	57,067	58,966	62,921	58,144	57,855	56,794	60,507	60,865	60,423	15,669	-
Cigarette	30,129	23,926	26,854	27,563	29,787	29,693	28,354	26,115	26,503	24,048	22,211
Alcohol beverage	6,513	6,315	7,075	8,873	12,550	14,121	13,784	13,338	11,085	11,654	12,846
Emergency 911											
Total tax revenues	\$ 5,977,686	\$ 5,926,216	\$ 5,674,094	\$ 5,434,925	\$ 5,463,916	\$ 5,610,562	\$ 5,596,679	\$ 5,337,839	\$ 5,414,370	\$ 5,184,854	\$ 5,409,530

Source: City of Bethany

Notes:

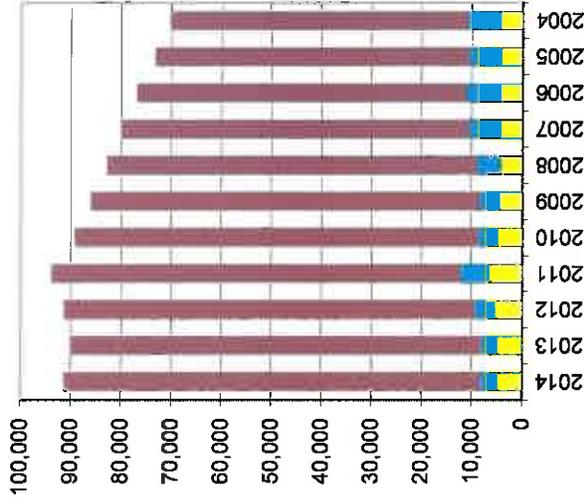
- (1) Modified accrual basis of accounting.
- (2) Property tax services only general obligation debt.
- (3) City property tax millages expired in Fiscal Year 2004.
- (4) Property tax is reported in the Debt Service Fund.
All other taxes are reported in the General fund
- (5) Hotel tax was approved beginning Fiscal Year 2007.



City of Bethany, Oklahoma

Assessed Value of Taxable Property Last Ten Fiscal Years (in thousands of dollars) Unaudited

	Fiscal Year										
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Taxable property											
Personal	4,860	4,849	5,080	6,215	4,829	4,365	4,379	4,339	4,344	4,087	4,395
Public service	3,492	3,347	4,352	6,063	3,924	4,143	4,594	6,114	6,742	6,374	6,357
Real estate	82,932	81,873	81,923	81,549	80,385	77,526	73,870	69,516	65,760	62,739	59,412
Total taxable property	91,284	90,069	91,355	93,827	89,138	86,035	82,843	79,970	76,846	73,200	70,164
Less tax-exempt property	4,135	4,229	4,332	4,458	4,417	4,410	4,436	4,492	4,327	4,403	4,490
Total taxable assessed value	87,149	85,840	87,023	89,369	84,721	81,625	78,407	75,478	72,519	68,798	65,674
Total direct tax rate	0.00	5.95									



Source: Oklahoma County Assessor's Office

Notes:

- (1) Property tax services only general obligation debt.
- (2) The direct property tax rate is per \$1,000 of assessed value.
- (3) Property tax increases must be approved by the voters and City property tax millages expired in fiscal year 2004.

City of Bethany, Oklahoma

Direct and Overlapping Property taxes
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)
Unaudited

	Fiscal Year									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
City direct rates										
General obligation debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total city direct rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Overlapping rates										
Oklahoma County	23.58	23.87	24.06	24.27	24.79	23.18	22.29	22.81	22.90	22.99
Bethany School District	78.68	76.97	75.49	74.68	73.22	67.58	70.24	73.77	76.42	64.90
Putnam City School District	62.12	62.99	62.43	61.20	61.52	60.72	56.90	55.96	55.14	55.71
Canadian Valley Vo-Tech	16.56	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72
Francis Tuttle Vo-Tech	15.69	15.69	15.69	15.69	15.69	15.69	15.69	15.69	15.69	15.69

Source: Oklahoma County Assessor's Office

Notes:

- (1) Property tax increases must be approved by the voters and City property tax millages expired in Fiscal Year 2004.
- (2) Total tax rate for a location may be determined by adding the tax rate for the appropriate school district and vo-tech to the rate for the City of Bethany and Oklahoma County.

City of Bethany, Oklahoma

Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

	Fiscal Year										
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
PROPERTY TAX											
Taxes levied	0	0	0	0	0	0	0	0	0	0	390,705
Current year collections											
Amount	0	0	0	0	0	0	0	0	0	0	377,889
Levy percentage	0	0	0	0	0	0	0	0	0	0	96.72
Subsequent year collections	0	0	0	117	12,195	712	518	12,070	6,889	16,589	9,853
Total collections to date											
Amount	0	0	0	117	12,195	712	518	12,070	6,889	16,589	387,742
Levy percentage	0	0	0	0	0	0	0	0	0	0	99.24

Source: City of Bethany

Notes:

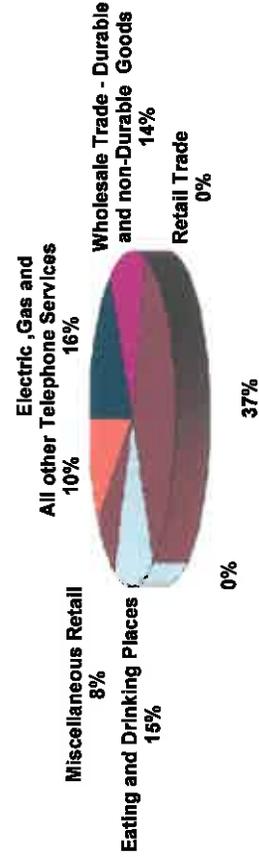
(1) City property tax millages expired in Fiscal Year 2004.

City of Belfrey, Oklahoma

Taxable Sales by Category
Last Ten Fiscal Years
(in thousands of dollars)
Unaudited

CATEGORY	Fiscal Year										
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Electric, Gas and Telephone Services	\$ 18,481	\$ 18,213	\$ 29,256	\$ 28,199	\$ 29,935	\$ 30,184	\$ 28,626	\$ 29,001	\$ 28,981	\$ 28,981	\$ 26,874
Wholesale Trade - Durable and non-Durable Goods	15,834	14,392	9,839	9,382	7,757	7,757	8,641	8,697	9,027	9,027	8,588
Retail Trade	42,340	45,075	5,933	5,933	5,021	4,956	4,757	5,197	5,382	5,382	5,016
Eating and Drinking Places	17,160	17,027	14,480	14,480	13,938	25,749	14,736	14,663	15,186	15,186	18,489
Miscellaneous Retail	9,086	5,980	14,079	14,079	10,023	6,271	4,485	4,393	4,644	4,644	4,557
All other	12,192	13,025	8,173	8,173	17,164	18,756	21,358	19,772	18,444	18,444	18,874
Total taxable sales	\$ 115,092	\$ 113,712	\$ 104,301	\$ 102,787	\$ 103,472	\$ 117,207	\$ 107,392	\$ 102,516	\$ 103,792	\$ 103,792	\$ 101,522
City direct sales tax rate	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%

Source: Oklahoma Tax Commission
NOTE: During Fiscal Year 2013, the OTC converted from SIC code to NAICS coding for sales tax collections.
Classifications are similar but not exact cross-over.



City of Bethany, Oklahoma

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years

Unaudited

	Fiscal Year									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
City direct rates										
Capital improvements	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700
General government	3.300	3.300	3.300	3.300	3.300	3.300	3.300	3.300	2.300	2.300
Temporary general government	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	1.000
Total city direct rate	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Overlapping rates										
State of Oklahoma	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500	4.500
Total tax rate	8.500%	8.500%	8.500%	8.500%	8.500%	8.500%	8.500%	8.500%	8.500%	8.500%

Sources: City of Bethany, & Oklahoma Tax Commission

Notes:

- (1) City sales tax increases must be approved by the voters.
- (2) A temporary additional 1% sales tax took effect September 2000.
- (3) A permanent 1% sales tax replaced the temporary 1% sales tax set to expire September 2005.

City of Bethany, Oklahoma
Sales Tax Remitted by Industry
Last Ten Fiscal Years
Unaudited

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
INDUSTRY										
Electric, Gas and Telephone Services	\$ 739,232	\$ 728,510	\$ 1,170,232	\$ 1,127,965	\$ 1,197,391	\$ 1,207,361	\$ 1,145,052	\$ 1,160,053	\$ 1,159,223	\$ 1,074,957
Wholesale Trade	633,365	575,694	393,579	375,279	310,263	310,291	345,654	347,871	361,080	343,512
Retail Trade	1,693,610	1,802,982	1,236,323	1,139,004	1,114,635	1,029,976	959,104	970,131	1,008,459	1,122,497
Eating and Drinking Places	686,383	681,096	642,632	313,697	318,735	250,831	179,382	175,734	185,773	182,289
Miscellaneous Retail	363,424	239,189	519,972	563,170	625,778	590,574	682,471	560,823	546,825	486,188
All other	487,680	521,012	373,802	326,935	354,389	750,258	854,319	790,863	338,361	278,742
Total sales tax remitted	\$4,603,694	\$4,548,483	\$4,336,540	\$4,662,601	\$4,689,509	\$4,688,279	\$4,665,316	\$4,484,239	\$4,552,734	\$4,443,815
City direct sales tax rate	4.00%									

Source: Oklahoma Tax Commission

Notes:

- (1) The City is prohibited by law from reporting individual sales tax payers.
- (2) The categories presented provide alternate information regarding the City's revenue sources.
- (3) Amounts are net of fees and interest charged/paid by the Oklahoma Tax Commission to the City of Bethany, OK
- (4) During Fiscal Year 2013, the OTC converted from SIC code to NAICS coding for sales tax collections.

City of Bethany, Oklahoma

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

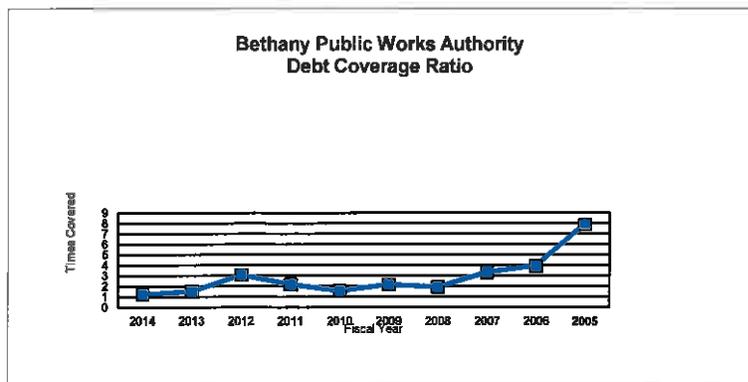
Unaudited

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	% of Personal Income	Per Capita
	General Obligation Debt	Lease Purchase Obligations	Subtotal Governmental Activities	Revenue Bonds	OWRB Loans	Subtotal Business-type Activities	Government				
2014	\$0	\$0	\$0	\$3,270,000	\$13,510,426	\$16,780,426	\$16,780,426	\$16,780,426	20.76%	\$858	
2013	\$0	\$0	\$0	\$3,585,000	\$10,910,929	\$14,495,929	\$14,495,929	\$14,495,929	17.93%	\$741	
2012	\$0	\$0	\$0	\$3,585,000	\$11,322,483	\$14,907,483	\$14,907,483	\$14,907,483	18.44%	\$762	
2011	\$0	\$0	\$0	\$1,830,000	\$12,109,841	\$13,939,841	\$13,939,841	\$13,939,841	17.25%	\$713	
2010	\$0	\$31,391	\$31,391	\$2,030,000	\$12,523,876	\$14,553,876	\$14,585,267	\$14,585,267	17.04%	\$746	
2009	\$0	\$142,006	\$142,006	\$2,225,000	\$11,608,366	\$13,833,366	\$13,975,372	\$13,975,372	17.29%	\$714	
2008	\$0	\$178,679	\$178,679	\$2,415,000	\$8,550,220	\$10,965,220	\$11,143,900	\$11,143,900	13.02%	\$570	
2007	\$0	\$0	\$0	\$2,600,000	\$8,908,313	\$11,508,313	\$11,508,313	\$11,508,313	13.75%	\$588	
2006	\$0	\$0	\$0	\$2,780,000	\$7,149,580	\$9,929,580	\$9,929,580	\$9,929,580	12.50%	\$508	
2005	\$0	\$0	\$0	\$2,950,000	\$3,217,120	\$6,167,120	\$6,167,120	\$6,167,120	8.62%	\$313	

City of Bethany, Oklahoma
Pledged-Revenue Bond Coverage
Last Ten Fiscal Years
Unaudited

BETHANY PUBLIC WORKS AUTHORITY (1)

Fiscal Year	Operating Revenue (2)	Operating Expense (3)	Net Revenue Available for Debt Service	Debt Service Requirements (4)(5)			Coverage
				Principal	Interest	Total	
2014	7,561,090	5,757,956	1,803,134	963,779	461,810	1,425,589	1.26
2013	8,063,940	5,919,986	2,143,954	967,672	443,819	1,411,491	1.52
2012	7,896,077	4,781,035	3,115,042	730,630	278,112	1,008,742	3.09
2011	7,611,939	5,446,629	2,165,310	587,765	399,939	987,704	2.19
2010	7,218,975	5,300,767	1,918,208	698,042	503,897	1,201,939	1.60
2009	7,174,542	5,251,198	1,923,344	551,193	327,343	878,536	2.19
2008	6,937,188	5,152,155	1,785,033	543,093	367,064	910,157	1.96
2007	6,457,465	4,581,007	1,876,458	430,000	128,715	558,715	3.36
2006	6,434,451	4,126,513	2,307,938	420,000	164,859	584,859	3.95
2005	6,162,286	4,000,531	2,161,755	160,000	114,588	274,588	7.87



BETHANY HOSPITAL TRUST (6)

Fiscal Year	Operating Revenue	Operating Expense (7)	Net Revenue Available for Debt Service	Debt Service Requirements (8)			Coverage
				Principal	Interest	Total	
2014	121,271	231,126	88,136	0	0	0	N/A
2013	319,493	0	88,136	0	0	0	N/A
2012	319,493	0	319,493	0	0	0	N/A
2011	205,332	0	205,332	0	0	0	N/A
2010	224,495	0	224,495	0	0	0	N/A
2009	207,814	0	207,814	0	0	0	N/A
2008	210,148	0	210,148	0	0	0	N/A
2007	210,506	0	210,506	0	0	0	N/A
2006	209,312	2,000	207,312	0	0	0	N/A
2005	164,100	7,673	156,427	0	0	0	N/A

- (1) The Bethany Public Works Authority provides water, wastewater and solid waste services for the City of Bethany. Wastewater treatment services are provided by the Bethany-WarrAcres Public Works Authority. Prior to 1999 solid waste was accounted for in the general fund of the City.
- (2) Operating revenues includes all revenue except transfers in.
- (3) Operating expenses includes all expenses except depreciation and transfers out.
- (4) The 2003 Revenue Bond Indenture included an additional pledge of revenues derived from the four percent (4%) sales tax appropriated and paid to the authority by the general fund.
- (5) The Authority refunded all outstanding 2003 revenue bonds in 2012.
- (6) Prior to May 1, 1993 the Bethany Hospital Trust operated the Bethany General Hospital through a governing board appointed by the Trust. On May 1, 1993 the Bethany Health Care Corporation assumed operations of the Hospital through a twenty year lease. On April 1, 1998 this sublease was terminated and a new sublease with Baptist Healthcare of Oklahoma, Inc. was signed. Effective July 1, 2000 this sublease was terminated and a new sublease with Deaconess Hospital was signed.
- (7) Operating expenses includes all operating expenses except interest and depreciation.
- (8) The Trust refunded all outstanding revenue bonds in 1999.

City of Bethany, Oklahoma

Demographic and Economic Statistics

Last Ten Fiscal Years

Unaudited

	Fiscal Year									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Demographic data										
Est. population	19,563	19,501	19,701	19,406	19,051	19,729	19,607	19,559	19,627	19,905
Est. personal income (in thousands)	808,324	856,191	836,898	794,520	715,041	807,745	733,008	688,672	645,238	623,524
Per capita personal income (msa)	41,319	43,905	42,480	40,942	37,533	40,942	37,385	35,210	32,875	31,325
Annual unemployment rate (msa)	3.9%	5.4%	5.4%	5.7%	6.8%	3.8%	4.3%	3.9%	4.3%	4.5%

Source: U.S. Census Bureau, U.S. Bureau of Economic Analysis, & U.S. Bureau of Labor Statistics

Notes:

- (1) Metropolitan Statistical Area figures are noted with (msa).
- (2) Personal income is computed by multiplying population times per capita income.

Source: Governing.com

City of Bethany, Oklahoma
City Employees by Function / Program
Last Ten Fiscal Years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
FUNCTION/PROGRAMS										
Governmental activities:										
General government	12.0	14.0	13.6	6.7	6.8	6.8	5.3	5.0	5.6	6.5
Public safety	75.0	73.1	73.1	73.1	70.8	70.8	67.0	64.9	66.0	68.5
Highways and streets	9.2	9.2	9.2	9.2	9.3	9.3	8.3	8.9	7.6	9.1
Culture and recreation	22.6	23.9	23.9	23.9	24.1	24.1	22.2	23.3	21.4	20.3
Economic development	4.5	4.0	4.0	4.0	3.0	3.0	4.0	5.0	6.0	6.7
Subtotal governmental activities	<u>123.3</u>	<u>124.2</u>	<u>123.8</u>	<u>116.9</u>	<u>114.0</u>	<u>114.0</u>	<u>106.8</u>	<u>107.1</u>	<u>106.6</u>	<u>111.1</u>
Business-type activities:										
Water	15.0	15.9	15.9	15.9	15.8	15.8	16.0	16.3	17.0	17.7
Sewer	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.2	3.5
Sanitation	16.0	15.1	15.1	15.1	15.2	15.2	16.8	17.0	15.6	15.5
Hospital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal business-type activities	<u>34.0</u>	<u>33.0</u>	<u>33.0</u>	<u>33.0</u>	<u>33.0</u>	<u>33.0</u>	<u>34.8</u>	<u>35.3</u>	<u>35.8</u>	<u>36.7</u>
Total primary government	<u><u>157.3</u></u>	<u><u>157.2</u></u>	<u><u>156.8</u></u>	<u><u>149.9</u></u>	<u><u>147.0</u></u>	<u><u>147.0</u></u>	<u><u>141.6</u></u>	<u><u>142.3</u></u>	<u><u>142.4</u></u>	<u><u>147.8</u></u>

Source: City of Bethany

Notes:

- (1) Full-time equivalent employees as of June 30.
- (2) Full-time employee equivalent is computed by dividing total labor hours by standard scheduled hours.

City of Bethany, Oklahoma
Capital Asset Statistics by Function / Program
Last Ten Fiscal Years
Unaudited

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
FUNCTION/PROGRAMS										
Governmental activities:										
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	36	36	36	36	35	36	35	35	35	33
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles & apparatuses	6	6	6	6	6	6	6	6	6	6
Highways and streets										
Streets (lane miles)	185.92	185.92	185.92	185.92	185.92	185.92	185.92	185.92	185.92	185.92
Culture and recreation										
Park acreage	172	172	172	172	172	172	172	172	172	172
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2	2	2	2
Business-type activities:										
Water										
Water mains (miles)	80.85	80.85	80.85	80.85	80.85	80.85	80.85	80.85	80.85	80.73
Fire hydrants	581	581	581	581	581	581	581	581	581	575
Storage capacity (thousands of gallons)	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	5,500
Sewer										
Sanitary sewers (miles)	99.38	99.38	99.38	99.38	99.38	99.38	99.38	99.38	99.38	99.19
Storm sewers (miles)	20.14	20.14	20.14	20.14	20.14	20.14	20.14	20.14	20.14	19.65
Sanitation										
Refuse trucks & vehicles	9	9	9	9	9	9	9	9	9	9

Source: City of Bethany

Notes:



