

*The City of Bethany, Oklahoma
Comprehensive Annual Financial Report
For the Year Ended June 30, 2013*





*The City of Bethany, Oklahoma
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013*



*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, 2013
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 Assets	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 Assets -- Proprietary Funds	29
Statement of Revenues, Expenses, and Changes in Fund Net Assets -- Proprietary Funds	30
Statement of Cash Flows -- Proprietary Funds	31
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

Statistical Section (Unaudited)

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!*

June 25, 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, 2013.

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 HBC, CPAs 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.

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.

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

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, 2013*

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

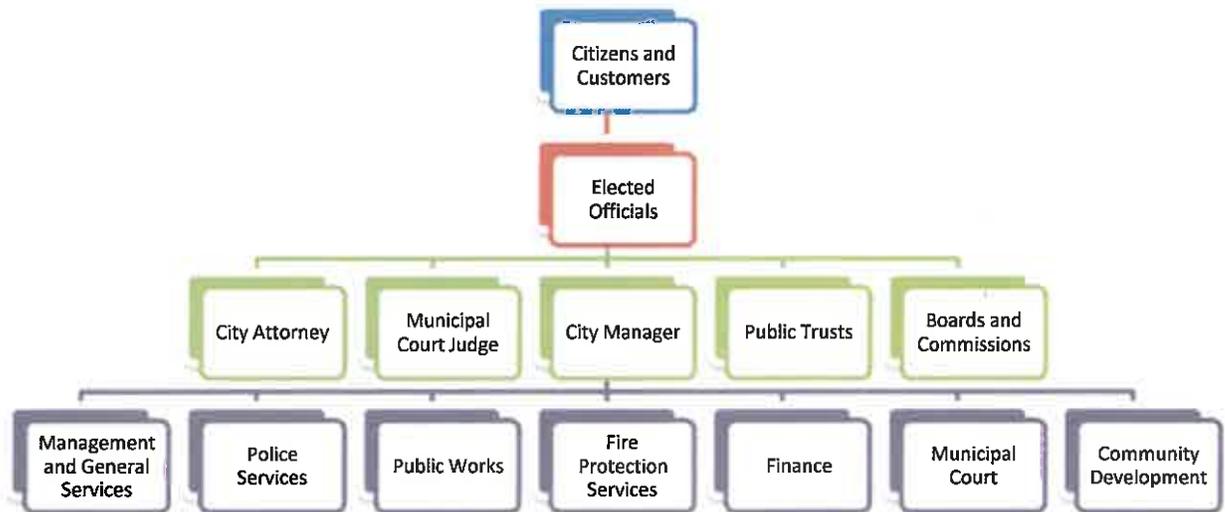
Appointed Officials

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
Scott Schroder, Fire Chief
Julie Shannon, Community Development Director
Jon Robinson, Finance Director

The City of Bethany, Oklahoma Organization Chart





Financial Section



Casey J. Russell CPA, Inc.

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

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, 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, 2013, 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. 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bethany, Oklahoma as of June 30, 2013, 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

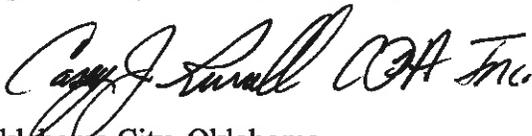
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedule of funding progress on pages 13–24, 64 and 65 be presented to supplement the basic financial statements. Such information, although 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.



Oklahoma City, Oklahoma
June 25, 2014

The City of Bethany, Oklahoma
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2013

Unaudited

The Management's Discussion and Analysis section of the City of Bethany's 2013 annual financial report provides narrative discussion and analysis of the financial activities for the fiscal year ended June 30, 2013. 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 \$40,337,399 (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 \$18,882,071 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 \$6,292,966 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 \$15,273,371 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
- Total liabilities of the City were \$16,479,560 at the end of the fiscal year. This includes \$14,495,929 in outstanding debt and \$745,748 in accrued compensated absences.
- The City's governmental funds reported total ending fund balance of \$6,256,664 this year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$3,456,523, or 39.36% 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 19.
- **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 24 and 25 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 \$40,337,399 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
	2013	2012	2013	2012	2013	2012		
Current and other assets	\$6,256,664	\$6,242,355	\$16,435,464	17,121,292	\$22,692,129	\$23,363,647	-\$671,519	-2.9%
Capital assets	6,652,012	7,308,895	27,472,816	27,627,018	34,124,828	34,935,913	-811,085	-2.3%
Total assets	12,908,676	13,551,250	43,908,281	44,748,311	56,816,957	58,299,560	-1,482,603	-2.5%
Long term liabilities	95,481	99,785	13,548,257	16,108,658	13,643,739	16,208,443	-2,564,704	-15.8%
Other liabilities	671,594	753,086	2,164,227	1,952,785	2,835,821	2,705,871	129,951	4.8%
Total liabilities	767,075	852,871	15,712,484	18,061,443	16,479,560	18,914,313	-2,434,753	-12.9%
Net Assets:								
Invested in Capital assets, net of related debt	6,652,012	7,308,895	12,230,060	12,892,022	18,882,071	20,200,917	-1,318,845	-6.5%
Restricted	2,600,329	1,392,803	3,581,637	3,581,971	6,181,965	4,974,773	1,207,192	24.3%
Unrestricted	2,889,260	3,115,311	12,384,101	10,092,876	15,273,361	13,208,188	2,065,173	15.6%
Total net assets	\$12,141,601	\$11,817,092	\$28,195,796	\$26,566,868	\$40,337,397	\$38,383,877	\$1,953,520	5.1%

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 (46.81 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 (\$6,181,966) is restricted on how they may be used. The remaining balance of unrestricted net assets (\$15,273,361) may be used to meet the government's ongoing obligations to citizens and creditors.

Unrestricted net assets increased \$525,371 improved tax collections part and cost control measures instituted by management.

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
	2013	2012	2013	2012	2013	2012		
Program revenues								
Charges for Services	1,708,750	2,061,240	8,067,135	7,925,735	9,775,884	9,986,975	(211,091)	-2.11%
Operating Grants	73,289	83,361	-	0	73,289	83,361	(10,072)	-12.08%
Capital Grants	5,294	8,023	-	0	5,294	8,023	(2,729)	
General revenues								
Sales and Use taxes	4,803,349	4,543,380	-	0	4,803,349	4,543,380	259,969	5.72%
Franchise taxes	821,579	847,990	-	0	821,579	847,990	(26,410)	-3.11%
Property tax	21,230	18,251	-	0	21,230	18,251	2,979	16.32%
Occupancy taxes	64,994	55,539	-	0	64,994	55,539	9,454	
Emergency mgmnt tax	6,315	7,075	-	0	6,315	7,075	(760)	-10.74%
Intergovernmental	286,001	220,110	-	0	286,001	220,110	65,891	29.94%
Investment income	17,510	24,763	166,462	51,710	183,973	76,473	107,500	140.57%
Miscellaneous income	181,183	177,835	179,106	316,584	360,289	494,419	(134,130)	-27.13%
Total revenues	7,989,494	8,047,567	8,412,703	8,294,029	16,402,197	16,341,596	60,601	0.37%
Expenses								
General government	2,095,199	1,903,475	-	0	2,095,199	1,903,475	191,724	10.07%
Public safety	6,125,172	6,020,024	-	0	6,125,172	6,020,024	105,148	1.75%
Highways and streets	777,614	746,091	-	0	777,614	746,091	31,523	4.23%
Culture and recreation	662,830	681,535	-	0	662,830	681,535	(18,705)	-2.74%
Economic development	99,695	161,612	-	0	99,695	161,612	(61,917)	-38.31%
Water	-	0	3,360,932	3,279,089	3,360,932	3,279,089	81,844	2.50%
Sewer	-	0	1,522,332	1,546,719	1,522,332	1,546,719	(24,388)	-1.58%
Sanitation	-	0	1,523,653	1,442,349	1,523,653	1,442,349	81,304	5.61%
Hospital	-	0	226,126	201,548	226,126	201,548	24,578	12.19%
Total expenses	9,760,509	9,512,737	6,633,043	6,469,705	16,393,552	15,982,442	411,111	2.57%
Increase (decrease) in net assets before transfers	(1,771,015)	(1,465,170)	1,779,660	1,824,323	8,644	359,154	(350,510)	-97.59%
Transfers	1,374,436	1,237,930	(1,391,421)	(1,237,930)	(16,985)	-		
Changes in net assets	(396,580)	(227,239)	388,239	586,394	(8,341)	359,154		
Beginning net assets	12,538,182	12,925,618	27,807,557	25,980,476	40,345,739	38,906,091		
Ending net assets	12,141,602	12,698,379	28,195,796	26,566,870	40,337,399	39,265,248		

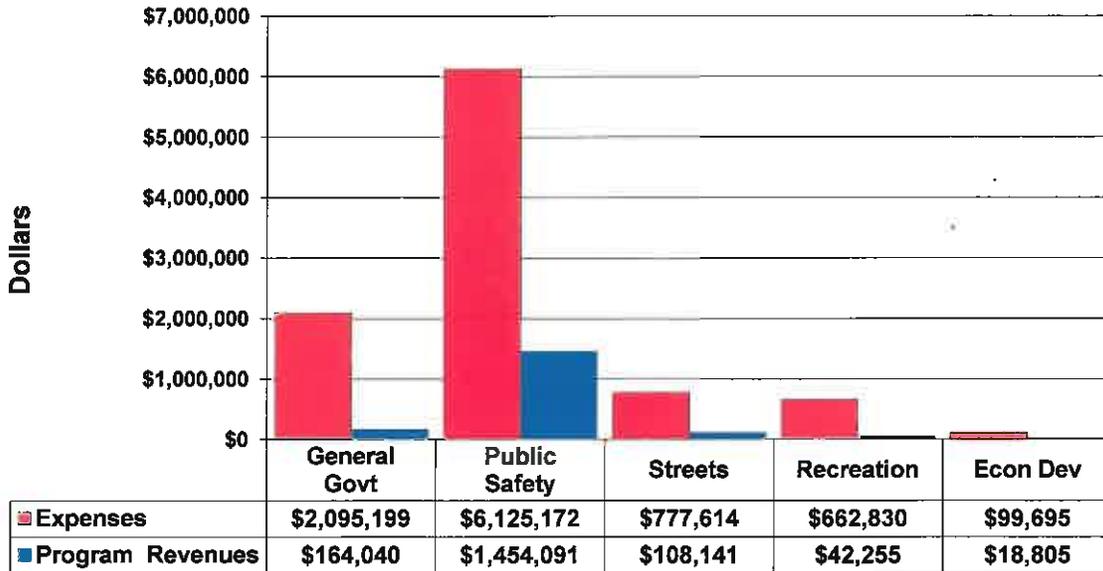
Sales and use taxes	\$ 4,803,349
Franchise taxes	821,579
Property tax	21,230
Occupancy Taxes	64,994
Emergency management taxes	6,315
Intergovernmental	286,001
Investment income	17,510
Miscellaneous	181,183
Transfers between funds	1,374,436
Total general revenues	\$ 7,576,596

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 \$1,374,436 to help finance governmental type activities.

Governmental activities Governmental activities decreased the City of Bethany's net assets by \$396,580. This is because revenue growth was exceeded by expenditure growth.

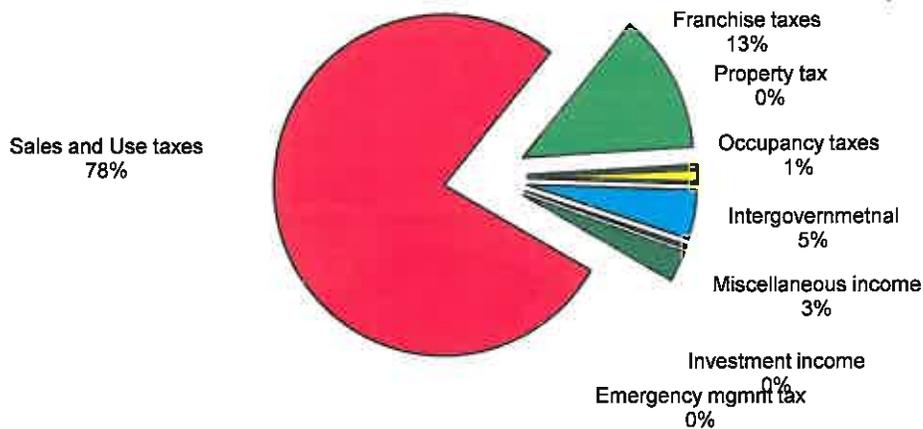
The graph below shows the major governmental activities and their associated program revenues. You can easily see that all governmental activities are financed almost entirely by taxes, rather than user fees. You can also see that public safety activities account for approximately \$6.1 million of the total \$9.76 million in governmental expenditures.

Governmental Activities



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.

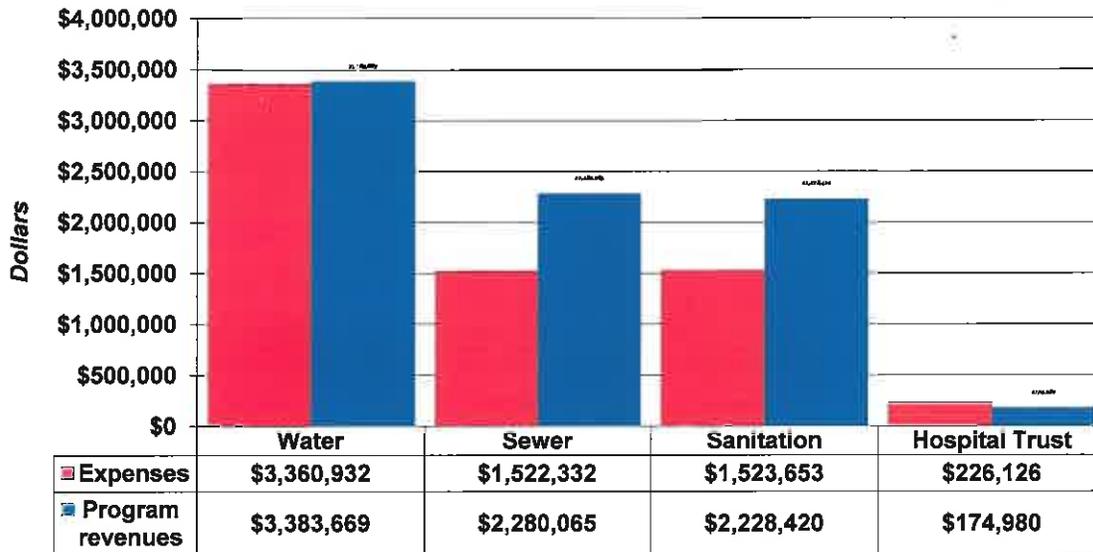
Governmental General Revenues



Business-type activities Business type activities increased the City of Bethany's net assets by \$611,828. This was because sanitation and sewer rates were increased in order to keep pace with inflationary trends.

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.

Business-type Activities



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 \$6,089,823. Of this amount \$3,456,523 is unrestricted. The remaining balance is restricted for specific governmental fund purposes. It is interesting to note that \$1,092,830 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 \$3,456,523 while total fund balance was \$4,105,041. The general fund fund balance decreased \$231,620 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 \$2,694,399. The Bethany Public Works Authority (BPWA) had \$9,689,702 in unrestricted net assets.

It is worthy to note that the BPWA is in 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 \$243,831 more than the budget. An 4.46% increase in sales tax collections. A decrease in fines and court cost collection resulted in a relatively flat \$17,109 increase in budgetary basis general fund revenues.

Expenditures were \$1,482,913 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, 2013 totals \$34,935,913 (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 during the year totaled \$1,324,360 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 \$14,495,929. 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, 2013 totaled \$ 7,024,688. Another loan agreement with the OWRB for \$5,140,000 exists to reconstruct sewer lines. This debt is backed by utility revenues and totaled \$4,493,949 at June 30, 2013. 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 \$3,585,000 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 2013-2014 the City Council General approved a General Fund budget of \$10.2 million. This compares to \$9.8 for the previous year. This increase reflects a 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.

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, phone (405) 789-2146, or download the information from www.cityofbethany.org.



Basic Financial Statements

City of Bethany, Oklahoma

Statement of Net Position

June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 4,783,571	\$ 7,732,536	\$ 12,516,107
Investments	556,825	2,689,774	3,246,599
Receivables (net of allowance for uncollectibles)	886,552	738,030	1,624,581
Interest receivable	29,716	120,826	150,542
Prepaid expenses	-	-	-
Restricted cash and cash equivalents	-	2,768,167	2,768,167
Restricted investments	-	364,953	364,953
Lease settlement receivable	-	2,021,179	2,021,179
Prepaid debt expense	-	-	-
Capital assets (net of accumulated depreciation)	6,652,012	27,472,816	34,124,828
Total assets	\$ 12,908,676	\$ 43,908,280	\$ 56,816,956
Liabilities:			
Accounts payable	\$ 166,840	\$ 607,372	\$ 774,212
Accrued salaries and related taxes	-	-	-
Current portion of compensated absences	504,754	145,513	650,267
Interest payable	-	153,665	153,665
Current portion of long term debt	-	947,672	947,672
Amount due other Funds	-	20,183	20,183
Customer deposits payable from restricted assets	-	289,822	289,822
Deferred revenue payable from restricted assets	-	-	-
Long term portion of compensated absences	95,481	-	95,481
Long term debt	-	13,548,257	13,548,257
Total liabilities	\$ 767,075	\$ 15,712,484	\$ 16,479,560
Net Position:			
Invested in capital assets, net of related debt	6,652,012	12,230,059	18,882,071
Restricted by:			
Capital projects	1,092,830	1,251,025	2,343,855
Debt service	104,809	272,095	376,904
Emergencies	600,000	600,000	1,200,000
Other purposes	802,691	1,458,516	2,261,207
Encumbrances	-	-	-
Unreserved	2,889,260	12,384,101	15,273,361
Total net position	\$ 12,141,601	\$ 28,195,796	\$ 40,337,399
Total liabilities and net position	\$ 12,908,676	\$ 43,908,280	\$ 56,816,956

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

City of Bethany, Oklahoma

**Statement of Activities
For the Fiscal Year Ended June 30, 2013**

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating grants and contributions	Governmental Activities	Business-type Activities
Governmental activities:				
General government	\$ 2,112,183	\$ 241	\$ (1,948,142)	\$ (1,948,142)
Public safety	6,125,172	73,049	(4,671,081)	(4,671,081)
Highways and streets	777,614	-	(669,473)	(669,473)
Culture and recreation	662,830	-	(620,574)	(620,574)
Economic development	99,695	-	(80,890)	(80,890)
Debt service	-	-	-	-
Total governmental activities	9,777,494	73,289	(7,990,161)	(7,990,161)
Business-type activities:				
Water	3,360,932	-	-	22,737
Sewer	1,522,332	-	-	757,734
Sanitation	1,523,653	-	-	704,767
Hospital	226,126	-	-	(51,146)
Total business-type activities	6,633,043	-	-	1,434,090
Total primary government	\$ 16,410,537	\$ 73,289	\$ (7,990,161)	\$ (6,556,070)

General revenues:

Sales and use taxes	4,803,349	4,803,349
Franchise taxes	821,579	821,579
Property tax	21,230	21,230
Occupancy Taxes	64,994	64,994
Emergency management taxes	6,315	6,315
Intergovernmental	286,001	286,001
Investment income	17,510	166,462
Miscellaneous	181,183	179,106
Transfers between funds	1,391,421	(1,391,421)
Total general revenues	7,593,581	(1,045,852)
Change in net position	(396,579)	388,238
Net position - beginning, restated	12,538,182	27,807,557
Net position - ending	\$ 12,141,603	\$ 28,195,796

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

City of Bethany, Oklahoma

**Balance Sheet
Governmental Funds
as of June 30, 2013**

	General Fund	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,114,713	\$ 876,904	\$ 791,954	\$ 4,783,570
Investments	220,280	236,545	100,000	556,825
Accounts receivable (net of allowance for uncollectibles)	886,552	-	-	886,552
Interest receivable	9,533	-	-	9,533
Due from other funds	19,826	357	-	20,183
Prepaid expenses	-	-	-	-
Total assets	\$ 4,250,904	\$ 1,113,806	\$ 891,954	\$ 6,256,663
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 145,863	\$ 20,976	\$ -	166,839
Accrued salaries and related taxes	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	145,863	20,976	-	166,839
Fund balances:				
Reserved for:				
Encumbrances	32,972	-	-	32,972
Bond retirement	-	-	-	-
Restricted for:				
Debt service	-	-	104,809	104,809
Capital projects	-	1,092,830	-	1,092,830
Emergencies	600,000	-	-	600,000
Other purposes	15,546	-	787,145	802,691
Unrestricted	3,456,523	-	-	3,456,523
Total fund balances	4,105,041	1,092,830	891,954	6,089,823
Total liabilities and fund balances	\$ 4,250,904	\$ 1,113,806	\$ 891,954	\$ 6,256,664
Total fund balances - governmental funds				\$ 6,089,823
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.				6,652,012
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				(600,235)
Net assets of governmental activities				\$ 12,141,601

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

City of Bethany, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Fiscal Year Ended June 30, 2013

	General Fund	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 5,689,922	\$ -	\$ 27,545	\$ 5,717,467
Interest	17,510	990	2	18,502
Licenses and permits	131,468	-	-	131,468
Intergovernmental	270,389	-	73,049	343,438
Charges for services	462,721	-	115,913	578,634
Fines and court costs	1,010,627	-	-	1,010,627
Miscellaneous	181,183	-	5,535	186,717
Total revenues	<u>7,763,820</u>	<u>990</u>	<u>222,043</u>	<u>7,986,853</u>
Expenditures:				
General government	1,948,509	-	-	1,948,509
Public safety	5,539,952	-	80,374	5,620,325
Public services	702,236	-	904	703,140
Culture and recreation	607,483	-	-	607,483
Economic development	-	-	99,695	99,695
Capital outlay	-	69,614	-	69,614
Debt service	-	-	-	-
Total expenditures	<u>8,798,179</u>	<u>69,614</u>	<u>180,972</u>	<u>9,048,766</u>
Excess (deficiency) of revenues over (under) expenditures	(1,034,359)	(68,624)	41,069	(1,061,913)
Other financing sources:				
Transfers from other funds	5,420,726	463,681	125,000	6,009,407
Transfers to other funds	(4,617,986)	-	-	(4,617,986)
Total other financing sources	<u>802,740</u>	<u>463,681</u>	<u>125,000</u>	<u>1,391,421</u>
Net changes in fund balances	(231,619)	395,056	166,070	329,507
Fund balance - beginning	4,496,857	697,773	740,229	5,934,859
Prior period adjustment	(160,196)	-	(14,346)	(174,542)
Fund balance - ending	<u>\$ 4,105,042</u>	<u>\$ 1,092,829</u>	<u>\$ 891,954</u>	<u>\$ 6,089,824</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, 2013**

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

Net change in fund balances-total governmental funds	\$	329,507
Prior Period audit adjustments		0
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		86,599
Depreciation expense		(743,482)
The issuance of long-term debt provides current financial resources to governmental funds while the repayment of principal on long-term debt consumes current financial resources. Neither of these transactions affects government-wide net assets.		
Payment of long-term debt		0
Revenues in Government-Wide statements not included in Fund Balance		2,640
Expenses in Government-Wide statements not included in Fund Balance		(14,272)
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		<u>(57,572)</u>
Change in Net Assets of Governmental Activities	\$	<u><u>(396,579)</u></u>

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

City of Bethany, Oklahoma

Statement of Net Assets

Proprietary Funds

As of June 30, 2013

	Enterprise Funds		Totals
	Bethany Hospital Trust	Bethany Public Works Authority	
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,824,962	\$ 5,907,574	\$ 7,732,536
Investments	655,515	2,034,259	2,689,774
Accounts receivable, net of allowances	-	738,030	738,030
Prepaid expense	-	-	-
Interest receivable	97,349	23,477	120,826
Total current assets	2,577,825	8,703,340	11,281,164
Non current assets:			
Restricted cash and cash equivalents	-	2,768,167	2,768,167
Restricted investments	-	364,953	364,953
Lease settlement receivable	2,021,179	-	2,021,179
Deferred debt expense	-	-	-
Investment in capital assets net of depreciation	2,503,271	24,969,545	27,472,816
Total non current assets	4,524,450	28,102,666	32,627,116
Total assets	\$ 7,102,276	\$ 36,806,006	\$ 43,908,280
Liabilities			
Current Liabilities:			
Accounts payable	\$ -	\$ 607,372	\$ 607,372
Accrued salaries	-	-	-
Current portion of compensated absences	-	145,513	145,513
Due to other Funds	-	20,183	20,183
Interest payable	-	153,665	153,665
Current portion of long term debt	-	947,672	947,672
Customer deposits payable from restricted assets	-	289,822	289,822
Deferred revenue payable from restricted assets	-	-	-
Total current liabilities	-	2,164,227	2,164,228
Non current liabilities:			
Long-term portion of compensated absences	-	-	-
Long-term debt (net of unamortized discount)	-	13,548,257	13,548,257
Total non current liabilities	-	13,548,257	13,548,257
Total liabilities	-	15,712,484	15,712,484
Net assets			
Invested in capital assets, net of debt	2,955,512	9,274,547	12,230,059
Restricted for debt service	-	272,095	272,095
Restricted for emergencies	-	600,000	600,000
Restricted for post employment benefits	-	6,151	6,151
Restricted for long term assets	1,452,365	-	1,452,365
Restricted for capital projects	-	1,251,025	1,251,025
Unrestricted	2,694,399	9,689,702	12,384,101
Total net assets	7,102,276	21,093,521	28,195,797
Total liabilities and net assets	\$ 7,102,276	\$ 36,806,006	\$ 43,908,280

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

City of Bethany, Oklahoma
**Statement of Revenues, Expenses
and Changes in Fund Net Assets - All Proprietary Funds
For the Year Ended June 30, 2013**

	<u>Enterprise Funds</u>		<u>Totals</u>
	<u>Bethany Hospital Trust</u>	<u>Bethany Public Works Authority</u>	
Operating revenues:			
Water	\$ -	\$ 3,383,669	\$ 3,383,669
Sewer	-	2,280,065	2,280,065
Sanitation	-	2,228,420	2,228,420
Lease finance income	174,980	-	174,980
Other operating revenues	-	171,786	171,786
Total operating revenues	<u>174,980</u>	<u>8,063,940</u>	<u>8,238,921</u>
Operating expenses:			
Water Department	-	1,687,410	1,687,410
Sewer Department	-	1,312,494	1,312,494
Sanitation Department	-	1,266,329	1,266,329
Other operating expense	2,000	676,999	678,999
Depreciation and amortization expense	224,126	1,052,349	1,276,475
Total operating expenses	<u>226,126</u>	<u>5,995,581</u>	<u>6,221,707</u>
Operating income (loss)	<u>(51,145)</u>	<u>2,068,359</u>	<u>2,017,214</u>
Nonoperating revenue (expense)			
Interest expense	-	(476,357)	(476,357)
Interest and investments earnings	128,458	38,004	166,462
Capital contributions from private sources	-	-	-
Other nonoperating revenue (expense)	-	7,322	7,322
Total nonoperating revenue (expense)	<u>128,458</u>	<u>(431,030)</u>	<u>(302,572)</u>
Income before operating transfers	<u>77,313</u>	<u>1,637,329</u>	<u>1,714,642</u>
Operating transfers to (from):			
Transfer (to) from other funds	-	(1,391,422)	(1,391,422)
Total operating transfers	<u>-</u>	<u>(1,391,422)</u>	<u>(1,391,422)</u>
Net income (loss)	<u>77,313</u>	<u>245,908</u>	<u>323,219</u>
Net assets, beginning of year	<u>7,024,962</u>	<u>20,847,614</u>	<u>27,872,576</u>
Net assets, end of year	<u>\$ 7,102,275</u>	<u>\$ 21,093,522</u>	<u>\$ 28,195,796</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, 2013

	Enterprise Funds		Totals
	Bethany Hospital Trust	Bethany Public Works Authority	
Cash flows from operating activities:			
Cash received from customers	\$ 71,543	\$ 8,028,337	\$ 8,099,880
Cash payments to suppliers for materials and services	(2,000)	(4,668,275)	(4,670,275)
Refunds of Meter Deposits		30,205	30,205
Other receipts	18,593	70,591	89,184
Other payments	-	-	-
Net cash provided (used) by operating activities	<u>88,136</u>	<u>3,460,858</u>	<u>3,548,994</u>
Cash flows from noncapital financing activities:			
Nonoperating receipts (payments)	-	-	-
Transfers to other funds	-	(1,390,047)	(1,390,047)
Net cash provided (used) in non capital financing activities	<u>-</u>	<u>(1,390,047)</u>	<u>(1,390,047)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	(987,587)	(987,587)
Change in Deferred Debt	-	385,166	385,166
Principal payment on capital debt	-	(2,235,152)	(2,235,152)
Interest payment on capital debt	-	(495,094)	(495,094)
Net cash provided (used) in capital and related financing activities	<u>-</u>	<u>(3,332,667)</u>	<u>(3,332,667)</u>
Cash flows from investing activities:			
Purchase of investments	-	-	-
Proceeds from maturities & sales of investments	-	2,454,620	2,454,620
Investment and Interest Income	128,457	-	128,457
Net cash provided (used) in investing activities	<u>128,457</u>	<u>2,454,620</u>	<u>2,583,077</u>
Net increase (decrease) in cash	216,593	1,192,764	1,409,357
Cash and cash equivalents , beginning of year	<u>1,608,369</u>	<u>4,714,810</u>	<u>6,323,179</u>
Cash and cash equivalents , end of year	<u>\$ 1,824,962</u>	<u>\$ 5,907,574</u>	<u>\$ 7,732,536</u>

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, 2013

	<u>Enterprise Funds</u>		<u>Totals</u>
	<u>Bethany Hospital Trust</u>	<u>Bethany Public Works Authority</u>	
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>			
Income from operations	\$ (51,145)	\$ 2,068,359	\$ 2,017,214
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	224,128	1,052,349	1,276,477
Prior Period Adjustment	(1,306,021)	-	(1,306,021)
Loss on Disposal	-	115,879	115,879
Change In Investments	3,304	-	3,304
Change In Prepaid Assets	-	30,567	30,567
(Increase) decrease in accounts receivable	-	(120,656)	(120,656)
Increase (decrease) in accounts payable	(6,308)	244,429	238,121
Increase (decrease) in Annuity	1,028,397	-	1,028,397
Increase (decrease) in AIR	315,781	-	315,781
(Increase) decrease in Meter Deposits	-	30,205	30,205
Increase (decrease) in Deferred Revenue	(120,000)	-	(120,000)
Net adjustment	<u>139,281</u>	<u>1,352,772</u>	<u>1,492,053</u>
Net cash provided (used) by operating activities	<u>\$ 88,135</u>	<u>\$ 3,421,132</u>	<u>\$ 3,509,267</u>

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

City of Bethany, Oklahoma
Statement of Fiduciary Net Assets
Fiduciary Funds
as of June 30, 2013

Assets

Cash and cash equivalents and investments	\$ <u>88,884</u>
Total assets	\$ <u><u>88,884</u></u>

Liabilities

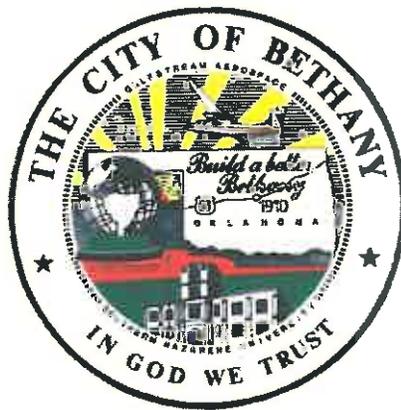
Due to depositors	\$ 81,218
Due to state	-
Due to other funds	<u>11,192</u>
Total liabilities	\$ <u><u>92,410</u></u>

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, 2013

Cash and investments, beginning	\$ 92,486
Additions	110,920
Deductions	101,774
Cash and investments, ending	\$ <u><u>101,632</u></u>
Liabilities, beginning	\$ 92,486
Additions	110,920
Deductions	101,774
Liabilities, ending	\$ <u><u>101,632</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, 2013.

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 Assets:

Fund	Restricted By	Amount
Public Works Authority	External contracts	\$ 6,151
Bethany Hospital Trust	Long term asset	1,452,365
Parks & Recreation	Enabling legislation	47,958
Cemetary Fund	" "	228,762
General Fund	" "	15,546
Public Safety	" "	223,574
E-911 Fund	" "	6,315
Juvenile Court	" "	177,420
Bethany Development	" "	103,009
Utility Assistance	" "	107
	Sub-total Enabling Legislation	802,691
	Total	\$ 2,261,207

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:							
Nonspendable:							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Expenses	-	-	-	-	-	-	-
Restricted For:							
Police & Fire	-	223,574	-	-	-	-	223,574
Parks/Streets CIP	-	-	-	-	47,958	-	47,958
Debt Service	-	-	-	-	104,808	-	104,808
Prepaid Inspections	-	-	-	-	-	-	-
Municipal Court	-	-	-	-	-	-	-
CLEET & OSBI, E911	-	-	-	-	6,315	-	6,315
Performance Bonds	-	-	-	-	-	-	-
Juvenile Programs	-	-	177,420	-	-	-	177,420
Cemetery Expenses	-	-	-	228,762	-	-	228,762
Bethany Development	-	-	-	-	103,009	-	103,009
Utility Assistance	-	-	-	-	-	106	106
OPEB Costs	15,546	-	-	-	-	-	15,546
Sub-total Restricted	15,546	223,574	177,420	228,762	262,090	106	907,498
Assigned In:							
Capital Improvements	-	-	-	-	-	1,092,830	1,092,830
Culture & Rec Programs	-	-	-	-	-	-	-
Gen Gvm't-Encumbrances	32,972	-	-	-	-	-	32,972
Public Safety-Encumb's	-	-	-	-	-	-	-
Public Works-Encumb's	-	-	-	-	-	-	-
All Other Encumbrances	-	-	-	-	-	-	-
Other	600,000	-	-	-	-	-	600,000
Sub-total Assigned	632,972	-	-	-	-	1,092,830	1,725,802
Unassigned:	3,456,523	-	-	-	-	-	3,456,523
TOTAL FUND BALANCE	\$ 4,105,041	\$ 223,574	\$ 177,420	\$ 228,762	\$ 262,090	\$ 1,092,935	\$ 6,089,823

I.C.6. Management's Subsequent Review

Subsequent events have been evaluated through June 25, 2014, 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, 2013 was \$2,021,179. 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, 2013, 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, 2013, the City held deposits of \$ 15,284,274 at 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, 2013 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, 2013, investments held are as follows:

Type	Weighted Avg. Maturity (yrs)	Credit Rating	Market Value	Cost
Certificates of Deposit	.67	N/A	\$2,040,677	\$ 2,040,677
U.S. Treasury	3.45	N/A	604,078	596,812
Money Market	N/A	AAAm	1,903,584	1,903,584
TOTAL			<u>\$4,548,339</u>	<u>\$ 4,541,073</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, 2013 is as follows: 45% invested in Certificates of Deposit (\$2,040,677), 13% invested in U.S. Treasury securities (\$596,812), 42% invested in Money Market (\$1,903,584).

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	\$ 29,716	\$ 120,826	\$ 150,542
Accounts receivable	<u>886,552</u>	<u>738,030</u>	<u>1,624,582</u>
Gross receivables	916,268	858,856	1,775,124
Less allowance	<u>-</u>	<u>(40,000)</u>	<u>(40,000)</u>
Net total receivables	\$ 916,268	\$ 818,856	\$1,735,124

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	\$ 2,518,072
Restricted Investments	364,953
Customer deposits	<u>250,095</u>
Total restricted cash ,cash equivalents and investments	\$ 3,133,120

III.A.4. Capital Assets

Capital asset activity for the year ended June 30, 2013, 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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	2,195,505	-	21,187	2,174,318
Improvements other than buildings	607,158	1,615	32,437	576,336
Machinery and equipment	5,484,646	84,984	218,163	5,351,467
Infrastructure	<u>13,433,043</u>	<u>-</u>	<u>-</u>	<u>13,433,043</u>
Total capital assets being depreciated	<u>21,720,352</u>	<u>86,599</u>	<u>271,787</u>	<u>21,535,164</u>
Less accumulated depreciation for:				
Buildings	(1,363,629)	(75,517)	21,187	(1,417,958)
Improvements other than buildings	(528,506)	(16,514)	32,437	(512,583)
Machinery and equipment	(4,231,045)	(341,146)	218,163	(4,354,028)
Infrastructure	<u>(9,980,336)</u>	<u>(310,305)</u>	<u>-</u>	<u>(10,290,641)</u>
Total accumulated depreciation	<u>(16,103,516)</u>	<u>(743,482)</u>	<u>271,787</u>	<u>(16,575,211)</u>
Total capital assets, being depreciated, net	<u>5,616,835</u>	<u>(656,883)</u>	<u>-</u>	<u>4,959,953</u>
Governmental activities capital assets, net	\$ 7,308,895	\$ (656,883)	\$ -	\$ 6,652,012

Depreciation expense was charged to governmental activities as follows:

General government	\$ 140,529
Public safety	467,967
Highways and streets	83,674
Culture and recreation	<u>51,31</u>
Total depreciation expense - governmental activities	<u>\$ 743,482</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 484,404	-	-	\$ 484,404
Construction in progress	<u>41,745</u>	<u>962,220</u>	<u>41,745</u>	<u>962,220</u>
Total capital assets, not being depreciated	<u>526,149</u>	<u>962,220</u>	<u>41,745</u>	<u>1,446,624</u>
Capital assets being depreciated:				
Buildings	9,346,679	174,980	115,879	9,405,781
Improvements other than buildings	116,221	-	-	116,221
Machinery and equipment	1,971,057	67,102	11,990	2,026,169
Infrastructure	<u>33,199,151</u>	<u>9,547</u>	-	<u>33,208,697</u>
Total capital assets being depreciated	<u>44,633,108</u>	<u>251,629</u>	<u>127,869</u>	<u>44,756,868</u>
Less accumulated depreciation for:				
Buildings	(4,675,543)	(288,476)	-	(4,964,019)
Improvements other than buildings	(17,234)	(14,407)	-	(31,641)
Machinery and equipment	(1,310,911)	(147,771)	11,990	(1,446,692)
Infrastructure	<u>(11,528,551)</u>	<u>(759,773)</u>	-	<u>(12,288,324)</u>
Total accumulated depreciation	<u>(17,532,239)</u>	<u>(1,210,427)</u>	<u>11,990</u>	<u>(18,730,676)</u>
Total capital assets, being depreciated, net	<u>27,100,869</u>	<u>(958,798)</u>	<u>115,879</u>	<u>26,026,192</u>
Business-type activities capital assets, net	\$ 27,627,018	\$ 3,422	\$ 157,624	\$ 27,472,816

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

Water	\$ 614,763
Sewer	227,772
Sanitation	62,094
Administration, Finance, & Other	81,672
Hospital	<u>224,126</u>
Total depreciation expense - business-type activities	<u>\$1,210,427</u>

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, 2013, 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, 2013 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, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2013</u>	<u>in 2014</u>
<u>Business-type Activities</u>					
2012 Refunding BPWA 2003 Revenue Bonds	\$ 3,585,000	=	=	\$ 3,585,000	\$ 335,000
BPWA OWRB Water Loan	7,024,688	-	411,553	6,613,135	430,304
BPWA OWRB Sewer Loan	4,493,949	=	196,154	4,297,795	202,368
Compensated Absences	145,513	11,675	-	157,188	157,188
Total Business-type Activities	15,249,150	11,675	607,708	14,653,117	1,124,860
<u>Governmental Activities</u>					
Compensated Absences	545,376	57,571	-	602,947	507,465
Total All Activities	\$ 15,794,526	\$ 69,246	\$ 607,708	\$ 15,256,064	\$ 1,632,326

Debt Service to Maturity:

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

<u>Fiscal</u> <u>Year Ending</u>	<u>Business-Type Activities</u>					
	<u>2012 Revenue Bonds</u>		<u>2004 DWSRF</u>		<u>2008DWSRF</u>	
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	335,000	82,405	430,304	227,888	202,368	133,526
2015	340,000	77,380	445,497	212,695	208,779	127,115
2016	345,000	71,430	461,226	196,966	215,067	120,827
2017	350,000	64,530	477,510	180,682	222,205	113,689
2018	360,000	56,655	494,369	163,823	229,244	106,650
2019-2023	1,540,000	124,815	2,746,314	544,645	1,259,589	422,881
2024-2029	-	-	1,553,839	82,980	1,632,384	215,032
2030	-	-	-	-	328,159	7,734
Totals	\$ 3,270,000	\$ 477,215	\$ 6,609,059	\$ 1,609,679	\$ 4,297,795	\$ 1,247,454

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."

Fund	Due To	Due From
Capital Improvement Fund	\$ 357.00	\$ -
Public Works Authority		357.00
General Fund	19,826.20	
Public Works Authority		18,451.47
Municipal Court Fund	-	1,374.73
TOTALS	<u>\$ 20,183.20</u>	<u>\$ 20,183.20</u>

The composition of inter-fund balances at of June 30, 2013, were as follows:

Purchase of Public Safety assets through the Capital Improvement Fund, \$357.00, and through the use of General Fund monies, \$18,451.47. The Municipal Court Fund liability to the General Fund is \$1,374.73.

III.C.2 Transfers and Payments

The composition of inter-fund transfers for the fiscal year ending June 30, 2013, were as follows:

Transfer From:	Transfer In		TRANSFER TO:			
	General Fund TRF In	General Fund TRF Out	BPWA (SALES TAX)	Capital Improvement	BDA	Bethany Hosp Trust
General Fund	\$ -	\$ 4,634,971.16	\$ (4,509,971.16)	\$ -	\$ (125,000.00)	\$ -
Public Safety Fund	-	-	-	-	-	-
Juvenile Justice Fund	-	-	-	-	-	-
Bethany Hospital Trust	(200,000.00)	-	-	-	-	200,000.00
Bethany Public Works Authority (Sales Tax)	(3,720,726.21)	-	4,412,078.45	(691,352.24)	-	-
Bethany Public Works Authority (Surplus)	(1,700,000.00)	-	1,700,000.00	-	-	-
	<u>\$ (5,620,726.21)</u>	<u>\$ 4,634,971.16</u>	<u>\$ 1,602,107.29</u>	<u>\$ (691,352.24)</u>	<u>\$ (125,000.00)</u>	<u>\$ 200,000.00</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 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, 2013, the City remitted \$1,062,113 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 2013, Deaconess Hospital ceased operations of the hospital and remanded the facility and all improvements back to the City of Bethany.

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, 2013.

On April 1, 1998, this sublease was terminated and a new sublease with Baptist Healthcare of Oklahoma, Inc., an Oklahoma Corporation was signed. All assets were to revert back to Bethany Hospital Trust at the end of the sublease. Scheduled lease payments to Bethany Hospital Trust from Baptist Healthcare were \$ 18,500 per month from April 1, 1998 through March 1, 2023.

On June 20, 2000, this sublease was terminated and a new sublease with Deaconess Hospital, an Oklahoma not-for-profit corporation was signed. All leased assets will revert back to Bethany Hospital Trust at the end of the sublease. Scheduled lease payments to Bethany Hospital Trust from Deaconess Hospital are \$18,000 per month from July 1, 2000 to June 30, 2010. The City and Hospital Trust have agreed to abate part of the lease payments to assist Deaconess Hospital with certain start up costs.

To settle the sublease 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 2013, 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, 2013 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, 2013, was 23.43% 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 \$687,946 or 100.00% of the annual pension cost for the fiscal year ending June 30, 2013. The required contribution was determined as part of the January 1, 2006, 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
6/30/2003	\$405,916	87.31%
6/30/2004	\$462,885	100.00%
6/30/2005	\$561,641	100.00%
6/30/2006	\$571,272	100.00%
6/30/2007	\$553,113	100.00%
6/30/2008	\$573,488	100.00%
6/30/2009	\$535,938	100.00%
6/30/2010	\$669,730	100.00%
6/30/2011	\$729,325	100.00%
6/30/2012	\$748,043	100.00%
6/30/2013	\$687,946	100.00%

The City in conjunction with the Oklahoma Municipal Retirement Plan also 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 \$148,850 for the year.

The City's payroll for employees covered by the System for the year ended June 30, 2013 was \$3,235,878. Total city contributions for the plan were \$687,946 which was approximately 21.26% 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, 2013 was \$1,533,101.

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 2013 contributions by the City were \$199,303 (13% of covered payroll) and by employees were \$122,648 (8% 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, 2013 was \$ 1,262,932.

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 2013 contributions by the City were \$164,181 (13% of covered payroll) and by employees were \$101,034 (8% 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.

X. Prior Period Adjustments

Government Wide Financial Statements

The beginning net position of the government activities has been decreased by \$160,196. The reason for the adjustment was to remove receivable balances that had not been relevant or correct for multiple years.

The beginning net position of the business type activities has been increased by \$1,240,688. The reason for this adjustment was to correct the presentation of the lease settlement receivable held by the Bethany Hospital Trust.

These adjustments also apply to the general fund and the Bethany Hospital Trust.



Required Supplemental Information

City of Anthony, Oklahoma

**Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2013
Unaudited**

	Budgeted Original	Amounts Final	Actual GAAP Basis	Actual Budget Basis	Variance With Final Budget Over (Under)
Revenues:					
Taxes	\$ 5,250,989	\$ 5,250,989	\$ 5,689,922	\$ 5,689,922	\$ 438,933
Interest	50,000	50,000	17,510	17,510	(32,490)
Licenses and permits	83,000	83,000	131,468	131,468	48,468
Intergovernmental	260,000	260,000	270,389	270,389	10,389
Charges for services	455,000	455,000	462,721	462,721	7,721
Fines and court costs	1,300,000	1,300,000	1,010,627	1,010,627	(289,373)
Miscellaneous	121,000	121,000	181,183	181,183	60,183
Total revenues	<u>7,519,989</u>	<u>7,519,989</u>	<u>7,763,820</u>	<u>7,763,820</u>	<u>243,831</u>
Expenditures:					
General Government					
Management					
Personal services	509,958	509,958	470,698	470,698	(39,260)
Materials and supplies	44,250	44,250	32,410	32,410	(11,840)
Other charges and services	99,711	99,711	83,114	83,114	(16,598)
Finance					
Personal services	225,561	225,561	218,802	218,802	(6,759)
Materials and supplies	8,000	8,000	6,511	6,511	(1,489)
Other charges and services	42,000	42,000	29,699	29,699	(12,301)
Community Development					
Personal services	385,242	385,242	301,530	301,530	(83,712)
Materials and supplies	15,750	15,750	4,861	4,861	(10,889)
Other charges and services	15,000	15,000	2,640	2,640	(12,360)
Public safety					
Police					
Personal services	3,210,957	3,210,957	3,081,137	3,081,137	(129,820)
Materials and supplies	68,500	68,500	67,059	67,059	(1,441)
Other charges and services	247,064	247,064	230,065	230,065	(16,999)
Municipal court					
Personal services	405,921	405,921	308,417	308,417	(97,504)
Materials and supplies	8,525	8,525	9,300	9,300	775
Other charges and services	51,600	51,600	48,020	48,020	(3,580)
Fire					
Personal services	1,773,471	1,773,471	1,734,724	1,734,724	(38,747)
Materials and supplies	35,200	35,200	28,325	28,325	(6,875)
Other charges and services	308,208	308,208	288,216	288,216	(19,992)
Public services					
Administration					
Personal services	94,624	94,624	91,021	91,021	(3,603)
Materials and supplies	6,200	6,200	3,623	3,623	(2,577)
Other charges and services	73,867	73,867	38,379	38,379	(35,488)
Streets					
Personal services	395,705	395,705	381,512	381,512	(14,193)
Materials and supplies	75,750	75,750	35,602	35,602	(40,148)
Other charges and services	117,000	117,000	115,348	115,348	(1,652)
Vehicle maintenance					
Personal services	95,683	95,683	92,851	92,851	(2,832)
Materials and supplies	161,750	161,750	150,385	150,385	(11,365)
Other charges and services	60,000	60,000	20,070	20,070	(39,930)
Parks and recreation					
Personal services	665,740	665,740	563,932	563,932	(101,808)
Materials and supplies	73,530	73,530	35,480	35,480	(38,050)
Other charges and services	26,800	26,800	26,351	26,351	(449)
Capital outlay and contingency	454,705	454,705	-	-	-
Total expenditures	<u>9,756,272</u>	<u>9,756,272</u>	<u>8,500,081</u>	<u>8,500,081</u>	<u>(1,256,191)</u>
Excess (deficit) of revenues over expenditure	(2,236,283)	(2,236,283)	(736,261)	(736,261)	1,500,022
Other financing sources (uses):					
Transfers from other funds	5,365,036	5,365,036	5,119,234	5,119,234	(245,802)
Transfers to other funds	(4,289,789)	(4,289,789)	(4,420,607)	(4,420,607)	130,818
Total other financing sources (uses)	<u>1,075,247</u>	<u>1,075,247</u>	<u>698,627</u>	<u>698,627</u>	<u>(114,984)</u>
Net change in fund balances	(1,161,036)	(1,161,036)	(37,634)	(37,634)	1,123,402
Fund balance - beginning	4,496,857	4,496,857	4,496,857	4,496,857	-
Fund balance - ending	<u>\$ 3,335,821</u>	<u>\$ 3,335,821</u>	<u>\$ 4,459,223</u>	<u>\$ 4,459,223</u>	<u>\$ 1,123,402</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	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2003	10,402,397	11,245,023	842,626	92.5%	2,622,050	32.1%
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%

Combining and Individual Fund Statements and Schedules



*Combining and Individual Fund
Statements and Schedules*

City of Bethany, Oklahoma
 Combining Balance Sheet
 Non-Major Governmental Funds
 As of June 30, 2013

	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	\$ 223,574	\$ 6,315	\$ 107	\$ 177,420	\$ 103,009	\$ 104,809	\$ 128,762	\$ 47,958	\$ 791,954
Investments	0	0	0	0	0	0	106,000	0	106,000
Accounts receivable	0	0	0	0	0	0	0	0	0
Total assets	\$ 223,574	\$ 6,315	\$ 107	\$ 177,420	\$ 103,009	\$ 104,809	\$ 228,762	\$ 47,958	\$ 891,954
Liabilities and Fund Balances									
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Due to other funds	0	0	0	0	0	0	0	0	0
Total liabilities	0	0	0	0	0	0	0	0	0
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	104,809	0	0	104,809
Designated for specific purpose	223,574	6,315	107	177,420	103,009	0	228,762	47,958	787,145
Total fund balance	223,574	6,315	107	177,420	103,009	104,809	228,762	47,958	891,954
Total liabilities and fund balance	\$ 223,574	\$ 6,315	\$ 107	\$ 177,420	\$ 103,009	\$ 104,809	\$ 228,762	\$ 47,958	\$ 891,954

City of Bethany, Oklahoma
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,230	\$ -	\$ -	\$ 21,230
Telephone tax - E911	-	6,315	-	-	-	-	-	-	6,315
Interest income	-	-	-	-	-	-	-	2	2
Intergovernmental revenues	73,049	-	-	-	-	-	-	-	73,049
Charges for services	72,006	-	-	12,131	18,805	-	12,970	-	115,913
Donations and other income	5,294	-	241	-	-	-	-	-	5,535
Total revenues	150,349	6,315	241	12,131	18,805	21,230	12,970	2	222,043
Expenditures:									
Public safety	80,374	-	-	-	-	-	-	-	80,374
Public services	-	-	254	-	-	-	650	-	904
Economic development	-	-	-	-	99,695	-	-	-	99,695
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Total expenditures	80,374	-	254	-	99,695	-	650	-	180,972
Other financing sources:									
Transfers from other funds	-	-	-	-	125,000	-	-	-	125,000
Transfers (to) other funds	-	-	-	-	-	-	-	-	-
Proceeds from sales of capital asset	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	125,000	-	-	-	125,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	69,975	6,315	(13)	12,131	44,110	21,230	12,320	2	166,070
Fund balances - beginning	153,240	0	120	165,289	58,899	83,578	216,442	47,956	725,525
Fund balances - ending	\$ 223,215	\$ 6,315	\$ 107	\$ 177,420	\$ 103,010	\$ 104,809	\$ 228,762	\$ 47,958	\$ 891,595

City of Bethany, Oklahoma
Combining Balance Sheet
All Agency Funds
as of June 30, 2013

	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	\$ 23,637	\$ 34,545	\$ 9,838	\$ 20,863	\$ 88,884
Investments and receivables	0	3,547	0	0	3,547
Total assets	\$ 23,637	\$ 38,092	\$ 9,838	\$ 20,863	\$ 92,431
Liabilities					
Due to depositors	\$ 23,637	\$ 36,718	\$ 0	\$ 20,863	\$ 81,218
Due to state	0	0	0	0	0
Due to other funds	0	1,354	9,838	0	11,192
Total liabilities	\$ 23,637	\$ 38,071	\$ 9,838	\$ 20,863	\$ 92,410

City of Bethany, Oklahoma
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2013

	Prepaid Inspection Fund	Municipal Court Fund	Council on Law Enforcement Education and Training	Performance Bond Fund	Agency Fund Total
Cash and investments, beginning	\$ 23,637	\$ 34,566	\$ 12,895	\$ 21,388	\$ 92,486
Additions	-	12,231	98,690	-	110,920
Deductions	-	28	101,746	-	101,774
Cash and investments, ending	\$ 23,637	\$ 46,769	\$ 9,838	\$ 21,388	\$ 101,632
Liabilities, beginning	\$ 23,637	\$ 34,566	\$ 12,895	\$ 21,388	\$ 92,486
Additions	-	12,231	98,690	-	110,920
Deductions	-	28	101,746	-	101,774
Liabilities, ending	\$ 23,637	\$ 46,769	\$ 9,838	\$ 21,388	\$ 101,632

*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*



Casey J. Russell CPA, Inc.

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

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, 2013, 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 June 25, 2014.

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.

A handwritten signature in black ink, appearing to read "Cary J. Linn" followed by a stylized flourish.

Oklahoma City, Oklahoma
June 25, 2014

Supplementary Information



City of Bethany, Oklahoma
Schedule of Expenditure of Federal Awards
Year Ended June 30, 2013

Federal Grantor / Grant Title / State Agency/Program title	Federal CFDA No.	Pass-Through Grantor's No.	Amount Expended
U.S. Department of Transportation			
State & Community Highway Safety Grant			
Oklahoma Highway Safety Office			
Bethany Traffic Enforcement	20.600	OP-10-03-01-10	\$ 18,123
Total U.S. Department of Transportation			<u>\$ 18,123</u>
U.S. Department of Justice			
Bureau of Justice Assistance			
Equitable Sharing Grant	16.922	OK0550100	\$ 21,352
Bulletproof Vest Partnership Program	16.607	2006BUBX06132373	9,016
Justice Assistance Grant - LLE Equipment	16.738	2013-DJ-BX-0033	9,916
Office of Juvenile Justice			
2M2L Youth Alcohol	16.727		4,642
Total U.S. Department of Justice			<u>\$ 44,926</u>
U.S. Department of Homeland Security			
Federal Emergency Management Agency			
Fire District Recovery Grants			
Total U.S. Department of Homeland Security			<u>\$ -</u>
Total expenditures of federal awards			<u><u>\$ 63,049</u></u>

City of Bethany, Oklahoma

Notes to Schedule of Expenditures of Federal Awards June 30, 2013

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
Invested in capital assets, net of related debt	\$ 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	\$ 8,184,444
Restricted										
Capital projects	1,092,830	697,773	657,901	810,288	670,294	790,878	857,779	846,744	754,777	988,922
Debt service	104,809	98,283	65,039	64,675	52,480	51,768	51,250	39,180	32,291	15,702
Emergencies	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Other purposes	802,691	641,946	610,239	461,368	555,100	411,076	362,535	315,232	245,171	716,386
Encumbrances							32,972	32,972		32,972
Unrestricted	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	1,007,722
Total governmental activities net assets	\$ 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	\$ 11,546,148
Business-type activities										
Invested in capital assets, net of related debt	\$ 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	\$ 10,918,784
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	220,823	1,251,025
Debt service	272,095	272,095	272,095	1,398,104	272,095	272,095	272,095	360,917	272,095	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	1,458,516	1,452,365	1,452,365	1,452,365	1,525,473	1,525,473	1,525,473	1,525,473	1,525,473	1,368,085
Unrestricted	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	3,292,629
Total business-type activities net assets	\$ 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	\$ 17,702,618
Primary government										
Invested in capital assets, net of related debt	\$ 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	\$ 19,103,228
Restricted										
Capital projects	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	2,239,947
Debt service	376,904	370,378	337,134	1,462,779	324,575	323,863	323,345	400,097	304,386	287,797
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	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	2,084,471
Unrestricted	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	4,300,351
Total primary government net assets	\$ 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	\$ 29,215,794

Source: Comprehensive Annual Financial Reports

Notes:

- (1) Accrual basis of accounting.
- (2) GASB 31 was implemented in Fiscal Year 2003.

City of Bethany, Oklahoma

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES										
Governmental activities:										
General government	\$ 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	\$ 1,574,051
Public safety	6,125,172	6,020,024	5,757,844	5,412,530	5,510,679	5,351,017	4,879,654	4,537,030	4,919,609	4,378,363
Highways and streets	777,614	746,091	753,478	1,222,491	1,161,410	1,163,101	1,046,775	866,403	896,849	854,453
Culture and recreation	662,830	681,535	660,209	738,887	682,324	605,426	556,356	519,048	428,403	361,728
Economic development	99,695	161,612	109,435	103,679	132,811	143,955	294,732	270,147	674,868	380,747
Debt service	-	-	2,584	17,153	21,099	-	-	-	-	21,870
Total governmental activities expenses	\$ 9,760,510	\$ 9,512,738	\$ 9,196,942	\$ 9,070,181	\$ 8,617,196	\$ 8,387,199	\$ 7,894,345	\$ 7,887,423	\$ 8,557,308	\$ 7,571,212
Business-type activities:										
Water	\$ 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	\$ 1,566,816
Sewer	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	1,597,255
Sanitation	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	1,217,828
Hospital	226,126	201,548	201,548	145,886	135,001	133,151	133,151	135,151	140,824	434,320
Total business-type activities expenses	\$ 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	\$ 4,816,219
Total primary government expenses	\$ 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	\$ 12,387,431
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 163,800	\$ 126,883	\$ 313,564	\$ 159,363	\$ 122,073	\$ 123,525	\$ 134,190	\$ 111,538	\$ 107,992	\$ 129,704
Public safety	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	706,586
Highways and streets	108,141	108,624	148,154	109,193	108,179	108,179	109,915	-	-	-
Culture and recreation	42,255	45,674	53,368	90,016	84,533	84,533	59,313	73,206	64,623	62,724
Economic development	18,805	27,621	31,685	22,680	36,545	20,449	70,777	133,046	149,065	89,292
Debt service	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	73,289	83,361	56,473	107,426	122,930	15,239	36,393	52,964	258,555	107,293
Capital grants and contributions	5,294	8,023	201,326	-	-	86,595	76,735	151,061	145,975	87,579
Total governmental activities revenues	\$ 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	\$ 1,183,178
Business-type activities:										
Charges for services:										
Water	\$ 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	\$ 2,862,188
Sewer	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	1,407,100
Sanitation	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	1,651,370
Hospital	174,980	319,493	205,332	224,495	207,814	210,148	210,506	209,312	164,100	84,500
Operating grants and contributions	-	-	-	-	-	-	-	-	52,829	36,571
Capital grants and contributions	-	-	-	-	-	-	-	-	-	53,110
Total business-type activities revenues	\$ 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	\$ 6,058,268
Total primary government revenues	\$ 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	\$ 7,241,446
NET(EXPENSE)/REVENUE										
Governmental activities:	(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)	(6,388,034)
Business-type activities:	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	1,242,049
Total primary government net expense	\$ (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)	\$ (5,145,985)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Sales and use taxes	\$ 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	\$ 4,094,445
Franchise taxes	821,579	847,990	803,511	820,084	759,307	759,307	784,146	767,197	682,466	706,824
Property tax	21,230	18,251	117	12,201	712	518	12,070	6,889	16,589	387,742
Occupancy tax	64,994	55,539	48,665	52,217	36,193	36,193	312	-	-	-
Emergency management taxes	6,315	7,075	8,873	12,550	14,121	13,784	13,338	11,085	11,654	12,846
Intergovernmental	286,001	220,110	232,388	267,272	272,835	272,835	271,931	286,149	225,343	207,673
Investment income	17,510	24,763	27,788	68,297	139,276	210,181	239,916	147,443	119,414	68,391
Miscellaneous	181,183	177,835	358,425	335,868	324,664	227,531	213,261	283,624	168,204	310,349
Transfers between funds	1,374,436	1,237,930	937,805	692,092	261,582	1,487,622	1,015,397	1,532,282	645,391	1,191,906
Gain on sale of capital assets	-	-	-	-	-	-	-	-	17,185	-
Total governmental activities	\$ 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	\$ 6,980,176
Business-type activities:										
Investment income	\$ 166,462	\$ 51,710	\$ 71,433	\$ 336,405	\$ 340,709	\$ 367,214	\$ 364,079	\$ 280,195	\$ 248,292	\$ 223,606
Miscellaneous	179,106	316,584	261,935	275,190	483,056	265,408	183,610	118,395	166,863	168,856
Transfers between funds	(1,374,436)	(1,237,930)	(937,805)	(692,092)	(261,581)	(1,487,622)	(1,015,397)	(1,532,282)	(645,391)	(1,191,906)
Total business-type activities	\$ (1,028,868)	\$ (869,636)	\$ (604,437)	\$ (80,497)	\$ 562,184	\$ (855,001)	\$ (467,708)	\$ (1,133,692)	\$ (230,236)	\$ (799,444)
Total primary government	\$ 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	\$ 6,180,732
CHANGE IN NET ASSETS										
Governmental activities	\$ (396,580)	\$ (227,241)	\$ 172,380	\$ (538,859)	\$ (257,396)	\$ 983,641	\$ 493,473	\$ 836,851	\$ (935,557)	\$ 592,142
Business-type activities	388,238	611,827	824,929	1,278,001	2,063,627	526,166	1,251,122	568,294	1,349,037	442,605
Total primary government	\$ (8,342)	\$ 384,586	\$ 997,309	\$ 739,142	\$ 1,806,231	\$ 1,509,807	\$ 1,744,595	\$ 1,405,145	\$ 413,480	\$ 1,034,747

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
FUNCTION/PROGRAMS										
Governmental activities:										
General government	\$ 163,800	\$ 127,003	\$ 313,564	\$ 159,363	\$ 122,073	\$ 123,525	\$ 210,922	\$ 208,482	\$ 192,255	\$ 217,283
Public safety	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	813,879
Highways and streets	108,141	108,624	343,154	109,193	108,179	108,179	109,915	54,117	49,212	-
Culture and recreation	42,255	45,674	53,368	90,016	84,533	84,533	59,313	73,206	64,623	62,724
Economic development	18,805	27,621	31,685	22,680	36,545	20,449	70,777	133,046	149,065	89,292
Debt service	-	-	-	-	-	-	-	-	-	-
Subtotal governmental activities	\$ 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	\$ 1,183,178
Business-type activities:										
Water	\$ 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	\$ 2,915,298
Sewer	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	1,407,100
Sanitation	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	1,651,370
Hospital	174,980	319,493	205,332	224,495	207,814	210,148	210,506	209,312	164,100	84,500
Subtotal business-type activities	\$ 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	\$ 6,058,268
Total primary government	\$ 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	\$ 7,241,446

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Reserved for:										
Encumbrances	\$ 32,972	\$ 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	15,546									
Undesignated	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	1,546,599
Total general fund	\$ 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	\$ 2,179,571
Other Governmental Funds										
Reserved for:										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Retirement										
Unreserved, reported in:										
Debt service	104,809	98,283	65,039	64,675	52,480	51,768	51,250	39,180	32,291	15,702
Capital projects	1,092,830	697,773	657,901	810,288	670,294	790,878	857,779	846,744	754,777	988,922
Special revenue	787,145	641,946	610,239	461,368	555,100	411,076	362,535	315,232	278,143	716,386
Total other governmental funds	\$ 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	\$ 1,721,010
Total governmental funds	\$ 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	\$ 3,900,581

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Taxes	\$ 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	\$ 5,201,857
Interest	18,502	29,267	34,077	68,297	139,276	210,181	239,916	147,443	119,414	68,391
Licenses and permits	131,468	99,033	97,101	118,531	91,356	82,433	98,290	71,663	95,472	95,472
Intergovernmental	343,438	295,073	599,754	374,698	431,895	374,669	461,788	339,113	568,161	402,545
Charges for services	578,634	647,768	643,285	463,556	424,678	429,489	443,100	234,599	243,272	191,565
Fines and court costs	1,010,627	1,319,785	1,379,962	1,239,562	1,335,185	1,143,052	847,966	800,881	734,714	675,094
Miscellaneous	186,717	185,978	474,800	466,990	359,479	282,323	242,836	318,924	200,729	336,524
Total revenues	\$ 7,986,853	\$ 8,049,138	\$ 8,431,516	\$ 7,928,284	\$ 8,124,017	\$ 7,895,305	\$ 7,449,148	\$ 7,040,932	\$ 6,897,463	\$ 6,971,448
Expenditures										
General government	\$ 1,931,525	\$ 1,779,307	\$ 1,746,342	\$ 1,185,667	\$ 1,129,928	\$ 1,074,230	\$ 1,055,409	\$ 1,646,624	\$ 1,562,831	\$ 1,495,703
Public safety	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	4,151,716
Public services	703,140	666,535	676,932	882,097	829,022	846,756	728,584	565,189	606,983	571,196
Culture and recreation	607,483	625,762	604,323	666,732	613,532	534,504	480,892	450,561	366,238	298,295
Economic development	99,695	161,612	109,434	103,679	132,811	143,955	294,732	270,147	674,868	380,747
Capital outlay	69,614	437,573	838,765	462,232	364,456	404,901	174,211	373,512	748,242	819,440
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	-	13,387	45,673	127,770	-	-	-	-	-	400,000
Interest	-	-	-	-	-	-	-	-	-	21,870
Total expenditures	\$ 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	\$ 8,138,967
Excess (deficiency) of revenues over (under) expenditures	\$ (1,044,929)	\$ (1,202,555)	\$ (1,074,945)	\$ (1,004,155)	\$ (227,783)	\$ (236,720)	\$ 27,346	\$ (732,188)	\$ (1,677,043)	\$ (1,167,519)
Other financing sources										
Transfer from other funds	\$ 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	\$ 5,640,503
Transfer to other funds	(4,634,971)	(4,507,817)	(4,151,540)	(4,211,054)	(4,738,678)	(4,735,172)	(4,874,041)	(4,274,612)	(4,623,823)	(4,448,596)
Proceeds from sales of capital assets	-	-	-	-	-	-	-	-	220,000	298,166
Total other financing sources	\$ 1,374,436	\$ 1,237,930	\$ 937,806	\$ 692,092	\$ 261,582	\$ 1,487,622	\$ 940,534	\$ 1,532,282	\$ 865,391	\$ 1,490,073
Net change in fund balances	\$ 329,507	\$ 35,375	\$ (137,139)	\$ (312,063)	\$ 33,798	\$ 1,250,902	\$ 967,880	\$ 800,094	\$ (811,652)	\$ 322,554
Debt service as a percentage of noncapital expenditures	0.0%	0.2%	0.5%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	5.8%

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

Tax Revenues by Source

Last Ten Fiscal Years

Unaudited

	Fiscal Year										
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Property	\$ -	\$ -	\$ 117	\$ 12,195	\$ 712	\$ 518	\$ 12,070	\$ 6,889	\$ 16,589	\$ 387,742	\$ 384,816
Sales	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	3,896,208
Use	251,307	242,172	239,652	211,348	239,184	280,308	237,511	225,186	219,466	180,323	140,109
Hotel	64,994	55,539	48,665	52,217	55,455	36,193	312	-	-	-	-
Franchise	245,683	847,990	803,511	820,084	823,035	709,992	734,802	767,197	682,466	706,824	679,334
Motor fuel	50,231	130,335	12,374	34,719	37,016	39,854	40,833	42,810	41,534	41,303	42,090
Motor vehicle	114,934	130,335	134,306	144,911	144,911	144,120	144,119	156,413	144,092	144,159	144,231
Cigarette	58,966	62,921	58,144	57,855	56,794	60,507	60,865	60,423	15,669	-	-
Alcohol beverage	23,926	26,854	27,563	29,787	29,693	28,354	26,115	26,503	24,048	22,211	22,203
Emergency 911	-	-	8,873	12,550	14,121	13,784	13,338	11,085	11,654	12,846	12,144
Total tax revenues	\$ 5,344,005	\$ 5,667,019	\$ 5,434,925	\$ 5,463,916	\$ 5,610,562	\$ 5,596,679	\$ 5,337,839	\$ 5,414,370	\$ 5,184,854	\$ 5,409,530	\$ 5,321,134

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.

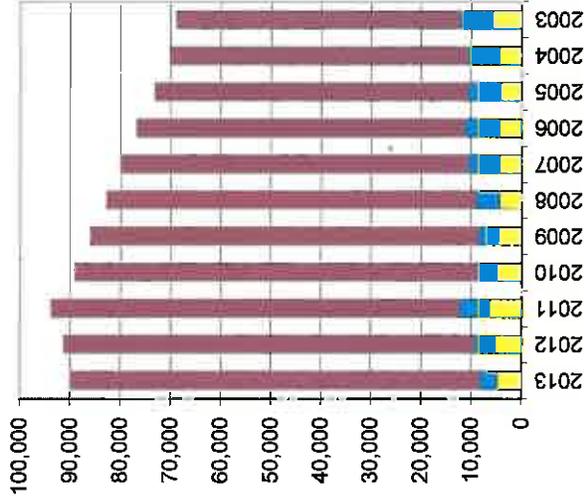


City of Bethany, Oklahoma

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

Unaudited

	Fiscal Year										
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Taxable property											
Personal	4,849	5,080	6,215	4,829	4,365	4,379	4,339	4,344	4,087	4,395	5,765
Public service	3,347	4,352	6,063	3,924	4,143	4,594	6,114	6,742	6,374	6,357	6,373
Real estate	81,873	81,923	81,549	80,385	77,526	73,870	69,516	65,760	62,739	59,412	56,799
Total taxable property	90,069	91,355	93,827	89,138	86,035	82,843	79,970	76,846	73,200	70,164	68,937
Less tax-exempt property	4,229	4,332	4,458	4,417	4,410	4,436	4,492	4,327	4,403	4,490	4,507
Total taxable assessed value	85,840	87,023	89,369	84,721	81,625	78,407	75,478	72,519	68,798	65,674	64,431
Total direct tax rate	0.00	5.95	6.15								



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>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>
City direct rates										
General obligation debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.95
Total city direct rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.95
Overlapping rates										
Oklahoma County	23.87	24.06	24.27	24.79	23.18	22.29	22.81	22.90	22.99	23.15
Bethany School District	76.97	75.49	74.68	73.22	67.58	70.24	73.77	76.42	64.90	71.88
Putnam City School District	62.99	62.43	61.20	61.52	60.72	56.90	55.96	55.14	55.71	56.09
Canadian Valley Vo-Tech	15.72	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	14.96

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										
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
PROPERTY TAX											
Taxes levied	0	0	0	0	0	0	0	0	0	390,705	396,455
Current year collections											
Amount	0	0	0	0	0	0	0	0	0	377,889	375,033
Levy percentage	0	0	0	0	0	0	0	0	0	96.72	94.60
Subsequent year collections	0	0	117	12,195	712	518	12,070	6,889	16,589	9,853	9,783
Total collections to date											
Amount	0	0	117	12,195	712	518	12,070	6,889	16,589	387,742	384,816
Levy percentage	0	0	0	0	0	0	0	0	0	99.24	97.06

Source: City of Bethany

Notes:

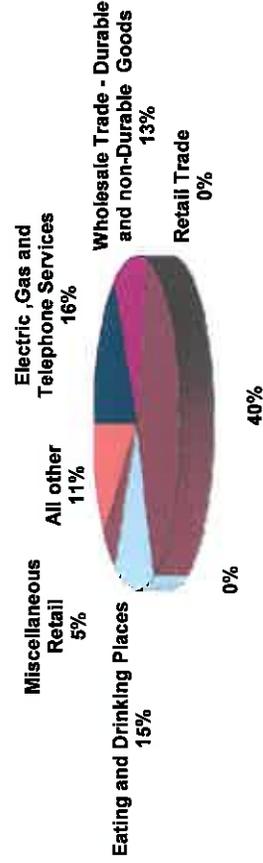
(1) City property tax millages expired in Fiscal Year 2004.

City of Beatty, Oklahoma

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

CATEGORY	Fiscal Year										
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Electric, Gas and Telephone Services	\$ 18,213	\$ 29,256	\$ 28,199	\$ 29,935	\$ 30,184	\$ 28,626	\$ 29,001	\$ 28,981	\$ 28,981	\$ 26,874	\$ 27,324
Wholesale Trade - Durable and non-Durable Goods	14,392	9,839	9,382	7,757	7,757	8,641	8,697	9,027	9,027	8,588	7,748
Retail Trade	45,075	5,933	5,933	5,021	4,956	4,757	5,197	5,382	5,382	5,016	5,017
Eating and Drinking Places	17,027	14,699	14,699	13,938	25,749	14,736	14,663	15,186	15,186	18,489	18,777
Miscellaneous Retail	5,980	7,842	7,842	6,224	6,271	4,485	4,393	4,644	4,644	4,557	4,946
All other	13,025	14,480	14,480	13,410	14,764	17,062	14,021	13,671	13,671	12,155	10,737
		14,079	14,079	10,023	8,769	7,727	6,773	8,459	8,459	6,969	6,948
		8,173	8,173	17,164	18,756	21,358	19,772	18,444	18,444	18,874	17,966
Total taxable sales	\$ 113,712	\$ 104,301	\$ 102,787	\$ 103,472	\$ 117,207	\$ 107,392	\$ 102,516	\$ 103,792	\$ 103,792	\$ 101,522	\$ 99,463
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>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>
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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
INDUSTRY										
Electric, Gas and Telephone Services	\$ 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	\$ 1,092,964
Wholesale Trade	575,694	393,579	375,279	310,263	310,291	345,654	347,871	361,080	343,512	309,909
Retail Trade	1,802,982	1,236,323	1,139,004	1,114,635	1,029,976	190,265	207,862	215,262	200,658	200,664
Eating and Drinking Places	681,096	642,632	313,697	318,735	250,831	179,382	175,734	185,773	182,289	197,833
Miscellaneous Retail	239,189	519,972	563,170	625,778	350,758	309,069	270,901	338,361	278,742	429,485
All other	521,012	373,802	326,935	354,389	750,258	854,319	790,863	737,750	754,973	718,644
Total sales tax remitted	\$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	\$4,377,011
City direct sales tax rate	4.00%									

Source: Oklahoma Tax Commission

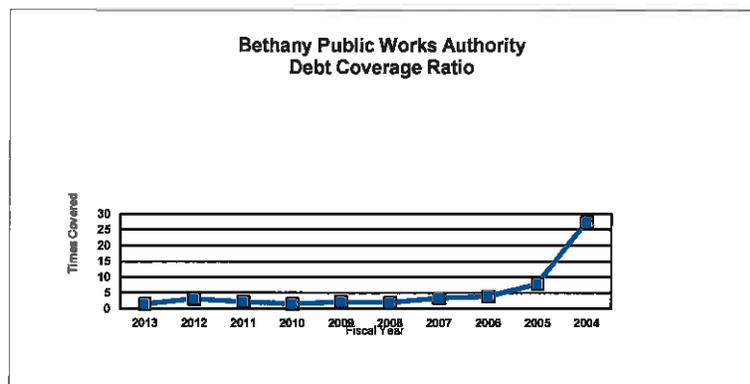
Notes:

- (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
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	
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
2004	6,088,800	3,874,012	2,214,788		80,902	80,902	27.38



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	
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
2004	85,214	9,803	75,411	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

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	Revenue Bonds	OWRB Loans			
2013	\$0	\$0	\$0	\$3,585,000	\$10,910,929	\$14,495,929	\$3,585,000	\$10,910,929	\$14,495,929	17.32%	\$736
2012	\$0	\$0	\$0	\$3,585,000	\$11,322,483	\$14,907,483	\$3,585,000	\$11,322,483	\$14,907,483	17.81%	\$757
2011	\$0	\$0	\$0	\$1,830,000	\$12,109,841	\$13,939,841	\$1,830,000	\$12,109,841	\$13,939,841	16.66%	\$708
2010	\$0	\$31,391	\$31,391	\$2,030,000	\$12,523,876	\$14,553,876	\$2,030,000	\$12,523,876	\$14,553,876	18.36%	\$740
2009	\$0	\$142,006	\$142,006	\$2,225,000	\$11,608,366	\$13,833,366	\$2,225,000	\$11,608,366	\$13,975,372	16.70%	\$709
2008	\$0	\$178,679	\$178,679	\$2,415,000	\$8,550,220	\$10,965,220	\$2,415,000	\$8,550,220	\$11,143,900	14.03%	\$566
2007	\$0	\$0	\$0	\$2,600,000	\$8,908,313	\$11,508,313	\$2,600,000	\$8,908,313	\$11,508,313	16.09%	\$584
2006	\$0	\$0	\$0	\$2,780,000	\$7,149,580	\$9,929,580	\$2,780,000	\$7,149,580	\$9,929,580	12.29%	\$504
2005	\$0	\$0	\$0	\$2,950,000	\$3,217,120	\$6,167,120	\$2,950,000	\$3,217,120	\$6,167,120	8.41%	\$324
2004	\$0	\$0	\$0	\$3,110,000	\$0	\$3,110,000	\$3,110,000	\$0	\$3,110,000	4.52%	\$158

City of Bethany, Oklahoma

Demographic and Economic Statistics

Last Ten Fiscal Years

Unaudited

	Fiscal Year									
	<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>
Demographic data										
Est. population	19,501	19,701	19,406	19,051	19,729	19,607	19,559	19,627	19,905	20,044
Est. personal income (in thousands)	856,191	836,898	794,520	715,041	807,745	733,008	688,672	645,238	623,524	610,320
Per capita personal income (msa)	43,905	42,480	40,942	37,533	40,942	37,385	35,210	32,875	31,325	30,449
Annual unemployment rate (msa)	5.4%	5.4%	5.7%	6.8%	3.8%	4.3%	3.9%	4.3%	4.5%	5.2%

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
FUNCTION/PROGRAMS										
Governmental activities:										
General government	6.7	6.7	6.7	6.8	6.8	5.3	5.0	5.6	6.5	6.5
Public safety	73.1	73.1	73.1	70.8	70.8	67.0	64.9	66.0	68.5	68.6
Highways and streets	9.2	9.2	9.2	9.3	9.3	8.3	8.9	7.6	9.1	12.1
Culture and recreation	23.9	23.9	23.9	24.1	24.1	22.2	23.3	21.4	20.3	17.2
Economic development	4.0	4.0	4.0	3.0	3.0	4.0	5.0	6.0	6.7	6.4
Subtotal governmental activities	<u>116.9</u>	<u>116.9</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>	<u>110.8</u>
Business-type activities:										
Water	15.9	15.9	15.9	15.8	15.8	16.0	16.3	17.0	17.7	16.8
Sewer	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.2	3.5	4.3
Sanitation	15.1	15.1	15.1	15.2	15.2	16.8	17.0	15.6	15.5	17.7
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>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>	<u>38.8</u>
Total primary government	<u><u>149.9</u></u>	<u><u>149.9</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>	<u><u>149.6</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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
FUNCTION/PROGRAMS										
Governmental activities:										
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	36	36	36	35	36	35	35	35	33	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	80.73	80.73
Fire hydrants	581	581	581	581	581	581	581	581	575	568
Storage capacity (thousands of gallons)	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	5,500	5,500
Sewer										
Sanitary sewers (miles)	99.38	99.38	99.38	99.38	99.38	99.38	99.38	99.38	99.19	99.19
Storm sewers (miles)	20.14	20.14	20.14	20.14	20.14	20.14	20.14	20.14	19.65	19.65
Sanitation										
Refuse trucks & vehicles	9	9	9	9	9	9	9	9	9	9

Source: City of Bethany

Notes: