The City of Bethany, Oklahoma

Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

THE CITY OF BETHANY

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The City of Bethany, Oklahoma

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

Prepared by
Finance Department of the City of Bethany

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Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015
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Introductory Section

THE CITY OF BETHANY

IN GOD WE TRUST

The City of Bethany
A Great Place to Live, Work, Shop and Grow a Business!

March 1, 2015

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, 2015.

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

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

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

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

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

Financial Reporting Entity

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

Profile of the City of Bethany, Oklahoma

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

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

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

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

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

Factors Affecting Financial Condition

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

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

Long-term financial planning

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

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

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

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

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

Investment and Cash Management

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

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

Risk Management

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

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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,

Steve Harzman
Acting City Manager

Jon Robinson
Finance Director

The City of Bethany, Oklahoma
List of Principal Officials
June 30, 2015

Elected Officials

Mayor

Bryan Taylor

Council Members

Ward 1

Randy Luinstra
Curtis Moore

Ward 2

Kathi Holloway
Arlita Harris

Ward 3

Tom Ray
Kathy Larsen

Ward 4

Phill Shirey
Jeff Knapp – Vice Mayor

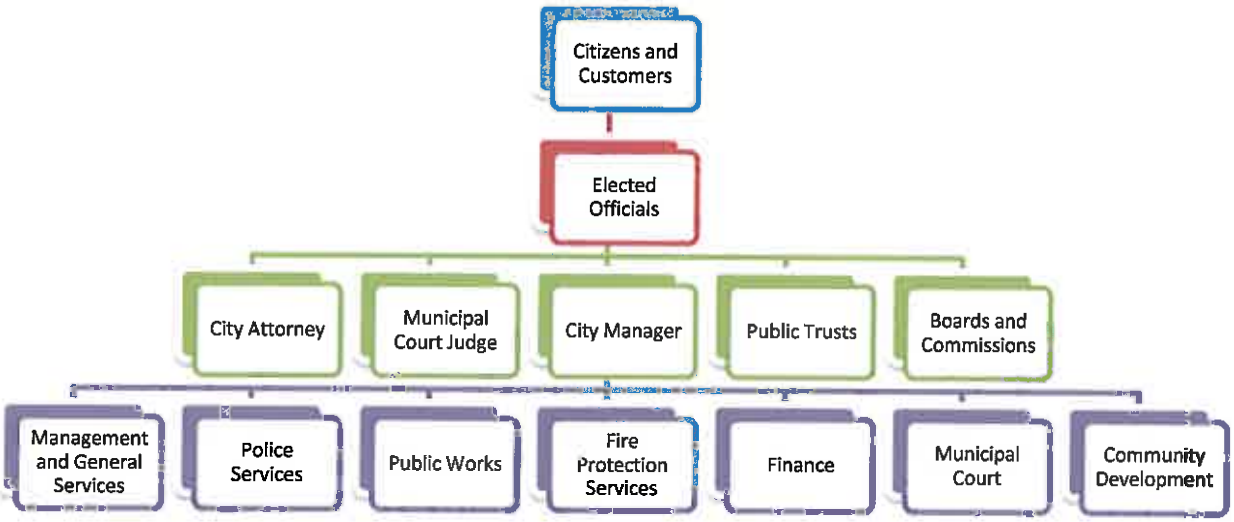
Appointed Officials

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

Department Managers

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

The City of Bethany, Oklahoma
Organization Chart



Financial Section

THE CITY OF BETHANY

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Russell & Williams CPA's, PC

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Autumn L. Williams, C.P.A., Esq.
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Fax: (405) 607-8744
Email: caseycpa@hotmail.com

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Bethany, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bethany, Oklahoma as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bethany, Oklahoma as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedule of funding progress on pages 13–24, 64 and 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2016, on our consideration of the City of Bethany, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Bethany, Oklahoma's internal control over financial reporting and compliance.

Lawell & Williams CPAs PC

Oklahoma City, Oklahoma
January 5, 2016

The Management's Discussion and Analysis section of the City of Bethany's 2015 annual financial report provides narrative discussion and analysis of the financial activities for the fiscal year ended June 30, 2015. 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 Total Net Position was $31,901,620 at the close of the fiscal year.
- Total net position was comprised of the following:
  (1) Capital assets, net of related debt, of $16,522,680 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Reserved net assets of $8,809,360 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 $6,569,576 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
- Total liabilities of the City were $24,949,977 at the end of the fiscal year. This includes $15,822,756 in outstanding debt and $819,877 in accrued compensated absences.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was $2,873,385.

Overview of the Financial Statements

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

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

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

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

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

- **Governmental activities.** Most of the City's basic services are reported here, including general government, public safety, streets, culture and recreation, health and welfare and economic development. Sales taxes and franchise taxes finance most of these activities as reflected on Page 18.

- **Business-type activities.** The City charges a fee to customers to cover the cost of services it provides. The City's utility system (water, sewer, sanitation, and drainage), conference center/hotel, golf, trailer park and industrial park activities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, but not the City as a whole. Some funds are required to be established by state law or bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other monies. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

As year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole. Net assets represent the difference between total assets and total liabilities. The City of Bethany's

assets exceeded its liabilities by $31,901,552 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
	2015	2014	2015	2013	2015	2014		
Current and other assets	$ 7,948,024	$ 7,023,114	$ 18,478,890	$ 16,435,464	$ 26,426,914	$ 23,458,578	$ 2,968,335	12.7%
Capital assets	5,796,179	6,159,850	27,349,650	27,472,816	33,145,829	33,632,666	(486,837)	-1.4%
Total assets	$ 13,744,203	$ 13,182,964	$ 45,828,540	$ 43,908,281	$ 59,572,743	$ 57,091,245	$ 2,481,498	4.3%
Long term liabilities	$ 683,368	$ 800,505	$ 15,981,791	$ 13,548,257	$ 16,665,159	$ 14,348,762	$ 2,316,397	16.1%
Other liabilities	386,836	445,736	1,777,251	2,164,227	2,164,087	2,609,963	(445,876)	-17.1%
Total liabilities	$ 1,070,205	$ 1,246,241	$ 17,759,042	$ 15,712,484	$ 18,829,246	$ 16,958,725	$ 1,870,521	11.0%
Net Assets:								
Invested in Capital assets, net of related debt	$ 5,796,179	$ 6,159,850	$ 10,726,502	$ 12,230,060	$ 16,522,682	$ 18,389,910	$ (1,867,228)	-10.2%
Restricted	3,697,441	3,128,847	5,111,920	3,581,637	8,809,360	6,710,483	2,098,877	31.3%
Unrestricted	(5,639,099)	2,648,026	12,208,610	12,384,101	6,569,511	15,032,127	(8,462,616)	-56.3%
Total net assets	$ 3,854,521	$ 11,936,723	$ 28,047,031	$ 28,195,796	$ 31,901,552	$ 40,132,519	$ (8,230,967)	-20.5%

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 reflects its investment in capital assets. Capital assets are used to provide services to our citizens. However, capital assets are not available for future spending. It should also be noted that the investment in capital assets is reported net of related debt. The debt must be repaid from other resources since the capital assets themselves cannot be used to pay these liabilities.

An additional portion of net assets ($8,809,360) is restricted on how they may be used. The remaining balance of unrestricted net assets ($6,569,511) may be used to meet the government's ongoing obligations to citizens and creditors.

Unrestricted net assets decreased $8,462,616 primarily as a result of loan covenant restrictions and substantial commitments to purchase new fire equipment, and accounting changes under the Government Accounting Standards Board standard number 68 described more fully in the footnotes to this report.

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

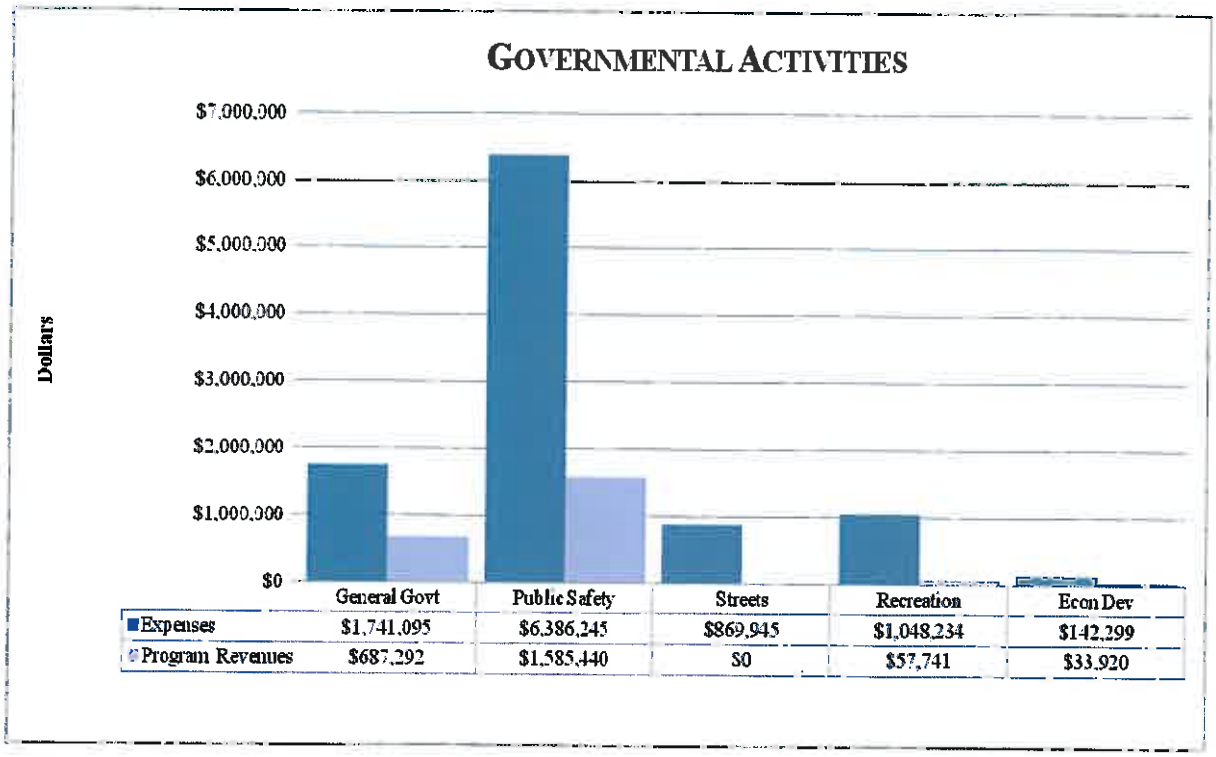
	Governmental Activities		Business-type Activities		Totals		Amount Change	% Change
	2015	2014	2015	2014	2015	2014		
Program revenues								
Charges for Services	$ 2,364,393	$ 2,238,016	$ 7,850,628	$ 8,067,135	$ 10,215,020	$ 10,305,151	$ (90,130)	-0.87%
Operating Grants	-	-	-	-	-	-	-	#DIV/0!
Capital Grants	-	-	-	-	-	-	-	
General revenues				-				
Sales and Use taxes	4,612,902	4,909,627	-	-	4,612,902	4,909,627	(296,725)	-6.04%
Franchise taxes	1,493,252	545,716	-	-	1,493,252	545,716	947,536	173.63%
Property tax	-	-	-	-	-	-	-	#DIV/0!
Occupancy taxes	-	70,938	-	-	-	70,938	(70,938)	
Emergency mgmnt tax	579,737	6,513	-	-	579,737	6,513	573,224	8801.23%
Intergovernmental	-	203,720	-	-	-	203,720	(203,720)	-100.00%
Investment income	21,407	19,605	95,422	166,462	116,829	186,068	(69,239)	-37.21%
Miscellaneous income	101,826	245,109	-	179,106	101,826	424,215	(322,389)	-76.00%
Total revenues	$ 9,173,516	$ 8,239,245	$ 7,946,050	$ 8,412,703	$ 17,119,566	$ 16,651,948	$ 467,618	2.81%
Expenses								
General government	1,741,095	2,112,183	-	-	1,741,095	2,112,183	(371,088)	-17.57%
Public safety	6,386,245	6,125,172	-	-	6,386,245	6,125,172	261,074	4.26%
Highways and streets	869,945	777,614	-	-	869,945	777,614	92,331	11.87%
Culture and recreation	1,048,234	662,830	-	-	1,048,234	662,830	385,405	58.15%
Economic developmen	142,299	99,695	-	-	142,299	99,695	42,604	42.73%
Water	-	-	3,615,471	3,360,932	3,615,471	3,360,932	254,538	7.57%
Sewer	-	-	1,811,191	1,522,332	1,811,191	1,522,332	288,859	18.97%
Sanitation	-	-	1,470,034	1,523,653	1,470,034	1,523,653	(53,620)	-3.52%
Hospital	-	-	284,043	226,126	284,043	226,126	57,917	25.61%
Total expenses	10,187,818	9,777,493	7,180,739	6,633,043	17,368,557	16,410,536	958,020	5.84%
Increase (decrease) in net assets before transfers	(1,014,302)	(1,538,249)	765,311	1,779,660	(248,991)	241,411	(490,402)	-203.14%
Transfers	787,776	1,391,421	(787,776)	(1,391,421)	0	-		
Changes in net assets	(226,526)	(396,579)	(22,465)	388,239	(248,991)	(8,340)		
Beginning net assets	4,182,858	12,538,182	28,069,579	27,807,557	32,252,437	40,345,739		
Ending net assets	3,956,332	12,141,603	28,047,114	28,195,796	32,003,446	40,337,400		

Sales and use taxes	$ 4,612,902
Franchise taxes	1,493,252
Investment income	21,407
Miscellaneous	-
Transfers between funds	787,776
Total general revenues	$ 6,915,337

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

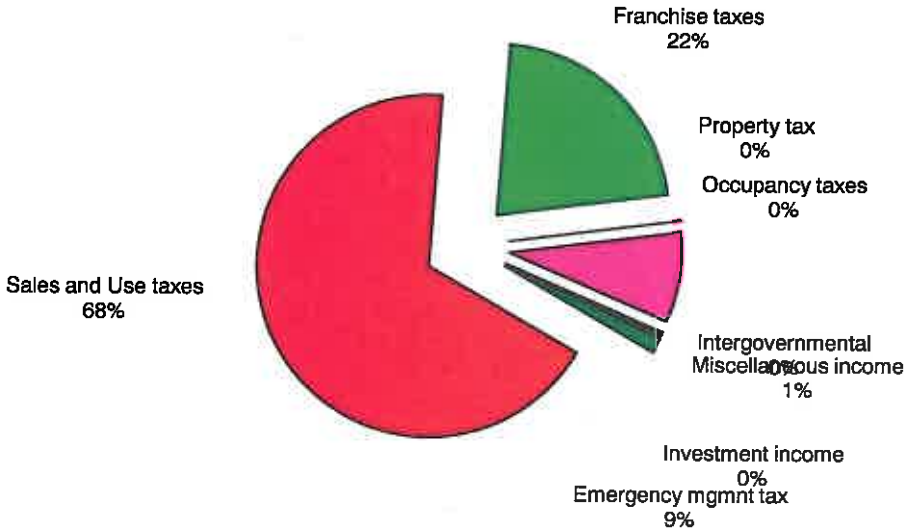
Governmental activities Governmental activities decreased the City of Bethany's net assets by $226,526. The City narrowed the gap between revenues and expenditures through increased revenues and continued cost controls.

The graph below shows the major governmental activities and their associated program revenues. You can easily see that all governmental activities are financed almost entirely by taxes, rather than user fees. You can also see that public safety activities account for approximately $6.386 million of the total $10.19 million in governmental expenditures.



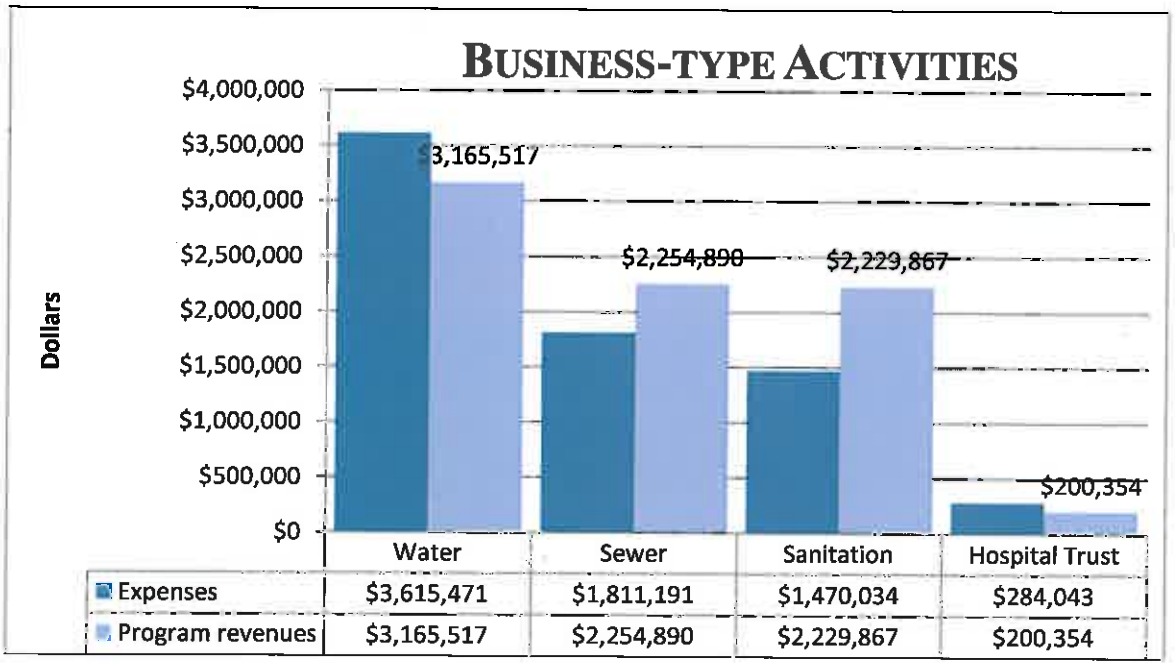
The pie chart below shows governmental general revenue by source. Sales and use taxes account for 68 percent of general revenue. Transfers from other funds account for 4 percent of general revenue.

GOVERNMENTAL GENERAL REVENUES



Business-type activities Business type activities decreased the City of Bethany's net assets by $22,466. This relatively flat performance was holding rates and minimal inflationary costs.

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



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

Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, total governmental fund balance is $6,570,826. Of this amount $2,873,385 is unrestricted. The remaining balance is restricted for specific governmental fund purposes. It is interesting to note that $2,014,987 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 $2,873,385 while total fund balance was $3,535,081. The General Fund's fund balance decreased $575,132 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 $1,925,066. Unrestricted net assets of the Bethany Public Works Authority (BPWA) were $10,283,626.

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

General Fund Budgetary Highlights

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

General fund revenues were $165,638 more than the budget. Expenditures were $3,577,819 less than the budget. The variance from the expenditure target resulted from management actions to control spending.

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, 2015 totals $32,345,437 (net of accumulated depreciation). This investment includes land, buildings, equipment, park facilities, street and drainage improvements, water system and sewer system improvements.

Capital asset additions and construction work in progress during the year totaled $2,525,432 and included the following:

- Replacement of various machinery and equipment.
- Replace emergency warning system
- 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 $15,843,058. $978,957 of that amount is due within one year. All of this debt is backed

by the sales tax and utility revenues. The Bethany Public Works Authority issued this debt for construction of a new police and municipal court building, water treatment plant improvements, and sewer line replacement. Improvements were also made to the existing animal control building and city hall.

The Bethany Public Works Authority has a loan agreement with the Oklahoma Water Resources Board for $10,000,000 to finance the new water treatment plant. This debt is backed by utility revenue and at June 30, 2015 totaled $ 9,015,000 after re-funding on July 1, 2013. Another loan agreement with the OWRB for $5,140,000 exists to reconstruct sewer lines. This debt is backed by utility revenues and totaled $3,893,058 at June 30, 2015. 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 $2,935,000 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 2015-2015 the City Council General approved a General Fund budget of $12.4 million. This represents a responsible balance between services provided and income available to pay for those services. The City of Bethany is continuing significant efforts to attract additional retail business. Construction has begun on three new retail centers within the City. All rates are subject to review by the City Council at any time as conditions warrant.

Contacting the City's Financial Management

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

THE CITY OF BETHANY

IN GOD WE TRUST

Basic Financial Statements

City of Bethany, Oklahoma

Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents - Unrestricted	$ 5,727,980	$ 8,540,710	$ 14,268,690
Cash and Cash Equivalents - Restricted	-	4,467,963	4,467,963
Prepaid Expenses	-	5,000	5,000
Investments - Unrestricted	476,198	2,709,150	3,185,348
Receivables (net of allowance for uncollectibles)	1,315,941	697,056	2,012,999
Interest receivable	9,533	89,535	99,068
Due from other funds	145,796	717,785	863,581
Lease settlement receivable	-	1,858,997	1,858,997
Pension Benefit Asset	262,576	-	262,576
Capital assets (net of accumulated depreciation)	5,796,179	26,549,258	32,345,437
Total assets	$ 13,734,203	$ 45,635,455	$ 59,369,658
Deferred Outflows Of Resources			
Related to Defined Benefit Pension Plans	$ 887,073	$ -	$ 887,073
Liabilities:			
Accounts payable	$ 325,864	$ 579,048	$ 904,912
Accrued salaries and related taxes	60,972	13,607	74,580
Current portion of compensated absences	-	-	-
Interest payable	-	147,448	147,448
Current portion of long term debt	-	-	-
Amount due other Funds	717,785	557,259	1,275,044
Customer deposits	-	331,715	331,715
Pension Benefit Liability	5,573,645	-	5,573,645
Long term portion of compensated absences	683,368	136,509	819,877
Long term debt	-	15,822,756	15,822,756
Total liabilities	$ 7,361,635	$ 17,588,342	$ 24,949,977
Deferred Inflows Of Resources			
Related to Defined Benefit Pension Plans	$ 3,405,134	$ -	$ 3,405,134
Net Position:			
Invested in capital assets, net of related debt	$ 5,796,179	$ 10,726,502	$ 16,522,680
Restricted and reserved by:			
Capital projects	2,014,987	1,251,025	3,266,012
Debt service	104,809	272,095	376,904
Emergencies	600,000	600,000	1,200,000
Other purposes	977,645	2,988,799	3,966,444
Encumbrances	-	-	-
Unrestricted	(5,639,113)	12,208,692	6,569,576
Total net position	$ 3,854,507	$ 28,047,113	$ 31,901,620

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, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental activities:						
General government	$ 1,741,095	$ 687,292	$ -	$ (1,053,803)	$ -	$ (1,053,803)
Public safety	6,386,245	1,585,440	-	(4,800,805)	-	(4,800,805)
Highways and streets	869,945	-	-	(869,945)	-	(869,945)
Culture and recreation	1,048,234	57,741	-	(990,494)	-	(990,494)
Economic development	142,299	33,920	-	(108,379)	-	(108,379)
Total governmental activities	10,187,818	2,364,393	-	(7,823,426)	-	(7,823,426)
Business-type activities:						
Water	3,615,471	3,165,517	-	-	(449,954)	(449,954)
Sewer	1,811,191	2,254,890	-	-	443,699	443,699
Sanitation	1,470,034	2,229,867	-	-	759,834	759,834
Hospital	284,043	200,354	-	-	(83,689)	(83,689)
Total business-type activities	7,180,739	7,850,628	-	-	669,889	669,889
Total primary government	$ 17,368,557	$ 10,215,020	$ -	$ (7,823,426)	$ 669,889	$ (7,153,536)
General revenues:						
Sales and use taxes				4,612,902	-	4,612,902
Other taxes				1,493,252	-	1,493,252
On Behalf Payments				579,737	-	579,737
Investment income				21,407	95,422	116,829
Transfers between funds				787,776	(787,776)	-
Total general revenues				7,495,074	(692,354)	6,802,720
Change in net position				(328,352)	(22,465)	(350,816)
Net position - beginning				4,182,858	28,069,579	32,252,437
Net position-ending				$ 3,854,506	$ 28,047,114	$ 31,901,620

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, 2015

	General Fund	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 2,963,957	$ 1,654,029	$ 1,119,994	$ 5,737,980
Investments	239,192	237,006	-	476,198
Accounts receivable (net of allowance for uncollectibles)	1,315,941	-	-	1,315,941
Interest receivable	9,533	-	-	9,533
Due from other funds	19,154	126,642	-	145,796
Total assets	$ 4,547,777	$ 2,017,676	$ 1,119,994	$ 7,685,448
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 233,939	$ -	$ 91,925	$ 325,864
Accrued salaries and related taxes	60,972	-	-	60,972
Due to other funds	717,785	-	-	717,785
Total liabilities	1,012,697	-	91,925	1,104,622
Fund balances:				
Reserved for:				
Encumbrances	-	-	-	-
Restricted for:				
Debt service	$ -	$ -	$ 104,809	$ 104,809
Capital projects	-	2,014,987	-	2,014,987
Emergencies	600,000	-	-	600,000
Other purposes	61,695	2,690	913,260	977,645
Unrestricted	2,873,385	-	-	2,873,385
Total fund balances	3,535,081	2,017,676	1,018,069	6,570,826
Total liabilities and fund balances	$ 4,547,777	$ 2,017,676	$ 1,109,994	$ 7,675,448

Reconcilation of Total Governmental Fund Balance to
Net Position of Governmental Activities at June 30, 2015

Total fund balances - governmental funds	$ 6,570,826
Amounts reported for governmental activities in the statement of net assets are different because:	
Amounts related to pensions are applicable to future periods and thereforeare not reported in the funds:	
Pension benefit asset	262,576
Pension benefit liability	-5,573,645
Deferred pension outflow	887,073
Deferred pension inflow	-3,405,134
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.	5,796,179
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued compensated absences	-683,368
Net assets of governmental activities	$ 3,854,506

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, 2015

	General Fund	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 5,885,294	$ -	$ 5,822	$ 5,891,116
Interest	18,887	2,517	3	21,406
Licenses and permits	113,980	-	-	113,980
Intergovernmental	215,039	-	8,612	223,651
Charges for services	469,685	-	112,462	582,147
Fines and court costs	1,191,557	-	-	1,191,557
Other	330,014	-	138,083	468,097
Total revenues	8,224,454	2,517	264,982	8,491,954
Expenditures:				
General government	1,388,398	117,373	-	1,505,771
Public safety	5,692,279	-	153,810	5,846,089
Public services	772,291	-	-	772,291
Culture and recreation	984,618	-	40,410	1,025,028
Economic development	-	-	137,089	137,089
Total expenditures	8,837,586	117,373	331,308	9,286,267
Excess (deficiency) of revenues over (under) expenditures	(613,132)	(114,856)	(66,326)	(794,314)
Other financing sources:				
Transfers from other funds	5,339,848	637,380	150,000	6,127,227
Transfers to other funds	(5,301,848)	-	(37,604)	(5,339,451)
Total other financing sources	38,000	637,380	112,396	787,776
Net changes in fund balances	(575,132)	522,524	46,070	(6,538)
Fund balance - beginning	4,110,212	1,495,152	971,999	6,577,363
Prior period adjustment	-	-	-	-
Fund balance - ending	$ 3,535,081	$ 2,017,676	$ 1,018,069	$ 6,570,826

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, 2015

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances-total governmental funds	$ (6,538)
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	292,835
Depreciation expense	(656,506)
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:	
On-behalf payments made by the State of Oklahoma for the benefit of police and fire pension plans	579,737
Net Change in Accrued Compensated Absences	(537,880)
Change in Net Position of Governmental Activities	$ (328,352)

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

City of Bethany, Oklahoma

Statement of Net Position
Proprietary Funds
June 30, 2015

	Enterprise Funds		
	Bethany Hospital Trust	Bethany Public Works Authority	Totals
Assets			
Current assets:			
Cash and cash equivalents	$ 2,162,895	$ 6,377,815	$ 8,540,710
Investments	758,828	1,950,323	2,709,150
Accounts receivable, net of allowances	18,270	678,787	697,056
Prepaid expense	-	5,000	5,000
Interest receivable	89,535	-	89,535
Total current assets	3,029,527	9,011,924	12,041,451
Non current assets:			
Restricted cash and cash equivalents	-	4,467,963	4,467,963
Lease settlement receivable	1,858,997	-	1,858,997
Due from other Funds	-	717,785	717,785
Investment in capital assets net of depreciation	2,055,019	24,494,239	26,549,258
Total non current assets	3,914,016	29,679,988	33,594,004
Total assets	$ 6,943,544	$ 38,691,912	$ 45,635,455
Liabilities			
Current Liabilities:			
Accounts payable	$ 7,946	$ 571,102	$ 579,048
Accrued salaries	-	13,607	13,607
Due to other Funds	-	557,259	557,259
Interest payable	-	147,448	147,448
Current portion of long term debt	-	-	-
Customer deposits payable from restricted assets	-	331,715	331,715
Deferred revenue payable from restricted assets	-	-	-
Total current liabilities	7,946	1,621,131	1,629,078
Non current liabilities:			
Long-term portion of compensated absences	-	136,509	136,509
Long-term debt (net of unamortized discount)	-	15,822,756	15,822,756
Total non current liabilities	-	15,959,265	15,959,265
Total liabilities	7,946	17,580,396	17,588,342
Net position			
Invested in capital assets, net of debt	1,473,041	8,671,483	10,144,523
Restricted for debt service	-	272,095	272,095
Restricted for emergencies	-	600,000	600,000
Restricted for post employment benefits	-	33,287	33,287
Restricted for long term assets	2,955,512	-	2,955,512
Restricted for capital projects	-	1,251,025	1,251,025
Unrestricted	2,507,045	10,283,626	12,790,670
Total net position	6,935,598	21,111,516	28,047,113
Total liabilities and net position	$ 6,943,544	$ 38,691,912	$ 45,635,455

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

City of Bethany, Oklahoma

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund Type
For the Year Ended June 30, 2015

	Enterprise Funds		
	Bethany Hospital Trust	Bethany Public Works Authority	Totals
Operating revenues:			
Water	$ -	$ 3,165,517	$ 3,165,517
Sewer	-	2,254,890	2,254,890
Sanitation	-	2,229,867	2,229,867
Lease finance income	200,354	-	200,354
Other operating revenues	-	-	-
Total operating revenues	200,354	7,650,274	7,850,628
Operating expenses:			
Water Department	-	2,991,554	2,991,554
Sewer Department	-	1,811,191	1,811,191
Sanitation Department	-	1,470,034	1,470,034
Hospital expenses	284,043	-	284,043
Depreciation and amortization expense	-	-	-
Total operating expenses	284,043	6,272,778	6,556,822
Operating income (loss)	(83,689)	1,377,495	1,293,806
Nonoperating revenue (expense)			
Interest expense	-	(623,917)	(623,917)
Interest and investments earnings	19,126	76,296	95,422
Capital contributions from private sources	-	-	-
Other nonoperating revenue (expense)	-	-	-
Total nonoperating revenue (expense)	19,126	(547,621)	(528,495)
Income before operating transfers	(64,563)	829,875	765,311
Operating transfers to (from):			
Transfer (to) from other funds	-	(787,776)	(787,776)
Total operating transfers	-	(787,776)	(787,776)
Net income (loss)	(64,563)	42,099	(22,466)
Net position, beginning of year	7,000,161	21,069,418	28,069,579
Net position, end of year	$ 6,935,598	$ 21,111,516	$ 28,047,114

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, 2015

	Enterprise Funds		
	Bethany Hospital Trust	Bethany Public Works Authority	Totals
Cash flows from operating activities:			
Cash received from customers	$ 186,104	$ 7,593,567	$ 7,779,671
Cash payments to suppliers for materials and services	(51,971)	(2,986,195)	(3,038,166)
Cash payments to employees	-	(2,183,911)	(2,183,911)
Cash (paid) received for Meter Deposits	-	38,315	38,315
Other payments	-	-	-
Net cash provided (used) by operating activities	134,133	2,461,777	2,595,910
Cash flows from noncapital financing activities:			
Due from other Funds	-	(180,710)	(180,710)
Transfers to other funds	-	(787,776)	(787,776)
Net cash provided (used) in non capital financing activities	-	(968,486)	(968,486)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	(299,307)	(299,307)
Gain (loss) on disposal of fixed assets	-	(43,518)	(43,518)
Proceeds of Capital Debt	-	(400,000)	(400,000)
Principal payment on capital debt	-	(557,670)	(557,670)
Interest payment on capital debt	-	(608,786)	(608,786)
Net cash provided (used) in capital and related financing activities	-	(1,909,280)	(1,909,280)
Cash flows from investing activities:			
Proceeds from maturities & sales of investments	(19,860)	1,488,238	1,468,379
Investment and Interest Income	19,126	76,296	95,422
Net cash provided (used) in investing activities	(734)	1,564,535	1,563,801
Net increase (decrease) in cash	133,399	1,148,545	1,281,944
Cash and cash equivalents , beginning of year	2,029,496	9,697,234	11,726,730
Cash and cash equivalents , end of year	$ 2,162,895	$ 10,845,778	$ 13,008,674
Reconciliation of Cash and Cash Equivalents			
Cash and Cash Equivalents - Unrestricted	$ 2,162,895	$ 6,360,730	$ 8,523,625
Cash and Cash Equivalents - Restricted	-	4,467,963	4,467,963
Total Cash and Cash Equivalents	$ 2,162,895	$ 10,845,778	$ 13,008,674

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, 2015

	Enterprise Funds		
	Bethany Hospital Trust	Bethany Public Works Authority	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Income from operations	$ (167,142)	$ 1,377,495	$ 1,210,353
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	224,126	919,090	1,143,216
(Increase) decrease in interest receivable	4,020	-	4,020
Change In Prepaid Assets	-	(5,000)	(5,000)
(Increase) decrease in accounts receivable	(18,270)	(56,707)	(74,977)
Increase (decrease) in accounts payable	7,946	216,939	224,885
Increase (decrease) in Annuity	83,453	-	83,453
Increase (decrease) in accrued salaries, taxes & benefits	-	279	279
(Increase) decrease in Meter Deposits	-	38,315	38,315
Increase (decrease) in compensated abscences	-	(28,635)	(28,635)
Net adjustment	301,275	1,084,281	1,385,556
Net cash provided (used) by operating activities	$ 134,133	$ 2,461,777	$ 2,595,909

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, 2015

Assets		
Cash and cash equivalents	$	94,836
Investments and receivables		-
Total assets	$	94,836
Liabilities		
Due to depositors	$	85,606
Due to state		-
Due to other funds		9,230
Total liabilities	$	94,836

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, 2015

Cash and investments, beginning	$	110,811
Additions		555,782
Deductions		571,781
Cash and investments, ending	$	94,812
Liabilities, beginning	$	110,811
Additions		555,782
Deductions		571,781
Liabilities, ending	$	94,812

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

Notes to the Financial Statements

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 1.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, 2015.

NOTE 1.B – FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION

NOTE 1.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.

NOTE 1.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.

NOTE 1.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.

NOTE 1.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.

NOTE 1.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. 68, *Accounting and Financial Reporting For Pensions – An Amendment of GASSB Statement No. 27.* GASB 68 is intended to improve financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

- GASB Statement No. 72, "Fair Value Measurement and Application"—This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement will become effective for the City in the fiscal year ended June 30, 2016.

- GASB Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68"— This objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement will become effective for the City in the fiscal year ended June 30, 2016.

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

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

- GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments" — The objective of this Statement is to identify the hierarchy

of generally accepted accounting principles and supersedes GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This Statement will become effective for the City in the fiscal year ended June 30, 2016.

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

NOTE 1.C - ASSETS, LIABILITIES AND NET ASSETS

NOTE 1.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.

NOTE 1.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.

NOTE 1.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.

NOTE 1.C.4 - PENSIONS

OKLAHOMA MUNICIPAL RETIREMENT FUND: Most non uniformed employees of the City of Bethany are provided with pension through the Oklahoma Municipal Retirement Fund (OMRF). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the OMRF and additions to/deductions from OMRF's fiduciary net position have been determined on the same basis as they are reported by OMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT FUND: Most uniformed firefighter employees of the City of Bethany are provided with pension through the Oklahoma Firefighters Pension and Retirement Fund (OFPRP). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the OFPRP and additions to/deductions from OFPRP's fiduciary net position have been determined on the same basis as they are reported by OFPRP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM: Most uniformed police officer employees of the City of Bethany are provided with pension through the

Oklahoma Police Pension and Retirement System (OPPRS). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the OPPRS and additions to/deductions from OPPRS's fiduciary net position have been determined on the same basis as they are reported by OPPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1.C.5 - 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.

NOTE 1.C.5 – FUND EQUITY

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

Government-Wide and Proprietary Fund Financial Statements:

Net assets are displayed in three components:

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

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

c. *Unrestricted net assets* - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt." It is the City's policy to first use unrestricted net assets prior to the use of restricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net asset are available. The following table shows the net assets restricted for other purposes shown on the Statement of Net Position:

Fund	Restricted By	Amount
Public Works Authority	External contracts	$ -
Public Works Authority	Debt service	376,903
Public Works Authority	Post employment benefits	33,287
	Sub-total Public Works	410,190
Bethany Hospital Trust	Long term asset	2,955,512
Parks & Recreation	Enabling legislation	47,972
Cemetary Fund	" "	201,143
General Fund	" "	97,411
Public Safety	" "	331,751
Emergencies	" "	1,200,000
Juvenile Court	" "	189,751
Bethany Development	" "	141,650
Utility Assistance	" "	33
Capital Improvement Fund	" "	2,014,987
	Sub-total Enabling Legislation	4,224,698
	Total	$ 7,590,400

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 non-spendable, 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	
	General Fund	Public Safety Fund	Juvenile Fund	Cemetery Fund	Non-Major Funds	Governmental Funds	Total
Fund Balance:							
Restricted For:							
Police & Fire	-	341,101	-	-	-	-	341,101
Parks/Streets CIP	-	-	-	-	47,972	-	47,972
Debt Service	-	-	-	-	104,809	-	104,809
Prepaid Inspections	-	-	-	-	-	-	-
Municipal Court	-	-	-	-	-	-	-
CLEET & OSBI, E911	-	-	-	-	-	-	-
Performance Bonds	-	-	-	-	-	-	-
Juvenile Programs	-	-	189,751	-	-	-	189,751
Cemetery Expenses	-	-	-	247,262	-	-	247,262
Bethany Development	-	-	-	-	178,104	-	178,104
Utility Assistance	-	-	-	-	-	33	33
OPEB Costs	97,411	-	-	-	-	-	97,411
Sub-total Restricted	97,411	341,101	189,751	247,262	330,885	33	1,206,443
Assigned In:							
Capital Improvements	-	-	-	-	-	2,014,987	2,014,987
Culture & Rec Programs	-	-	-	-	-	-	-
Gen Gvm't-Encumbrances	10,414	-	-	-	-	-	10,414
Public Safety-Encumb's	-	-	-	-	-	-	-
Public Works-Encumb's	-	-	-	-	-	-	-
All Other Encumbrances	-	-	-	-	-	-	-
Other	600,000	-	-	-	-	-	600,000
	-	-	-	-	-	-	-
Sub-total Assigned	610,414	-	-	-	-	2,014,987	2,625,401
Unassigned:	2,827,256	-	-	-	-	-	2,827,256
TOTAL FUND BALANCE	$ 3,535,081	$ 341,101	$ 189,751	$ 247,262	$ 330,885	$ 2,015,019	$ 6,659,100

NOTE 1.C.6 - MANAGEMENT'S SUBSEQUENT REVIEW

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

NOTE 1.D - REVENUES, EXPENDITURES, AND EXPENSES

NOTE 1.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, 2015 was $1,858,997. The discount rate used is 6%.

NOTE 1.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.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

NOTE 2.A - DEFICIT FUND NET ASSETS

For the fiscal year ending June 30, 2015, there were no funds with deficit fund net assets.

NOTE 3 - DETAILED NOTES ON FUNDS AND COMPONENT UNITS

NOTE 3.A - ASSETS

NOTE 3.A.1 - DEPOSITS AND INVESTMENTS

Custodial Credit Risk
At June 30, 2015, the City held deposits of $ 22,020,847 at various financial institutions. These institutions are required by state law to pledge securities in addition to Federal Deposit Insurance Corporation (FDIC) insurance at least equal to the amount on deposit at all times. As of June 30, 2015 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, 2015, investments held are as follows:

Type	Weighted Avg. Maturity (yrs)	Credit Rating	Market Value	Cost
Certificates of Deposit	.67	N/A	$3,185,461	$ 3,164,139
Money Market	N/A	AAAm	1,381,666	1,381,666
TOTAL			$4,567,127	$ 4,545,805

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, 2015 is as follows: 69.61% invested in Certificates of Deposit ($3,164,139), 30.39% invested in Money Market ($1,381,666).

NOTE 3.A.2 - RECEIVABLES, UNCOLLECTIBLE ACCOUNTS AND DEFERRED REVENUE

All outstanding balances between funds are referred to as "due to/from other funds." The City uses the allowance method for expensing potentially uncollectible accounts receivable.

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

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

NOTE 3.A.3 - RESTRICTED ASSETS

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

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

NOTE 3.A.4 - CAPITAL ASSETS

Capital asset activity of *Governmental Activities* for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 1,692,059	$ -	$ -	$ 1,692,059
Contruction in process	-	271,251	-	271,251
Total capital assets not being depreciated	$ 1,692,059	$ 271,251	$ -	$ 1,963,310
Capital assets being depreciated:				
Buildings	$ 2,174,317	$ -	$ -	$ 2,174,317
Improvements other than buildings	574,721	-	-	574,721
Machinery and equipment	5,480,894	-	-	5,480,894
Infrastructure	13,433,043	-	-	13,433,043
Total capital assets being depreciated	$ 21,662,974	$ -	$ -	$ 21,662,974
Less accumulated depreciation for:				
Buildings	$ 1,494,028	$ 76,345	$ -	$ 1,570,373
Improvements other than buildings	528,804	11,927	-	540,732
Machinery and equipment	4,594,692	262,719	-	4,857,411
Infrastructure	10,577,659	283,931	-	10,861,589
Total accumulated depreciation	$ 17,195,184	$ 634,921	$ -	$ 17,830,105
Total net capital assets being depreciated	$ 4,467,791	$ (634,921)	$ -	$ 3,832,870
Governmental activities net capital assets	$ 6,159,850	$ (363,670)	$ -	$ 5,796,179

Depreciation expense was charged to governmental activities as follows:	
General government	$ 134,034
Public Safety	405,397
Highways and streets	55,223
Culture and recreation	40,266
Total depreciation expense - business-type activities	$ 634,921

Capital asset activity of *Business-type Activities* for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets not being depreciated:				
Land	$ 484,404	$ -	$ -	$ 484,404
Contruction in process	1,831,758	2,100,746	3,623,740	308,764
Total capital assets not being depreciated	$ 2,316,161	$ 2,100,746	$ 3,623,740	$ 793,167
Capital assets being depreciated:				
Buildings	$ 9,405,780	$ -	$ -	$ 9,405,780
Improvements other than buildings	116,221	-	-	116,221
Machinery and equipment	1,968,054	82,345	74,798	1,975,601
Infrastructure	33,469,595	1,814,754	-	35,284,349
Total capital assets being depreciated	$ 44,959,650	$ 1,897,099	$ 74,798	$ 46,781,951
Less accumulated depreciation for:				
Buildings	$ 5,246,517	$ 287,973	$ -	$ 5,534,489
Improvements other than buildings	30,690	4,860	-	35,550
Machinery and equipment	1,556,015	116,510	43,518	1,629,008
Infrastructure	13,061,660	765,153	-	13,826,813
Total accumulated depreciation	$ 19,894,882	$ 1,174,496	$ 43,518	$ 21,025,860
Total net capital assets being depreciated	$ 25,064,768	$ 722,603	$ 31,280	$ 25,756,091
Business-type activities net capital assets	$ 27,380,930	$ 2,823,349	$ 3,655,020	$ 26,549,258

Depreciation expense was charged to business-type activities as follows:	
Water	$ 425,944
Sewer	339,209
Administration, Finance, & Other	185,217
Hospital	224,126
Total depreciation expense - business-type activities	$ 1,174,496

NOTE 3.B - LIABILITIES

NOTE 3.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, 2015, are $50,032 and were reported in the Bethany Public Works Authority.

NOTE 3.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, 2015 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:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015	Amount Due in 2016
Business-type Activities					
2012 Refunding BPWA 2003 Revenue Bonds	$ 3,270,000	-	335,000	$ 2,935,000	$ 335,000
Sales Tax & Utility System Revenue, Series 2013	9,415,000	-	400,000	9,015,000.00	$ 400,000
BPWA OWRB Water Loan	-	-	-	-	-
BPWA OWRB Sewer Loan	4,095,426	-	202,368	3,893,058	202,368
Compensated Absences	165,143	518,225	-	683,368	683,368
Total Business-type Activities	16,945,570	518,225	937,368	16,526,427	1,620,737
Governmental Activities					
Compensated Absences	645,122	-	508,613	136,509	136,509
Total All Activities	$ 17,590,691	$ 518,225	$ 1,445,981	$ 16,662,935	$ 1,757,245

DEBT SERVICE TO MATURITY:

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

Fiscal Year Ending	Business-Type Activities					
	2012 Revenue Bonds		2013 Refunded Bonds		2008DWSFR	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2016	340,000	103,263	410,000	254,898	228,957	106,530
2017	345,000	102,525	425,000	243,029	236,098	99,387
2018	350,000	98,125	435,000	230,802	243,137	92,293
2019	360,000	89,850	445,000	218,361	250,400	84,977
2020	370,000	77,450	460,000	205,491	257,644	77,640
2021-2025	1,170,000	112,860	3,765,000	777,062	1,410,221	265,596
2026-2030	-	-	3,075,000	163,306	1,246,300	45,543
Totals	$ 2,935,000	$ 584,073	$ 9,015,000	$ 2,092,948	$ 3,872,756	$ 771,965

NOTE 3.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.

NOTE 3.C - BALANCES AND TRANSFERS/PAYMENTS WITHIN THE REPORTING ENTITY
NOTE 3.C.1 - RECEIVABLES AND PAYABLES

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

NOTE 3.C.2 - TRANSFERS AND PAYMENTS

The composition of inter-fund transfers for the fiscal year ending June 30, 2015, were as follows:

	Transfer in	TRANSFER TO:						
Transfer From:	General Fund TRF In	General Fund TRF Out	BPWA (SALES TAX)	Capital Improvement	BDA	Public Safety	E-911	JUVENILE FUND
General Fund	$ -	$ (5,301,848)	$ 5,301,848	$ -	$ -	$ -	$ -	$ -
Public Safety Fund	22,745	-	-	-	-	(22,745)	-	-
Juvenile Justice Fund	10,000	-	-	-	-	-	-	(10,000)
Bethany Hospital Trust	-	-	-	-	-	-	-	-
Bethany Public Works Authority (Sales Tax)	3,652,274	-	(3,652,274)	-	-	-	-	-
Bethany Public Works Authority (Surplus)	1,800,000	-	(1,800,000)	-	-	-	-	-
Capital Improvement Fund(Capital Assets for entity-wide stm	-	-	-	-	-	-	-	-
Bethany Development Authority	-	(150,000)	-	-	150,000	-	-	-
CIP Sales Tax Allocation	-	-	(637,380)	637,380	-	-	-	-
E-911 Fund	4,859	-	-	-	-	-	(4,859)	-
Local Law Enforcement Fund	-	-	-	-	-	-	-	-
	$ 5,489,878	$ (5,451,848)	$ (787,806)	$ 637,380	$ 150,000	$ (22,745)	$ (4,859)	$ (10,000)

All inter-fund transfers were routine in amounts and nature.
The transfers to the Bethany Development Authority were for economic development purposes.

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

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

NOTE 4 - 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, 2015, the City remitted $1,161,510 to the BWA-PWA.

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

NOTE 5 - 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.

NOTE 6 - CONTINGENCIES

NOTE 6.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.

NOTE 6.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.

NOTE 7 - SUBSEQUENT EVENTS

In the Fall of 2015, Deaconess Hospital ceased operations of the hospital and remanded the facility and all improvements back to the City of Bethany. The facility is currently being reconditioned to meet the needs of a hospital group which plans to open the hospital in the Winter of 2016.

There were no other materially significant events to be reported.

NOTE 8 - 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, 2015.

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

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

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

The City re-leased the hospital and grounds to UHS Oklahoma City LLC (dba Oklahoma Behavioral Health System) on July 17th, 2014, to take effect after Deaconess Hospital ceased operations. Upon assumption of the property, the City and Oklahoma Behavioral Health System commenced extensive renovations and improvements to the facilities.

NOTE 9 - RETIREMENT PLANS

As of June 30, 2015 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 contributes to the OkMRF for all eligible employees except for those covered by the Police and Firefighter Pension Systems. The plan is an agent multiple employer - defined benefit plan administered by OkMRF. The OkMRF plan issues a separate financial report and can be obtained from OkMRF or from their website: www.okmrf.org/reports.html. Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by OkMRF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value based on published market prices. Detailed information about the OkMRF plans' fiduciary net position is available in the separately issued OkMRF financial report.

Eligibility Factors and Benefit Provisions

Provision	OkMRF – As of 7/01/14
a. Eligible to participate	Full-time employees except, police, firefighters and other employees who are covered under an approved system.
b. Period Required to Vest	10 years of credited service
c. Eligibility for Distribution	Normal retirement at age 65 with 10 years of service
	Early retirement at age 55 with 80 points and 10 years' service
	Disability retirement upon disability with 10 years' service
	Death benefit with 10 years of service for married employees
d. Benefit Determination Base	Final average salary – the average of the five highest consecutive annual salaries out of the last 10 calendar years of service

e. Benefit Determination Methods:

Normal Retirement	3% of final average salary multiplied by credited years of service
Early Retirement	Actuarially reduced benefit based upon age, final average salary, and years of service at termination
Disability Retirement	Same as normal retirement
Death Benefit	50% of employees accrued benefit, but terminates upon spouse re-marriage
Prior to 10 Years Service	No benefits

f. Benefit Authorization	Benefits are established and amended by City Council adoption of an ordinance in accordance with O.S. Title, 11, Sec. 48-101-102
g. Form of Benefit Payments	Normal form is a 60 months certain and life thereafter basis. Employee may elect, with City consent, option form based on actuarial equivalent.

Employees Covered by Benefit Terms	
Active Employees	81
Deferred Vested Former Employees	6
Retirees or Retiree Beneficiaries	38
Total	125

Contribution Requirements

The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 10.64% of covered payroll as of 7-1-14. For the year ended June 30, 2015, the City recognized $224,726 of employer contributions to the plan which equals the actuarially determined amount based on covered payroll of $2,112,080. Employees cannot contribute to the plan in accordance with the plan provisions adopted by the City Council.

Actuarial Assumptions

Date of Last Actuarial Valuation	July 1, 2014
a. Actuarial cost method	Entry age normal
b. Rate of Return on Investments and Discount Rate	7.75%
c. Projected Salary Increase	Varies between 4% and 7.42% based on age
d. Post Retirement cost of living increase	None

e.	Inflation Rate	3%
f.	Mortality Table	UP 1994, with projected mortality improvement
g.	Percent of married employees	100%
h.	Spouse age difference	3 years (female spouses younger)
i.	Turnover	Select and ultimate rates Ultimate rates are age-related as shown Additional Rates per thousand are added during the first 5 years: Year 1: 215 Year 2: 140 Year 3: 95 Year 4: 65 Year 5: 40
j.	Date of last experience study	September 2012 for fiscal years 2007 thru 2011

Discount Rate – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.75% since the plan's net fiduciary position is projected to be sufficient to make projected benefit payments.

The City has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, the sufficiency of pension plan assets was made without a separate projection of cash flows.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3.0%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2014 are summarized in the following table:

	Target Allocation	Real Return	Weighted Return
Large Cap Stocks			
S&P 500	25%	5.40%	1.35%
Small/mid cap stocks			
Russell 2500	10%	7.50%	0.75%
Long/short equity			
MSCI ACWI	10%	6.10%	0.61%
International Stocks			
MSCI EAFE	20%	5.10%	1.02%
Fixed Income Bonds			
Barclay's Capital Aggregate	30%	2.60%	0.78%
Real Estate			
NCREIF	5%	4.80%	0.24%
Cash Equivalents			
3 month Treasury	0%	0.00%	0.00%
Total	100%		
Average Real Return			4.75%
Inflation			3.00%
Long-term expected return			7.75%

Changes in Net Pension Liability – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2014 which is also the measurement date. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of July 1, 2014 and the City's report ending date of June 30, 2015, that would have had a significant impact on the net pension liability. The following table reports the components of changes in net pension liability:

Schedule of Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances Beginning of Year	$ 22,472,174	$ 20,616,812	$ 1,855,361
Changes for the Year:			
Service Cost	350,458	-	350,458
Interest Expense	1,732,533	-	1,732,533
Benefit Changes	-	-	-
Experience losses (gains)	-	-	-
Changes in Assumptions	-	-	-
Contributions - City	-	537,682	(537,682)
Contributions - Members	-	150,355	(150,355)
Net Investment Income	-	3,380,397	(3,380,397)
Expected return on plan investments	-	-	-
Expensed portion of current-period differences between actual and expected returns on plan investments	-	-	-
Non expensed portion of earnings on plan investments above expectation	-	-	-
Refunds of Contributions	-	-	-
Benefits Paid	(952,501)	(952,501)	-
Plan Administrative Expenses	-	(49,979)	49,979
Net Changes	1,130,490	3,065,954	(1,935,464)
Balances End of Year	$ 23,602,664	$ 23,682,766	$ (80,103)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Total Pension Liability	26,226,522	23,602,663	21,407,172
Plan Net Fiduciary Position	23,682,767	23,682,767	23,682,767
Net Pension Liability	$ 2,543,755	$ (80,104)	$ (2,275,595)

The City reported $538,839 in pension expense for the year ended June 30, 2015. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual	$ -	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,536,200
City contributions subsequent to the measurement date	583,839	-
Total	$ 583,839	$ 1,536,200

The $583,839 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For Year Ended June 30:	
2016	$ (384,050)
2017	(384,050)
2018	(384,050)
2019	(384,050)
	$ (1,536,200)

The OkMRF 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.

OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

Plan description - The City of Bethany, as the employer, participates in the Oklahoma Police Pension and Retirement Plan—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Police Pension and Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and

amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at www.ok.gov/OPPRS

Benefits provided - OPPRS provides retirement, disability, and death benefits to members of the plan.
The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.

Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit.

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were $200,253. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of $190,601 this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of $169,803.

Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions At June 30, 2015, the City reported an asset of $182,482 for its proportionate share of the net pension asset. The net pension asset was measured as of June

30, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2014. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2014. Based upon this information, the City's proportion was .00542 percent.

For the year ended June 30, 2015, the City recognized pension expense of $388,760. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual	$ -	$ 81,979
Net difference between projected and actual earnings on pension plan investments	-	641,361
City contributions subsequent to the measurement date	200,253	-
Total	$ 200,253	$ 723,340

The $200,253 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For Year Ended June 30:	
2016	$ (168,064)
2017	(168,064)
2018	(168,064)
2019	(168,064)
2020	(51,084)
	$ (723,340)

Actuarial Assumptions-*The* total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3%
Salary increases:	4.5% to 17% average, including inflation
Investment rate of return:	7 .5% net of pension plan investment expense

Mortality rates: Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.

Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.

Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years with fully generational improvement using Scale AA.

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	2.83%
Domestic equity	6.47%
International equity	6.98%
Real estate	5.50%
Private Equity	5.96%
Commodities	3.08%

The current allocation policy is that approximately 60% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 25% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

Discount Rate-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current

plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease 6.50%	Current Discount Rate 7.5%	1% Increase 8.50%
Employers' net pension liability	$ 1,085,682	$ (182,472)	$ (1,251,245)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OPPRS; which can be located at www.ok.gov/OPPRS .

Payables to the pension plan - The City did not have any payables to OPPRS at June 30, 2015.

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

Plan description - The City of Bethany, as the employer, participates in the Oklahoma Firefighters Pension & Retirement Plan—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Firefighters Pension & Retirement System (OFPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the OFPRS. OFPRS issues a publicly available financial report that can be obtained at www.ok.gov/fprs

Benefits provided - OFPRS provides retirement, disability, and death benefits to members of the plan.

Benefits for members hired prior to November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have complete 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is $150.60 per month. Benefits vest with 10 years or more of service

Benefits for members hired after November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached

the age of 50 or have complete 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is $165.66 per month. Benefits vest with 11 years or more of service

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in-the-line-of-duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not-in-the-line-of-duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not-in-line-of-duty disability is also limited to only those with less than 20 years of service and is $7.53 per year of service. For volunteer firefighters, the in-line-of-duty pension is $150.60 with less than 20 years of service, or $7.53 per year of service, with a maximum of 30 years.

A $5,000 lump sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The $5,000 death benefit does not apply to members electing the vested benefit.

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were $179,254. The State of Oklahoma also made on-behalf contributions to OFPRS in the amount of $389,136 this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of $389,136. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the City reported a liability of $5,030,923 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2014. Based upon this information, the City's proportion was .4892% percent.

For the year ended June 30, 2015, the City recognized pension expense of $568,390. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual	$ 119,869	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	761,544
City contributions subsequent to the measurement date	182,770	-
Total	$ 302,639	$ 761,544

The $302,639 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For Year Ended June 30:	
2016	$ (168,064)
2017	(168,064)
2018	(168,064)
2019	(168,064)
2010	22,322
Thereafter	8,259
	$ (641,675)

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2014, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation: 3%
Salary increases: 3.5% to 9.0% average, including inflation
Investment rate of return: 7.5% net of pension plan investment expense

Mortality rates were based on the RP2000 combined healthy with blue collar adjustment as appropriate, with adjustments for generational mortality improvement using scale AA for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2007, to June 30, 2012.

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

arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected
Fixed income	20%	5.48%
Domestic equity	37%	9.61%
International equity	20%	9.24%
Real estate	10%	7.76%
Other assets	13%	6.88%

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

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

	1% Decrease 6.50%	Current Discount Rate 7.5%	1% Increase 8.50%
Employers' net pension liability	$ 7,278,003	$ 5,573,645	$ 4,144,729

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OFPRS; which can be located at www.ok.gov/fprs .

Payables to the pension plan - The City did not have any payables to OFPRS at June 30, 2015.

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

Required Supplemental Information

THE CITY OF BETHANY

GULFSTREAM AEROSPACE

Build a better Bethany

1910

OKLAHOMA

SOUTHERN NAZARENE UNIVERSITY

IN GOD WE TRUST

City of Bethany, Oklahoma

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2015
Unaudited

	Budgeted Original	Amounts Final	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance With Final Budget Over (Under)
Revenues:						
Taxes	$ 5,730,835	$ 5,730,835	$ 5,831,421	$ -	$ 5,831,421	$ 100,586
Interest	20,000	20,000	18,887	-	18,887	(1,113)
Licenses and permits	91,000	91,000	113,980	-	113,980	22,980
Intergovernmental	263,000	263,000	268,911	-	268,911	5,911
Charges for services	455,000	455,000	447,012	-	447,012	(7,988)
Fines and court costs	1,325,000	1,325,000	1,191,557	-	1,191,557	(133,443)
Miscellaneous	141,000	141,000	319,704	-	319,704	178,704
Total revenues	8,025,835	8,025,835	8,191,473	-	8,191,473	165,638
Expenditures:						
General Government						
Management						
Personal services	500,580	500,580	443,869	-	443,869	(56,711)
Materials and supplies	40,750	40,750	40,862	(250)	40,862	112
Other charges and services	101,100	101,100	125,040	-	125,040	23,940
Finance						
Personal services	231,508	231,508	216,658	-	216,658	(14,850)
Materials and supplies	8,000	8,000	97,744	-	97,744	89,744
Other charges and services	87,000	87,000	35,808	-	35,808	(51,192)
Community Development						
Personal services	397,520	397,520	380,104	-	380,104	(17,416)
Materials and supplies	23,250	23,250	13,386	-	13,386	(9,864)
Other charges and services	10,500	10,500	28,988	-	28,988	18,488
Public safety						
Police						
Personal services	3,381,319	3,341,319	3,014,890	(400)	3,014,890	(326,429)
Materials and supplies	159,000	159,000	130,686	(350)	130,686	(28,314)
Other charges and services	309,000	349,000	320,479	(2,952)	320,479	(28,521)
Municipal court						
Personal services	344,592	347,592	322,516	-	322,516	(25,076)
Materials and supplies	9,600	9,600	8,854	-	8,854	(746)
Other charges and services	54,500	51,500	47,798	(500)	47,798	(3,702)
Fire						
Personal services	1,892,359	1,892,359	1,848,824	-	1,848,824	(43,535)
Materials and supplies	52,334	52,334	36,858	(377)	36,858	(15,476)
Other charges and services	293,880	293,880	260,266	(4,496)	260,266	(33,614)
Public services						
Administration						
Personal services	96,487	96,487	101,168	-	101,168	4,681
Materials and supplies	6,600	6,600	2,907	-	2,907	(3,693)
Other charges and services	71,500	71,500	48,598	-	48,598	(22,902)
Streets						
Personal services	369,514	369,514	353,289	-	353,289	(16,225)
Materials and supplies	97,550	97,550	58,143	(120)	58,143	(39,407)
Other charges and services	174,868	174,868	142,520	-	142,520	(32,348)
Vehicle maintenance						
Personal services	49,551	49,551	42,920	-	42,920	(6,631)
Materials and supplies	25,316	25,316	8,067	-	8,067	(17,249)
Other charges and services	12,013	12,013	3,879	-	3,879	(8,134)
Parks and recreation						
Personal services	619,454	619,454	470,692	-	470,692	(148,762)
Materials and supplies	88,100	88,100	48,895	-	48,895	(39,205)
Other charges and services	29,050	29,050	23,939	-	23,939	(5,111)
Capital outlay and contingency	2,881,354	2,881,354	161,684	(1,089)	161,684	(2,719,670)
Total expenditures	12,418,149	12,418,149	8,840,330	(10,534)	8,840,330	(3,577,819)
Excess (deficit) of revenues over expenditures	(4,392,314)	(4,392,314)	(648,857)	-	(648,857)	3,743,457
Other financing sources (uses):						
Transfers from other funds	5,623,896	5,623,896	5,339,848	-	5,339,848	(284,048)
Transfers to other funds	(4,725,000)	(4,725,000)	(5,301,848)	-	(5,301,848)	576,848
Total other financing sources (uses)	898,896	898,896	38,000	-	38,000	292,800
Net change in fund balances	(3,493,418)	(3,493,418)	(610,857)	-	(610,857)	2,882,561
Fund balance - beginning	4,110,212	4,110,212	4,110,212	-	4,110,212	-
Fund balance - ending	$ 616,794	$ 616,794	$ 3,499,355	$ -	$ 3,499,355	$ 2,882,561

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, 2005	11,428,870	13,638,631	2,209,491	83.8%	2,801,837	78.9%
January 1, 2006	12,291,319	14,501,195	2,209,877	84.8%	2,693,708	82.0%
January 1, 2007	13,164,074	14,857,254	1,693,180	88.6%	2,781,531	60.9%
January 1, 2008	14,069,632	15,742,429	1,672,797	89.4%	2,753,890	60.7%
January 1, 2009	14,130,683	16,931,352	2,800,669	83.5%	2,902,582	96.5%
January 1, 2010	14,407,637	17,820,118	3,412,481	80.9%	3,066,345	111.3%
January 1, 2011	15,080,923	18,801,619	3,720,695	80.2%	3,172,627	117.3%
January 1, 2012	16,051,432	19,170,390	3,118,959	83.7%	3,185,592	97.9%
January 1, 2013	17,104,595	19,997,145	2,892,550	85.5%	3,188,625	90.7%
January 1, 2014	18,520,013	21,004,214	2,484,201	88.2%	3,164,305	78.5%

Combining and Individual Fund Statements and Schedules

City of Bethany, Oklahoma

Combining Balance Sheet
Non-Major Governmental Funds
As of June 30, 2015

	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	$ 341,101	$ 963	$ 33	$ 199,751	$ 178,104	$ 104,809	$ 247,262	$ 47,972	$ 1,119,994
Investments	0	0	0	0	0	0	0	0	0
Accounts receivable	0	0	0	0	0	0	0	0	0
Total assets	$ 341,101	$ 963	$ 33	$ 199,751	$ 178,104	$ 104,809	$ 247,262	$ 47,972	$ 1,119,994
Liabilities and Fund Balances									
Accounts payable	$ 9,352	$ 0	$ 0	$ 0	$ 36,453	$ 0	$ 46,120	$ 0	$ 91,925
Due to other funds	0	0	0	0	0	0		0	0
Total liabilities	9,352	0	0	0	36,453	0	46,120	0	91,925
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	331,749	963	33	189,751	141,650		201,142	47,972	913,260
Total fund balance	331,749	963	33	189,751	141,650	104,809	201,142	47,972	1,018,069
Total liabilities and fund balance	$ 341,101	$ 963	$ 33	$ 189,751	$ 178,104	$ 104,809	$ 247,262	$ 47,972	$ 1,109,994

City of Bethany, Oklahoma

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

For the Year Ended June 30, 2015

	Public Safety Fund	E-911 Fund	Utility Assistance Fund	Juvenile Court Fund	Bethany Development Authority	Debt Service Fund	Cemetery Fund	Parks and Streets Capital Fund	Totals
Revenues:									
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telephone tax - E911	-	5,822	-	-	-	1	-	-	5,823
Interest income	-	-	-	-	-	-	-	3	3
Intergovernmental revenues	-	-	-	-	-	-	-	-	-
Charges for services	79,659	-	-	8,612	33,920	-	-	-	122,191
Donations and other income	136,967	-	215	-	-	-	-	-	137,182
Total revenues	216,625	5,822	215	8,612	33,920	1	-	3	265,198
Expenditures:									
Public safety	153,810	-	-	-	-	-	-	-	153,810
Public services	-	-	304	-	-	-	40,320	-	40,625
Economic development	-	-	-	-	137,089	-	-	-	137,089
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Total expenditures	153,810	-	304	-	137,089	-	40,320	-	331,523
Other financing sources:									
Transfers from other funds	-	-	-	-	150,000	-	-	-	150,000
Transfers (to) other funds	(22,745)	(4,859)	-	(10,000)	-	-	-	-	(37,604)
Proceeds from sales of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources	(22,745)	(4,859)	-	(10,000)	150,000	-	-	-	112,396
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	40,070	963	(89)	(1,388)	46,831	1	(40,320)	3	46,071
Fund balances - beginning	291,679	-	122	191,139	94,819	104,808	241,462	47,969	971,999
Fund balances - ending	$ 331,749	$ 963	$ 33	$ 189,751	$ 141,650	$ 104,809	$ 201,142	$ 47,972	$ 1,018,069

City of Bethany, Oklahoma
Combining Balance Sheet
All Agency Funds
as of June 30, 2015

	Prepaid Inspection Fund	Municipal Court Fund	Council on Law Enforcement Education and Training	Performance Bond Fund	Agency Fund Total
Assets					
Cash and cash equivalents	$ 23,493	$ 34,336	$ 9,143	$ 27,863	$ 94,836
Investments and receivables	0	0	0	0	0
Total assets	$ 23,493	$ 34,336	$ 9,143	$ 27,863	$ 94,836
Liabilities					
Due to depositors	$ 23,493	$ 34,249	$ 0	$ 27,863	$ 85,606
Due to state	0	0	0	0	0
Due to other funds	0	87	9,143	0	9,230
Total liabilities	$ 23,493	$ 34,336	$ 9,143	$ 27,863	$ 94,836

City of Bethany, Oklahoma
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

	Prepaid Inspection Fund	Municipal Court Fund	Council on Law Enforcement Education and Training	Performance Bond Fund	Agency Fund Total
Cash and investments, beginning	$ 21,399	$ 56,304	$ 12,245	$ 20,863	$ 110,811
Additions	13,091	425,451	110,240	7,000	555,782
Deductions	10,997	447,443	113,342	-	571,781
Cash and investments, ending	$ 23,493	$ 34,312	$ 9,143	$ 27,863	$ 94,812
Liabilities, beginning	$ 21,399	$ 56,304	$ 12,245	$ 20,863	$ 110,811
Additions	13,091	425,451	110,240	7,000	555,782
Deductions	10,997	447,443	113,342	-	571,781
Liabilities, ending	$ 23,493	$ 34,312	$ 9,143	$ 27,863	$ 94,812

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

Russell & Williams CPA's, PC

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

To the 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, 2015, and the related notes to the financial statements, which collectively comprise City of Bethany, Oklahoma's basic financial statements, and have issued our report thereon dated January 5, 2016.

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.

Russell & Williams CPAs PC

Oklahoma City, Oklahoma
January 5, 2016

THE CITY OF BETHANY

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Supplementary Information

City of Bethany, Oklahoma

Schedule of Expenditure of Federal Awards
Year Ended June 30, 2015

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-14-03-17-11	$ 6,095
Total U.S. Department of Transportation			$ 6,095
U.S. Department of Justice			
Bureau of Justice Assistance			
Equitable Sharing Grant	16.922	OK0550100	$ 71,633
Bulletproof Vest Partnership Program	16.607	2006BUBX06132373	4,709
Justice Assistance Grant - LLE Equipment	16.738	2013-DJ-BX-0033	-
Office of Juvenile Justice			
2M2L Youth Alcohol	16.727		-
Total U.S. Department of Justice			$ 76,342
U.S. Department of Homeland Security			
Federal Emergency Management Agency			
Fire District Recovery Grants			$ 1,117
U.S			
Equitable Sharing Grant			53,076
Total U.S. Department of Homeland Security			$ 54,193
Total expenditures of federal awards			$ 136,630

Notes to Schedule of Expenditures of Federal Awards
June 30, 2015

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.

THE CITY OF BETHANY

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Statistical Section

(Unaudited)

THE CITY OF BETHANY

Build a better Bethany

1910

OKLAHOMA

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City of Bethany, Oklahoma

Net Assets by Component
Last Ten Fiscal Years
Unaudited

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Invested in capital assets, net of related debt	$ 6,166,859	$ 6,159,850	$ 6,652,012	$ 7,308,895	$ 7,640,188	$ 7,298,738	$ 7,513,450	$ 7,774,938	$ 8,033,601	$ 8,516,030
Restricted										
Capital projects	2,014,987	1,495,152	1,092,830	697,773	657,901	810,288	670,294	790,878	857,779	846,744
Debt service	104,808	104,807	104,809	98,283	65,039	64,675	52,480	51,768	51,250	39,180
Emergencies	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Other purposes	1,064,171	928,544	802,691	641,946	610,239	461,368	555,100	411,076	362,535	315,232
Encumbrances	-	-	-	-	-	-	-	-	32,972	32,972
Unrestricted	2,045,369	2,815,178	2,889,260	3,351,481	3,351,642	3,517,561	3,900,164	3,810,321	2,517,204	1,611,663
Total governmental activities net assets	$ 11,996,194	$ 12,103,531	$ 12,141,602	$ 12,698,378	$ 12,925,009	$ 12,752,630	$ 13,291,489	$ 13,438,982	$ 12,455,341	$ 11,961,871
Business-type activities										
Invested in capital assests, net of related debt	$ 10,890,370	$ 10,715,822	$ 12,230,059	$ 12,923,941	$ 13,251,204	$ 14,164,853	$ 11,635,991	$ 13,616,250	$ 12,168,594	$ 14,430,782
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	1,251,025	-
Debt service	272,095	272,095	272,095	272,095	272,095	1,398,104	272,095	272,095	272,095	360,917
Emergencies	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Other purposes	2,988,799	2,980,862	1,458,516	1,452,365	1,452,365	1,452,365	1,525,473	1,525,473	1,525,473	1,525,473
Unrestricted	12,250,954	12,283,101	12,384,101	10,092,876	9,208,849	6,355,117	8,658,879	4,614,993	5,536,483	3,185,376
Total business-type activities net assets	$ 28,253,243	$ 28,102,905	$ 28,195,796	$ 26,592,303	$ 26,035,538	$ 25,221,464	$ 23,943,463	$ 21,879,836	$ 21,353,670	$ 20,102,548
Primary government										
Invested in capital assets, net of related debt	$ 17,057,229	$ 16,875,672	$ 18,882,071	$ 20,232,836	$ 20,891,392	$ 21,463,591	$ 19,149,441	$ 21,391,188	$ 20,202,195	$ 22,946,862
Restricted										
Capital projects	3,266,012	2,746,177	2,343,855	1,948,798	1,908,926	2,061,313	1,921,319	2,041,903	2,108,804	846,744
Debt service	376,903	376,902	376,904	370,378	337,134	1,462,779	324,575	323,863	323,345	400,097
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	4,052,970	3,909,406	2,261,207	2,094,311	2,062,604	1,913,733	2,080,573	1,936,549	1,888,008	1,840,705
Unrestricted	14,296,323	15,098,279	15,273,361	13,444,357	12,560,491	9,872,678	12,559,043	8,425,314	8,053,687	4,797,039
Total primary government net assests	$ 40,249,438	$ 40,206,437	$ 40,337,399	$ 39,290,680	$ 38,960,547	$ 37,974,094	$ 37,234,951	$ 35,318,818	$ 33,776,039	$ 32,031,447

Source: Comprehensive Annual Financial Reports

Notes:
(1) Accrual basis of accounting.
(2) GASB 34 was implemented in Fiscal Year 2003.

City of Bethany, Oklahoma

Change in Net Assets
Last Ten Fiscal Years
Unaudited

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
EXPENSES										
Governmental activities:										
General government	$ 2,039,858	$ 1,716,985	$ 2,095,199	$ 1,903,476	$ 1,883,392	$ 1,575,441	$ 1,138,871	$ 1,123,699	$ 1,116,828	$ 1,694,795
Public safety	6,313,539	5,950,741	6,125,172	6,020,024	5,787,844	5,412,530	5,510,679	5,351,017	4,879,654	4,537,030
Highways and streets	791,767	1,061,048	777,614	746,091	753,478	1,222,491	1,161,410	1,163,101	1,046,775	866,403
Culture and recreation	588,248	882,552	662,830	681,535	660,209	738,887	682,324	605,426	556,356	519,048
Economic development	131,854	164,148	99,695	161,612	109,435	103,679	132,811	143,955	294,732	270,147
Debt service	-	-	-	-	2,584	17,153	21,099	-	-	-
Total governmental activities expenses	$ 9,865,266	$ 9,775,474	$ 9,760,510	$ 9,512,738	$ 9,196,942	$ 9,070,181	$ 8,647,196	$ 8,387,199	$ 7,894,345	$ 7,887,423
Business-type activities:										
Water	$ 3,315,932	$ 2,888,482	$ 3,360,932	$ 3,258,843	$ 2,909,244	$ 2,544,281	$ 2,582,341	$ 2,414,114	$ 1,861,612	$ 1,882,671
Sewer	1,718,087	2,132,681	1,522,332	1,543,889	1,534,240	1,696,747	1,686,015	1,703,811	1,616,416	1,650,283
Sanitation	1,683,975	1,211,902	1,523,653	1,439,991	1,480,939	1,592,444	1,368,338	1,401,294	1,231,694	1,208,106
Hospital	284,043	231,126	226,126	201,548	201,548	145,886	135,001	133,151	133,151	135,151
Total business-type activities expenses	$ 7,002,037	$ 6,464,191	$ 6,633,043	$ 6,444,271	$ 6,125,971	$ 5,979,358	$ 5,771,694	$ 5,652,370	$ 4,842,873	$ 4,876,211
Total primary government expenses	$ 16,867,303	$ 16,239,665	$ 16,393,553	$ 15,957,009	$ 15,322,913	$ 15,049,539	$ 14,418,890	$ 14,039,569	$ 12,737,218	$ 12,763,634
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	$ 150,947	$ 588,483	$ 163,800	$ 126,883	$ 313,564	$ 159,363	$ 122,073	$ 123,525	$ 134,190	$ 111,538
Public safety	1,557,607	1,519,736	1,375,748	1,752,438	1,805,809	1,482,465	1,543,494	1,360,993	1,044,736	824,739
Highways and streets	107,495	-	108,141	108,624	148,154	109,193	108,179	108,179	109,915	-
Culture and recreation	35,341	77,124	42,255	45,674	53,368	90,016	84,533	84,533	59,313	73,206
Economic development	33,920	25,569	18,805	27,621	31,685	22,680	36,545	20,449	70,777	133,046
Debt service	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	119,263	-	73,289	83,361	56,473	107,426	122,930	15,239	36,393	52,964
Capital grants and contributions	17,911	-	5,294	8,023	201,326	-	-	86,595	76,735	151,061
Total governmental activities revenues	$ 2,022,484	$ 2,210,912	$ 1,787,332	$ 2,152,624	$ 2,610,379	$ 1,971,143	$ 2,017,754	$ 1,799,513	$ 1,532,059	$ 1,346,554
Business-type activities:										
Charges for services:										
Water	$ 3,131,354	$ 3,221,293	$ 3,383,669	$ 3,178,895	$ 3,118,454	$ 2,970,993	$ 2,998,998	$ 2,911,774	$ 2,882,351	$ 2,979,584
Sewer	2,208,917	2,199,438	2,280,065	2,222,341	2,147,042	2,105,710	2,077,196	2,016,549	1,664,769	1,586,350
Sanitation	2,184,278	2,148,813	2,228,420	2,205,005	2,084,509	2,036,658	1,989,130	1,895,067	1,804,077	1,750,122
Hospital	83,453	121,271	174,980	319,493	205,332	224,495	207,814	210,148	210,506	209,312
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	52,829
Total business-type activities revenues	$ 7,608,002	$ 7,690,815	$ 8,067,134	$ 7,925,734	$ 7,555,337	$ 7,337,856	$ 7,273,137	$ 7,033,537	$ 6,561,703	$ 6,578,197
Total primary government revenues	$ 9,630,486	$ 9,901,727	$ 9,854,466	$ 10,078,358	$ 10,165,716	$ 9,308,999	$ 9,290,891	$ 8,833,050	$ 8,093,762	$ 7,924,751
NET(EXPENSE)/REVENUE										
Governmental activities:	(7,842,782)	(7,564,562)	(7,973,178)	(7,360,114)	(6,586,563)	(7,099,038)	(6,629,442)	(6,587,686)	(6,362,286)	(6,540,869)
Business-type activities:	605,965	1,226,624	1,434,091	1,481,463	1,429,366	1,358,498	1,501,443	1,381,167	1,718,830	1,701,986
Total primary government net expense	$ (7,236,817)	$ (6,337,938)	$ (6,539,087)	$ (5,878,651)	$ (5,157,197)	$ (5,740,540)	$ (5,127,999)	$ (5,206,519)	$ (4,643,456)	$ (4,838,883)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Sales and use taxes	$ 4,805,002	$ 4,561,665	$ 4,803,349	$ 4,543,380	$ 4,341,371	$ 4,299,598	$ 4,563,357	$ 4,563,357	$ 4,305,388	$ 4,343,051
Franchise taxes	896,637	921,577	821,579	847,990	803,511	820,084	759,307	759,307	784,146	767,197
Property tax	-	-	21,230	18,251	117	12,201	712	518	12,070	6,889
Occupancy tax	74,336	70,938	64,994	55,539	48,665	52,217	36,193	36,193	312	-
Emergency management taxes	5,822	6,513	6,315	7,075	8,873	12,550	14,121	13,784	13,338	11,085
Intergovernmental	283,751	203,720	286,001	220,110	232,388	267,272	272,835	272,835	271,931	286,149
Investment income	18,887	20,108	17,510	24,763	27,788	68,297	139,276	210,181	239,916	147,443
Miscellaneous	217,879	245,109	181,183	177,835	358,425	335,868	324,664	227,531	213,261	283,624
Transfers between funds	937,805	1,398,595	1,374,436	1,237,930	937,805	692,092	261,582	1,487,622	1,015,397	1,532,282
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total governmental activities	$ 7,240,119	$ 7,428,225	$ 7,576,597	$ 7,132,873	$ 6,758,943	$ 6,560,179	$ 6,372,046	$ 7,571,327	$ 6,855,759	$ 7,377,720
Business-type activities:										
Investment income	$ 214,595	$ 45,753	$ 166,462	$ 51,710	$ 71,433	$ 336,405	$ 340,709	$ 367,214	$ 364,079	$ 280,195
Miscellaneous	-	-	179,106	316,584	261,935	275,190	483,056	265,408	183,610	118,395
Transfers between funds	(937,805)	(1,398,595)	(1,374,436)	(1,237,930)	(937,805)	(692,092)	(261,581)	(1,487,622)	(1,015,397)	(1,532,282)
Total business-type activities	$ (723,210)	$ (1,352,842)	$ (1,028,868)	$ (869,636)	$ (604,437)	$ (80,497)	$ 562,184	$ (855,001)	$ (467,708)	$ (1,133,692)
Total primary government	$ 6,516,909	$ 6,075,383	$ 6,547,729	$ 6,263,237	$ 6,154,506	$ 6,479,682	$ 6,934,230	$ 6,716,326	$ 6,388,051	$ 6,244,028
CHANGE IN NET ASSETS										
Governmental activities	$ (602,663)	$ (136,336)	$ (396,580)	$ (227,241)	$ 172,380	$ (538,859)	$ (257,396)	$ 983,641	$ 493,473	$ 836,851
Business-type activities	32,785	(126,218)	388,238	611,827	824,929	1,278,001	2,063,627	526,166	1,251,122	568,294
Total primary government	$ (569,878)	$ (262,554)	$ (8,342)	$ 384,586	$ 997,309	$ 739,142	$ 1,806,231	$ 1,509,807	$ 1,744,595	$ 1,405,145

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FUNCTION/PROGRAMS										
Governmental activities:										
General government	$ 151,155	$ 480,641	$ 163,800	$ 127,003	$ 313,564	$ 159,363	$ 122,073	$ 123,525	$ 210,922	$ 208,482
Public safety	1,694,574	1,533,455	1,375,748	1,843,702	1,868,608	1,482,465	1,543,494	1,462,827	1,081,129	877,703
Highways and streets	107,495	107,827	108,141	108,624	343,154	109,193	108,179	108,179	109,915	54,117
Culture and recreation	35,341	90,524	42,255	45,674	53,368	90,016	84,533	84,533	59,313	73,206
Economic development	33,920	25,569	18,805	27,621	31,685	22,680	36,545	20,449	70,777	133,045
Debt service	-	-	-	-	-	-	-	-	-	-
Subtotal governmental activities	$ 2,022,485	$ 2,238,016	$ 1,708,749	$ 2,152,624	$ 2,610,379	$ 1,863,717	$ 1,894,824	$ 1,799,513	$ 1,532,056	$ 1,346,554
Business-type activities:										
Water	$ 3,131,354	$ 3,221,293	$ 3,383,669	$ 3,178,895	$ 3,118,454	$ 2,970,993	$ 2,998,998	$ 2,911,774	$ 2,882,351	$ 3,032,413
Sewer	2,208,917	2,199,438	2,280,065	2,222,341	2,147,042	2,105,710	2,077,196	2,016,549	1,664,769	1,586,350
Sanitation	2,184,278	2,148,813	2,228,420	2,205,005	2,084,509	2,036,658	1,989,130	1,895,067	1,804,077	1,750,122
Hospital	83,453	121,271	174,980	319,493	205,332	224,495	207,814	210,148	210,506	209,312
Subtotal business-type activities	7,608,002	7,690,815	8,067,134	7,925,734	7,555,337	7,337,856	7,273,138	7,033,537	6,561,703	6,578,197
Total primary government	$ 9,630,487	$ 9,928,831	$ 9,775,883	$ 10,078,358	$ 10,165,716	$ 9,201,573	$ 9,167,962	$ 8,833,050	$ 8,093,759	$ 7,924,751

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Reserved for:										
Encumbrances	$ -	$ -	$ 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	97,411	61,695	15,546	-	-	-	-	-	-	-
Undesignated	2,845,873	3,448,532	3,456,523	3,863,885	3,917,846	4,040,137	4,410,656	4,291,106	3,022,364	2,124,891
Total general fund	$ 3,543,284	$ 4,110,227	$ 4,105,041	$ 4,496,857	$ 4,550,818	$ 4,673,109	$ 5,043,628	$ 4,924,078	$ 3,655,336	$ 2,757,863
Other Governmental Funds										
Reserved for:										
Encumbrances	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bond Retirement	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Debt service	104,808	104,809	104,809	98,283	65,039	64,675	52,480	51,768	51,250	39,180
Capital projects	2,014,987	1,495,152	1,092,830	697,773	657,901	810,288	670,294	790,878	857,779	846,744
Special revenue	966,760	866,846	787,145	641,946	610,239	461,368	555,100	411,076	362,535	315,232
Total other governmental funds	$ 3,086,555	$ 2,466,807	$ 1,984,784	$ 1,438,002	$ 1,333,179	$ 1,336,331	$ 1,277,874	$ 1,253,722	$ 1,271,564	$ 1,201,156
Total governmental funds	$ 6,629,839	$ 6,577,034	$ 6,089,825	$ 5,934,859	$ 5,883,997	$ 6,009,440	$ 6,321,502	$ 6,177,800	$ 4,926,900	$ 3,959,019

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Taxes	$ 5,775,974	$ 5,805,802	$ 5,717,467	$ 5,472,234	$ 5,202,537	$ 5,196,650	$ 5,342,147	$ 5,373,158	$ 5,115,252	$ 5,128,222
Interest	18,887	20,109	18,502	29,267	34,077	68,297	139,276	210,181	239,916	147,443
Licenses and permits	113,980	98,304	131,468	99,033	97,101	118,531	91,356	82,433	98,290	71,750
Intergovernmental	283,751	304,486	343,438	295,073	599,754	374,698	431,895	374,669	461,788	339,113
Charges for services	447,012	641,568	578,634	647,768	643,285	463,556	424,678	429,489	443,100	234,599
Fines and court costs	1,191,557	1,133,798	1,010,627	1,319,785	1,379,962	1,239,562	1,335,185	1,143,052	847,966	800,881
Miscellaneous	217,879	262,843	186,717	185,978	474,800	466,990	359,479	282,323	242,836	318,924
Total revenues	$ 8,049,040	$ 8,266,910	$ 7,986,853	$ 8,049,138	$ 8,431,516	$ 7,928,284	$ 8,124,017	$ 7,895,305	$ 7,449,148	$ 7,040,932
Expenditures										
General government	$ 1,934,196	$ 1,927,579	$ 1,931,525	$ 1,779,307	$ 1,746,342	$ 1,185,667	$ 1,129,928	$ 1,074,230	$ 1,055,409	$ 1,646,624
Public safety	5,670,645	5,846,294	5,620,325	5,567,517	5,484,992	5,504,262	5,282,049	5,127,678	4,687,974	4,467,087
Public services	714,307	723,272	703,140	666,535	676,932	882,097	829,022	846,756	728,584	565,189
Culture and recreation	541,209	523,503	607,483	625,762	604,323	666,732	613,532	534,504	480,892	450,561
Economic development	131,854	158,744	99,695	161,612	109,434	103,679	132,811	143,955	294,732	270,147
Capital outlay	161,684	(1,092)	69,614	437,573	838,765	462,232	364,456	404,901	174,211	373,512
Debt service										
Principal	-	-	-	13,387	45,673	127,770	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	$ 9,153,895	$ 9,178,300	$ 9,031,782	$ 9,251,693	$ 9,506,461	$ 8,932,439	$ 8,351,800	$ 8,132,025	$ 7,421,802	$ 7,773,120
Excess (deficiency) of revenues over(under) expenditures	$ (1,104,855)	$ (911,390)	$ (1,044,929)	$ (1,202,555)	$ (1,074,945)	$ (1,004,155)	$ (227,783)	$ (236,720)	$ 27,346	$ (732,183)
Other financing sources										
Transfer from other funds	$ 5,489,878	$ 6,116,590	$ 6,009,407	$ 5,745,747	$ 5,089,346	$ 4,903,146	$ 5,000,260	$ 6,222,794	$ 5,814,575	$ 5,806,894
Transfer to other funds	(5,301,848)	(4,717,996)	(4,634,971)	(4,507,817)	(4,151,540)	(4,211,054)	(4,738,678)	(4,735,172)	(4,874,041)	(4,274,612)
Proceeds from sales of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources	$ 188,030	$ 1,398,594	$ 1,374,436	$ 1,237,930	$ 937,806	$ 692,092	$ 261,582	$ 1,487,622	$ 940,534	$ 1,532,282
Net change in fund balances	$ (916,824)	$ 487,204	$ 329,507	$ 35,375	$ (137,139)	$ (312,063)	$ 33,798	$ 1,250,902	$ 967,880	$ 800,094
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.2%	0.5%	1.5%	0.0%	0.0%	0.0%	0.0%

Source: Comprehensive Annual Financial Reports

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

THE CITY OF BETHANY

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Revenue Capacity Information

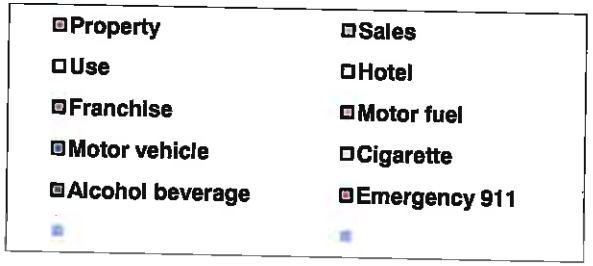
City of Bethany, Oklahoma

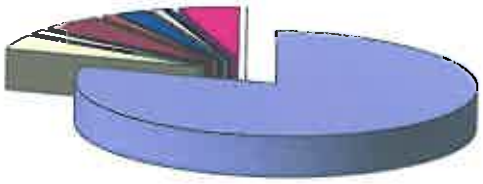
Tax Revenues by Source
Last Ten Fiscal Years
Unaudited

	Fiscal Year										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Property	$ -	$ -	$ -	$ -	$ 117	$ 12,195	$ 712	$ 518	$ 12,070	$ 6,889	$ 16,589
Sales	4,553,546	4,561,665	4,533,965	4,301,207	4,101,719	4,088,250	4,209,640	4,283,049	4,067,876	4,117,864	4,029,335
Use	251,456	290,895	251,307	242,172	239,652	211,348	239,184	280,308	237,511	225,186	219,466
Hotel	74,336	70,938	64,994	55,539	48,665	52,217	55,455	36,193	312	-	-
Franchise	298,528	786,888	821,579	847,990	803,511	820,084	823,035	709,992	734,802	767,197	682,466
Motor fuel	50,492	164,894	50,231	-	12,374	34,719	37,016	39,854	40,833	42,810	41,534
Motor vehicle	148,762	8,697	114,934	130,335	134,306	144,911	144,911	144,120	144,119	156,413	144,092
Cigarette	53,873	57,067	58,966	62,921	58,144	57,855	56,794	60,507	60,865	60,423	15,669
Alcohol beverage	30,625	30,129	23,926	26,854	27,563	29,787	29,693	28,354	26,115	26,503	24,048
Emergency 911	277,779	6,513	6,315	7,075	8,873	12,550	14,121	13,784	13,338	11,085	11,654
Total tax revenues	$ 5,739,395	$ 5,977,686	$ 5,926,216	$ 5,674,094	$ 5,434,925	$ 5,463,916	$ 5,610,562	$ 5,596,679	$ 5,337,839	$ 5,414,370	$ 5,184,854

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.

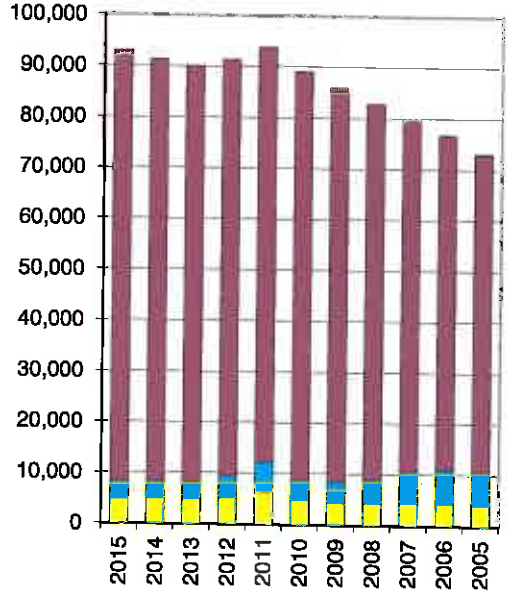




City of Bethany, Oklahoma

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

	Fiscal Year										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Taxable property											
Personal	4,813	4,860	4,849	5,080	6,215	4,829	4,365	4,379	4,339	4,344	4,087
Public service	3,478	3,492	3,347	4,352	6,063	3,924	4,143	4,594	6,114	6,742	6,374
Real estate	84,579	82,932	81,873	81,923	81,549	80,385	77,526	73,870	69,516	65,760	62,739
Total taxable property	92,870	91,284	90,069	91,355	93,827	89,138	86,035	82,843	79,970	76,846	73,200
Less tax-exempt property	4,044	4,135	4,229	4,332	4,458	4,417	4,410	4,436	4,492	4,327	4,403
Total taxable assessed value	88,826	87,149	85,840	87,023	89,369	84,721	81,625	78,407	75,478	72,519	68,798
Total direct tax rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Taxable property Real estate
Taxable property Public service
Taxable property Personal

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
City direct rates										
General obligation debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total city direct rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Overlapping rates										
Oklahoma County	23.72	23.58	23.87	24.06	24.27	24.79	23.18	22.29	22.81	22.90
Bethany School District	78.99	78.68	76.97	75.49	74.68	73.22	67.58	70.24	73.77	76.42
Putnam City School District	66.42	62.12	62.99	62.43	61.20	61.52	60.72	56.90	55.96	55.14
Canadian Valley Vo-Tech	16.73	16.56	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72
Francis Tuttle Vo-Tech	15.69	15.69	15.69	15.69	15.69	15.69	15.69	15.69	15.69	15.69

Source: Oklahoma County Assessor's Office

Notes:

(1) Property tax increases must be approved by the voters and City property tax millages expired in Fiscal Year 2004.

(2) Total tax rate for a location may be determined by adding the tax rate for the appropriate school district and vo-tech to the rate for the City of Bethany and Oklahoma County.

City of Bethany, Oklahoma

Principal Property Tax Payers
For The Years 2009 Through 2015
Unaudited

Taxpayer	2015 Rank	2015 Property tax Assessed Value	2015 Percent of Total City Assessed Value	2014 Rank	2014 Property tax Assessed Value	2014 Percent of Total City Assessed Value	2013 Rank	2013 Property tax Assessed Value	2013 Percent of Total City Assessed Value	2012 Rank	2012 Property tax Assessed Value	2012 Percent of Total City Assessed Value
Southwestern Bell	1	$ 1,403,633	1.58%	1	$ 1,539,528	1.77%	1	$ 1,407,526	1.64%	1	$ 1,783,420	2.05%
Oklahoma Gas & Electric	2	1,190,693	1.34%	2	1,068,174	1.23%	2	1,139,938	1.33%	2	1,042,415	1.20%
Southern Plaza	4	805,942	0.91%	3	796,309	0.91%	3	805,927	0.94%	3	802,316	0.92%
Overlake Apartments	3	926,639	1.04%	4	791,999	0.91%		-	-	8	406,999	0.47%
Bryan Hill Apartments	5	710,967	0.80%	5	677,112	0.78%	4	645,344	0.75%	5	615,089	0.71%
Oklahoma Natural Gas	6	641,774	0.72%	6	667,988	0.77%	6	552,425	0.64%	6	559,217	0.64%
Outzen Gary B Trs		-	-		-	-	9	319,079	0.37%	9	398,533	0.46%
Bethany Hospitality		-	-		-	-		-	-		-	-
Mid Property Holdings		-	-		-	-	7	387,521	0.45%		-	-
Southern Nazarene University	7	458,533	0.52%	9	362,922	0.42%		-	-		-	-
AMG Western Oaks LLC	8	364,649	0.41%		-	-		-	-		-	-
LPM Parts & Serv of Okla Inc	9	363,944	0.41%	7	646,607	0.74%	5	588,373	0.69%	7	535,433	0.62%
Valair Aviation	10	345,409	0.39%	10	320,213	0.37%		-	-		-	-
Forest Glade LTD Partnership		-	-	8	379,942	0.44%	8	372,487	0.43%	10	354,750	0.41%
7101 NW 39th Expressway LLC		-	-		-	-	10	316,507	0.37%		-	-
AT&T Mobility LLC		-	-		-	-		-	-	4	705,559	0.81%
Jet Service Company		-	-		-	-		-	-		-	-
Gulfstream Aerospace		-	-		-	-		-	-		-	-
Pine Creek Apartments		-	-		-	-		-	-		-	-
Albertson's Inc.		-	-		-	-		-	-		-	-
Heartland of Bethany		-	-		-	-		-	-		-	-
West Wells Holdings Inc.		-	-		-	-		-	-		-	-
		$ 7,212,183	8.12%		$ 7,250,794	8.32%		$ 6,535,127	7.61%		$ 7,203,731	8.28%
		$ 88,826,430			$ 87,148,689			$ 85,839,789			$ 87,023,282	

Source: Oklahoma County Assessor's Office

Notes:
(1) Ten years of data were not available, but will be accumulated and provided as it becomes available.

City of Bethany, Oklahoma

Principal Property Tax Payers
For The Years 2009 Through 2015
Unaudited

Taxpayer	2011 Rank	2011 Property tax Assessed Value	2011 Percent of Total City Assessed Value	2010 Rank	2010 Property tax Assessed Value	2010 Percent of Total City Assessed Value	2009 Rank	2009 Property tax Assessed Value	2009 Percent of Total City Assessed Value	(2002) Rank	(2002) Property tax Assessed Value	(2002) Percent of Total City Assessed Value
Southwestern Bell	1	$ 3,439,032	3.88%	1	$ 3,702,236	4.14%	1	$ 1,990,316	2.35%	1	$ 4,710,744	7.31%
Oklahoma Gas & Electric	2	985,633	1.11%	3	909,367	1.02%	2	927,226	1.09%	3	881,130	1.37%
Southern Plaza	3	801,404	0.91%	4	808,443	0.90%	3	798,204	0.94%		-	-
Overlake Apartments	7	406,999	0.46%	9	406,999	0.46%	4	646,330	0.76%	5	603,726	0.94%
Bryan Hill Apartments	5	615,089	0.69%	5	615,171	0.69%	5	615,254	0.73%		-	-
Oklahoma Natural Gas	6	513,893	0.58%	8	518,376	0.58%	6	501,790	0.59%	7	432,250	0.67%
Outzen Gary B Trs	9	379,556	0.43%	10	398,970	0.45%	7	473,549	0.56%		-	-
Bethany Hospitality		-	-		-	-	8	384,789	0.45%		-	-
Mid Property Holdings		-	-		-	-	9	370,377	0.44%		-	-
Southern Nazarene University	10	360,587	0.41%		-	-	10	362,520	0.43%	4	797,681	1.24%
AMG Western Oaks LLC		-	-		-	-		-	-		-	-
LPM Parts & Serv of Okla Inc	8	406,089	0.46%	7	573,975	0.64%		-	-		-	-
Valair Aviation		-	-		-	-		-	-		-	-
Forest Glade LTD Partnership		-	-		-	-		-	-		-	-
7101 NW 39th Expressway LLC		-	-		-	-		-	-		-	-
AT&T Mobility LLC	4	636,553	0.72%	6	612,453	0.69%		-	-		-	-
Jet Service Company		-	-	2	1,223,431	1.37%		-	-		-	-
Gulfstream Aerospace		-	-		-	-		-	-	2	1,157,102	1.80%
Pine Creek Apartments		-	-		-	-		-	-	6	441,100	0.68%
Albertson's Inc.		-	-		-	-		-	-	8	409,244	0.64%
Heartland of Bethany		-	-		-	-		-	-	9	403,742	0.63%
West Wells Holdings Inc.		-	-		-	-		-	-	10	318,501	0.49%
		-	-		-	-		-	-		-	-
		$ 8,544,835	9.65%		$ 9,769,421	10.93%		$ 7,070,355	8.35%		$ 10,155,220	15.76%
		$ 88,526,350			$ 89,369,812			$ 84,720,673			$ 64,430,885	

City of Bethany, Oklahoma

Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

	Fiscal Year										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
PROPERTY TAX											
Taxes levied	0	0	0	0	0	0	0	0	0	0	390,705
Current year collections											
Amount	0	0	0	0	0	0	0	0	0	0	377,889
Levy percentage	0	0	0	0	0	0	0	0	0	0	96.72
Subsequent year collections	0	0	0	0	117	12,195	712	518	12,070	6,889	9,853
Total collections to date											
Amount	0	0	0	0	117	12,195	712	518	12,070	6,889	387,742
Levy percentage	0	0	0	0	0	0	0	0	0	0	99.24

Source: City of Bethany

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

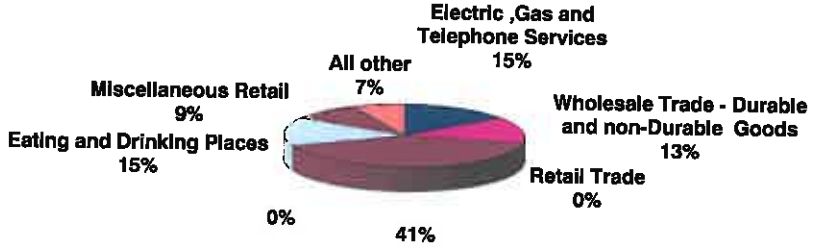
City of Bethany, Oklahoma

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

	Fiscal Year										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2004
CATEGORY											
Electric ,Gas and Telephone Services	$ 16,940	$ 18,481	$ 18,213	$ 29,256	$ 28,199	$ 29,935	$ 30,184	$ 28,626	$ 29,001	$ 28,981	$ 26,874
Wholesale Trade - Durable and non-Durable Goods	15,614	15,834	14,392	9,839	9,382	7,757	7,757	8,641	8,697	9,027	8,588
			-	5,933	5,933	5,021	4,956	4,757	5,197	5,382	5,016
Retail Trade	46,876	42,340	45,075	14,699	14,699	13,938	25,749	14,736	14,663	15,186	18,489
			-	7,842	7,842	6,224	6,271	4,485	4,393	4,644	4,557
Eating and Drinking Places	17,014	17,160	17,027	14,480	14,480	13,410	14,764	17,062	14,021	13,671	12,155
Miscellaneous Retail	10,731	9,086	5,980	14,079	14,079	10,023	8,769	7,727	6,773	8,459	6,969
All other	8,040	12,192	13,025	8,173	8,173	17,164	18,756	21,358	19,772	18,444	18,874
Total taxable sales	$ 115,215	$ 115,092	$ 113,712	$ 104,301	$ 102,787	$ 103,472	$ 117,207	$ 107,392	$ 102,516	$ 103,792	$ 101,522
City direct sales tax rate	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%

Source: Oklahoma Tax Commission

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



City of Bethany, Oklahoma

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years
Unaudited

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
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	3.300	2.300
Temporary general government	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
INDUSTRY										
Electric ,Gas and Telephone Services	$ 677,610	$ 739,232	$ 728,510	$ 1,170,232	$ 1,127,965	$ 1,197,391	$ 1,207,361	$ 1,145,052	$ 1,160,053	$ 1,159,223
Wholesale Trade	624,569	633,365	575,694	393,579	375,279	310,263	310,291	345,654	347,871	361,080
Retail Trade	1,875,029	1,693,610	1,802,982	1,236,323	237,330	231,975	198,228	190,265	207,862	215,262
Eating and Drinking Places	680,556	686,383	681,096	642,632	1,139,004	1,114,635	1,029,976	959,104	970,131	1,008,459
Miscellaneous Retail	429,247	363,424	239,189	519,972	313,697	318,735	250,831	179,382	175,734	185,773
All other	321,587	487,680	521,012	373,802	579,219	536,343	590,574	682,471	560,823	546,825
					563,170	625,778	350,758	309,069	270,901	338,361
					326,935	354,389	750,258	854,319	790,863	737,750
Total sales tax remitted	$4,608,598	$4,603,694	$4,548,483	$4,336,540	$4,662,601	$4,689,509	$4,688,279	$4,665,316	$4,484,239	$4,552,734
City direct sales tax rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	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 not net of fees and interest charged/paid by the Oklahoma Tax Commission to the City of Bethany, OK
(4) During Fiscal Year 2013, the OTC converted from SIC code to NAICS coding for sales tax collections.

City of Bethany, Oklahoma

Ratios of General Obligation Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year	Total General Obligation Debt	Net Assessed Valuation	Ratio of Total GO Debt to Net Assessed Valuation	Per Capita Total GO Debt Outstanding	Legal Debt Limit (1)	Net GO Debt Subject to Legal Debt Limit	Legal Debt Margin	Debt Applicable to the limit as % of the Limit	Per Capita Legal Debt Limit
2015	$0	$88,826,430	0.00%	$0.00	$8,882,643	$0	$8,882,643	0.00%	$453.66
2014	$0	$87,148,689	0.00%	$0.00	$8,714,869	$0	$8,714,869	0.00%	$445.09
2013	$0	$85,839,789	0.00%	$0.00	$8,583,979	$0	$8,583,979	0.00%	$438.79
2012	$0	$87,023,282	0.00%	$0.00	$8,702,328	$0	$8,702,328	0.00%	$444.45
2011	$0	$88,526,350	0.00%	$0.00	$8,852,635	$0	$8,852,635	0.00%	$452.13
2010	$0	$89,369,812	0.00%	$0.00	$8,936,981	$0	$8,936,981	0.00%	$456.83
2009	$0	$84,720,673	0.00%	$0.00	$8,472,067	$0	$8,472,067	0.00%	$432.69
2008	$0	$81,624,825	0.00%	$0.00	$8,162,483	$0	$8,162,483	0.00%	$417.24
2007	$0	$78,407,073	0.00%	$0.00	$7,840,707	$0	$7,840,707	0.00%	$402.07
2006	$0	$75,477,936	0.00%	$0.00	$7,547,794	$0	$7,547,794	0.00%	$383.12
2005	$0	$72,519,264	0.00%	$0.00	$7,251,926	$0	$7,251,926	0.00%	$373.70

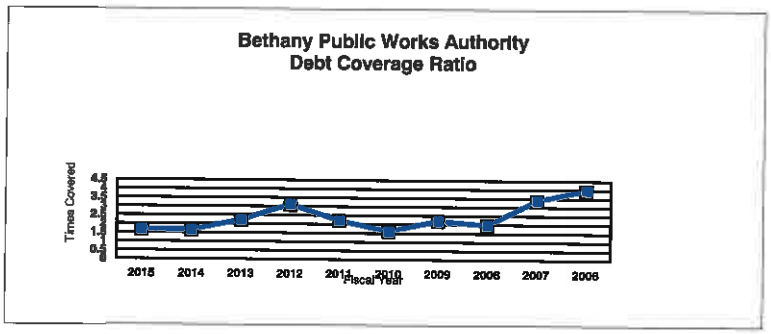
(1) State Constitution limits non-utility debt to 10% of Net Assessed Valuation. Non-utility bonds are defined as improvements not owned or under the exclusive control of the municipality such as streets and bridges. There is no limitation on general obligation bonds for other legal purposes, subject to voter approval.

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) Principal	Interest	Total	Coverage
2015	7,524,549	5,389,805	2,134,744	807,670	471,969	1,279,639	1.67
2014	7,569,544	5,248,343	2,321,201	963,779	461,810	1,425,589	1.63
2013	8,063,940	4,953,807	3,110,133	967,672	443,819	1,411,491	2.20
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



BETHANY HOSPITAL TRUST (6)

Fiscal Year	Operating Revenue	Operating Expense (7)	Net Revenue Available for Debt Service	Debt Service Requirements (8) Principal	Interest	Total	Coverage
2015	222,096	284,043	-61,947	0	0	0	N/A
2014	121,271	231,126	-109,855	0	0	0	N/A
2013	319,493	0	319,493	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

(1) The Bethany Public Works Authority provides water, wastewater and solid waste services for the City or 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.

Demographic and Economic Information

THE CITY OF BETHANY

IN GOD WE TRUST

City of Bethany, Oklahoma

Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Demographic data										
Est. population	19,580	19,563	19,501	19,701	19,406	19,051	19,729	19,607	19,559	19,627
Est. personal income (in thousands)	809,026	808,324	856,191	836,898	794,520	715,041	807,745	733,008	688,672	645,238
Per capita personal income (msa)	41,319	41,319	43,905	42,480	40,942	37,533	40,942	37,385	35,210	32,875
Annual unemployment rate (msa)	3.9%	3.9%	5.4%	5.4%	5.7%	6.8%	3.8%	4.3%	3.9%	4.3%

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FUNCTION/PROGRAMS										
Governmental activities:										
General government	12.0	12.0	14.0	13.6	6.7	6.8	6.8	5.3	5.0	5.6
Public safety	68.0	75.0	73.1	73.1	73.1	70.8	70.8	67.0	64.9	66.0
Highways and streets	9.5	9.2	9.2	9.2	9.2	9.3	9.3	8.3	8.9	7.6
Culture and recreation	11.5	22.6	23.9	23.9	23.9	24.1	24.1	22.2	23.3	21.4
Economic development	5.8	4.5	4.0	4.0	4.0	3.0	3.0	4.0	5.0	6.0
Subtotal governmental activities	106.8	123.3	124.2	123.8	116.9	114.0	114.0	106.8	107.1	106.6
Business-type activities:										
Water	13.0	15.0	15.9	15.9	15.9	15.8	15.8	16.0	16.3	17.0
Sewer	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.2
Sanitation	15.3	16.0	15.1	15.1	15.1	15.2	15.2	16.8	17.0	15.6
Hospital	-	-	-	-	-	-	-	-	-	-
Subtotal business-type activities	30.3	34.0	33.0	33.0	33.0	33.0	33.0	34.8	35.3	35.8
Total primary government	137.0	157.3	157.2	156.8	149.9	147.0	147.0	141.6	142.3	142.4

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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FUNCTION/PROGRAMS										
Governmental activities:										
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	36	36	36	36	36	35	36	35	35	35
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	12	2	2	2	2	2	2	2	2	2
Business-type activities:										
Water										
Water mains (miles)	80.85	80.85	80.85	80.85	80.85	80.85	80.85	80.85	80.85	80.85
Fire hydrants	581	581	581	581	581	581	581	581	581	581
Storage capacity (thousands of gallons)	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Sewer										
Sanitary sewers (miles)	99.38	99.38	99.38	99.38	99.38	99.38	99.38	99.38	99.38	99.38
Storm sewers (miles)	20.14	20.14	20.14	20.14	20.14	20.14	20.14	20.14	20.14	20.14
Sanitation										
Refuse trucks & vehicles	9	9	9	9	9	9	9	9	9	9

Source: City of Bethany

Notes:

THE CITY OF BETHANY

GULFSTREAM AEROSPACE

Build a better Bethany

1910

OKLAHOMA

SOUTHERN NAZARENE UNIVERSITY

IN GOD WE TRUST