

THE CITY OF BETHANY, OKLAHOMA

**ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Bethany, Oklahoma

Report on the Audit of the Financial Statements

Opinions

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 the City of Bethany, Oklahoma (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of June 30, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the City's 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's internal control over financial reporting and compliance.

Arledge & Associates PC

Oklahoma City, Oklahoma
February 2 2026



**CITY OF BETHANY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2024**

MANAGEMENT DISCUSSION AND ANALYSIS

**CITY OF BETHANY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2024**

Our discussion and analysis of the City of Bethany's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- For the fiscal year ended June 30, 2024, the City's total net position increased by \$7,613,381 or 15.6% from the prior year.
- During the year, the City's expenses for governmental activities were \$13.6 million and were funded by program revenues of \$5.6 million and further funded with taxes and other general revenues that totaled \$12.4 million.
- In the City's business-type activities, such as utilities, program revenues exceeded expenses by \$2.8 million.
- At June 30, 2024, the General Fund reported an unassigned fund balance of \$7,620.
- For budgetary reporting purposes, the General Fund reported revenues over estimates of 1.1 million or a 10.2% positive variance, while expenditures were under the final appropriations by \$217,411 or a 1.7% positive variance.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the City of Bethany (the "City") and its component units using the integrated approach as prescribed by GASB Statements No. 14, 34, 39, and 61. Included in this report are governmental-wide statements for each of two categories of activities – governmental and business-type. The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately and combined. These statements include all assets of the City (including infrastructure capital assets), and deferred outflows of resources, as well as all liabilities (including all long-term debt) and deferred inflows of resources.

About the City

The City of Bethany is an incorporated municipality with a population of approximately 20,831 located in central Oklahoma. The City operates under a council-manager form of government with a charter that provides for three branches of government.

- Legislative – the governing body includes an elected five-member City Council and Mayor
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

The City's Financial Reporting Entity

This annual report includes all activities for which the City Council of the City of Bethany is fiscally responsible. These activities are operated within several separate legal entities that are reported together to make up the City's financial reporting entity.

The City's financial reporting entity includes the City of Bethany and four blended component units.

**CITY OF BETHANY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2024**

Primary Government:

The City of Bethany— an incorporated municipality that operates the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities of the City

Blended Component Units:

Bethany Public Works Authority (BPWA) — public trust created pursuant to 60 O.S. § 176 that operates the water and sanitation services for the residents. In addition, the trust collects wastewater service charges and remits collections to the Bethany/Warr Acres Public Works Authority which operates the wastewater system. The City Council serves as the governing body.

Bethany Economic Development Authority (BEDA) — — public trust created pursuant to 60 O.S. § 176 to promote economic development within the City. The City Council appoints the governing body.

Bethany Development Authority (BDA) — — public trust created pursuant to 60 O.S. § 176 to promote economic development within the City. Five members of the City Council serve as five of the nine trustees with the remaining trustees appointed by the Chamber and approved by the City Council.

Bethany Hospital Trust (BHT) — is a public trust created to provide health care and health care financing services to the community and surrounding area. The City Council serves as the governing body.

In addition, as required by state law, all debt obligations incurred by the trusts must be approved by two-thirds vote of the City Council. This is considered sufficient imposition of will to demonstrate financial accountability and to include the trusts within the City's financial reporting entity. The public trusts do not issue separate financial statements.

Using This Annual Report

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The presentation includes financial statements that communicate the City's financial position and changes therein at two distinct levels:

- **The City as a Whole** (a government-wide presentation)
- **The City's Funds** (a presentation of the City's major and aggregate non-major funds)

The City's various government-wide and fund financial statements are presented throughout this annual report and are accompanied by:

- **Management's Discussion and Analysis** — that provides a useful analysis that facilitates a better understanding of the City's financial condition and changes therein.
- **Footnotes** - that elaborate on the City's accounting principles used in the preparation of the financial statements and further explain financial statement elements.

**CITY OF BETHANY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2024**

- **Supplemental Information** – that provides additional information about specified elements of the financial statements, such as budgetary comparison information, and capital assets and long-term debt information.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

One of the most frequently asked questions about the City's finances is, "Has the City's overall financial condition improved, declined or remained steady over the past year?" The Statement of Net Position and Statement of Activities report information about the activities of the City as a whole that helps answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position reports the City's year-end net position, while the Statement of Activities reports the changes in net position from the prior year. Think of a City's net position – assets plus deferred outflows, less liabilities and deferred inflows – as one way to measure the City's financial condition, or position. Over time, changes in net position may indicate whether a City's financial health is improving, deteriorating, or remaining steady. However, it is important to consider other nonfinancial factors, such as changes in the City's tax base, the condition of roads, and the quality of services to assess the overall health and performance of the City.

As mentioned above, in the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

- **Governmental activities** -- Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- **Business-type activities** -- The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water and sanitation activities are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and/or bond covenants, but many other funds are established by the City Council to help control and manage money for particular purposes or to show that the City is meeting its legal responsibilities for using certain taxes, grants and other money.

Governmental funds -- Most of the City's basic services are reported in governmental funds, which focus on the flow of resources in and out of these funds and the character of any remaining balances at year-end that are available for spending. These funds are reported using a method called the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there

**CITY OF BETHANY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2024**

are more or less financial resources available in the near future to finance the City's programs. The difference in results between the Governmental Fund and the Government-Wide financial statements is described in a reconciliation following each Governmental Fund financial statement.

Proprietary funds - When the City charges customers for services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. The City's enterprise funds are essentially the same as the business-type activities reported in the government-wide statements, but provide more detail including cash flow information. Proprietary funds use the same basis of accounting as the business-type activities at the government-wide level and are presented in the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows.

Financial Analysis of the City as a Whole

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$56,145,798 at the close of the most recent fiscal year.

TABLE 1
NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2024	2023		2024	2023		2024	2023	
Current assets	\$ 16,651	\$ 16,278	2%	\$ 27,019	\$ 14,059	92%	\$ 43,670	\$ 30,337	44%
Capital assets, net	15,882	12,475	27%	27,586	24,821	11%	43,468	37,296	17%
Other non-current assets	13,758	15,435	-11%	11,924	12,546	-5%	25,682	27,981	-8%
Total assets	46,291	44,188	5%	66,529	51,426	29%	112,820	95,614	18%
Deferred outflows	4,448	4,847	-8%	1,057	1,213	-13%	5,505	6,060	-9%
Current liabilities	7,358	5,328	38%	2,448	2,049	19%	9,806	7,377	33%
Non-current liabilities	27,945	29,923	-7%	15,814	6,935	128%	43,759	36,858	19%
Total liabilities	35,303	35,251	0%	18,262	8,984	103%	53,565	44,235	21%
Deferred inflows	1,923	1,792	7%	6,599	7,023	-6%	8,522	8,815	-3%
Net position									
Net investment capital assets	8,370	5,623	49%	13,879	19,674	-29%	22,249	25,297	-12%
Restricted	4,019	5,129	-22%	4,027	4,049	-1%	8,046	9,178	-12%
Unrestricted (deficit)	1,124	1,240	-9%	24,819	12,909	92%	25,943	14,149	83%
Total net position	\$ 13,513	\$ 11,992	13%	\$ 42,725	\$ 36,632	17%	\$ 56,238	\$ 48,624	16%

The largest portion of the City's net position reflects its net investment capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. For 2024, the net investment in capital assets amounted to \$22.3 million. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A major portion of the City's net position, \$8 million also represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a surplus of \$25.9 million.

**CITY OF BETHANY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2024**

Explanations of significant changes displayed in Table 1 are as follows:

Governmental Activities:

Capital Assets, net – Increase of \$3.7 million (27%) due to an increase in City capital expenditures

Current Liabilities- Increase of \$2 million (38%) due to significant increases in accounts and retainage payable balances

Business-Type Activities:

Current Assets– Increase of \$13 million (92%) due to an increase in cash related to new unspent OWRB debt proceeds

Non-current liabilities- Increase of \$8.9 million (128%) due to the issuance of a new OWRB note payable

For the year ended June 30, 2024, net position of the primary government changed as follows:

**TABLE 2
CHANGES IN NET POSITION (In Thousands)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2024	2023		2024	2023		2024	2023	
Revenues									
Charges for service	\$ 1,838	\$ 1,903	-3%	\$ 11,204	\$ 10,022	12%	\$ 13,042	\$ 11,925	9%
Operating grants and contributions	1,027	1,139	-10%	-	-	-	1,027	1,139	-10%
Capital grants and contributions	2,761	563	390%	-	-	-	2,761	563	390%
Taxes	10,594	8,962	18%	-	-	-	10,594	8,962	18%
Investment income (loss)	669	291	130%	246	(819)	-130%	915	(528)	-273%
Miscellaneous	1,144	696	64%	174	159	9%	1,318	855	54%
Total revenues	18,033	13,554	33%	11,624	9,362	24%	29,657	22,916	29%
Expenses									
General government	2,018	2,868	-30%	-	-	-	2,018	2,868	-30%
Public safety	8,061	7,694	5%	-	-	-	8,061	7,694	5%
Streets	1,058	1,139	-7%	-	-	-	1,058	1,139	-7%
Culture and recreation	929	407	128%	-	-	-	929	407	128%
Community development	711	634	12%	-	-	-	711	634	12%
Economic development	88	59	49%	-	-	-	88	59	49%
Interest on debt	768	489	57%	-	-	-	768	489	57%
Water	-	-	-	3,652	3,382	8%	3,652	3,382	8%
Wastewater	-	-	-	2,716	2,502	9%	2,716	2,502	9%
Sanitation	-	-	-	1,997	1,997	0%	1,997	1,997	0%
Hospital	-	-	-	45	45	0%	45	45	0%
Total expenses	13,633	13,290	3%	8,410	7,926	6%	22,043	21,216	4%
Excess (deficiency) before transfers	4,400	264	1567%	3,214	1,436	124%	7,614	1,700	348%
Transfers	(2,879)	1,765	-263%	2,879	(1,765)	-263%	-	-	-
Change in net position	\$ 1,521	\$ 2,029	-25%	\$ 6,093	\$ (329)	-1952%	\$ 7,614	\$ 1,700	348%

**CITY OF BETHANY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2024**

Explanations of significant changes in Table 2 are as follows:

Governmental Activities:

Capital grants and contributions - increase of \$2.2 million (390%) due to an increase in recognized grant revenue

Business-Type Activities:

Investment income (loss) - Increase of \$1.0 (117%) million due to higher investment returns and a lower annual loss on investment in joint venture related to the BWAPWA.

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is needed. One area of particular interest is the format of the report that significantly differs from a typical Statement of Revenues, Expenses, and Changes in Fund Balance. Notice that expenses are listed in the first column with revenues from that particular program reported to the right, resulting in a Net (Expense)/Revenue. The reason for this presentation is to highlight the relative financial burden of each of the City's functions on the taxpayers. It also identifies the level to which each function relies on general revenues to support its operations, or if it is self-financed through fees, grants and/or contributions. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

**TABLE 3
Net Revenue (Expense) of Governmental Activities
(In Thousands)**

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
General government	\$ 2,018	\$ 2,868	-30%	\$ 1,381	\$ (1,302)	-206%
Public safety	8,061	7,694	5%	(6,879)	(6,427)	7%
Streets	1,058	1,139	-7%	(195)	(466)	-58%
Culture, parks and recreation	929	407	128%	(929)	(407)	128%
Community development	711	634	12%	(529)	(505)	5%
Economic development	88	59	49%	(87)	(59)	47%
Interest on long-term debt	768	489	57%	(768)	(489)	57%
Total	\$ 13,633	\$ 13,290	3%	\$ (8,006)	\$ (9,655)	-17%

For the year ended June 30, 2024 total expenses for governmental activities amounted to approximately \$13.6 million which was an increase from the prior year of 3%. See Table 2 above for explanations of changes.

**CITY OF BETHANY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2024**

Business-type Activities

**TABLE 4
Net Revenue (Expense) of Business-Type Activities
(In Thousands)**

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
Water	\$ 3,652	\$ 3,382	8%	\$ 763	\$ 1,277	-40%
Wastewater	2,716	2,502	9%	865	577	50%
Sanitation	1,997	1,997	0%	1,102	304	263%
Hospital	45	45	0%	63	(57)	-211%
Total	\$ 8,410	\$ 7,926	6%	\$ 2,793	\$ 2,101	33%

The City's business-type activities include utility services for water, wastewater, sanitation and hospital activities.

In reviewing the business-type activities net (expense)/revenue, the following highlights should be noted:

- Total business-type activities reported net revenues of \$2.8 million for the year ended June 30, 2024.

Financial Analysis of the City's Funds

As the City completed its 2024 fiscal year, the governmental funds reported a combined total fund balance of \$22.6 million or a 7.1% decrease due to an increase in capital and other expenditures. The proprietary funds reported combined net position of \$42.6 million or a 13.3% increase of \$5.7 million from the prior year.

Fund Balance/Net Position

Governmental Funds		Proprietary Funds	
Restricted	\$ 20,174,172	Net investment in capital assets	\$ 13,879,356
Assigned	3,059,136	Restricted for debt service and other	4,027,344
Unassigned (deficit)	<u>(645,309)</u>	Unrestricted	<u>24,817,889</u>
Total Fund Balance	\$ 22,587,999	Total Net Position	\$ 42,724,589

**CITY OF BETHANY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2024**

Capital Asset and Debt Administration

Capital Assets

At the end of June 30, 2024, the City had \$43.5 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, water lines and sewer lines. (See table below). This represents a net increase of \$6.2 million or 16.6% from the prior year.

**TABLE 5
Capital Assets
(In Thousands)
(Net of accumulated depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 1,799	\$ 1,692	\$ 487	\$ 487	\$ 2,286	\$ 2,179
Buildings	6,843	7,225	1,999	2,107	8,842	9,332
Machinery, furniture and equipment	2,028	1,890	1,896	1,483	3,924	3,373
Infrastructure	1,511	1,397	19,759	20,243	21,270	21,640
Construction in progress	3,700	271	3,445	501	7,145	772
Totals	\$ 15,881	\$ 12,475	\$ 27,586	\$ 24,821	\$ 43,467	\$ 37,296

See Note 5 to the financial statements for more detail information on the City's capital assets and changes therein.

Long-Term Debt

At year-end, the City had \$37.9 million in long-term debt outstanding which represents a \$8.2 million increase, or 27.7%, from the prior year. The City's changes in long-term debt by type of debt are as follows:

**TABLE 6
Long-Term Debt
(In Thousands)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Accrued absences	\$ 878	\$ 728	\$ -	\$ 126	\$ 878	\$ 854
General obligation bonds	20,170	20,600	-	-	20,170	20,600
Bond Premium	709	751	-	-	709	751
Notes Payable - Direct borrowing	624	624	15,475	6,811	16,099	7,435
Totals	\$ 22,381	\$ 22,703	\$ 15,475	\$ 6,937	\$ 37,856	\$ 29,640

See Note 7 to the financial statements for more detailed information on the City's long-term debt and changes therein.

**CITY OF BETHANY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2024**

The Upcoming Year

The primary sources of revenue for the City of Bethany are Sales Tax and Water and Wastewater revenue. Sales tax requires a vote of the people and cannot be adjusted without the people's consent. In the forthcoming year, the City plans to continue spending acquired cash related to the issuance of General Obligation and new OWRB debt. The City continues to look for ways to enhance its revenue base to assist in operations.

Contacting the City's Financial Management

This report is designed to provide citizens, taxpayers, customers and creditors with an understanding of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the City of Bethany, Finance Director, P.O. Box 219, Bethany, OK 73088.

**CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024**

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Statement of Net Position– June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents	\$ 12,355,836	17,617,239	\$ 29,973,075
Investments	2,219,011	6,929,317	9,148,328
Accounts receivable, net	831,719	891,097	1,722,816
Due from other governments	1,269,892	-	1,269,892
Leases receivable, current portion	-	102,378	102,378
Other receivables	637,313	816,229	1,453,542
Internal balances	(662,748)	662,748	-
Cash and equivalents, restricted	6,284,459	1,621,045	7,905,504
Investments - restricted	7,315,992	850,454	8,166,446
Lease receivable	-	1,592,910	1,592,910
Public-private partnership receivable	-	4,731,140	4,731,140
Net pension asset	157,554	-	157,554
Investment in joint venture	-	3,128,386	3,128,386
Capital Assets			
Land and construction in progress	5,498,220	3,931,312	9,429,532
Other capital assets, net of depreciation	10,382,866	23,654,822	34,037,688
Total assets	<u>46,290,114</u>	<u>66,529,077</u>	<u>112,819,191</u>
DEFERRED OUTFLOWS:			
Deferred amounts related to pensions	4,008,314	728,640	4,736,954
Deferred amounts related to OPEB	439,997	328,627	768,624
Total deferred outflows of resources	<u>4,448,311</u>	<u>1,057,267</u>	<u>5,505,578</u>
LIABILITIES			
Accounts payable and accrued liabilities	3,051,048	1,007,923	4,058,971
Unearned revenue	2,995,561	-	2,995,561
Accrued interest payable	90,543	73,012	163,555
Due to other governments	95,630	11,140	106,770
Long-term liabilities			
Due within one year	1,125,021	1,356,395	2,481,416
Due in more than one year	27,944,663	15,814,041	43,758,704
Total liabilities	<u>35,302,466</u>	<u>18,262,511</u>	<u>53,564,977</u>
DEFERRED INFLOWS:			
Deferred amounts related to pensions	1,088,774	134,253	1,223,027
Deferred amounts related to OPEB	833,988	311,414	1,145,402
Deferred amounts related to leases	-	1,639,113	1,639,113
Deferred amounts related to public-private partnerships	-	4,514,464	4,514,464
Total deferred inflows of resources	<u>1,922,762</u>	<u>6,599,244</u>	<u>8,522,006</u>
NET POSITION:			
Net investment in capital assets	8,370,096	13,879,356	22,249,452
Restricted	4,019,140	4,027,344	8,046,484
Unrestricted	1,123,961	24,817,889	25,941,850
Total net position	<u>\$ 13,513,197</u>	<u>\$ 42,724,589</u>	<u>\$ 56,237,786</u>

See accompanying notes to the basic financial statements.

CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Statement of Activities – Year Ended June 30, 2024

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental Activities							
General Government	\$ 2,017,923	\$ 968,256	\$ 23,210	\$ 2,407,551	\$ 1,381,094	\$ -	\$ 1,381,094
Public Safety	8,060,712	361,631	820,264	-	(6,878,817)	-	(6,878,817)
Public Works and Streets	1,057,764	324,829	183,492	353,798	(195,645)	-	(195,645)
Culture and Recreation	928,954	-	-	-	(928,954)	-	(928,954)
Community Development	711,501	182,009	-	-	(529,492)	-	(529,492)
Economic Development	87,755	120	-	-	(87,635)	-	(87,635)
Interest on Long-Term Debt	767,922	-	-	-	(767,922)	-	(767,922)
Total governmental activities	13,632,531	1,836,845	1,026,966	2,761,349	(8,007,371)	-	(8,007,371)
Business-type activities							
Water	3,651,798	4,414,940	-	-	-	763,142	763,142
Wastewater	2,715,672	3,580,743	-	-	-	865,071	865,071
Sanitation	1,997,373	3,098,997	-	-	-	1,101,624	1,101,624
Hospital	44,767	108,338	-	-	-	63,571	63,571
Total business-type activities	8,409,610	11,203,018	-	-	-	2,793,408	2,793,408
Total primary government	\$ 22,042,141	\$ 13,039,863	\$ 1,026,966	\$ 2,761,349	(8,007,371)	2,793,408	(5,213,963)
General revenues:							
Taxes:							
Sales and use taxes					7,451,796	-	7,451,796
Property tax					2,013,960	-	2,013,960
Franchise and public service taxes					792,419	-	792,419
Other taxes					336,064	-	336,064
Investment income					669,344	246,233	915,577
Miscellaneous					1,143,904	173,624	1,317,528
Transfers - internal activity					(2,879,444)	2,879,444	-
Total general revenues and transfers					9,528,043	3,299,301	12,827,344
Change in net position					1,520,672	6,092,709	7,613,381
Net position - beginning					11,992,525	36,631,880	48,624,405
Net position - ending					\$ 13,513,197	\$ 42,724,589	\$ 56,237,786

See accompanying notes to the basic financial statements.

CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Governmental Funds Balance Sheet - June 30, 2024

	<u>General Fund</u>	<u>Federal Grants Fund</u>	<u>2022A GO Bonds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 4,231,027	\$ 3,020,748	\$ 4,092,826	\$ 7,295,694	\$ 18,640,295
Investments	1,428,183	-	5,120,463	2,986,357	9,535,003
Receivables:					
Accounts receivable	830,535	-	-	-	830,535
Due from other accounts	4,105,718	-	-	-	4,105,718
Due from other funds	6,862,822	-	-	91,846	6,954,668
Due from other governments	900,046	25,566	-	262,366	1,187,978
Other	640,135	-	-	80,273	720,408
Total assets	\$ 18,998,466	\$ 3,046,314	\$ 9,213,289	\$ 10,716,536	\$ 41,974,605
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 431,190	\$ 701,627	\$ 819,445	\$ 857,378	\$ 2,809,640
Wages payable	214,210	-	-	1,328	215,538
Unearned revenue	-	2,967,555	-	28,006	2,995,561
Due to other funds	7,522,991	-	89,930	4,495	7,617,416
Escrow liability	25,870	-	-	-	25,870
Due to other accounts	4,105,718	-	-	-	4,105,718
Due to other governments	95,630	-	-	-	95,630
Total liabilities	12,395,609	3,669,182	909,375	891,207	17,865,373
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	1,339,620	25,566	-	156,047	1,521,233
Fund balances:					
Restricted	2,244,815	-	8,303,914	9,625,443	20,174,172
Assigned	3,010,802	-	-	48,334	3,059,136
Unassigned (deficit)	7,620	(648,434)	-	(4,495)	(645,309)
Total fund balances	5,263,237	(648,434)	8,303,914	9,669,282	22,587,999
Total liabilities, deferred inflows and fund balances	\$ 18,998,466	\$ 3,046,314	\$ 9,213,289	\$ 10,716,536	\$ 41,974,605

See accompanying notes to the basic financial statements.

CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Governmental Funds Statement of Changes in Fund Balances – Year Ended June 30, 2024

	General Fund	Federal Grants Fund	2022A GO Bonds	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 7,259,024	\$ -	\$ -	\$ -	\$ 3,241,804	\$ 10,500,828
Intergovernmental	2,492,824	2,779,091	-	-	318,507	5,590,422
Charges for services	664,907	-	-	-	143,099	808,006
Fines and forfeitures	752,866	-	-	-	81,965	834,831
Licenses and permits	182,009	-	-	-	-	182,009
Investment income	52,516	-	402,159	-	214,669	669,344
Miscellaneous	312,919	-	-	-	377,198	690,117
Total revenues	<u>11,717,065</u>	<u>2,779,091</u>	<u>402,159</u>	<u>-</u>	<u>4,377,242</u>	<u>19,275,557</u>
EXPENDITURES						
Current:						
General government	2,218,579	-	-	-	-	2,218,579
Public Safety	8,051,170	-	-	-	25,480	8,076,650
Public works and streets	1,239,051	-	-	-	-	1,239,051
Culture and recreation	500,623	-	-	-	-	500,623
Economic development	583,449	-	-	-	87,755	671,204
Capital Outlay	215,838	3,030,419	2,700,831	-	1,577,224	7,524,312
Debt Service:						
Principal	-	-	-	-	482,925	482,925
Interest and other charges	-	-	-	-	1,113,368	1,113,368
Total expenditures	<u>12,808,710</u>	<u>3,030,419</u>	<u>2,700,831</u>	<u>-</u>	<u>3,286,752</u>	<u>21,826,712</u>
Excess (deficiency) of revenues over expenditures	(1,091,645)	(251,328)	(2,298,672)	-	1,090,490	(2,551,155)
OTHER FINANCING SOURCES (USES)						
Transfers in	8,215,535	-	142,000	-	648,613	9,006,148
Transfers out	(8,090,848)	-	-	-	(93,746)	(8,184,594)
Total other financing sources and uses	<u>124,687</u>	<u>-</u>	<u>142,000</u>	<u>-</u>	<u>554,867</u>	<u>821,554</u>
Net change in fund balances	(966,958)	(251,328)	(2,156,672)	-	1,645,357	(1,729,601)
Fund balances - beginning, as previously reported	6,230,195	(397,106)	10,460,586	759,915	7,264,010	24,317,600
Restatements (see Note 9)	-	-	-	(759,915)	759,915	-
Fund balances - beginning, as restated	<u>6,230,195</u>	<u>(397,106)</u>	<u>10,460,586</u>	<u>-</u>	<u>8,023,925</u>	<u>24,317,600</u>
Fund balances - ending	<u>\$ 5,263,237</u>	<u>\$ (648,434)</u>	<u>\$ 8,303,914</u>	<u>\$ -</u>	<u>\$ 9,669,282</u>	<u>\$ 22,587,999</u>

See accompanying notes to the basic financial statements.

CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance – Net Position Reconciliation:

Total fund balance, governmental funds	\$	22,587,999
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		15,881,086
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Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred or not reported in the funds.		1,521,233
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Certain other long-term elements are not available to pay current fund liabilities and therefore they, along with pension and OPEB related deferred outflows, are not reported in the funds:

Net pension asset		157,554
Pension related deferred outflows		4,008,314
OPEB related deferred outflows		439,997

Some liabilities are not due and payable in the current period and they, along with certain deferred inflows, are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:

Interest payable		(90,543)
Net pension liability		(5,687,290)
Pension related deferred inflows		(1,088,774)
Total OPEB liability		(1,001,910)
OPEB related deferred inflows		(833,988)
Accrued compensated absences		(877,831)
Unamortized debt premium		(708,986)
General obligation bond payable		(20,169,998)
Notes payable		(623,666)

Net Position of Governmental Activities in the Statement of Net Position	\$	13,513,197
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See accompanying notes to the basic financial statements.

CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Changes in Fund Balances – Changes in Net Position Reconciliation:

Net change in fund balances - total governmental funds: \$ (1,729,601)

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

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

Capital asset purchases capitalized	4,335,061
Depreciation expense	(929,291)

In the Statement of Activities, the net cost of pension benefits earned is calculated and reported as pension expense. The fund financial statements report pension contributions as expenditures. This amount represents the difference between pension contributions and calculated pension expense.

233,965

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in unavailable revenue	(1,088,407)
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

General obligation bond principal payments	430,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Change in accrued interest payable	303,741
Change in accrued compensated absences	(149,568)
Change in total OPEB liability	73,067
Amortization of bond discount/premium	41,705

Change in net position of governmental activities	\$ 1,520,672
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See accompanying notes to the basic financial statements.

**CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024**

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Proprietary Funds Statement of Net Position - June 30, 2024

	<u>Enterprise Funds</u>		
	<u>Bethany Public Works Authority</u>	<u>Bethany Hospital Trust</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 14,181,222	\$ 3,436,017	\$ 17,617,239
Cash and cash equivalents, restricted	1,621,045	-	1,621,045
Investments	6,382,983	546,334	6,929,317
Accounts receivable, net	890,857	-	890,857
Leases receivable, current portion	102,378	-	102,378
Accrued interest receivable	240	-	240
Other receivable	816,229	-	816,229
Due from other funds	7,435,640	-	7,435,640
Total current assets	<u>31,430,594</u>	<u>3,982,351</u>	<u>35,412,945</u>
Non-current assets:			
Leases receivable	1,592,910	-	1,592,910
Public-private partnerships receivable	-	4,731,140	4,731,140
Investments	-	850,454	850,454
Investment in joint venture	3,128,386	-	3,128,386
Capital assets:			
Land, construction in progress, and water rights	3,554,762	376,550	3,931,312
Other capital assets, net of accumulated depreciation	23,289,986	364,836	23,654,822
Total non-current assets	<u>31,566,044</u>	<u>6,322,980</u>	<u>37,889,024</u>
Total assets	<u>62,996,638</u>	<u>10,305,331</u>	<u>73,301,969</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred amounts related to pensions	728,640	-	728,640
Deferred amounts related to OPEB	328,627	-	328,627
Total deferred outflows of resources	<u>1,057,267</u>	<u>-</u>	<u>1,057,267</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	935,940	35,486	971,426
Wages payable	36,497	-	36,497
Due to other funds	6,772,892	-	6,772,892
Due to other governments	11,140	-	11,140
Accrued interest payable	73,012	-	73,012
Accrued compensated absences	13,607	-	13,607
Refundable deposits	78,732	-	78,732
Notes payable	1,264,056	-	1,264,056
Total current liabilities	<u>9,185,876</u>	<u>35,486</u>	<u>9,221,362</u>
Non-current liabilities:			
Accrued compensated absences	122,460	-	122,460
Net pension liability	150,244	-	150,244
Total OPEB liability	349,504	-	349,504
Refundable deposits	709,929	-	709,929
Notes payable, net	14,481,904	-	14,481,904
Total non-current liabilities	<u>15,814,041</u>	<u>-</u>	<u>15,814,041</u>
Total liabilities	<u>24,999,917</u>	<u>35,486</u>	<u>25,035,403</u>
DEFERRED INFLOW OF RESOURCES			
Deferred amounts related to pensions	134,253	-	134,253
Deferred amounts related to OPEB	311,414	-	311,414
Deferred amounts related to leases	1,639,113	-	1,639,113
Deferred amounts related to public-private partnerships	-	4,514,464	4,514,464
Total deferred inflows of resources	<u>2,084,780</u>	<u>4,514,464</u>	<u>6,599,244</u>
NET POSITION			
Net investment in capital assets	13,093,203	786,153	13,879,356
Restricted for debt service	296,958	-	296,958
Restricted for other purposes	3,730,386	-	3,730,386
Unrestricted	19,848,661	4,969,228	24,817,889
Total net position	<u>\$ 36,969,208</u>	<u>\$ 5,755,381</u>	<u>\$ 42,724,589</u>

See accompanying notes to the basic financial statements.

CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Proprietary Funds Statement of Changes in Net Position - Year Ended June 30, 2024

	Enterprise Funds		Total
	Bethany Public Works Authority	Bethany Hospital Trust	
REVENUES			
Charges for services	\$ 11,094,680	\$ 108,338	\$ 11,203,018
Total operating revenues	<u>11,094,680</u>	<u>108,338</u>	<u>11,203,018</u>
OPERATING EXPENSES			
Personal services	1,876,692	-	1,876,692
Materials and supplies	1,193,379	-	1,193,379
Other services and charges	3,714,213	-	3,714,213
Depreciation expense	<u>1,371,578</u>	<u>44,767</u>	<u>1,416,345</u>
Total operating expenses	<u>8,155,862</u>	<u>44,767</u>	<u>8,200,629</u>
Operating income	<u>2,938,818</u>	<u>63,571</u>	<u>3,002,389</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income (loss)	61,514	184,719	246,233
Miscellaneous	173,624	-	173,624
Interest expense and fiscal charges	<u>(208,981)</u>	<u>-</u>	<u>(208,981)</u>
Total non-operating revenue (expenses)	<u>26,157</u>	<u>184,719</u>	<u>210,876</u>
Income before contributions and transfers	<u>2,964,975</u>	<u>248,290</u>	<u>3,213,265</u>
Capital assets transferred from governmental activities	3,700,998	-	3,700,998
Transfers in	7,300,235	-	7,300,235
Transfers out	<u>(8,121,789)</u>	<u>-</u>	<u>(8,121,789)</u>
Change in net position	5,844,419	248,290	6,092,709
Total net position - beginning	31,124,789	5,507,091	36,631,880
Total net position - ending	<u>\$ 36,969,208</u>	<u>\$ 5,755,381</u>	<u>\$ 42,724,589</u>

See accompanying notes to the basic financial statements.

**CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024**

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2024

	<u>Enterprise Funds</u>		
	<u>Bethany Public Works Authority</u>	<u>Bethany Hospital Trust</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 10,668,956	\$ -	\$ 10,668,956
Payments to suppliers	(4,609,537)	35,486	(4,574,051)
Payments to employees	(1,964,520)	-	(1,964,520)
Receipts from other funds	(1,813,760)	-	(1,813,760)
Receipts of customer meter deposits	139,742	-	139,742
Refunds of customer meter deposits	(109,414)	-	(109,414)
Net cash provided by operating activities	<u>2,311,467</u>	<u>35,486</u>	<u>2,346,953</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	7,300,235	-	7,300,235
Transfers to other funds	(8,121,789)	-	(8,121,789)
Net cash provided by (used in) noncapital financing activities	<u>(821,554)</u>	<u>-</u>	<u>(821,554)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	(480,400)	-	(480,400)
Principal paid on debt	(1,226,039)	-	(1,226,039)
Proceeds from debt	10,161,498	-	10,161,498
Interest and fiscal agent fees paid on debt	(182,688)	-	(182,688)
Net cash provided by capital and related financing activities	<u>8,272,371</u>	<u>-</u>	<u>8,272,371</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale (purchase) of investments	(248,239)	114,335	(133,904)
Interest and dividends	504,752	184,719	689,471
Net cash provided by investing activities	<u>256,513</u>	<u>299,054</u>	<u>555,567</u>
Net increase in cash and cash equivalents	10,018,797	334,540	10,353,337
Balances - beginning of year	<u>5,783,470</u>	<u>3,101,477</u>	<u>8,884,947</u>
Balances - end of year	<u>\$ 15,802,267</u>	<u>\$ 3,436,017</u>	<u>\$ 19,238,284</u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents	\$ 14,181,222	\$ 3,436,017	\$ 17,617,239
Restricted cash and cash equivalents - current	1,621,045	-	1,621,045
Total cash and cash equivalents, end of year	<u>\$ 15,802,267</u>	<u>\$ 3,436,017</u>	<u>\$ 19,238,284</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 2,938,818	\$ 63,571	\$ 3,002,389
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	1,371,578	44,767	1,416,345
Other nonoperating revenue	173,624	-	173,624
Change in assets, liabilities, and deferrals:			
Receivables, net	(258,295)	-	(258,295)
Other receivable	(322,907)	-	(322,907)
Leases receivable	100,992	-	100,992
Public-private partnership receivable	-	(108,338)	(108,338)
Due from other funds	(424,065)	-	(424,065)
Deferred outflows related to pension	285,046	-	285,046
Deferred outflows related to OPEB	(129,126)	-	(129,126)
Accounts payable	298,055	35,486	333,541
Deferred inflows related to leases	(119,138)	-	(119,138)
Due to other funds	(1,389,695)	-	(1,389,695)
Due to employees	(3,517)	-	(3,517)
Refundable deposits	30,328	-	30,328
Total OPEB liability	95,432	-	95,432
Net pension liability	(149,391)	-	(149,391)
Accrued compensated absences	10,012	-	10,012
Deferred inflows related to pension	(262,205)	-	(262,205)
Deferred inflows related to OPEB	65,921	-	65,921
Net cash provided by operating activities	<u>\$ 2,311,467</u>	<u>\$ 35,486</u>	<u>\$ 2,346,953</u>

See accompanying notes to the basic financial statements.

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FOOTNOTES TO BASIC FINANCIAL STATEMENTS

Footnotes to the Basic Financial Statements:

1. Financial Reporting Entity

In determining the financial reporting entity, the City uses the integrated approach as prescribed by Governmental Accounting Standards Board Statements No. 14 “The Financial Reporting Entity”, and Statement No. 61, “*The Financial Reporting Entity: Omnibus*”, and includes all component units for which the City is financially accountable/fiscally responsible. The City’s financial reporting entity primary government presentation includes the City of Bethany and the certain component units as follows:

The City of Bethany – that operates the public safety, health and welfare, streets and highways, culture and recreation, and administrative activities.

The City of Bethany is an incorporated municipality with a population of approximately 19,400 located in central Oklahoma. The City operates under a council-manager form of government with a charter that provides for three branches of government:

- Legislative – the governing body includes an elected five-member City Council and Mayor
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

Blended Component Units (separate legal entities for which the City Council is fiscally responsible, and for which the City Council members serve as the trustees/governing body of the entity):

Bethany Public Works Authority (BPWA) – public trust created pursuant to 60 O.S. § 176 that operates the water and sanitation services for the residents. In addition, the trust collects wastewater service charges and remits collections to the Bethany/Warr Acres Public Works Authority which operates the wastewater system. The City Council serves as the governing body.

Bethany Economic Development Authority (BEDA) – public trust created pursuant to 60 O.S. § 176 to promote economic development within the City. The City Council appoints the governing body.

Bethany Development Authority (BDA) – public trust created pursuant to 60 O.S. § 176 to promote economic development within the City. The City Council serves as five of the nine trustees with the remaining trustees appointed by the Chamber and approved by the City Council.

Bethany Hospital Trust (BHT) – is a public trust created to provide health care and health care financing services to the community and surrounding area. The City Council serves as the governing body.

Each of these component units listed above are Public Trusts established pursuant to Title 60 of Oklahoma State Law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through the issuance of revenue bonds and/or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. In accordance with state law, the City Council must approve, by two-thirds vote, all debt obligations of these public trusts prior to incurring the obligation. The Authorities generally retain title to assets which

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are acquired or constructed with Authority debt or other Authority generated resources. In addition, the City has leased certain existing assets at the creation for the Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

Participation in Joint Venture

The City participates (with equity interest) in the general operations portion of the Bethany-Warr Acres Public Works Authority. The City maintains approximately 66% equity interest in the Bethany-Warr Acres Public Works Authority.

The Bethany Public Works Authority has entered an operation and maintenance contract with the Bethany-Warr Acres Public Works Authority for the provision of sewer services for the residents of the City. The contract requires that the Warr Acres Public Works Authority and the Bethany Public Works Authority remit all sewer billings on or before the fifteenth day of each month to the Bethany-Warr Acres Public Works Authority.

The Bethany-Warr Acres Public Works Authority is also permitted to transfer any surplus receipts, after the payment of operating and maintenance cost, current principal and interest on indebtedness, and capital improvements, back to the cities of Bethany and Warr Acres. These distributions are made in proportion to the total revenues billed within the corporate limits of each said municipality, relative to the total revenues collected.

The Bethany-Warr Acres Public Works Authority is jointly governed by the two governments. The governments do not exercise specific control over the budgeting and financing of the Authority's activities, and do not have a specified equity interest in the joint venture. For the year ended June 30, 2024, \$1,442,897 was remitted to the Bethany-Warr Acres Public Works Authority by the Bethany Public Works Authority.

For the year ended June 30, 2024, the "investment in joint venture" balance changed as follows:

Beginning investment in joint venture	\$3,571,624
Current year loss on investment	<u>(443,238)</u>
Ending investment in joint venture	<u>\$3,128,386</u>

The following summary is segment information from the Bethany-Warr Acres Public Works Authority's most recently issued annual audited financial report, which was for the period ended June 30, 2024:

Total Assets and Deferred Outflows	\$36,838,699
Total Liabilities and Deferred Inflows	\$31,540,632
Total Net Position	\$5,298,067
Total Revenues	\$2,519,977
Total Expenses	\$3,233,030
Decrease in Net Position	(\$713,053)

In addition, at June 30, 2024, the Bethany-Warr Acres Public Works Authority had one note payable outstanding. Separate financial statements for the fiscal year ended June 30, 2024, are available from the Finance Department, P.O. Box 219, Bethany, OK 73008-0219.

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2. Basis of Presentation and Accounting

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The presentation includes financial statements that communicate the City's financial condition and changes therein at two distinct levels:

- **The City as a Whole** (a government-wide presentation)
- **The City's Funds** (a presentation of the City's major and aggregate non-major funds)

Government-Wide Financial Statements:

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

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

Business-type activities – Services where the City charges a fee to customers to help cover all or most of the cost of these services. The City's water, wastewater, and sanitation systems activities are reported here, along with certain hospital activities.

The Statements of Net Position and Activities are reported on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred or economic asset used.

Fund Financial Statements:

Governmental Funds:

Most of the City's basic services are reported in governmental funds, which report their activities using the modified accrual basis of accounting and the current financial resources measurement focus that is different from other funds. Governmental funds highlight the flow of money in and out of funds and the character of balances remaining at year-end that are available for spending. For example, these funds report the acquisition of capital assets and payments for debt principal as expenditures, instead of changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine (through a review of changes to fund balance) whether there are more or fewer financial resources available in the near future to finance the City's programs. The City's governmental funds include:

Major Funds:

- **General Fund** – accounts for all activities not accounted for in other special-purpose funds. For reporting purposes, the General Fund includes the activities of the Prepaid Inspection Account, Performance Bond Account, the Court Account and the CLEET/OSBI Account. The General Fund's major funding sources are sales tax, franchise fees, hotel/motel tax, and miscellaneous charges for services.
- **Federal Grants Fund**- special revenue fund that accounts for proceeds and expenditures related to grants from the Federal Government.

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- 2022A GO Bonds Fund- accounts for general obligation bond proceeds legally restricted for the construction of street improvements, recreational facilities, and public safety buildings.

Aggregated Non-Major Funds (reported as Other Governmental Funds):

- Special Revenue Funds include the Public Safety Fund, E911 Fund, CDBG Fund, Juvenile Fund, Cemetery Fund, Bethany Economic Development Authority, and the Bethany Development Authority.
- Debt Service Funds – accounts for ad-valorem taxes levied by the City for use in retiring court-assessed judgments, general obligation bonds, and their related interest expenses.
- Capital Project Funds:
 - Street/Park CIP Fund accounts for revenues restricted for street and park improvements.
 - Library GO Fund – accounts for general obligation bond proceeds legally restricted for the construction of a library and park.
 - 2022B GO Bonds Fund- accounts for general obligation bond proceeds legally restricted for the construction of various economic development and community projects as well as storm drainage facilities.
 - Capital Improvement Fund- accounts for sales tax restricted for city capital improvements.

The governmental funds are reported on the modified accrual basis of accounting. On the modified accrual basis of accounting, revenues are recorded when earned, measurable and available to pay current financial obligations, while expenditures are recorded when incurred and normally due and payable from current financial resources. The City defines revenue availability as collected within 60 days of period end.

The reconciliation of the governmental funds financial statements to the governmental activities presentation in the government-wide financial statements is the result of the use of the accrual basis of accounting and economic resources measurement focus at the government-wide level.

Proprietary Funds:

When the City charges customers for the services it provides, these activities are generally reported in proprietary funds. Proprietary funds include enterprise funds and internal service funds. Enterprise funds are used to account for business-like activities provided to the general public. Proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus. For example, proprietary fund capital assets are capitalized and depreciated, and principal payments on long-term debt are recorded as a reduction to the liability.

The City's proprietary funds include the following:

Enterprise Funds

Major Funds:

- Bethany Public Works Authority (BPWA) accounts for the activities of the public trust in providing water, wastewater, and sanitation/solid waste services to the public.
- Bethany Hospital Trust (BHT) accounts for transactions related to the Bethany Hospital building and related improvements, contracting, debt and other matters that require a commitment for more than one year.

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3. Cash and Cash Equivalents, Deposits and Investments

Cash and cash equivalents include all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three months or less, and money market investments. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

Investments consist of long-term certificates of deposit and government money market funds. Certificates of deposit are reported at cost.

Deposits and Investments Risks

The City of Bethany primary government and component units are governed by the deposit and investment limitations of state law and trust indentures. The deposits and investments held at June 30, 2024 by these entities are as follows:

Type	Fair Value	Credit Rating	Maturities in Years	
			On Demand	Less Than One
Demand deposits	\$ 14,323,327	N/A	\$ 14,323,327	\$ -
Cash on hand	1,092	N/A	1,092	-
Time deposits	36,966,356	N/A	-	36,966,356
Money Market Funds	3,055,701	N/A	3,055,701	-
Sub-Total	<u>\$ 54,346,476</u>		<u>\$ 17,380,120</u>	<u>\$ 36,966,356</u>
Annuity	842,473			
Deposits with insurance pool	4,404			
Total Deposits and Investments	<u>\$ 55,193,353</u>			
Reconciliation to Financial Statements:				
Cash and cash equivalents	\$ 29,973,075			
Investments	9,148,328			
Cash and cash equivalents, restricted	7,905,504			
Investments, restricted	8,166,446			
	<u>\$ 55,193,353</u>			

GASB Statement No. 72, *Fair Value Measurement and Application*, established a hierarchy based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2024:

- Money Market Mutual Funds of \$13,787,709 were valued using quoted market prices (Level 1 inputs).

Annuity – the BHT has an annuity through Allstate related to a settlement over a contract dispute of the Bethany hospital building. The annuity is payable in increments of \$200,000 annually through September 2028. The annuity is recorded at its net present value using a discount rate of 6%.

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Custodial Credit Risk – Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City’s name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the City holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City’s name.

The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100% of the uninsured deposits and accrued interest thereon. The City’s policy limits acceptable collateral to U.S. Treasury securities, federally insured obligations, or direct debt obligations of municipalities, counties, and school districts in Oklahoma.

Also, as required by Federal 12 U.S.C.A., § 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2024, \$8,819 of City deposits were exposed to custodial credit risk.

Investment Credit Risk – The City limits investments, to the following as allowed by state statute:

- a. Obligations of the U. S. Government, its agencies and instrumentalities;
- b. Collateralized or insured non-negotiable certificates of deposit or other evidences of deposit that are either insured or secured with acceptable collateral with an in-state financial institution, and fully insured deposits in out-of-state institutions;
- c. Insured or fully collateralized negotiable certificates of deposit;
- d. Repurchase agreements that have underlying collateral consisting of those items specified in paragraph a above; and
- e. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraph a.

Investment credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations—rating agencies—as of the year end. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments by date range.

As noted in the schedule of deposits and investments above, at June 30, 2024, the investments held by the City mature between 2024 through 2025.

Concentration of Investment Credit Risk - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed).

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Restricted Cash and Investments

The amounts reported as restricted assets of the Enterprise Funds on the Statement of Net Position are comprised of amounts held by the BPWA Enterprise Fund in accounts for the revenue bonds/notes and other accounts with restricted uses and certain investments of the Bethany Hospital Trust Authority. The restricted assets as of June 30, 2024 are as follows:

Cash and cash equivalents:	
Restricted for Refundable deposits	\$ 791,320
Restricted for Construction	459,755
Restricted for Debt Service	369,970
	<u>\$ 1,621,045</u>
Investments:	
Hospital Trust Annuity	\$ 850,454
	<u>\$ 850,454</u>

4. Receivables

Material receivables in governmental funds and the governmental activities include revenue accruals such as court fines and taxes. Non-exchange transactions collectible, but not available, are deferred in the fund financial statements. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Proprietary funds and business-type activities consist of revenues earned at year-end and not yet received. Billed and unbilled utility accounts receivable comprise the majority of these receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The accounts receivable at June 30, 2024 are as follows:

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Governmental Activities:			
Taxes	\$ 1,147,219	\$ -	\$ 1,147,219
Due from other governments	122,673	-	122,673
Court fines	7,901,502	(7,111,353)	790,149
Other	681,079	(2,196)	678,883
Total Governmental Activities	<u>\$ 9,852,473</u>	<u>\$ (7,113,549)</u>	<u>\$ 2,738,924</u>
Reconciliation to Statement of Net Position:			
Accounts receivable, net			\$ 831,719
Due from other governmental agencies			1,269,892
Other receivable			637,313
Total			<u>\$ 2,738,924</u>
Business-Type Activities:			
Leases- BPWA	\$ 1,695,288	\$ -	\$ 1,695,288
Public-private partnerships- BHT	4,731,140	-	4,731,140
Utilities	898,382	(7,285)	891,097
Other	816,229	-	816,229
Total Business-type Activities	<u>\$ 8,141,039</u>	<u>\$ (7,285)</u>	<u>\$ 8,133,754</u>

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Leases:

The City is a party as lessor for various non-cancellable long-term leases of land, buildings, and infrastructure. The corresponding lease receivables are recorded in an amount equal to the present value of the expected future minimum lease payments received, discounted by an applicable interest rate. The City generally uses an estimate based on municipal bond rate yield curves as the discount rate for leases unless the rate that is charged is disclosed.

Lease-related amounts are recognized at the inception of leases in which the City is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$143,916.

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the periods in which the payments are received.

Public-Private Partnerships

The City has entered into one public-private partnership agreement in which the operators will operate, maintain, and improve the City's assets while providing a public use. The agreement that is currently active extends through 2066. At the end of the agreement, operations and the related assets will be transferred back to the City. The measurement of the related public-private partnership (PPP) receivable is based on the present value of future fixed payments expected to be received during the PPP term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any PPP incentives payable to the operator. Based on the length of term of each agreement, an incremental borrowing rate of 3.8% was used to measure the PPP receivable.

Cedar Ridge Hospital

During fiscal year 2015, the Bethany Hospital Trust (BHT) leased the Cedar Ridge Hospital building to an outside party to provide health services and improve the assets of the hospital. The agreement calls for monthly payments of \$18,000 through 2026 and \$20,000 monthly through 2029. For the operator to make substantial infrastructure improvements to the building, the agreement called for the abatement of rents up to \$2,000,000 for these improvements. After the initial improvements, any further improvements would be split 50/50 with the BHT and the cost would be abated. To date, \$3,777,352 of improvements have been made to the facility. The current agreement between the City and the operator extends through 2066. As of June 30, 2024, the city recognizes a receivable of \$4.7 million for the fixed annual payments and recognized a deferred inflow of resources in the amount of \$4.5 million, which is being amortized straight-line over the term of the arrangement.

5. Capital Assets and Depreciation

Capital Assets:

For the primary government and component units, capital assets are reported at actual or estimated historical cost, net of accumulated depreciation where applicable. Donated capital assets are reported at their fair

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value at date of donation. Estimated historical cost was used to value the majority of the capital assets acquired prior to June 30, 1992. The capitalization threshold is capital assets with a cost of \$500 or more.

For the year ended June 30, 2024, capital assets balances changed as follows:

	Balance at July 1, 2023	Additions	Deductions	Balance at June 30, 2024
PRIMARY GOVERNMENT:				
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 1,692,059	\$ 106,442	\$ -	\$ 1,798,501
Construction in progress	271,001	3,428,718	-	3,699,719
Total capital assets not being depreciated	<u>1,963,060</u>	<u>3,535,160</u>	<u>-</u>	<u>5,498,220</u>
Other capital assets:				
Buildings	11,374,430	91,951	-	11,466,381
Machinery, furniture and equipment	8,336,069	480,520	-	8,816,589
Infrastructure	13,508,955	227,395	-	13,736,350
Total other capital assets at historical cost	<u>33,219,454</u>	<u>799,866</u>	<u>-</u>	<u>34,019,320</u>
Less accumulated depreciation for:				
Buildings	4,149,040	474,115	-	4,623,155
Machinery, furniture and equipment	6,446,251	342,046	-	6,788,297
Infrastructure	12,111,872	113,130	-	12,225,002
Total accumulated depreciation	<u>22,707,163</u>	<u>929,291</u>	<u>-</u>	<u>23,636,454</u>
Other capital assets, net	10,512,291	(129,425)	-	10,382,866
Governmental activities capital assets, net	<u>\$ 12,475,351</u>	<u>\$ 3,405,735</u>	<u>\$ -</u>	<u>\$ 15,881,086</u>

	Balance at July 1, 2023	Additions	Deductions	Balance at June 30, 2024
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 486,609	\$ -	\$ -	\$ 486,609
Construction in progress	500,977	3,331,036	387,310	3,444,703
Total capital assets not being depreciated	<u>987,586</u>	<u>3,331,036</u>	<u>387,310</u>	<u>3,931,312</u>
Other capital assets:				
Buildings and utility infrastructure	9,126,641	-	-	9,126,641
Machinery, furniture and equipment	4,157,360	655,222	-	4,812,582
Infrastructure	41,697,077	583,689	-	42,280,766
Total other capital assets at historical cost	<u>54,981,078</u>	<u>1,238,911</u>	<u>-</u>	<u>56,219,989</u>
Less accumulated depreciation for:				
Buildings and utility infrastructure	7,019,779	108,285	-	7,128,064
Machinery, furniture and equipment	2,674,786	241,453	-	2,916,239
Infrastructure	21,454,257	1,066,607	-	22,520,864
Total accumulated depreciation	<u>31,148,822</u>	<u>1,416,345</u>	<u>-</u>	<u>32,565,167</u>
Other capital assets, net	23,832,256	(177,434)	-	23,654,822
Business-type activities capital assets, net	<u>\$ 24,819,842</u>	<u>\$ 3,153,602</u>	<u>\$ 387,310</u>	<u>\$ 27,586,134</u>

Depreciation:

Depreciable capital assets are depreciated on a straight-line basis over their useful lives. The range of estimated lives by type of assets is as follows:

- Buildings 40-50 years
- Improvements other than buildings 10-25 years
- Utility property and improvements 10-50 years
- Infrastructure 25-50 years
- Machinery, furniture, and equipment 3-20 years

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Depreciation of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset. For the year ended June 30, 2024 depreciation expense has been allocated as follows:

Governmental Activities:	
General Government	\$ 158,330
Public Safety	240,339
Streets	73,735
Culture and Recreation	450,790
Community Development	6,097
Total	\$ 929,291
Business-Type Activities:	
Hospital	\$ 44,767
Water	603,340
Wastewater	586,954
Sanitation	181,284
Total	\$ 1,416,345

6. Internal and Interfund Balances and Transfers

Internal and Interfund Balances:

The City's policy is to eliminate interfund receivables and payables between funds in the Statement of Net Position to ensure the fair presentation of account balances. Only residual balances due between governmental and business-type activities are reported as internal balances and then offset in the total column. The internal balances at June 30, 2024 are as follows:

Receivable Fund	Payable Fund	Amount	Nature of Interfund Balance
Public Safety	General Fund	\$ 9,290	Posting correction
Debt Service Fund	General Fund	4,265	Posting correction
Juvenile Fund	General Fund	3,291	Posting correction
BEDA	General Fund	75,000	Operating subsidy
General Fund	2022A GO Bonds Fund	89,930	Posting correction
BPWA	General Fund	7,431,145	Posting correction and to cover negative pooled cash and related interfund activity
General fund	BPWA	6,772,892	To cover negative balance in pooled cash
BPWA	CDBG Fund	4,495	To cover negative balance in pooled cash
Total		\$ 14,390,308	

Reconciliation to Fund Financial Statements:	Due From Other Funds	Due To Other Funds	Net Internal Balances
Governmental Funds	\$ 6,954,668	\$ 7,617,416	\$ (662,748)
Proprietary Funds	7,435,640	6,772,892	662,748
Total	\$ 14,390,308	\$ 14,390,308	\$ -

Internal and Interfund Transfers:

The City's policy is to eliminate interfund transfers between funds in the Statement of Activities to ensure the fair presentation of account balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and then offset in the total column. Internal activities between funds and activities for the year ended June 30, 2024 were as follows:

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<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Nature of Interfund Transfer</u>
General Fund	BPWA	\$ 8,121,789	Operating subsidy / return of pledged sales tax
General Fund	Public Safety	93,746	Operating subsidy
Capital improvement fund	General Fund	648,613	Operating subsidy
BPWA	Capital Improvement Fund	1,328,446	Operating subsidy
2022A GO Bonds Fund	General Fund	142,000	Operating subsidy
BPWA	General Fund	5,971,789	Pledged sales tax
		<u>\$ 16,306,383</u>	

	<u>Transfers to Other Funds</u>	<u>Transfers from Other Funds</u>	<u>Net Transfers</u>
Reconciliation to fund financial statements:			
Governmental Funds	\$ (8,184,594)	\$ 9,006,148	\$ 821,554
Enterprise Funds	(8,121,789)	7,300,235	(821,554)
Totals	<u>\$ (16,306,383)</u>	<u>\$ 16,306,383</u>	<u>\$ -</u>

Reconciliation to Statement of Activities:		
Net Transfers		\$ 821,554
Transfer of assets from Governmental Activities to Business Type Activities		(3,700,998)
Transfers - Internal Activity		<u>\$ (2,879,444)</u>

7. Long-Term Debt

The City's long-term debt consists of revenue bonds and notes and accrued compensated absences. For the year ended June 30, 2024, the City's long-term debt balances changed as follows:

Primary Government:

<u>Type of Debt</u>	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 20,600,000	\$ -	\$ 430,000	\$ 20,170,000	\$ 980,000
General Obligation Bond Premium	750,691	-	41,705	708,986	-
Accrued Compensated Absences	728,263	149,569	-	877,832	87,784
Notes Payable - Direct borrowings	623,666	-	-	623,666	57,237
Total Governmental Activities	<u>\$ 22,702,620</u>	<u>\$ 149,569</u>	<u>\$ 471,705</u>	<u>\$ 22,380,484</u>	<u>\$ 1,125,021</u>
Plus: Total OPEB liability				1,001,910	-
Net pension liability				5,687,290	-
				<u>\$ 29,069,684</u>	<u>\$ 1,125,021</u>
Reconciliation to Statement of Net Position:					
Due within one year				1,125,021	
Due in more than one year				27,944,663	
				<u>\$ 29,069,684</u>	

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<u>Type of Debt</u>	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Notes Payable - Direct borrowings	\$ 6,810,503	\$ 9,890,000	\$ 1,225,146	\$ 15,475,357	\$ 1,264,056
Notes Payable - Premium	-	271,498	894	270,604	-
Accrued Compensated Absences	<u>126,053</u>	<u>10,013</u>	<u>-</u>	<u>136,066</u>	<u>13,607</u>
Total Business-Type Activities	<u>\$ 6,936,556</u>	<u>\$ 10,171,511</u>	<u>\$ 1,226,040</u>	<u>\$ 15,882,027</u>	<u>\$ 1,277,663</u>
Plus: Total OPEB liability				349,504	-
Net pension liability				150,244	-
Refundable deposits				<u>788,661</u>	<u>78,732</u>
				<u>\$ 1,717,436</u>	<u>\$ 1,356,395</u>
Reconciliation to Statement of Net Position:					
Due within one year				\$ 1,356,395	
Due in more than one year				<u>15,814,041</u>	
				<u>\$ 17,170,436</u>	

Governmental activities long-term debt payable from property tax levies or other governmental revenues includes the following:

General Obligation Bonds Payable –

2016 General Obligation Bond for \$8,180,000 with interest from 2.00% to 2.75% Debt service payments are due semi-annually through June 2036. Proceeds were used to construct, equip, and furnish the Bethany Library. Bonds are secured with ad valorem taxes.	<u>\$5,170,000</u>
2022A General Obligation Bond for \$10,500,000 with interest at 4.125% Debt service payments are due semi-annually through December 2042. Proceeds are being used to construct streets, recreational facilities, and public safety buildings. Bonds are secured with ad valorem taxes.	<u>\$10,500,000</u>
2022B General Obligation Bond for \$4,500,000 with interest at 4.125% Debt service payments are due semi-annually through December 2042. Proceeds are being used to construct economic and community development projects and new storm drainage facilities. Bonds are secured with ad valorem taxes.	<u>\$4,500,000</u>
Total General Obligation Bonds Payable	<u>\$20,170,000</u>

Notes Payable (direct borrowings)

Pierce Financial note payable for \$679,236 with interest at 4.30% for purchase of a fire truck. Debt service payments are due annually through June 2032. Note is secured by the fire truck as collateral.	<u>\$623,666</u>
Total Notes Payable (direct borrowings) –	<u>\$623,666</u>

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Business-type activities long-term debt payable from net revenues generated by water and wastewater revenue and taxes pledged to the City's business-type activities include the following:

Notes Payable (direct borrowings) –

Oklahoma Water Resources Board:

Series 2008 CWSRF Note for \$5,140,000 with interest at 3.1%;

Debt service payments are due semi-annually through March 2029.

Note is secured by the revenues of the Bethany Public Works Authority and pledged sales tax. Proceeds used for capital improvements related to water. In the event of default on the OWRB loan, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture; security agreement or lease agreement.

\$1,545,357

2024 OWRB FAP note payable for water system improvements, original amount of \$9,890,000, payable in semi-annual installments with an annual interest rate of 5.5%, final payment due September 2054. The note is secured and payable from utility revenues and pledged sales tax. In the event of default the lender may, at its discretion, require the debtor to assemble the collateral and make available to the lender, and may appoint a temporary trustees to take over, operate and maintain the system on a profitable basis.

\$9,890,000

Series 2013 Sales Tax and Utility System Revenue Note for \$9,665,000 with interest rate of 2.86%. Debt service payments are due semi-annually through April 2028. Secured by revenue of the Public Works Authority and pledged sales tax. In the event of default on the loan, the lender may: 1) file suit for specific performance of covenants contained in the agreement; 2) accelerate maturity; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action in action of parties under provisions of the indenture; security agreement or lease agreement.

\$4,040,000

Total Notes Payable (direct borrowings)

\$15,475,357

Long-term debt service requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities			
	General Obligation Bonds Payable		Notes Payable - Direct Borrowings	
	Principal	Interest	Principal	Interest
2025	\$ 980,000	\$ 763,438	\$ 57,237	\$ 25,683
2026	1,230,000	727,838	60,551	23,139
2027	1,230,000	683,238	63,207	20,484
2028	1,230,000	634,638	65,979	17,712
2029	1,230,000	586,038	68,872	14,818
2030-2034	6,149,230	2,197,663	307,820	27,711
2035-2039	4,870,000	1,096,338	-	-
2040-2043	3,250,000	269,219	-	-
Total	<u>\$ 20,169,230</u>	<u>\$ 6,958,410</u>	<u>\$ 623,666</u>	<u>\$ 129,547</u>

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Business-Type Activities		
Year Ending June 30,	Notes Payable - Direct Borrowings	
	Principal	Interest
2025	1,264,057	538,482
2026	1,308,090	589,857
2027	1,350,042	548,923
2028	1,392,212	506,884
2029	290,956	482,296
2030-2034	1,055,000	2,274,333
2035-2039	1,355,000	1,962,583
2040-2044	1,755,000	1,553,943
2045-2049	2,255,000	1,044,889
2050-2054	2,810,000	477,906
2055	640,000	14,640
Total	\$ 15,475,357	\$ 9,994,736

Pledge of Future Revenues

Utility Net Revenues and Sales Tax Pledge - The City and Public Works Authority have pledged water of the water and wastewater systems and 3.00 cents sales tax to repay the OWRB Series 2008, the 2013 Sales Tax and Utility Revenue Bond, and the 2024 OWRB FAP Note Payable. Proceeds from the notes provided financing for capital assets. The notes are payable from net utility revenues and are payable through 2029, 2028, and 2054, respectively. The 3.00 cents sales tax is pledged to pay the debt service on the bonds and the three cents is sent back to the general fund if not needed for debt service. The total principal and interest payable for the remainder of the life of these notes is \$25,470,092. Net water revenues and sales tax received in the current year were \$5,601,429. Debt service payments of \$1,408,727 for the current fiscal year were 25.15% of pledged net utility revenues and sales tax.

8. Net Position and Fund Balances

Government-wide net position is displayed in three components:

- a. *Net investment in capital assets* - 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 position* - Consists of net position 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 position* - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

It is the City’s policy to use restricted net position prior to unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

At June 30, 2024 net position restricted by enabling legislation totaled \$8,046,484.

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Fund Balance:

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as:

- a. Nonspendable – includes amounts that cannot be spent because they are either (1) not in spendable form or (2) 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 (city manager) 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.

The City’s policy for the use of fund balance amounts require that committed amounts would be reduced first followed by assigned amounts and then unassigned 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:

	General Fund	Federal Grants Fund	2022A GO Bonds	Other Governmental Funds	Total
Fund Balance:					
Restricted For:					
Police operations	\$ -	\$ -	\$ -	\$ 835,408	\$ 835,408
General obligation debt service	-	-	8,303,914	6,549,021	14,852,935
Capital improvements	-	-	-	1,473,212	1,473,212
Emergency Services	454,603	-	-	-	454,603
Stormwater management	1,790,212	-	-	-	1,790,212
Economic development	-	-	-	659,312	659,312
Cemetery improvements	-	-	-	108,490	108,490
Sub-total restricted	<u>2,244,815</u>	<u>-</u>	<u>8,303,914</u>	<u>9,625,443</u>	<u>20,174,172</u>
Assigned for:					
Capital improvements	-	-	-	48,334	48,334
Stabilization reserve	3,010,802	-	-	-	3,010,802
Sub-total assigned	<u>3,010,802</u>	<u>-</u>	<u>-</u>	<u>48,334</u>	<u>3,059,136</u>
Unassigned (deficit):	7,620	(648,434)	-	(4,495)	(645,309)
TOTAL FUND BALANCE	<u>\$ 5,263,237</u>	<u>\$ (648,434)</u>	<u>\$ 8,303,914</u>	<u>\$ 9,669,282</u>	<u>\$ 22,587,999</u>

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9. Accounting Changes & Error Corrections

Beginning as of the fiscal year ending June 30, 2024, the Capital Improvement Fund did not meet the quantitative threshold for presentation as a major fund. Due to this change, the Statement of Revenues, Expenditures and changes in Fund Balances for Nonmajor Governmental Funds' total beginning fund balances is restated. The effects of the accounting change to or within the financial reporting entity are summarized in the reconciliation below.

Reconciliation of Changes to or Within the Financial Reporting Entity

	Balance Before Restatement	Restatement for Reclassification of Capital Improvement Fund from Major to Nonmajor	Balance After Restatement
Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - Beginning Fund Balance	\$ 7,264,010	\$ 759,915	\$ 8,023,925

10. Revenues

Program Revenues:

Program revenues within the statement of activities that are derived directly from each activity or from parties outside of the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

- Public Safety – Fire, Police, Emergency Management, E911 fees and operating capital grants
- Public Works and Streets – commercial vehicle and gasoline excise tax shared by the State and stormwater compliance fees
- Culture and recreation – pool fees, library fees, recreation fees operating and capital grants
- General Government – fines and forfeitures, cemetery revenue, animal shelter, and operating grants
- Community Development – license and permits
- Economic Development – operating grants

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

Sales Tax Revenue:

Sales tax revenue represents a 4.00 cents tax on each dollar of taxable sales of which is collected by the Oklahoma Tax Commission and remitted to the City. The sales tax is deposited 3.30 cents in the general fund and 0.70 cents in the Capital Improvement Fund. The entire sales tax initially reported in the General Fund is then transferred to the BPWA per the bond indenture pledge then transferred back to the general fund. The 0.70 cents are legally restricted for capital improvement purposes by a vote of the citizens.

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Property Tax Revenue:

In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the City. The City's property taxes are billed and collected by the County and remitted to the City. Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. For the year ended June 30, 2024, the City's net assessed valuation of taxable property was \$125,748,243. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2024 was \$15.93.

11. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. The City manages these various risks of loss as follows:

- General Liability – Covered through purchased insurance
- Physical Property – Covered through purchased insurance.
- Workers' Compensation – Covered through purchased commercial insurance.
- Employee's Group Medical – Covered through purchased commercial insurance.
- Unemployment – Covered through purchased commercial insurance.

Management believes the insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past two fiscal years.

12. Retirement Plan Participation

The City of Bethany participates in three defined benefit pension plans, a City Manager defined contribution plan, and an IRS 457 deferred compensation plan:

- Oklahoma Municipal Retirement Plan (OkMRF) – agent multi-employer
- Oklahoma Police Pension and Retirement System (OPPRS) – a statewide cost-sharing plan
- Oklahoma Fire Pension and Retirement System (OFPRS) – a statewide cost-sharing plan

Summary of Deferred Outflows, Inflows and Net Pension Liability (Asset) by plan:

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	Governmental		Business Type		Total
Deferred Outflows:					
Police Pension	\$ 1,504,334		\$ -		\$ 1,504,334
Fire Pension	1,287,904		-		1,287,904
OkMRF	1,216,076		728,640		1,944,716
Total	<u>\$ 4,008,314</u>		<u>\$ 728,640</u>		<u>\$ 4,736,954</u>
Deferred Inflows:					
Police Pension	\$ 329,542		\$ -		\$ 329,542
Fire Pension	550,393		-		550,393
OkMRF	208,839		134,253		343,092
Total	<u>\$ 1,088,774</u>		<u>\$ 134,253</u>		<u>\$ 1,223,027</u>
Net Pension Liability:					
Fire Pension	5,439,993		-		5,439,993
OkMRF	247,297		150,244		397,541
Total	<u>\$ 5,687,290</u>		<u>\$ 150,244</u>		<u>\$ 5,837,534</u>
Net Pension Asset:					
Police Pension	<u>\$ 157,554</u>		<u>\$ -</u>		<u>\$ 157,554</u>
Total	<u>\$ 157,554</u>		<u>\$ -</u>		<u>\$ 157,554</u>
Pension Expense (benefit):					
Police Pension	\$ 422,622		\$ -		\$ 422,622
Fire Pension	782,871		-		782,871
OkMRF	(5,274)		(3,204)		(8,478)
Total	<u>\$ 1,200,219</u>		<u>\$ (3,204)</u>		<u>\$ 1,197,015</u>

Oklahoma Municipal Retirement Plan (OkMRF) – Defined Benefit Plan

A. 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, § 48-101-102.

B. 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.

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C. Eligibility Factors and Benefit Provisions

<u>Provision</u>	<u>As of 07/01/23 OkMRF Plan</u>
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, split COLA, hybrid -Early retirement at age 55 with 10 years of service -Disability retirement upon disability with 10 years of 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	-3.0% 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, § 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.

D. Employees Covered by Benefit Terms

Active Employees	67
Deferred Vested Former Employees	8
Retirees or Retiree Beneficiaries	<u>51</u>
Total	<u>126</u>

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E. 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, § 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 3.11% of covered payroll as of July 1, 2023. For the year ended June 30, 2024, the City recognized \$329,143 of employer contributions to the plan which is above the actuarially determined amount by \$220,030 based on covered payroll of \$3,508,455. Employees contribute 6.00% to the plan in accordance with the plan provisions adopted by the City Council. Employee contributions for fiscal 2024 were \$235,383.

F. Actuarial Assumptions

Date of Last Actuarial Valuation	-July 1, 2023
a. Actuarial cost method	-Entry age normal
b. Rate of Return on Investments and Discount Rate	-7.50%
c. Projected Salary Increase	-Varies between 7.50% and 4.50% based on age
d. Post Retirement cost-of-Living Increase	-None
e. Inflation Rate	-2.75%
f. Mortality Table	-PubG-2010 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: 225
	Year 2: 140
	Year 3: 100
	Year 4: 70
	Year 5: 40
j. Date of last experience study	-November 2022 for fiscal years 2017 through 2021

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G. Discount Rate --

The discount rate used to value benefits was the long-term expected rate of return on plan investments of 7.50% 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 (2.75%). 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, 2023 are summarized in the following table:

	<u>Target Allocation</u>	<u>Real Return</u>	<u>Weighted Return</u>
Large cap stocks S&P 500	25%	4.55%	1.14%
Small/mid cap stocks Russell 2500	10%	5.00%	50.00%
Long/short equity MSCI ACWI	10%	6.05%	0.30%
International stocks MSCI EAFE	20%	6.20%	1.24%
Fixed income bonds Barclay's Capital Aggregate	30%	2.55%	0.51%
Real estate NCREIF	5%	4.95%	0.74%
Cash equivalents 3 month Treasury	0%	15.00%	0.00%
TOTAL	<u>100%</u>		
Average Real Return			4.75%
Inflation			<u>2.75%</u>
Long-term expected return			<u>7.50%</u>

H. Changes in Net Pension Liability (Asset) --

The total pension liability was determined based on an actuarial valuation performed as of July 1, 2023 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, 2023 and the City's report ending date of June 30, 2024, that would have had a significant impact on the net pension liability (asset).

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The following table reports the components of changes in net pension liability (asset):

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	\$ 29,329,648	\$ 28,500,758	\$ 828,890
Changes for the Year:			
Service cost	424,167	-	424,167
Interest expense	2,126,409	-	2,126,409
Benefit changes	-	-	-
Experience losses (gains) - (amortized over avg remain service period of actives & inactive)	16,335	-	16,335
Changes of assumptions	(1,991,046)	-	(1,991,046)
Contributions-- City	-	308,795	(308,795)
Contributions-- Members	-	220,823	(220,823)
Net investment income (loss)	-	2,530,961	(2,530,961)
Benefits paid, including refunds of employee contributions	-	(1,991,046)	1,991,046
Plan administrative expenses	-	(62,319)	62,319
Net Changes	<u>575,865</u>	<u>1,007,214</u>	<u>(431,349)</u>
Balances End of Year	<u>\$ 29,905,513</u>	<u>\$ 29,507,972</u>	<u>\$ 397,541</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage-point lower (6.50 percent) or one percentage-point higher (8.50 percent) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability (Asset)	\$ 3,252,533	\$ 397,541	\$ (2,042,480)

The City reported (\$8,478) in pension expense (benefit) for the year ended June 30, 2024. At June 30, 2024, 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
Differences between expected and actual experience	\$ 11,835	\$ 86,643
Changes of assumptions	-	249,074
Net difference between projected and actual earnings on pension plan investments	1,586,992	-
Changes in proportion and differences between City contributions and proportionate share of contributions	6,546	6,546
City contributions during measurement date	10,200	829
City contributions subsequent to the measurement date	329,143	-
Total	<u>\$ 1,944,716</u>	<u>\$ 343,092</u>

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The \$329,143 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, 2025. 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:

Year ended June 30:				
	2025	\$	(12,300)	
	2026		139,618	
	2027		1,235,066	
	2028		(89,903)	
		\$	1,272,481	

Oklahoma Firefighter’s Pension – Statewide Cost Sharing Plan

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

Summary 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 Oklahoma Firefighters Pension & Retirement System (FPRS) and additions to/deductions from FPRS’s fiduciary net position have been determined on the same basis as they are reported by FPRS. 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.

Benefits provided - FPRS provides defined retirement benefits based on members’ final average compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. The Plan’s benefits are established and amended by Oklahoma statute. Retirement provisions are as follows:

Normal Retirement:

- **Hired Prior to November 1, 2013**
Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member’s final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month.
- **Hired After November 1, 2013**
Normal retirement is attained upon completing 22 years of service. The normal retirement benefit is equal to 55% of the member’s final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. Also participants must be age 50 to begin receiving benefits. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month.

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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-the-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-the-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 determined 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 \$245,116. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$592,697 that 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 \$481,879. 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, 2024, the City reported a liability of \$5,439,993 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. 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, 2023. Based upon this information, the City's proportion was .4216%. For the year ended June 30, 2024, the City recognized pension expense of \$782,871.

At June 30, 2024, 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
Differences between expected and actual experience	\$ 646,966	\$ 6,906
Changes of assumptions	-	8,723
Net difference between projected and actual earnings on pension plan investments	358,871	-
Changes in proportion and differences between City contributions and proportionate share of contributions	32,003	534,738
City contributions during the measurement date	4,948	26
City contributions subsequent to the measurement date	245,116	-
Total	\$ 1,287,904	\$ 550,393

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The \$245,116 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		2025	\$	143,063
		2026		(55,064)
		2027		476,876
		2028		(72,481)
		Total	\$	492,394

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	2.75% to 10.5% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates were based on the Pub-2010 Public Safety Table, with adjustments for generational mortality improvement using scale MP-2018 for healthy lives and no mortality improvement for disabled lives. The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

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, 2023, are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	5.80%
Domestic equity	47%	9.49%
International equity	15%	11.55%
Real estate	10%	8.48%
Other assets	8%	6.47%

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.

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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 one percentage point lower (6.5%) or one percentage-point higher (8.5%) than the current rate:

	Decrease 6.50%	Discount Rate 7.50%	Increase 8.50%
Employers' net pension liability	\$ 7,088,545	\$ 5,439,993	\$ 4,061,366

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 FPRS, which can be located at www.ok.gov/fprs.

Oklahoma Police Pension – Statewide Cost Sharing Plan

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.

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 Oklahoma Police Pension & Retirement System (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.

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,

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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 \$282,757. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$273,031. 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 \$229,346. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the City reported an asset of \$154,554 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2023. 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, 2023. Based upon this information, the City's proportion was .5159%

For the year ended June 30, 2024, the City recognized pension expense of 422,622. At June 30, 2024, 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
Differences between expected and actual experience	\$ 431,305	\$ 24,299
Changes of assumptions	-	294,092
Net difference between projected and actual earnings on pension plan investments	780,618	-
Changes in proportion and differences between City contributions and proportionate share of contributions	5,255	3,134
City contributions during the measurement date	4,399	8,017
City contributions subsequent to the measurement date	282,757	-
Total	<u>\$ 1,504,334</u>	<u>\$ 329,542</u>

The \$282,757 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction (addition) of the net pension liability (asset) in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:

2025	\$	147,995
2026		1,911
2027		608,063
2028		137,172
2029		<u>(3,106)</u>
Total	<u>\$</u>	<u>892,035</u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation: 2.75%

Salary increases: 3.5% to 12% average, including inflation

Investment rate of return: 7.5% net of pension plan investment expense

Cost-of-living adjustments:

Police officers eligible to receive increased benefits according to repealed § 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).

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.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2017, to June 30, 2022.

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, 2023, are summarized in the following table:

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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	5.78%
Domestic equity	7.73%
International equity	11.55%
Real estate	7.66%
Private equity	11.64%

The current allocation policy is that approximately 65% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 20% 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 asset 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 asset.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate-The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability (asset) 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:

	<u>Decrease 6.50%</u>	<u>Discount Rate 7.50%</u>	<u>Increase 8.50%</u>
Employers' net pension liability (asset)	\$ 1,487,574	\$ (157,554)	\$ (1,550,461)

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.

City of Bethany 457 Deferred Compensation Plan (DC Plan)

Oklahoma Municipal Retirement Fund Defined Contribution City Manager Plan – Effective January 1, 2017, the city offers a defined contribution plan to the city manager administered by OkMRF. The Plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. Separate audited GAAP basis financial statements are not available. OkMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The authority to establish and amend the provisions of the Plan rests with the City Commission. Benefits depend solely on amounts contributed to the plan plus investment earnings.

Under the plan the employer contributed 3% of compensation through December 2017 and 4% for January through June 2018 and continuing on through June 2024. Employees may voluntarily contribute to the plan.

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Employees are 100% vested in the plan. During the year ended June 30, 2024, employees contributed \$5,949 and the employer contributed \$8,343.

ICMA Retirement Deferred Compensation Plan (the ICMA Plan) – The City of Bethany makes available to all full-time employees a Section 457 deferred compensation (DC) plans. The DC plan was created in accordance with Section 457 of the *Internal Revenue Code*, and permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to the employee until retirement, termination, death, or unforeseeable emergency. Separate audited financial statements are not available.

Funding Policy – Plan participants may contribute up to \$18,500 of eligible compensation per year. During the year ended June 30, 2024, employees contributed \$105,260.

13. Postemployment Healthcare Plan

Plan Description. The City sponsors medical and prescription drug coverage to qualifying retirees and their dependents who elect to make the required contributions. Coverage is provided through fully-insured arrangements that collectively operate as a substantive single-employer defined benefit plan. A substantive plan is one in which the plan terms are understood by the employer and the plan members. This understanding is based on communication between the employer and the plan member and historical pattern of practice with regard to the sharing of benefit costs. Qualifying retirees are those employees who are eligible for immediate disability or retirement benefits under the Oklahoma Police Pension and Retirement System, Oklahoma Firefighter's Pension and Retirement System, or the City of Bethany Retirement Plan. Retirees may continue coverage with the City by paying the carrier premium rate. Coverage is available for each of the lifetimes of retirees and their spouses. Authority to establish and amend benefit provisions rest with the City Council. Retirees may continue coverage with the City by paying the premium rate. Benefits are paid from general operating assets of the City.

Benefits provided - The Plan covers all current retirees of the City who elected postretirement medical coverage through the City Health Plan and future retired employees of the City health plan. In accordance with administrative policy, the benefit levels are the same as those afforded to active employees; this creates an implicit rate subsidy. The benefits offered by the City to retirees include health and prescription drug benefits. The retiree can retain coverage with the City by making an election within 30 days of termination, if having at least 10 years of creditable service with the City, and are at least 55 years old at the time of termination. Police and firefighters must retire under the statewide retirement system and have 20 years of credited service. Coverage stops at age 65 for the retiree and spouse.

The amount of benefit payments during fiscal year June 30, 2024 were \$63,193.

Employees Covered by Benefit Terms

Active Employees	116
Inactive or beneficiaries receiving benefits	<u>17</u>
Total	<u>133</u>

Total OPEB Liability – The total OPEB liability was determined based on an actuarial valuation performed as of June 30, 2023.

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Actuarial Assumptions- The City's total OPEB liability was determined based on an actuarial valuation prepared as of June 30, 2023, using the following actuarial assumptions:

- Actuarial cost method – Entry Age
- Discount rate – 4.09% based on the yield for 20-year municipal bonds on the measurement date
- Retirement age – Civilians – 55 with 10 years of service; Police and Fire 20 years of service
- Medical trend rates –

2025	5.86%
2030	5.01%
2035	4.97%
2040	4.81%
2045	4.70%
2050	4.64%
2060	4.54%
2065	4.50%
2070	4.20%
2075	3.94%

Changes in Total OPEB Liability –

	Total OPEB Liability
Balances at Beginning of Year	\$ 1,328,994
Changes for the Year:	
Service cost	70,624
Interest expense	57,244
Change in assumptions	(318,537)
Difference between expected and actual experience	271,462
Benefits paid	(58,373)
Net Changes	22,420
Balances End of Year	\$ 1,351,414

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the City recognized OPEB expenses of \$22,354. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 261,781	\$ 223,252
Changes of assumptions	140,010	612,862
Net difference between projected and actual earnings on OPEB plan investments	-	-
Change in proportion	296,940	296,940
City Contributions during the measurement date	6,700	12,348
City Contributions subsequent to the measurement date	63,193	-
Total	\$ 768,624	\$ 1,145,402

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year Ended June 30:		
2025	\$	(93,274)
2026		(84,351)
2027		(53,420)
2028		(67,646)
2029		(72,117)
Thereafter		(69,163)
	<u>\$</u>	<u>(439,971)</u>

Sensitivity of the City's total OPEB liability to changes in the discount rate- The following presents the City's total OPEB liability, as well as what the City's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (3.09 percent) or one percentage point higher (5.09 percent) than the current discount rate:

	1% Decrease 3.09%	Discount Rate 4.09%	1% Increase 5.09%
Employers' total OPEB liability	\$ 1,490,023	\$ 1,351,414	\$ 1,229,311

Sensitivity of the City's total OPEB liability to changes in the healthcare cost trend rates - The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are approximately one percentage-point lower (4.91 percent decreasing to 2.94 percent) or approximately one percentage point higher (6.91 percent decreasing to 4.94 percent) than the current healthcare cost trend rates:

	4.91% Grading to 2.94%	5.91% Grading to 3.94%	6.91% Grading to 4.94%
Employers' total OPEB liability	\$ 1,242,955	\$ 1,351,414	\$ 1,479,557

14. Commitments, contingencies, and subsequent events

Litigation

The City is a party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City Sinking Fund for the payment of any court assessed judgment rendered against the City. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

Grant Programs

The City of Bethany participates in various federal or state grant/loan programs from year to year. In 2024, the City's involvement in federal and state award programs is relatively material. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise

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as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Improvement Districts

In April 2019, the City created two Improvement Districts under the Local Development Act. The districts include the areas around Northwest 23rd Street and the undeveloped area north of Northwest 39th Expressway and east of the Lake Hefner Canal and scattered redevelopment along Northwest 39th Expressway. The districts will provide needed public improvement to stimulate private development within the areas. The projects will be financed from a combination of public and private sources, including apportionment of ad valorem and sales tax increments.

Opioid Settlement Funds

In June 2022, drug manufacturer distributors reached a \$308 billion-dollar nationwide settlement related to opioid lawsuit(s). These funds will be disbursed to each litigating party over an 18-year period according to an allocation agreement reached with all participating states.

Oklahoma's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 25% of Net Opioid Funds to Litigating Political Subdivisions
 - 10% of allocation to establish an appeal fund
- 75% to the State of Oklahoma

The City as a litigating party received \$9,764 as part of this settlement in fiscal year 2024. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30th, 2024.

15. Tax Abatements

The City enters into sales tax rebate agreements with a local business as allowed in the Oklahoma State Constitution, Article 10, § 14. Under this law, the City may establish economic development programs and provide sales tax increments for development as part of its economic development plan.

The sales tax rebate program allows a retail store business or developer to receive rebated sales tax in an amount up to the amount of sales tax collected on a specific retailer. To be eligible for this program, the project area should be occupied by occupants operating a retail store of requisite quality which are either existing businesses or new businesses. The sales tax rebate period varies with each agreement and there are no provisions for recapture.

Due to confidentiality laws in Oklahoma statutes Title 68, Section 1354.11, the amounts of sales taxes rebated will not be disclosed. The following businesses had rebate agreements with the City as of June 30, 2024:

- A local convenience store received rebated sales tax during 2024. The agreement is for seven years and will not extend beyond June 30, 2029. The rebate is calculated by remitting 62% of the reported sales tax generated by the store for the first three years of the agreement. For the next three years of the agreement, the store will receive 52% of the reported sales tax generated by the store.

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REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedules (Budgetary Basis) – Year Ended June 30, 2024

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budget basis)	Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 7,303,753	\$ 7,303,753	\$ 6,227,688	\$ (1,076,065)
Resources (Inflows):				
Taxes	8,313,957	8,313,957	7,259,024	(1,054,933)
Intergovernmental	410,726	410,726	2,492,824	2,082,098
Fees, licenses and permits	90,905	90,905	182,009	91,104
Charges for services	629,167	629,167	664,907	35,740
Fines and forfeitures	813,252	813,252	752,866	(60,386)
Interest earned	13,515	13,515	52,516	39,001
Miscellaneous	359,125	359,125	312,919	(46,206)
Total Resources (Inflows)	<u>10,630,647</u>	<u>10,630,647</u>	<u>11,717,065</u>	<u>1,086,418</u>
Amounts available for appropriation	<u>17,934,400</u>	<u>17,934,400</u>	<u>17,944,753</u>	<u>10,353</u>
Charges to Appropriations (Outflows):				
General Government				
Management	1,039,918	1,039,918	1,034,028	5,890
Finance	429,104	429,104	396,672	32,432
Municipal court	620,081	620,081	501,978	118,103
Engineering	351,000	209,000	191,612	17,388
Community Development	620,108	620,108	583,449	36,659
Public Safety				
Police	4,699,604	4,699,604	4,735,244	(35,640)
Fire	2,910,684	2,910,684	3,525,220	(614,536)
Public Works and Streets				
Administration	189,753	189,753	151,818	37,935
Streets	965,182	965,182	996,207	(31,025)
Maintenance	133,624	133,624	93,153	40,471
Culture and Recreation				
Parks	600,557	600,557	500,623	99,934
Contingency	606,000	606,000	96,200	509,800
Total Charges to Appropriations	<u>13,165,615</u>	<u>13,023,615</u>	<u>12,806,204</u>	<u>217,411</u>
Other financing sources (uses)				
Transfers from other funds	2,507,788	2,507,788	8,215,535	5,707,747
Transfers to other funds	(1,638,120)	(6,923,684)	(8,090,848)	(1,167,164)
Total other financing sources (uses)	<u>869,668</u>	<u>(4,415,896)</u>	<u>124,687</u>	<u>4,540,583</u>
Ending Budgetary Fund Balance	<u>\$ 5,638,453</u>	<u>\$ 494,889</u>	<u>\$ 5,263,236</u>	<u>\$ 4,768,347</u>

Schedule of Footnotes to Budgetary Comparison:

1. The budgetary comparison schedules and budgetary fund balance amounts are reported on a non-GAAP basis that report revenues on a cash basis, and expenditures in the period the invoice is received, except for payroll expenditures that are recorded when paid. In addition, obligations that are required to be funded from ending budgetary fund balances are subtracted from total ending budgetary fund balances

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to arrive at the unassigned budgetary fund balance. This presentation of unassigned fund balances on a budgetary basis is used to demonstrate compliance with Article 10, § 26 of the Oklahoma State Constitution.

2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation within a fund require the approval of the City Manager. All supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.

3. The budgetary basis differs from the modified accrual (GAAP) basis as shown in the schedule below:

	<u>Fund Balance July 1, 2023</u>	<u>Net Change in Fund Balance</u>	<u>Fund Balance June 30, 2024</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$6,230,195	(966,958)	\$5,263,237
Increases (Decreases):			
Revenues:			
Accounts receivable	(3,284,988)	914,272	(2,370,716)
State on behalf pension payments	(769,083)	(96,645)	(865,728)
Combining accounts	(7,705)	85	(7,620)
Expenditures:			
Accrued payroll	147,031	67,179	214,210
Other expenditures	3,143,155	(979,029)	2,164,126
State on behalf pension payments	769,083	96,645	865,728
Fund Balance - Budgetary Basis	<u>\$6,227,688</u>	<u>(\$964,451)</u>	<u>\$5,263,237</u>

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Pension Information

Schedules of Required Supplementary Information

**SCHEDULE OF THE CITY OF BETHANY'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years***

	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.4666469%	0.4746469%	0.5068200%	0.4774980%	0.4991460%	0.4869520%	0.4723241%	0.4216230%
City's proportionate share of the net pension liability	\$ 5,701,081	\$ 5,969,747	\$ 5,704,991	\$ 5,045,569	\$ 6,149,052	\$ 3,206,901	\$ 6,176,740	\$ 5,439,993
City's covered-employee payroll	\$ 1,305,306	\$ 1,330,221	\$ 1,503,888	\$ 1,476,625	\$ 1,656,853	\$ 1,581,704	\$ 1,563,053	\$ 1,629,015
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	437%	449%	379%	342%	371%	203%	395%	334%
Plan fiduciary net position as a percentage of the total pension liability	64.87%	66.61%	70.73%	72.85%	69.98%	68.12%	69.40%	70.90%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only the previous eight fiscal years are presented because 10-year data is not yet available.

**SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	\$ 179,255	\$ 182,743	\$ 186,231	\$ 210,544	\$ 206,728	\$ 232,244	\$ 221,576	\$ 218,873	\$ 228,063	\$ 245,116
Contributions in relation to the statutorily required contribution	179,255	182,743	186,231	210,544	206,728	232,244	221,576	218,873	228,063	245,116
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,280,394	\$ 1,305,306	\$ 1,330,221	\$ 1,503,888	\$ 1,476,625	\$ 1,656,853	\$ 1,581,704	\$ 1,563,053	\$ 1,629,015	\$ 1,750,826
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.02%	14.01%	14.00%	14.00%	14.00%

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**Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF BETHANY PORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years***

	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability (asset)	0.5536%	0.5509%	0.5869%	0.5576%	0.5740%	0.5182%	0.5157%	0.5159%
City's proportionate share of the net pension liability (asset)	\$ 847,805	\$ 42,373	\$ (279,584)	\$ (35,598)	\$ 659,211	\$ (2,485,965)	\$ (413,544)	\$ (154,554)
City's covered-employee payroll	\$ 1,591,163	\$ 1,642,700	\$ 1,790,307	\$ 1,813,284	\$ 1,993,346	\$ 1,901,208	\$ 1,748,640	\$ 1,831,732
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	53.28%	2.58%	-15.62%	-1.96%	33.07%	-130.76%	-23.65%	-8.44%
Plan fiduciary net position as a percentage of the total pension liability	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%	101.02%

*The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Only the previous eight fiscal years are presented because 10-year data is not yet available.

**SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	\$ 195,488	\$ 206,851	\$ 213,551	\$ 232,740	\$ 235,728	\$ 259,305	\$ 247,157	\$ 227,323	\$ 238,125	\$ 282,702
Contributions in relation to the statutorily required contribution	198,160	200,614	213,551	232,740	235,728	259,305	232,358	240,177	243,484	282,757
Contribution deficiency (excess)	\$ (2,672)	\$ 6,237	\$ -	\$ -	\$ -	\$ -	\$ 14,799	\$ (12,854)	\$ (5,359)	\$ (55)
City's covered-employee payroll	\$ 1,503,757	\$ 1,591,163	\$ 1,642,700	\$ 1,790,307	\$ 1,813,284	\$ 1,993,346	\$ 1,901,208	\$ 1,748,640	\$ 1,831,732	\$ 2,174,630
Contributions as a percentage of covered-employee payroll	13.18%	12.61%	13.00%	13.00%	13.00%	13.01%	12.22%	13.74%	13.29%	13.00%

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Required Supplementary Information
Oklahoma Municipal Retirement Fund

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Service cost	\$ 350,458	\$ 381,355	\$ 504,132	\$ 525,983	\$ 548,068	\$ 586,762	\$ 618,999	\$ 636,125	\$ 444,741	\$ 424,167
Interest	1,732,333	1,759,621	1,761,976	1,829,496	1,876,797	1,951,401	2,058,987	2,124,097	2,200,425	2,126,409
Changes of benefit terms	-	-	-	821	-	-	37,227	-	-	-
Differences between expected and actual experience	-	(665,220)	(288,129)	(213,851)	(89,986)	(94,319)	(292,648)	55,995	(426,420)	16,335
Changes of assumptions	-	-	-	522,379	-	401,239	-	-	(1,235,833)	-
Benefit payments, including refunds of member contributions	(952,501)	(1,829,997)	(1,054,351)	(1,161,143)	(1,336,277)	(1,346,023)	(1,477,560)	(1,634,144)	(1,568,930)	(1,991,046)
Net change in total pension liability	1,130,490	(350,151)	923,628	1,503,885	999,502	1,499,660	945,085	1,182,073	(976,017)	575,865
Total pension liability - beginning	22,472,174	23,602,663	23,292,512	24,176,140	25,680,023	26,679,527	28,178,587	29,123,592	30,305,665	29,329,648
Total pension liability - ending (a)	\$ 23,602,664	\$ 23,252,512	\$ 24,176,140	\$ 25,680,023	\$ 26,679,527	\$ 28,178,587	\$ 29,123,592	\$ 30,305,665	\$ 29,329,648	\$ 29,905,513
Plan fiduciary net position										
Contributions - employer	\$ 537,682	\$ 583,840	\$ 536,856	\$ 559,723	\$ 481,380	\$ 472,645	\$ 477,415	\$ 309,130	\$ 317,425	\$ 308,795
Contributions - member	150,355	153,204	157,696	164,120	181,058	189,929	184,401	224,342	215,385	220,823
Net investment income	3,380,397	650,013	203,962	2,815,616	1,852,623	1,782,115	1,110,225	7,528,643	(4,097,539)	2,530,961
Benefit payments, including refunds of member contributions	(952,501)	(1,829,907)	(1,054,351)	(1,161,143)	(1,336,277)	(1,346,023)	(1,477,560)	(1,634,144)	(1,568,930)	(1,991,046)
Administrative expense	(49,379)	(48,861)	(45,845)	(49,866)	(52,417)	(55,960)	(58,885)	(57,273)	(57,773)	(62,319)
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	3,065,954	(491,711)	(201,682)	2,327,450	1,126,367	1,042,706	235,596	6,370,698	(5,591,433)	1,007,214
Plan fiduciary net position - beginning	20,616,812	21,682,766	23,191,055	22,989,373	25,316,823	26,443,190	27,485,896	27,721,492	34,092,190	28,500,758
Plan fiduciary net position - ending (b)	\$ 23,682,766	\$ 21,191,055	\$ 22,989,373	\$ 25,316,823	\$ 26,443,190	\$ 27,485,896	\$ 27,721,492	\$ 34,092,190	\$ 28,500,758	\$ 29,507,972
Net pension liability (asset) - ending (a) - (b)	\$ (80,102)	\$ 61,457	\$ 1,186,767	\$ 363,202	\$ 236,337	\$ 692,691	\$ 1,402,100	\$ (3,786,525)	\$ 828,890	\$ 397,541
Plan fiduciary net position as a percentage of the total pension liability	100.34%	99.74%	95.09%	98.59%	99.11%	97.54%	95.19%	112.49%	97.17%	98.67%
Covered employee payroll	\$ 3,256,228	\$ 3,149,951	\$ 3,296,442	\$ 3,481,527	\$ 3,916,031	\$ 4,128,749	\$ 4,176,896	\$ 3,791,013	\$ 3,688,284	\$ 3,538,629
Net pension liability (asset) as a percentage of covered-employee payroll	-2.46%	1.9%	36.00%	10.43%	6.04%	16.78%	33.57%	-9.88%	22.47%	11.23%

*The amounts present for each fiscal year were determined as of 6/30

Required Supplementary Information
Oklahoma Municipal Retirement Fund

Schedule of Employer Contributions

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 583,839	\$ 536,856	\$ 537,293	\$ 478,931	\$ 462,833	\$ 497,468	\$ 506,479	\$ 326,044	\$ 322,369	\$ 329,143
Contributions in relation to the actuarially determined contribution	583,839	536,856	537,293	483,625	464,433	511,119	317,603	317,426	321,732	329,143
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (4,694)	\$ (1,600)	\$ (13,651)	\$ 188,876	\$ 8,618	\$ 637	\$ -
Covered employee payroll	\$ 3,330,517	\$ 3,296,442	\$ 3,481,527	\$ 3,916,031	\$ 4,128,749	\$ 4,176,896	3,791,013	3,688,284	3,538,629	3,613,095
Contributions as a percentage of covered-employee payroll	17.53%	16.29%	15.43%	12.35%	11.25%	12.24%	8.38%	8.61%	9.09%	9.11%

Notes to Schedule:

1. Latest Valuation Date: July 1, 2023
2. Actuarially determined contribution rate is calculated as of July 1, 2023
 July 2023 through June 2024 contributions were at a rate of 9.11%
3. Methods and assumptions used to determine contribution rates:
 Actuarial cost method - Entry age normal
 Amortization method - Level percent of payroll, closed
 Remaining amortization period - 28 years
 Asset valuation method - Actuarial
 Smoothing period - 4 years
 Recognition method - Non-asymptotic
 Corridor - 70% - 130%
 Salary increases - 4.00% to 7.42% (varies by attained age)
 Investment rate of return - 7.50%

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Schedule of Changes in Total OPEB Liability and Related Ratios
Postemployment Health Insurance Implicit Rate Subsidy Plan

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total OPEB Liability							
Service cost	\$ 83,719	\$ 75,082	\$ 71,166	\$ 76,288	\$ 86,295	\$ 108,293	\$ 70,624
Interest	40,545	54,508	61,120	51,985	38,772	39,750	57,244
Changes in assumptions	(115,440)	(44,424)	(228,732)	121,978	(170,271)	(340,957)	(318,537)
Experience Gain/(Loss)	-	-	27,979	34,172	140,399	(160,888)	271,462
Benefit payments	(31,435)	(24,504)	(30,704)	(25,310)	(31,300)	(49,198)	(58,373)
Net change in total OPEB liability	<u>(22,611)</u>	<u>60,662</u>	<u>(99,171)</u>	<u>259,113</u>	<u>63,895</u>	<u>(403,000)</u>	<u>22,420</u>
Balances at Beginning of Year	<u>1,470,106</u>	<u>1,447,495</u>	<u>1,508,157</u>	<u>1,408,986</u>	<u>1,668,099</u>	<u>1,731,994</u>	<u>1,328,994</u>
Balances End of Year	<u>\$ 1,447,495</u>	<u>\$ 1,508,157</u>	<u>\$ 1,408,986</u>	<u>\$ 1,668,099</u>	<u>\$ 1,731,994</u>	<u>\$ 1,328,994</u>	<u>\$ 1,351,414</u>
Covered employee payroll	\$ 10,760,000	\$ 7,418,658	\$ 7,196,000	\$ 6,918,000	\$ 6,641,000	\$ 6,673,000	\$ 6,793,000
Total OPEB liability as a percentage of covered- employee payroll	13.45%	20.33%	19.58%	24.11%	26.08%	19.92%	19.89%

Notes to Schedule:

Only seven fiscal years are presented because 10-year data is not yet available

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OTHER SUPPLEMENTARY INFORMATION

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Combining Balance Sheet – General Fund Accounts - June 30, 2024

	GENERAL FUND	PREPAID INSPECTION ACCOUNT	PERFORMANCE BOND ACCOUNT	COURT ACCOUNT	CLEET AND OSBI ACCOUNT	TOTAL GENERAL FUND
ASSETS						
Cash and cash equivalents	\$ 419,713	\$ 25,870	\$ 27,863	\$ 3,347,742	\$ 409,839	\$ 4,231,027
Investments	1,428,183	-	-	-	-	1,428,183
Receivables:						
Accounts receivable	830,535	-	-	-	-	830,535
Due from other funds	560	-	-	6,862,262	-	6,862,822
Due from other accounts	3,442,765	-	-	662,953	-	4,105,718
Taxes receivable, net	900,046	-	-	-	-	900,046
Other receivables	640,135	-	-	-	-	640,135
Total assets	<u>\$ 7,661,937</u>	<u>\$ 25,870</u>	<u>\$ 27,863</u>	<u>\$ 10,872,957</u>	<u>\$ 409,839</u>	<u>\$ 18,998,466</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 327,954	\$ -	\$ 27,863	\$ 67,988	\$ 7,385	\$ 431,190
Wages payable	214,210	-	-	-	-	214,210
Due to other funds	168,407	-	-	7,354,584	-	7,522,991
Escrow liability	-	25,870	-	-	-	25,870
Due to other accounts	260,499	-	-	3,442,765	402,454	4,105,718
Due to other governments	95,630	-	-	-	-	95,630
Total liabilities	<u>1,066,700</u>	<u>25,870</u>	<u>27,863</u>	<u>10,865,337</u>	<u>409,839</u>	<u>12,395,609</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	1,339,620	-	-	-	-	1,339,620
Fund balances:						
Restricted	2,244,815	-	-	-	-	2,244,815
Assigned	3,010,802	-	-	-	-	3,010,802
Unassigned	-	-	-	7,620	-	7,620
Total fund balances	<u>5,255,617</u>	<u>-</u>	<u>-</u>	<u>7,620</u>	<u>-</u>	<u>5,263,237</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,661,937</u>	<u>\$ 25,870</u>	<u>\$ 27,863</u>	<u>\$ 10,872,957</u>	<u>\$ 409,839</u>	<u>\$ 18,998,466</u>

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**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund
Accounts – Year Ended June 30, 2024**

	<u>General Fund</u>	<u>PREPAID INSPECTION ACCOUNT</u>	<u>PERFORMANCE BOND ACCOUNT</u>	<u>COURT ACCOUNT</u>	<u>CLEET AND OSBI ACCOUNT</u>	<u>TOTAL GENERAL FUND</u>
REVENUES						
Taxes	\$ 7,259,024	\$ -	\$ -	\$ -	\$ -	\$ 7,259,024
Intergovernmental	2,492,824	-	-	-	-	2,492,824
Charges for services	664,907	-	-	-	-	664,907
Fines and forfeitures	752,866	-	-	-	-	752,866
Licenses and permits	182,009	-	-	-	-	182,009
Investment income	52,323	-	-	193	-	52,516
Miscellaneous	312,919	-	-	-	-	312,919
Total revenues	<u>11,716,872</u>	<u>-</u>	<u>-</u>	<u>193</u>	<u>-</u>	<u>11,717,065</u>
EXPENDITURES						
Current:						
General government	2,218,301	-	-	278	-	2,218,579
Public safety	8,051,170	-	-	-	-	8,051,170
Public works and streets	1,239,051	-	-	-	-	1,239,051
Culture and recreation	500,623	-	-	-	-	500,623
Community development	583,449	-	-	-	-	583,449
Capital Outlay	215,838	-	-	-	-	215,838
Total expenditures	<u>12,808,432</u>	<u>-</u>	<u>-</u>	<u>278</u>	<u>-</u>	<u>12,808,710</u>
Excess (deficiency) of revenues over expenditures	<u>(1,091,560)</u>	<u>-</u>	<u>-</u>	<u>(85)</u>	<u>-</u>	<u>(1,091,645)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	8,215,535	-	-	-	-	8,215,535
Transfers out	<u>(8,090,848)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,090,848)</u>
Total other financing sources and uses	<u>124,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,687</u>
Net change in fund balances	(966,873)	-	-	(85)	-	(966,958)
Fund balances - beginning	6,222,490	-	-	7,705	-	6,230,195
Fund balances - ending	<u>\$ 5,255,617</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,620</u>	<u>\$ -</u>	<u>\$ 5,263,237</u>

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Combining Balance Sheet - Non-Major Governmental Funds - June 30, 2024

	SPECIAL REVENUE FUNDS											CAPITAL PROJECT FUNDS				TOTALS
	CAPITAL IMPROVEMENT FUND	PUBLIC SAFETY FUND	911 FUND	CDRG FUND	JUVENILE FUND	CEMETERY FUND	BETHANY DEVELOPMENT AUTHORITY	BETHANY ECONOMIC DEVELOPMENT AUTHORITY	G.O. BOND SINKING FUND	STREET/PARK CIP FUND	2022 GO BONDS	LIBRARY GO BONDS	DEBT SERVICE FUND			
ASSETS																
Cash and cash equivalents	\$ 1,721,058	\$ 427,458	\$ 211,788	\$ -	\$ 154,428	\$ 108,490	\$ 316,931	\$ -	\$ 861,134	\$ 48,334	\$ 2,582,944	\$ 566,248		\$ 7,295,694		
Investments	262,350	-	-	-	-	-	-	-	-	-	2,195,229	528,478		2,986,357		
Due from other governments	127,108	15,193	30,152	-	-	-	-	-	89,913	-	-	-		262,386		
Due from other funds	-	9,290	-	-	3,291	-	-	-	4,265	-	-	-		17,846		
Other receivables	80,273	-	-	-	-	-	-	-	-	-	-	-		80,273		
Total assets	\$ 2,190,789	\$ 451,921	\$ 241,940	\$ -	\$ 157,719	\$ 108,490	\$ 316,931	\$ -	\$ 955,312	\$ 48,334	\$ 4,778,473	\$ 1,094,726		\$ 10,716,536		
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES																
Liabilities:																
Accounts payable and accrued liabilities	\$ 617,151	\$ 1,969	\$ -	\$ -	\$ 14,203	\$ -	\$ 22,555	\$ -	\$ -	\$ -	\$ -	\$ 195,863		\$ 857,778		
Due to other funds	-	-	-	4,495	-	-	-	-	-	-	-	-		4,495		
Wages payable	-	-	-	-	-	-	-	-	-	-	-	-		1,238		
Unassigned revenue	28,005	-	-	-	-	-	-	-	-	-	-	-		28,006		
Total liabilities	645,157	1,969	-	4,495	14,203	-	22,555	-	-	-	-	195,863		891,307		
Deferred Inflows:																
Unavailable revenue	72,420	-	-	-	-	-	-	-	83,627	-	-	-		156,047		
Fund balances:																
Restricted	1,473,212	449,952	241,940	-	143,516	108,490	294,376	-	364,196	-	4,778,473	898,863		9,625,443		
Assigned	-	-	-	-	-	-	-	-	-	48,334	-	-		48,334		
Unassigned (deficit)	-	-	-	(4,495)	-	-	-	-	-	-	-	-		(4,495)		
Total fund balances	1,473,212	449,952	241,940	(4,495)	143,516	108,490	294,376	-	364,196	48,334	4,778,473	898,863		9,669,282		
Total liabilities, deferred inflows and fund balances	\$ 2,190,789	\$ 451,921	\$ 241,940	\$ -	\$ 157,719	\$ 108,490	\$ 316,931	\$ -	\$ 955,312	\$ 48,334	\$ 4,778,473	\$ 1,094,726		\$ 10,716,536		

CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Combining Schedule of Net Position – Public Works Authority Accounts – June 30, 2024

	<u>Bethany Public Works Authority Accounts</u>			
	<u>BPWA</u>	<u>Water System Improvement</u>	<u>Meter Deposit</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 10,394,470	\$ 3,786,752	\$ -	\$ 14,181,222
Cash and cash equivalents, restricted	829,725	-	791,320	1,621,045
Investments	6,382,983	-	-	6,382,983
Accounts receivable, net	890,857	-	-	890,857
Leases receivable, current portion	102,378	-	-	102,378
Accrued interest receivable	240	-	-	240
Other receivable	816,229	-	-	816,229
Due from other funds	7,435,640	-	-	7,435,640
Total current assets	<u>26,852,522</u>	<u>3,786,752</u>	<u>791,320</u>	<u>31,430,594</u>
Non-current assets:				
Leases receivable	1,592,910	-	-	1,592,910
Investment in joint venture	3,128,386	-	-	3,128,386
Capital assets:				
Land, construction in progress, and water rights	3,554,762	-	-	3,554,762
Other capital assets, net of accumulated depreciation	23,289,986	-	-	23,289,986
Total non-current assets	<u>31,566,044</u>	<u>-</u>	<u>-</u>	<u>31,566,044</u>
Total assets	<u>58,418,566</u>	<u>3,786,752</u>	<u>791,320</u>	<u>62,996,638</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amounts related to pension	728,640	-	-	728,640
Deferred amounts related to OPEB	328,627	-	-	328,627
Total deferred outflows of resources	<u>1,057,267</u>	<u>-</u>	<u>-</u>	<u>1,057,267</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	810,702	125,238	-	935,940
Wages payable	36,497	-	-	36,497
Due to other funds	6,772,892	-	-	6,772,892
Due to other governments	11,140	-	-	11,140
Accrued interest payable	73,012	-	-	73,012
Accrued compensated absences	13,607	-	-	13,607
Refundable deposits	-	-	78,732	78,732
Notes payable	1,264,056	-	-	1,264,056
Total current liabilities	<u>8,981,906</u>	<u>125,238</u>	<u>78,732</u>	<u>9,185,876</u>
Non-current liabilities:				
Accrued compensated absences	122,460	-	-	122,460
Net pension liability	150,244	-	-	150,244
Total OPEB liability	349,504	-	-	349,504
Refundable deposits	-	-	709,929	709,929
Notes payable, net	14,481,904	-	-	14,481,904
Total non-current liabilities	<u>15,104,112</u>	<u>-</u>	<u>709,929</u>	<u>15,814,041</u>
Total liabilities	<u>24,086,018</u>	<u>125,238</u>	<u>788,661</u>	<u>24,999,917</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	134,253	-	-	134,253
Deferred amounts related to leases	1,639,113	-	-	1,639,113
Deferred amounts related to OPEB	311,414	-	-	311,414
Total deferred inflows of resources	<u>2,084,780</u>	<u>-</u>	<u>-</u>	<u>2,084,780</u>
NET POSITION				
Net investment in capital assets	13,093,203	-	-	13,093,203
Restricted for debt service	296,958	-	-	296,958
Restricted for other purposes	-	3,730,386	-	3,730,386
Unrestricted (deficit)	19,914,874	(68,872)	2,659	19,848,661
Total net position	<u>\$ 33,305,035</u>	<u>\$ 3,661,514</u>	<u>\$ 2,659</u>	<u>\$ 36,969,208</u>

CITY OF BETHANY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Combining Schedule of Revenues, Expenses and Changes in Net Position – Public Works Authority
Accounts - Year Ended June 30, 2024

	Bethany Public Works Authority Accounts			Total
	BPWA	Water System Improvement	Meter Deposit	
REVENUES				
Charges for services	\$ 11,094,680	\$ -	\$ -	\$ 11,094,680
Total operating revenues	<u>11,094,680</u>	<u>-</u>	<u>-</u>	<u>11,094,680</u>
OPERATING EXPENSES				
Personal services	1,876,692	-	-	1,876,692
Materials and supplies	1,193,379	-	-	1,193,379
Other services and charges	3,714,213	-	-	3,714,213
Depreciation expense	<u>1,371,578</u>	<u>-</u>	<u>-</u>	<u>1,371,578</u>
Total operating expenses	<u>8,155,862</u>	<u>-</u>	<u>-</u>	<u>8,155,862</u>
Operating income	<u>2,938,818</u>	<u>-</u>	<u>-</u>	<u>2,938,818</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income (loss)	5,123	56,366	25	61,514
Miscellaneous	173,624	-	-	173,624
Interest expense and fiscal charges	(208,981)	-	-	(208,981)
Capital assets transferred to governmental activities	-	-	-	-
Total non-operating revenue (expenses)	<u>(30,234)</u>	<u>56,366</u>	<u>25</u>	<u>26,157</u>
Income before contributions and transfers	<u>2,908,584</u>	<u>56,366</u>	<u>25</u>	<u>2,964,975</u>
Capital assets contributed from governmental activities	3,700,998	-	-	3,700,998
Transfers in	7,300,235	-	-	7,300,235
Transfers out	<u>(8,121,789)</u>	<u>-</u>	<u>-</u>	<u>(8,121,789)</u>
Change in net position	<u>5,788,028</u>	<u>56,366</u>	<u>25</u>	<u>5,844,419</u>
Total net position - beginning	27,517,007	3,605,148	2,634	31,124,789
Total net position - ending	<u>\$ 33,305,035</u>	<u>\$ 3,661,514</u>	<u>\$ 2,659</u>	<u>\$ 36,969,208</u>