PERFORMETER®

THE
PERFORMETER®

A Financial Statement Analysis of
The City of Miami, Oklahoma
As of and for the year ended June 30, 2008

CRAWFORD & ASSOCIATES P.C.

Crawford & Associates, P.C.

What is a Performeter®?

An analysis that takes governmental financial statements and converts them into useful and understandable measures of financial health and performance

Financial ratios and a copyrighted analysis methodology are used to arrive at an overall rating of 1-10

The overall reading is a barometer of the City's financial health and performance

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How to Use the Performeter®

Use the individual ratios to identify financial warning signs – the ratios are combined into three categories

- Financial position ratios – that measure financial health at year end
- Financial performance ratios - that measure changes in financial position from the prior year
- Financial capability ratios - that measure the ability to raise revenue or issue debt in future, if needed

Use the overall rating as a collective benchmark of financial health and success of the City as a whole

Use the comparisons to prior years to monitor trends in financial indicators

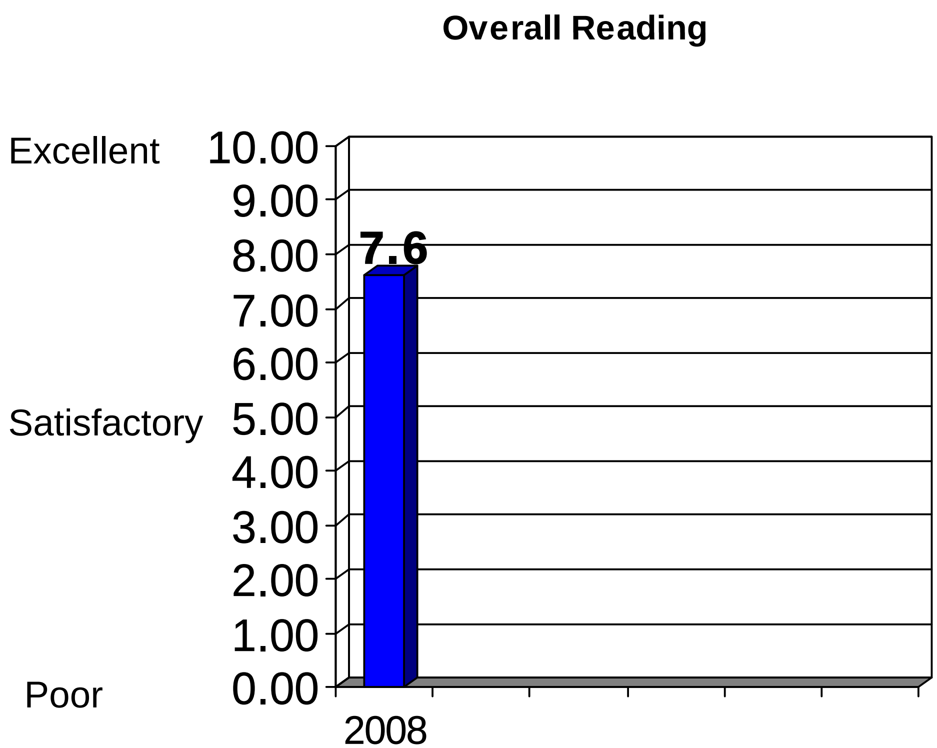
Limitations of the Performeter®

The Performeter® should not be used as the only source of financial information to evaluate financial health and performance

The analysis is an overall rating of the City as a whole and not of specific activities, funds or units

The Performeter® is based on Crawford & Associates' professional judgment and is limited as to its intended use

Performeter® Reading



For the 2008 fiscal year, the readings by ratio category were as follows:

Financial Position	6.2
Financial Performance	8.5
Financial Capability	8.2

The stronger components of the rating are the City's financial performance and financial capability, while the City's financial position is the weaker component. The 2008 overall reading of **7.6** indicates the evaluator's opinion that Miami's overall financial health and success was well above satisfactory in 2008. However, we anticipate a significant drop in the rating during the 2008-2009 fiscal year.

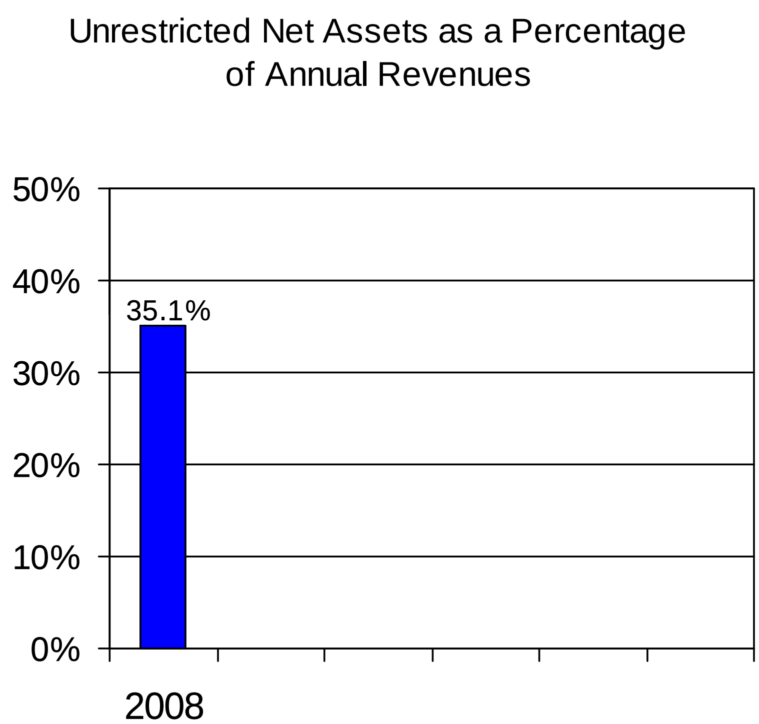
Performeter® Ratios

Financial Position Ratios

Unrestricted Net Assets	How do our total rainy day funds look?
Budgetary Fund Balance	How does our budgetary carryover position look?
Capital Asset Condition	How much life do we still have left in our capital assets?
Pension Plan Funding	Will our employees be happy with us when they retire?
Assets to Debt	Who really owns the City?
Current Ratio	Will our employees and vendors be pleased with our ability to pay them on time?
Quick Ratio	How is our short-term cash position?

Level of Unrestricted Net Assets

How do our total rainy day funds look?



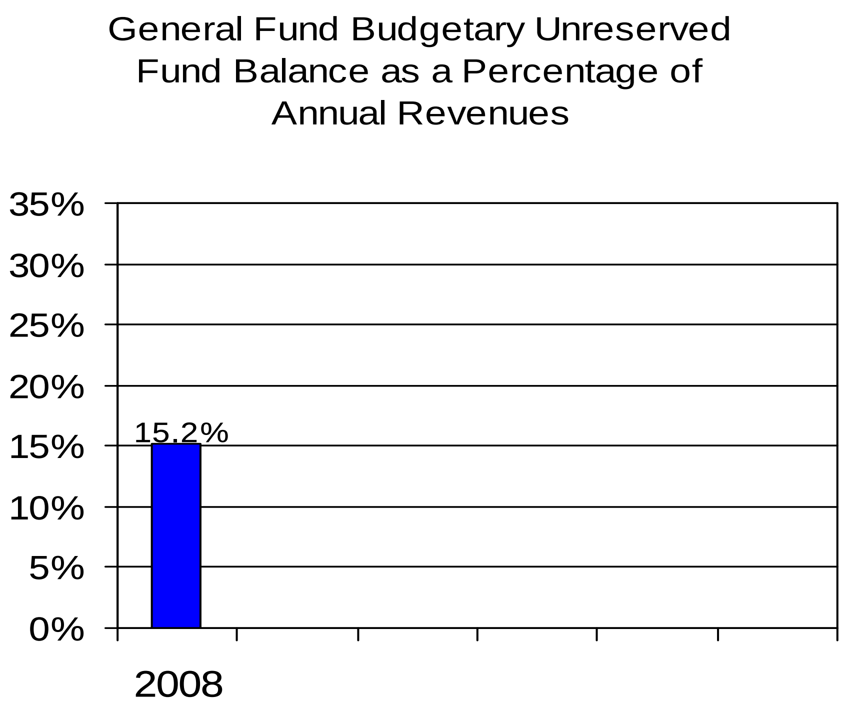
The level of total unrestricted net assets is an indication of the amount of unexpended and available resources the City has, in all funds combined, at a point in time to fund emergencies, shortfalls or other unexpected needs. In our model, 50% is considered excellent, while 30% is considered a desired minimum.

For the year ended June 30, 2008, the City's total unrestricted net assets approximated $10.7 million or 35.1% of annual total revenues. The City's governmental activities maintained an 24.4% level of unrestricted net assets, while business-type activities (such as utilities) maintained a 41% level.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
35.1%									

Level of Budgetary Fund Balance

How does our budgetary carryover position look?



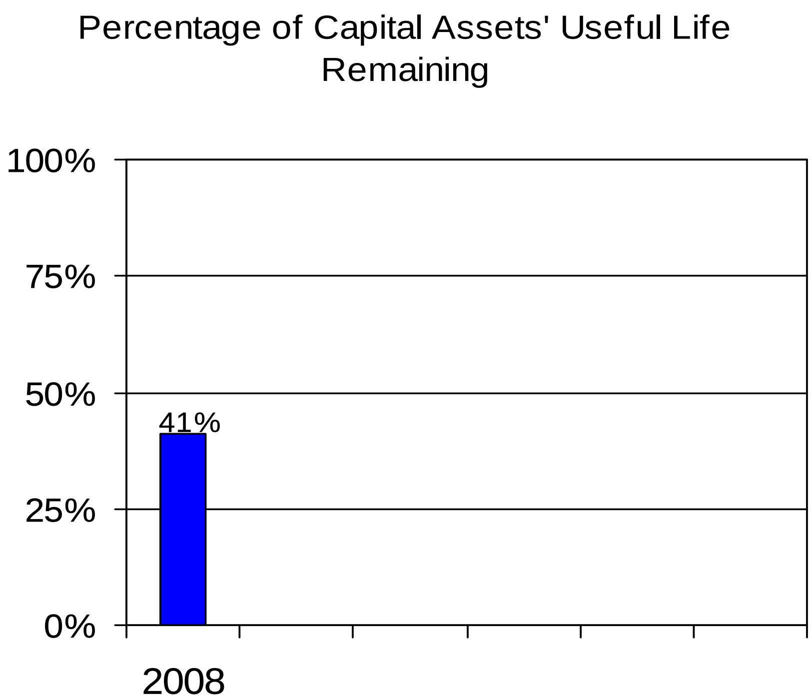
The level of budgetary unreserved fund balance is an indication of the amount of unexpended, unencumbered and available resources the City has at a point in time to carryover into the next fiscal year to fund budgetary emergencies, shortfalls or other unexpected needs. In this analysis, only the General Fund is considered. In our model, 10% is considered a minimum responsible level, while 30% is considered desirable.

For the year ended June 30, 2008, the City's unobligated and unreserved fund balance of the General Fund amounted to $899,427 or 15.2% of annual General Fund revenues. Although this a favorable ratio, it is anticipated that this will decline in the 2008-2009 fiscal year.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
15.2%									

Capital Asset Condition

How much useful life do we have left in our capital assets?



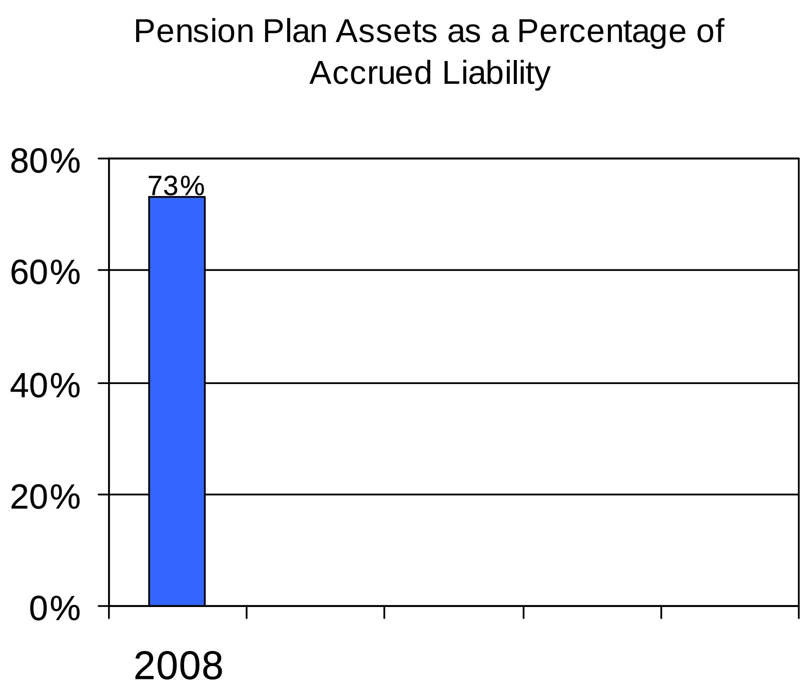
The capital asset condition ratio compares capital assets cost to accumulated depreciation to determine the overall percentage of useful life remaining. A low percentage could indicate an upcoming need to replace a significant amount of capital assets.

At June 30, 2008, the City's depreciable capital assets amounted to $76.5 million while accumulated depreciation totaled $44.9 million. This indicates that, on the average, the City's capital assets have 41% of their useful lives remaining. In our model, this is considered an unfavorable financial indicator, and is indicative of a potential need for capital asset replacement.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
41%									

Pension Plan Funding Ratio

Will are employees be happy with us when they retire?



The pension funding ratio compares the actuarial fair value of the pension plan's assets to the actuarial accrued liability for pension benefits. A percentage less than 100% indicates the plan is underfunded at the valuation date.

At June 30, 2008, the City's pension plan assets were 73% of the accrued pension benefit liability, indicating the plan was nearly three-quarters funded, from an actuarial perspective, at the last valuation date.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
73%									

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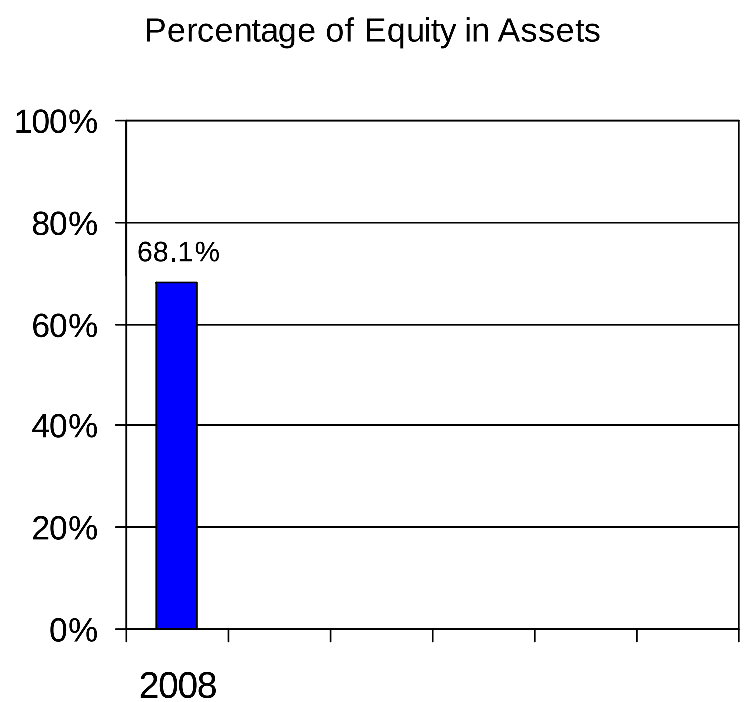
Assets to Debt

Who really owns the City?



The assets to debt ratio measures the extent to which the City has funded its assets with debt. The higher the percentage, the more equity the City has in its assets.

At June 30, 2008, less than one-third (31.9%) of the City's $52.3 million of total assets were funded with debt or other obligations. In other words, the City has 68.1% equity in its total assets. This indicates that for each dollar of City assets owned, it owes 31.9 cents of that dollar to others. Overall, this is considered a favorable financial indicator.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
68.1%									

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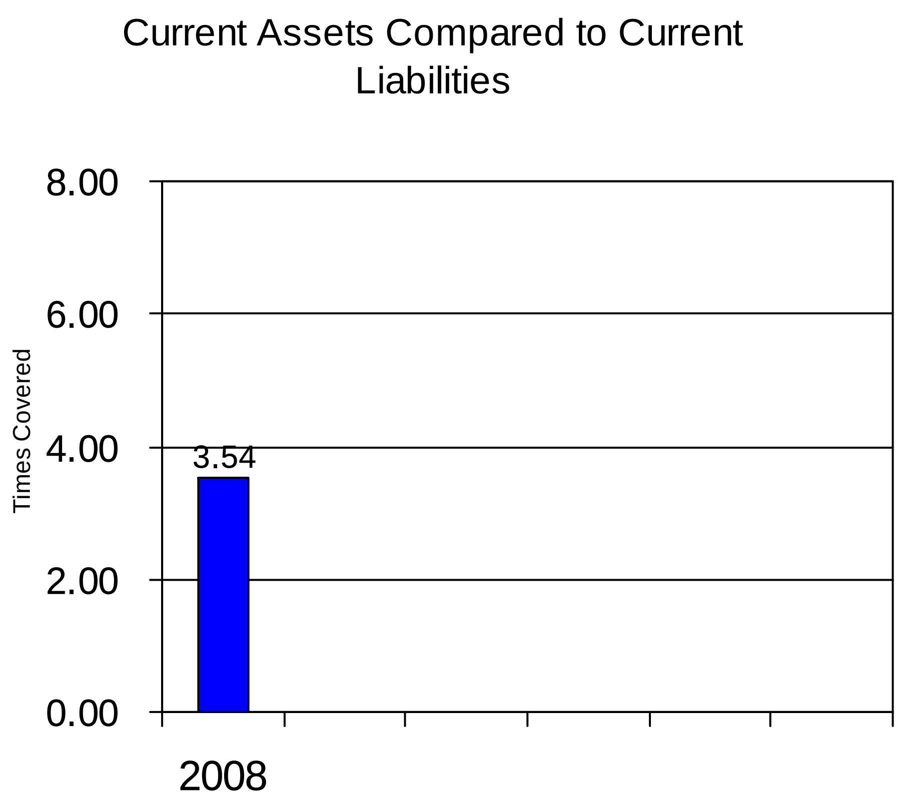
Current Ratio

Will our employees and vendors be pleased with our ability to pay them on time?



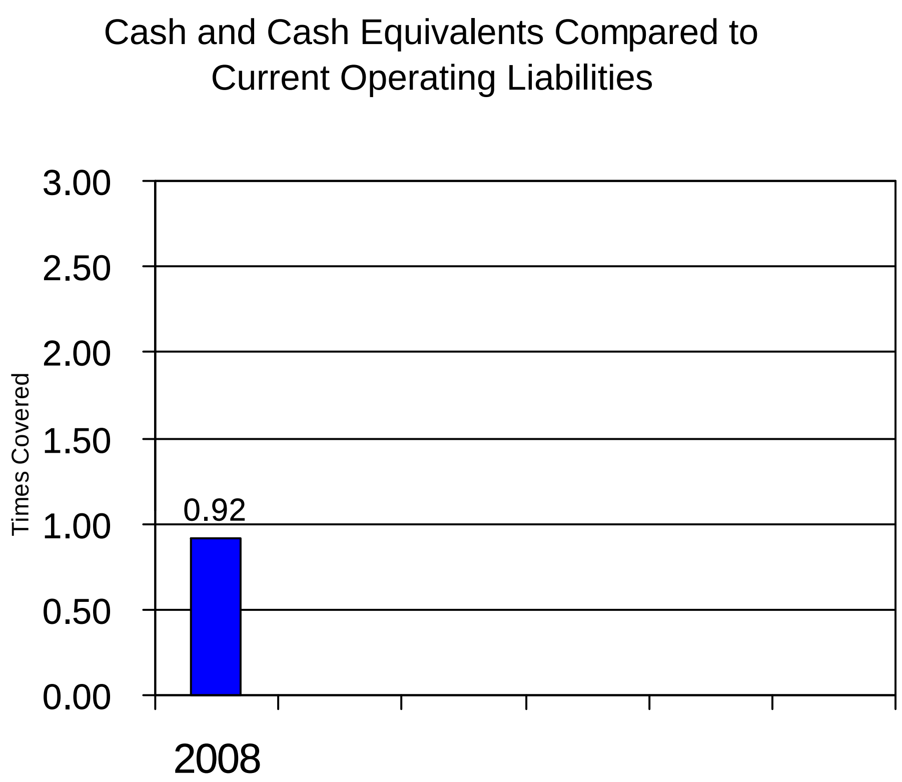
The current ratio is one measure of the City's ability to pay its short-term obligations. The current ratio compares total current assets and liabilities. A current ratio of 2.00 to 1 indicates good current liquidity and an ability to meet the short-term obligations.

At June 30, 2008 the City had a government-wide ratio of current assets to current liabilities of 3.54 to 1. This indicates that the City had slightly over three and half times the amount of current assets needed to pay current liabilities. In our model, this is considered an excellent indicator of liquidity; however we anticipate a decline in the ratio during the 2008-2009 fiscal year.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
3.54									

Quick Ratio

How is our short-term cash position?



The quick ratio is another, more conservative, measure of the City's ability to pay its short-term obligations. The quick ratio compares total cash and short-term investments to current liabilities. A quick ratio of 1.00 to 1 indicates adequate current liquidity and an ability to meet the short-term obligations with cash.

At June 30, 2008, the City had a government-wide ratio of cash and cash equivalents to current operating liabilities of .92 to 1. This indicates that the City had slightly under $1 of cash and cash equivalents needed to pay current liabilities. This is slightly below satisfactory ratio in our model.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
.92									

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Financial Position Ratios

Summary and Comparison to Prior Year

Ratio	FY 2008
Unrestricted Net Assets	35.1%
Budgetary Fund Balance	15.2%
Capital Asset Condition	41%
Pension Plan Funding	73%
Assets to Debt	31.9%
Current Ratio	3.54
Quick Ratio	.92
Financial Position Performeter Score	**6.22**

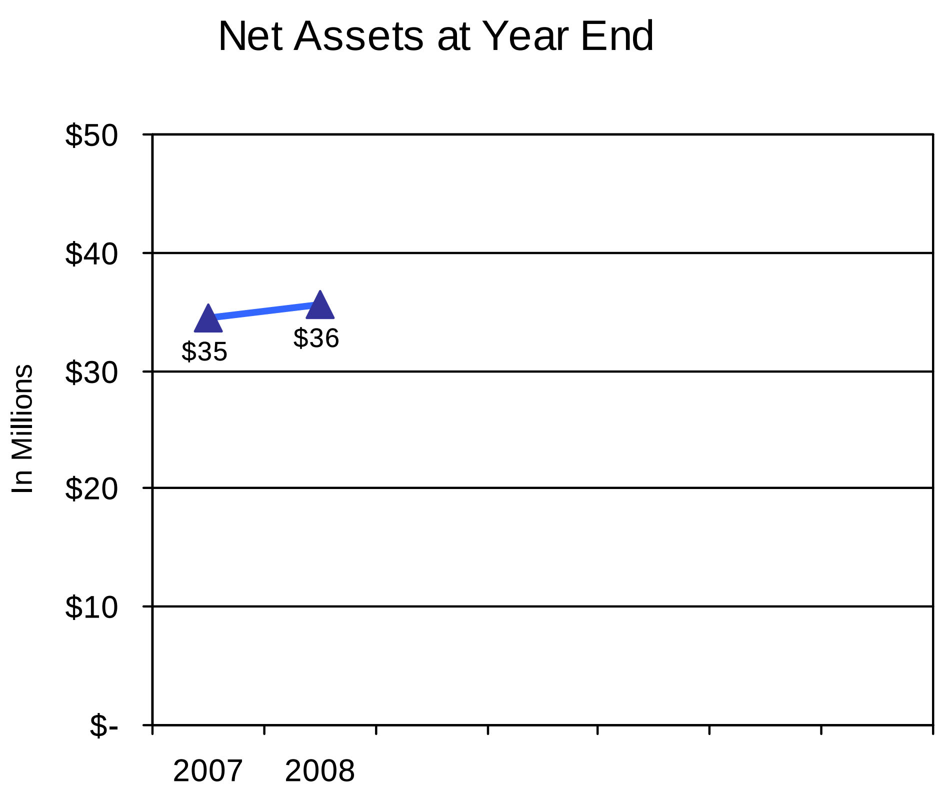
Performeter® Ratios

Financial Performance Ratios

Change in Net Assets	Did our overall financial condition improve, decline, or remain steady from the past year?
Interperiod Equity	Who paid for the costs of current year services – current, past, or future tax and rate payers?
BTA Self-Sufficiency	Did current year business-type activities, such as utilities, airport, and golf activities, pay for themselves?
Debt Service Coverage	Were our revenue bond investors pleased with our ability to pay them on time?
Sales Tax Growth	What is the state of our local economy?

Change in Net Assets

Did our overall financial condition improve, decline or remain steady from the past year?



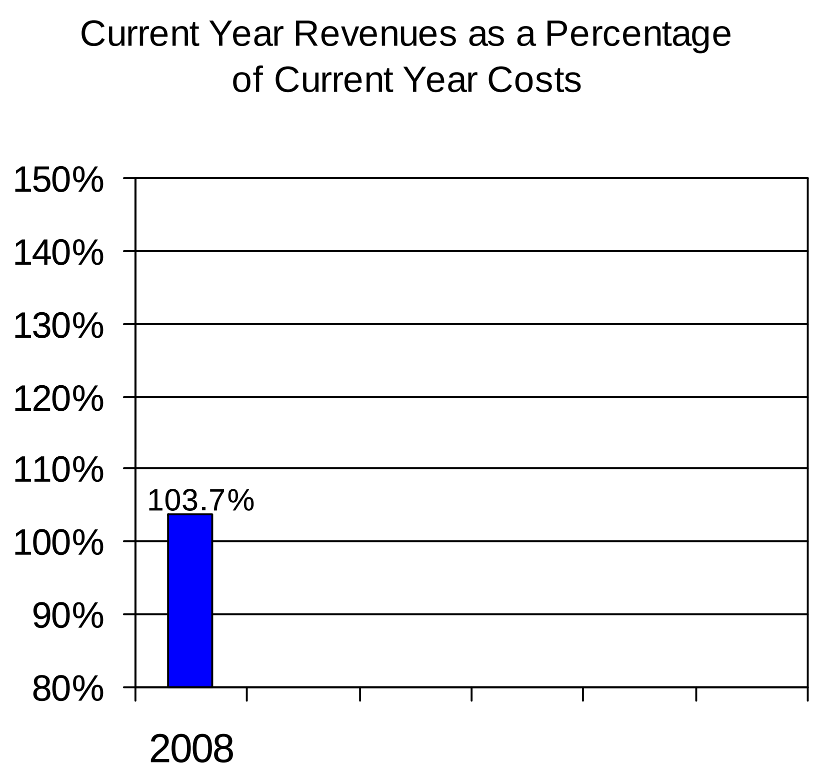
Net assets include all assets of the City, except for fiduciary funds held for the benefit of others. It is measured as the difference between total assets, including capital assets, and total liabilities, including long-term debt. Net assets increase as a result of earning more revenue than expenses incurred in the fiscal year.

For the year ended June 30, 2008, total net assets increased by $1.1 million or 3.2% from the prior year. Governmental activities net assets increased by 16%, while business-type activities net assets decreased by 1.6%. This indicates that the City, as a whole, improved it's total financial condition during fiscal year 2008.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
3.2%									

Interperiod Equity

Who paid for the costs of current year services current, past or future tax and rate payers?



Interperiod equity is achieved when the cost of current services are paid by current year tax and rate payers. When current year costs are subsidized by prior year resources carried over or from debt proceeds, it can be said that interperiod equity was not achieved, and either past or future tax and rate payers helped fund the costs of current year services.

For the year ended June 30, 2008, the City's total costs were fully funded by current year tax and rate payers, with current year revenues, excluding fund balance carryovers, generated at a level of 103.7% of current year costs.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
103.7%									

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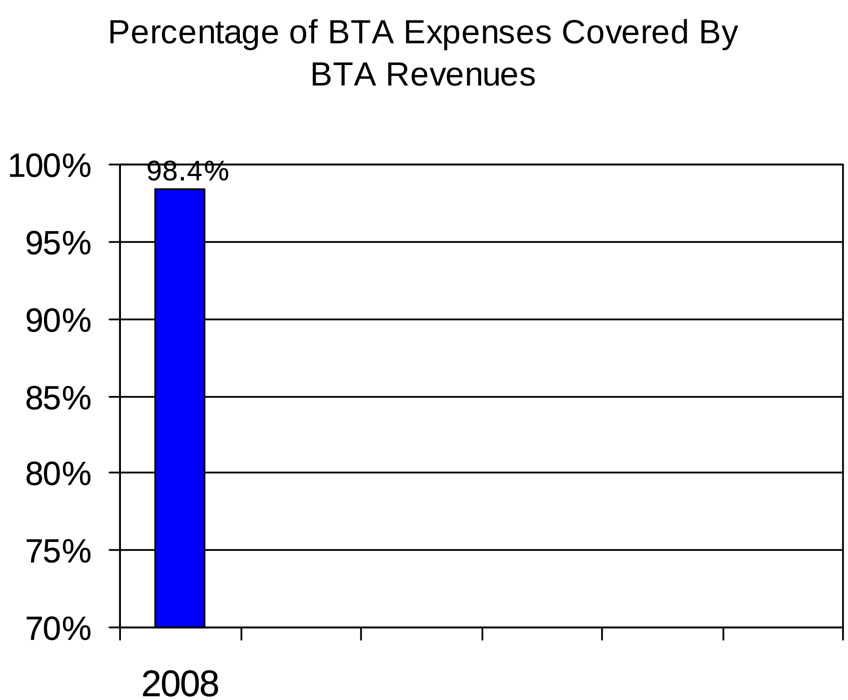
BTA Self-Sufficiency

__________ Did current year business-type activities, such as utilities, pay for themselves?



The self-sufficiency ratio indicates the level at which business-type activities (utilities and golf) covered their current costs with current year revenues, without having to rely on subsidies or use of prior year reserves.

For the year ended June 30, 2008, the City's combined business-type activities were 98.4% self-sufficient in total, meaning that 1.6% of their total costs were subsidized. The Only electric and airport functions appear to be self-sufficient, while water, wastewater, sanitation and industrial activities are not self-sufficient. (See following page)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
98.4%									

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BTA Self-Sufficiency By Type of Activity FY 2008

Activity	Service Charge Revenues	Expenses	% Self-Sufficient
Water	$1,406,685	$1,628,853	86.4%
Wastewater	$1,115,197	$1,936,366	57.6%
Sanitation	$2,055,224	$2,599,353	79.1%
Electricity	$13,670,641	$12,377,804	110.4%
Airport	$299,521	$263,969	113.5%
Industrial	$0	$38,893	0%
Totals	**$18,547,268**	**$18,845,238**	**98.4%**

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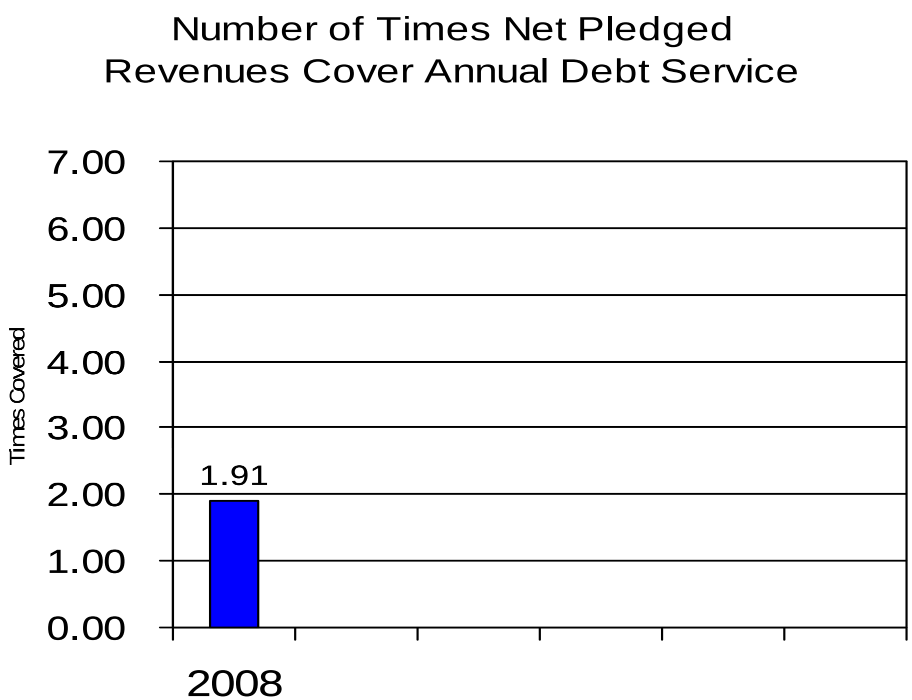
Debt Service Coverage

Were our revenue bond investors pleased with our ability to pay them on time?



The debt service coverage ratio compares the City's debt service requirements on revenue bonds to the net operating cash generated by the revenue streams pledged for payment. A debt service ratio of greater than 1.25 indicates a sufficient ability to make the debt service payments from net revenue from operations.

For the year ended June 30, 2008, the City experienced a favorable debt service coverage ratio of 1.91. This indicates the City generated over nearly two times the amount of net cash necessary to pay the debt service requirements on its revenue bonds from dedicated revenue sources.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1.91									

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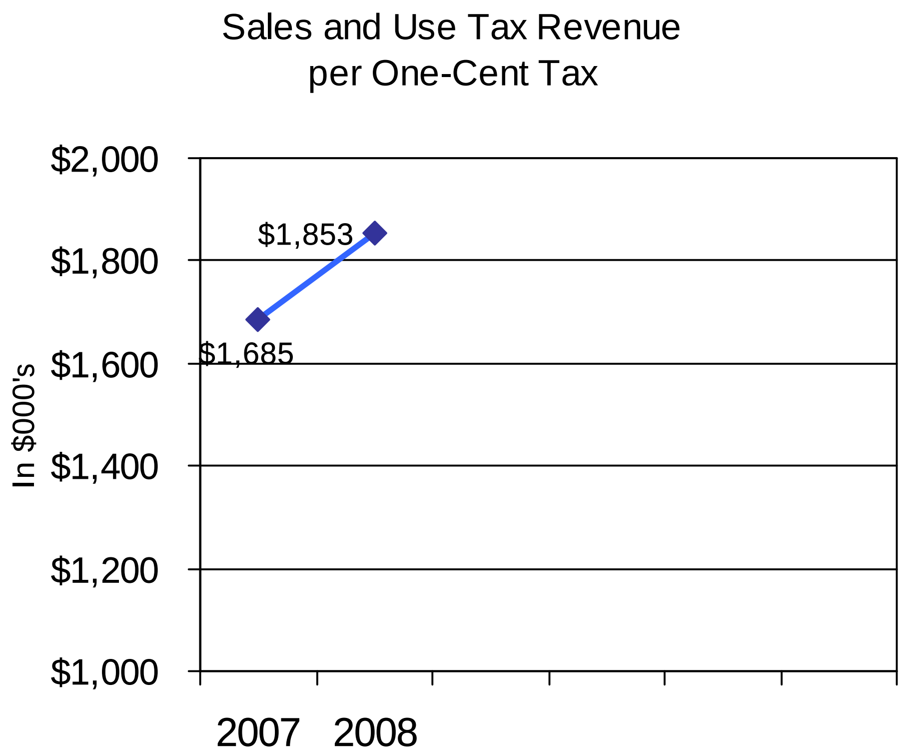
Sales Tax Growth

What is the state of our local economy?



Due to the inability of Oklahoma municipalities to levy a property tax for operations, the City is highly dependent on sales and use tax revenue to fund its general governmental activities.

Sales tax growth is a measure of the state of the local economy by comparing current year and prior year tax collections in terms of the change per one-cent tax collected.

For the year ended June 30, 2008, the City experienced an increase in sales and use tax per one-cent of $167,834 or 10% from the prior year. This translates into an increase in taxable sales from FY 2007 to FY 2008 of approximately $16.8 million.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
10%									

Financial Performance Ratios

Summary and Comparison to Prior Year

Ratio	FY 2008
Change in Net Assets	3.2%
Inter-period Equity	103.7%
BTA Self Sufficiency	98.4%
Debt Service Coverage	1.91
Sales Tax Growth	10%
Financial Performance Performeter Score	**8.46**

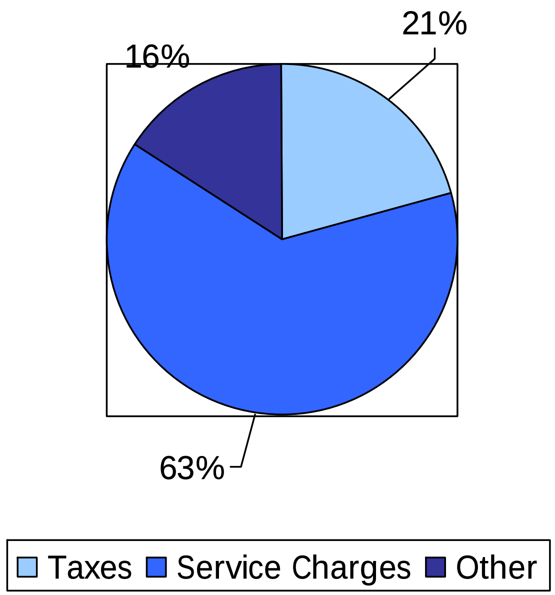
Financial Capability Ratios

Revenue Dispersion	How much of our revenue is beyond our direct control?
Debt Service Load	How heavily is our budget loaded with payments to retire long-term debt?
Bonded Debt Per Capita	What is the debt burden on our property tax payers?
Legal Debt Limit Remaining	Will we be legally able to issue more general long-term debt if needed?
Property Taxes Per Capita	Will our citizens be willing to approve property tax increases if needed?
Local Sales Tax Rate	Will our citizens be willing to approve sales tax increases if needed?

Revenue Dispersion

How heavily are we relying on revenue sources beyond our direct control?

2008 Revenue Percentages by Source



The percentage dispersion of revenue by source indicates how dependent the City is on certain types of revenue. The more dependent the City is on revenue sources beyond its direct control, such as taxes requiring voter approval or revenues from other governments such as grants, the less favorable the dispersion.

For the year ended June 30, 2008, the City had direct control over 63.3% (service charges) of its revenues. This ratio indicates the City has some limited exposure, as do most cities, to financial difficulties due to reliance (36.7%) on taxes that require voter approval and on grants, contributions and other revenue.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
63.3%									

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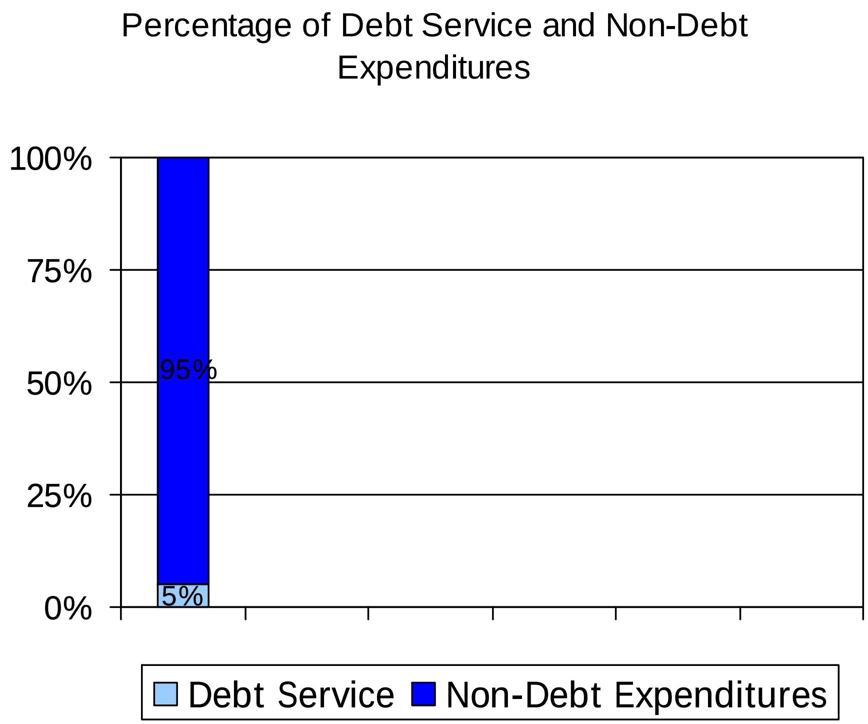
Debt Service Load

How much of our annual budget is loaded with disbursements to pay off long-term debt?



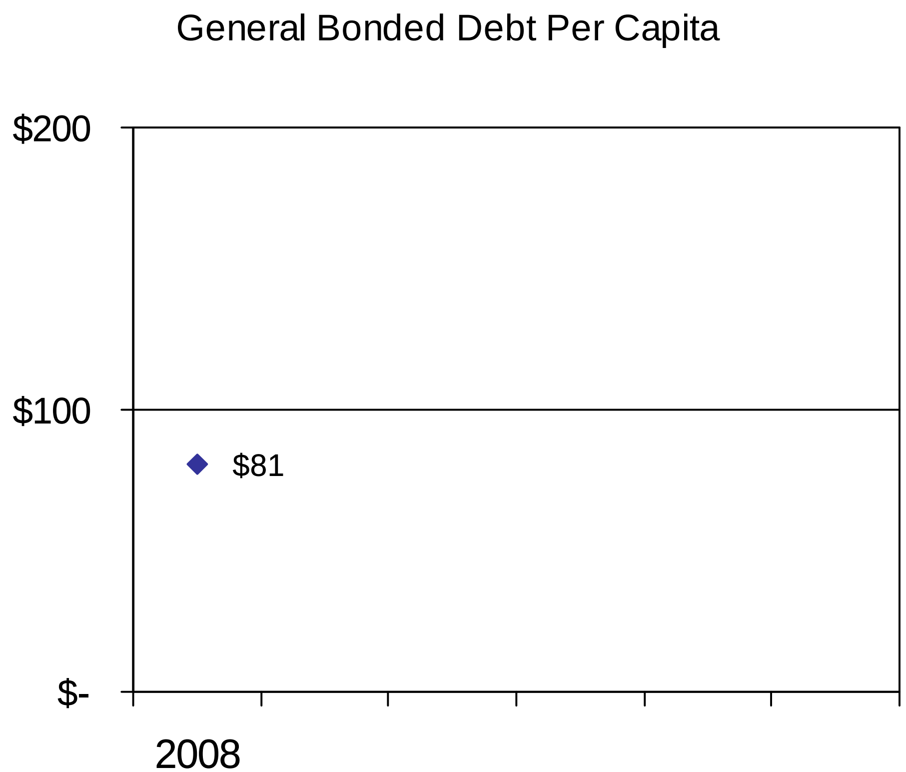
The debt service load ratio measures the extent to which the City's non-capital expenditures were comprised of debt service payments on long-term debt.

For the year ended June 30, 2008, the City's total non-capital expenditures amounted to $28.3 million of which $1.4 million (or 5%) were payments for principal and interest on long-term debt. This is an excellent indicator of solvency and indicates that for every dollar the City spent on non-capital items, only 5 cents of that dollar was used for debt service.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
5%									

Bonded Debt Per Capita

What is the debt burden on our property tax payers?



The financial ratio of general bonded debt per capita is an indication of the City's debt burden on its citizens and other taxpayers related to general obligation debt payable from property taxes. The ratio does not consider debt payable from enterprise activities or alternate revenues.

For the year ended June 30, 2008, the City had 1.1 million of bonded debt outstanding, resulting in a bonded debt per capita of $81. This is considered a near excellent indicator of financial capability.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
$81									

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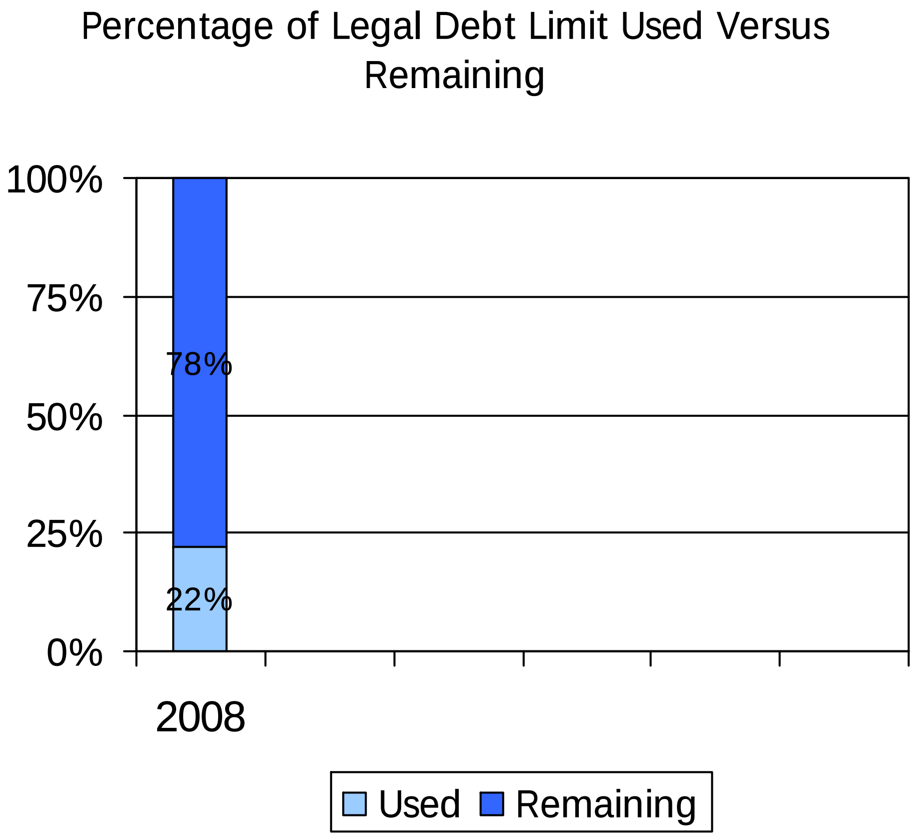
Legal Debt Limit Remaining

Will we be legally able to issue more general long-term debt, if needed?



Oklahoma law limits certain types of general obligation debt to no more than 10% of the City's net assessed valuation of taxable property. In 2008, the City had no general long-term bonded debt.

For the year ended June 30, 2008, the City had $1.1 million of general obligation bonds or other bonded debt, and therefore has approximately $3.8 million, or 78% of the legal debt limit still intact. This is considered an above average indicator of financial capability.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
78%									

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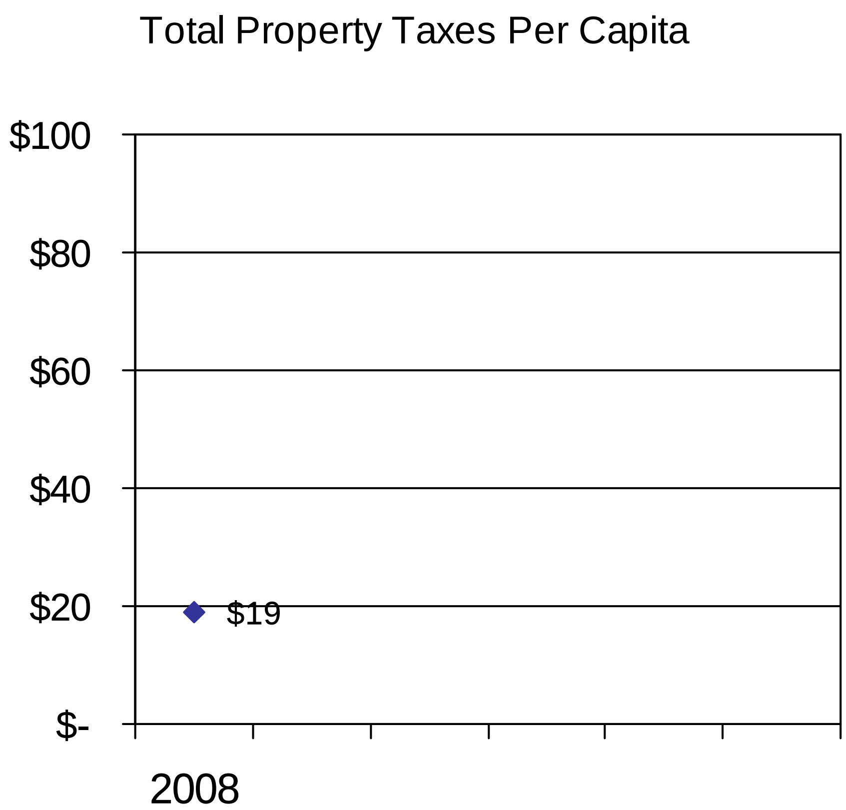
Property Taxes Per Capita

Will our citizens be willing to approve property tax increases, if needed?



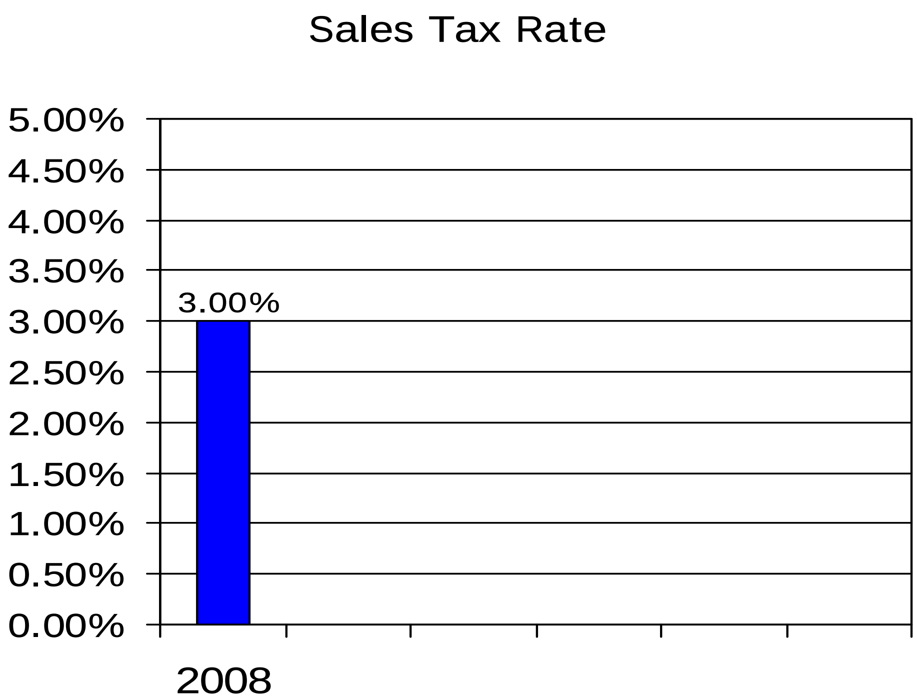
The financial ratio of property taxes per capita is an indication of the City's property tax burden on its citizens and other taxpayers. Constitutionally, Oklahoma municipalities may only levy a property tax to retire general obligation bonds and judgments.

For the year ended June 30, 2008, the City had property tax levies of $19 per capita. This is another very favorable measure of financial capability.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
$19									

Local Sales Tax Rate

Will our citizens be willing to approve sales tax increases, if needed?



For Oklahoma municipalities, sales tax is the primary source of funding for general government operations. Sales tax rates cannot be increased without voter approval. The City's sales tax rate in effect for both years shown was 3.0%.

Sales taxes generated from the 3 cent sales tax approximated $5.56 million in 2008. This is an increase of approximately $503,502 from 2007.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Rate	3.0%									
Taxes in Millions	$5.56									

Financial Capability Ratios

Summary and Comparison to Prior Year

Ratio	FY 2008
Revenue Dispersion	63.3%
Debt Service Load	5%
General Bonded Debt per Capita	$81
Remaining Legal Debt Margin	78%
Property Taxes per Capita	$19
Local Sales Tax Rate	3%
Financial Capability Performeter Score	**8.23**

Thank You

We would like to commend and thank the City of Miami management, staff and its governing body for assisting us and allowing us to present this financial analysis. We hope it continues to serve as a useful and understandable compliment to your annual financial report.

Visit our website at crawfordcpas.com for other useful tools for state and local governments.