



THE
PERFORMETER®

A Financial Statement Analysis of
The City of Miami, Oklahoma
As of and for the year ended June 30, 2018



Crawford & Associates, P.C.

What is a Performer[®]?

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

Financial ratios and a copyrighted analysis methodology are used to arrive at an overall rating of 0-10

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

How to Use the Performer[®]

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 the future, if needed

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

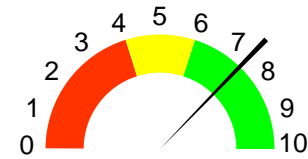
Use the comparisons to prior years to monitor trends in financial indicators

Limitations of the Performer[®]

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

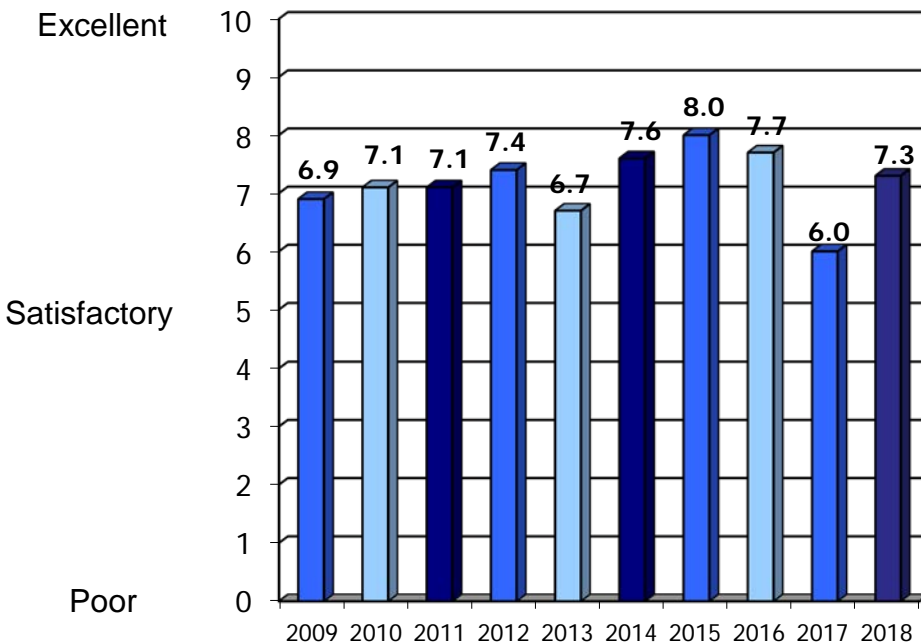


Performer® Reading

For the 2018 fiscal year, the readings by ratio category were as follows:

Financial Position	4.8
Financial Performance	9.0
Financial Capability	8.4
Overall Score	7.3

Overall Reading

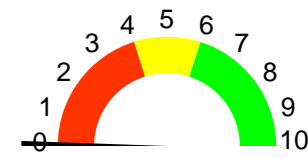


The strongest component of the ratings was the City’s financial performance over the past year. The City’s financial capability at June 30, 2018 also reflects a well above satisfactory rating, with financial position rating being just below satisfactory. The 2018 overall score of **7.3** indicates the evaluator’s opinion that Miami’s overall financial health is above satisfactory, and represents a significant improvement in the overall score.

Performer[®] Ratios

Financial Position Ratios

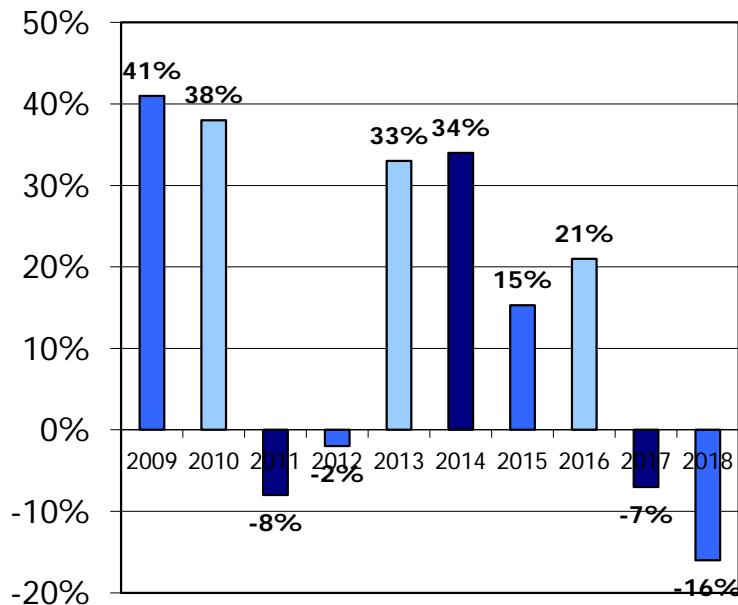
Unrestricted Net Position	How do our total rainy day funds look?
General Fund Unassigned Fund Balance	How does our General Fund unassigned fund balance carryover position look?
Capital Asset Condition	How much life do we still have left in our capital assets?
Non-Uniformed Employee Pension Plan Funding	Will our non-uniform employees be happy with us when they retire?
OPEB 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 Position

How do our total rainy day funds look?

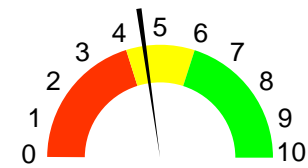
Unrestricted Net Position as a Percentage of Annual Revenues



The level of total unrestricted net position 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, 2018, the City's total unrestricted net position approximated a deficit of \$5.6 million or 16% of annual total revenues. This represents a decline in the ratio when compared to the prior year. The majority of the decline was due to the inclusion of OPEB liabilities in the Statement of Net Position for the first time in FY 2018.

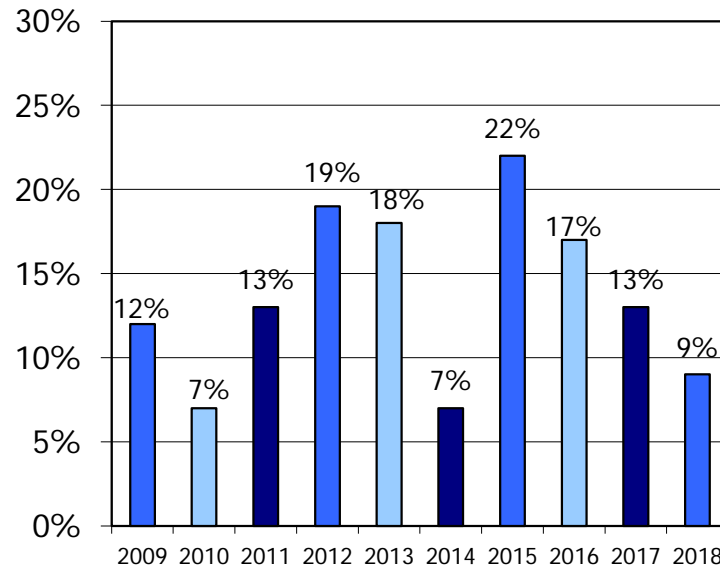
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
41%	38%	-8%	-2%	33%	34%	15%	21%	-7%	-15.7%



Level of General Fund Unassigned Fund Balance

How does our General Fund unassigned fund balance carryover position look?

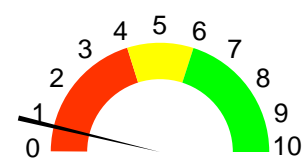
General Fund Unassigned Fund Balance as a Percentage of Annual Revenues



The level of unassigned 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 our model, 10% is considered a minimum responsible level, while 30% is considered desirable.

For the year ended June 30, 2018, the City's unassigned fund balance of the General Fund amounted to \$.7 million or 9% of annual General Fund revenues. This is a decrease from the ratio of the last period, and it is slightly below satisfactory in our model.

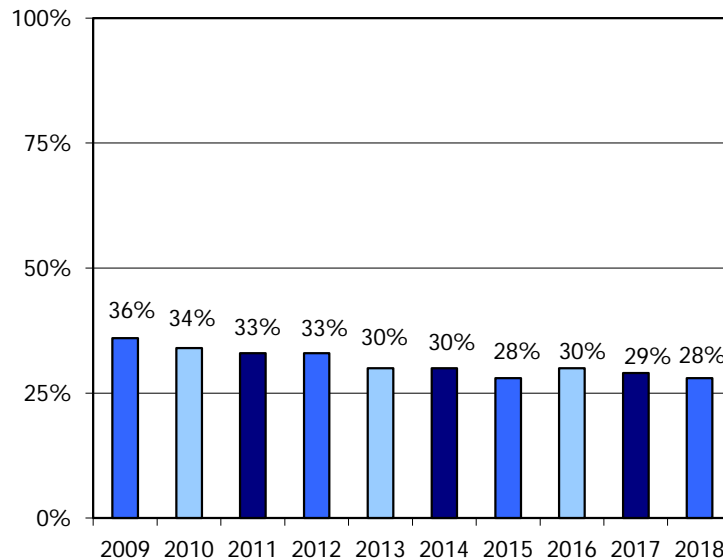
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
12%	7%	13%	19%	18%	7%	22%	17%	13%	9%



Capital Asset Condition

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

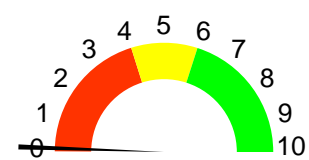
Percentage of Capital Assets' Useful Life Remaining



The capital asset condition ratio compares depreciable 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, 2018, the City's depreciable capital assets amounted to \$133 million while accumulated depreciation totaled \$95 million. This indicates that, on average, the City's capital assets have less than one-third (28%) of their useful lives remaining. This is a below satisfactory financial indicator in our model and indicates that, on average, the City is not yet replacing capital assets by the end of their normal useful lives.

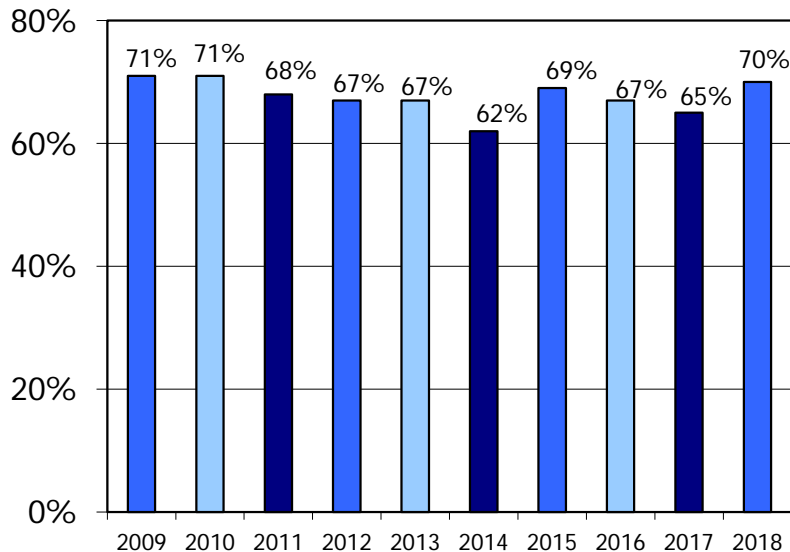
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
36%	34%	33%	33%	30%	30%	28%	30%	29%	28%



Non-Uniformed Employee Pension Plan Funding Ratio

Will we be able to pay our employees when they retire?

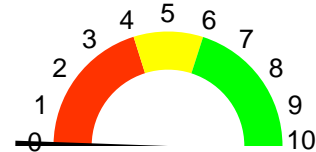
Pension Plan Assets as a Percentage of Accrued Liability



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

At June 30, 2018, the City's pension plan assets were 70% of the total pension liability, indicating the plan was slightly over two-thirds funded from an actuarial accounting perspective at the last valuation date. Although relatively consistent with the prior years, this remains an unfavorable ratio. However, the funded ratio improved when compared to the ratio of the prior period. This ratio is based on relatively new GASB pension accounting standards implemented first in FY 2015, using an actuarial accounting perspective with a one year look-back period rather than a funding perspective applied from previous GASB standards.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
71%	71%	68%	67%	67%	62%	69%	67%	65%	70%



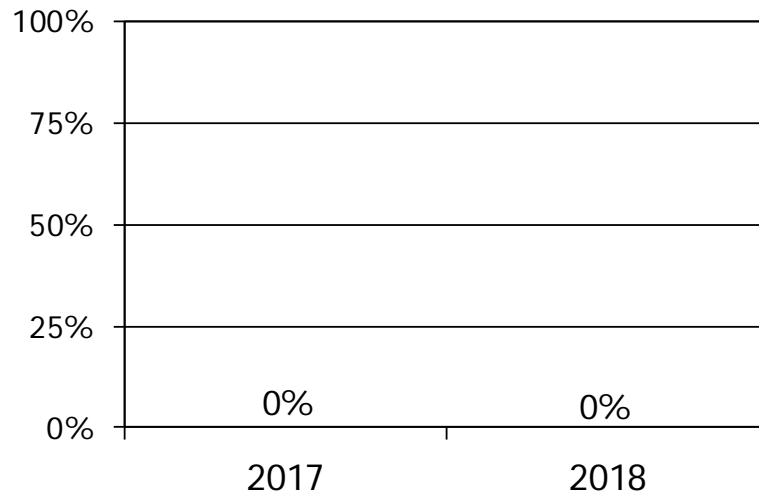
OPEB Plan Funding Ratio

Will we be able to pay for retiree health care in the future?

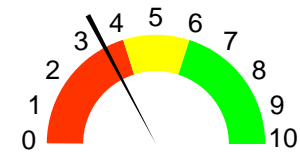
The OPEB funding ratio compares the actuarial value of any retiree healthcare plan assets set aside in trusts for future benefits with the actuarial accrued liability for plan benefits. An “actuarial fully advance funded” plan would reflect a funding percentage of 100%. Whereas a “pay-as-you-go” plan would report a funding percentage of 0%. The City has adopted a pay-as-you-go funding strategy for the OPEB benefits.

An accounting standard implemented in 2018 requires certain future retiree post employment healthcare costs to be recognized while the employee is providing service. The City has adopted a pay-as-you-go plan. As a result, there is no plan net position to offset the total OPEB liability of approximately \$3.3 million, and the ability to pay for these future benefits will be dependent on future resources and appropriations made to fund these costs.

Percentage of Total OPEB Liability Funded



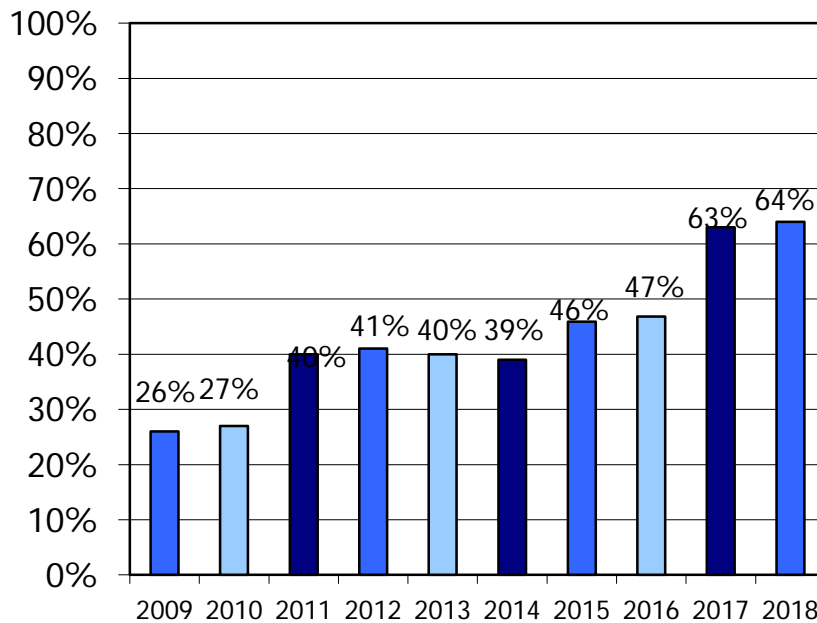
2017	2018
0%	0%



Assets to Debt

Who really owns the City?

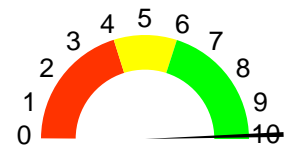
Percentage of Debt in Assets



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

At June 30, 2018, a little less than two thirds (64%) of the City's \$71 million of total assets were funded with debt or other obligations. This is considered a below satisfactory financial indicator and indicates that for each dollar of City assets owned, it owes 64 cents of that dollar to others, leaving a 36% equity in such assets. This ratio decreased slightly since the prior year.

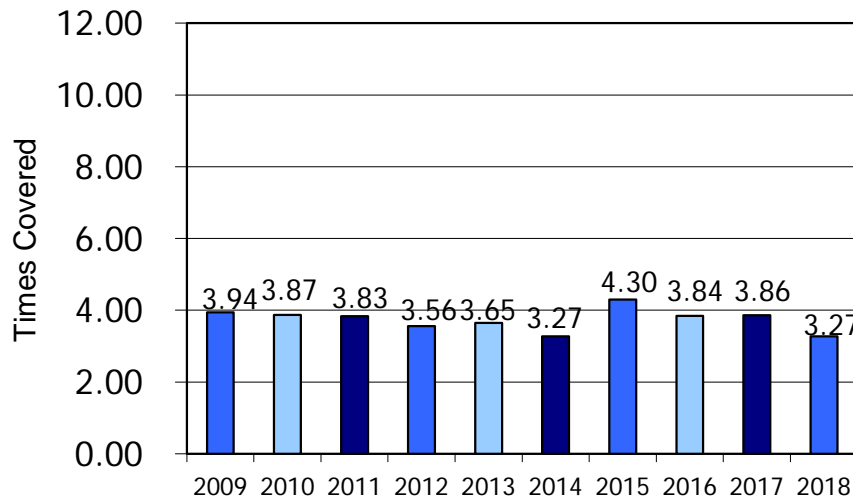
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
26%	27%	40%	41%	40%	39%	46%	47%	63%	64%



Current Ratio

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

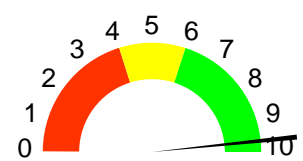
Current Assets Compared to Current Liabilities



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 a satisfactory current liquidity and an ability to meet the short-term obligations.

At June 30, 2018 the City had a government-wide ratio of current assets to current liabilities of 3.27 to 1. This indicates that the City had a little over three and one-quarter times the amount of current assets needed to pay current liabilities. This is considered an excellent indicator of liquidity, although it does represent a decline when compared to the ratio of the prior year.

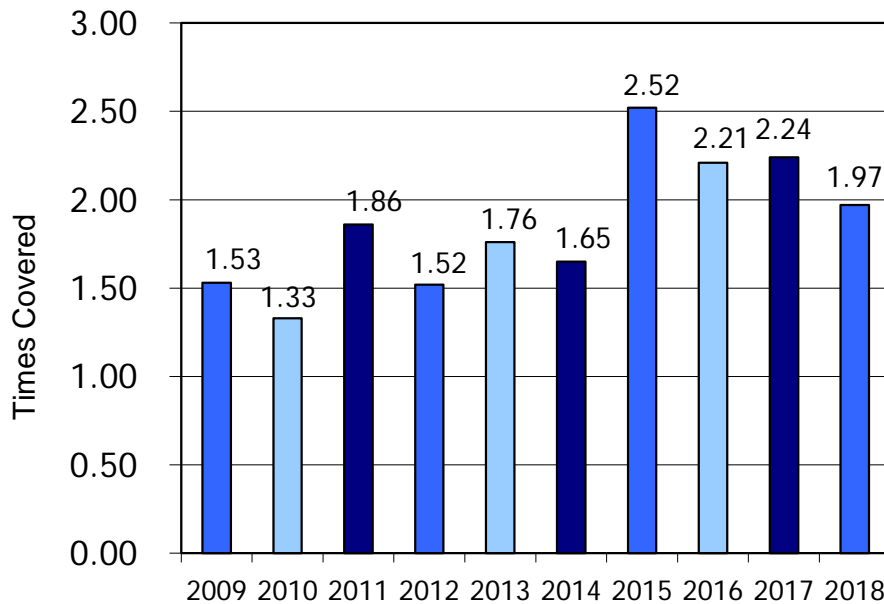
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
3.94	3.87	3.83	3.56	3.65	3.27	4.30	3.84	3.86	3.27



Quick Ratio

How is our short-term cash position?

Cash and Cash Equivalents Compared to Current Operating Liabilities



The quick ratio is another, more conservative, measure of the City's ability to pay its short-term operating 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, 2018, the City had a government-wide ratio of cash and cash equivalents to current operating liabilities of 1.97 to 1. This indicates that the City had nearly two times the minimum amount of cash and cash equivalents needed to pay short-term operating obligations at year end. This is considered a near excellent ratio in our model, but does represent a decline when compared to the ratio of the prior year.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1.53	1.33	1.86	1.52	1.76	1.65	2.52	2.21	2.24	1.97

Financial Position Ratios

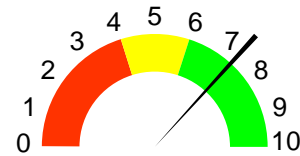
Summary and Comparison to Prior Years

Ratio	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Unrestricted Net Position	-8%	-2%	33%	34%	15%	21%	-6.6%	-15.7%
General Fund Unassigned Fund Balance	13%	19%	18%	7.2%	22%	17%	12.9%	9.0%
Capital Asset Condition	33%	33%	30%	30%	28%	30%	29%	28%
Non-Uniformed Employee Pension Plan Funding	68%	67%	67%	62%	67%	62%	65%	70%
OPEB Plan Funding	0%	0%	0%	0%	0%	0%	0%	0%
Assets to Debt	40%	41%	40%	39%	46%	47%	63.2%	63.7%
Current Ratio	3.83	3.56	3.65	3.27	4.30	3.84	3.86	3.27
Quick Ratio	1.86	1.52	1.76	1.65	2.52	2.21	2.24	1.96
Financial Position Performer Score	5.4	5.4	6.7	6.1	6.2	6.2	5.0	4.8

Performer[®] Ratios

Financial Performance Ratios

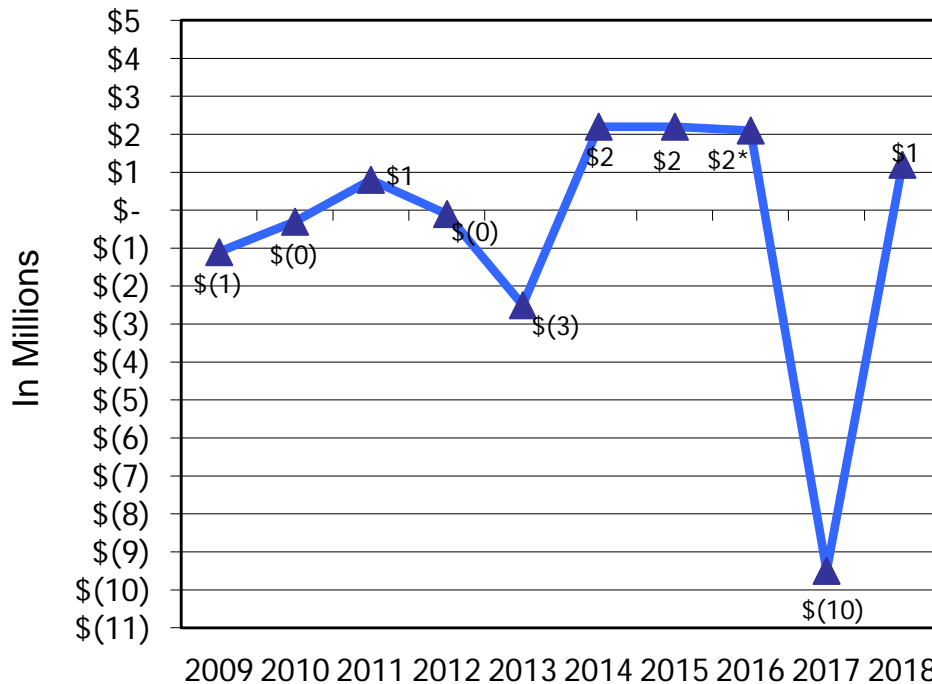
Change in Net Position	Did our overall financial condition improve, decline, or remain steady from the past year?
Interperiod Equity	Who paid for the costs of current year services – current, past, or future tax and rate payers?
BTA Self-Sufficiency	Did current year business-type activities, such as utilities, 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 Position

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

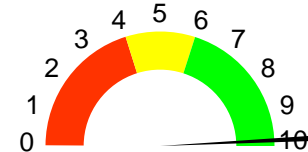
Change in Net Position



Net position include all assets and deferred outflows, and all liabilities and deferred inflows of the City, except for fiduciary funds held for the benefit of others. It is measured as the difference between total assets and deferred outflows, including capital assets, and total liabilities and deferred inflows, including long-term debt. Net position increases as a result of earning more revenue than expenses incurred in the fiscal year. For the year ended June 30, 2018, total net position increased by \$1.2 million, or 4.6% from the prior year. Governmental activities net position increased by \$1,713,420, while business-type activities net position decreased by \$499,033.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
-2.5%	-0.7%	+1.9%	-0.3%	-5.7%	+5.4%	+6.3%*	+5.8%	-453.6%*	4.6%

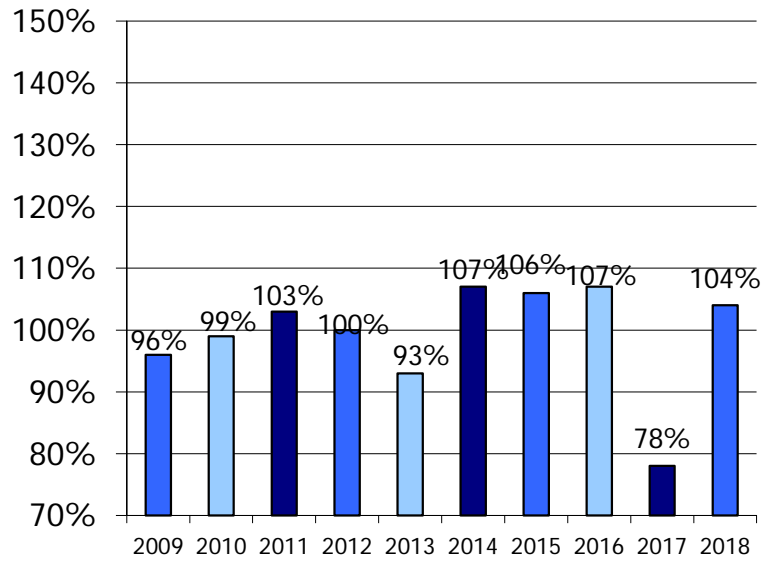
* Years restated for pension and OPEB accounting standards changes



Interperiod Equity

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

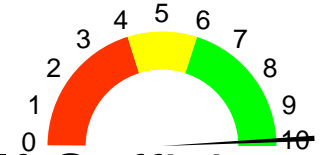
Current Year Revenues as a Percentage of Current Year Costs



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, 2018, the City's total costs were fully funded by current year tax and rate payers, with current year revenues, excluding fund balance carryovers, generating a level of 104% of current year costs. This ratio is considered to be excellent in our model.

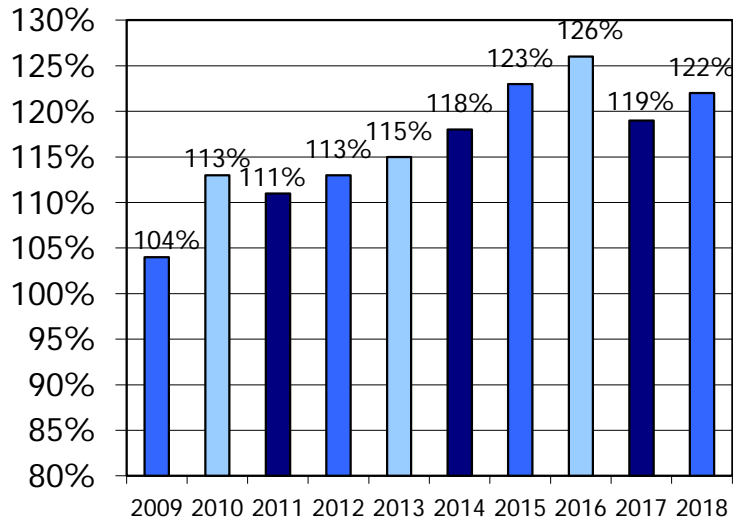
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
96%	99%	103%	100%	93%	107%	106%	107%	78%	104%



BTA Self-Sufficiency

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

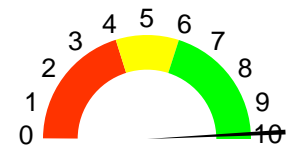
Percentage of BTA Expenses Covered
By BTA Revenues



The self-sufficiency ratio indicates the level at which business-type activities (utilities) 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, 2018, the City's business-type activities were 122% self-sufficient in total. This indicates that all of the current year costs were funded by current year revenues in addition to generating some additional resources. This is a slight increase from the ratio calculated in the prior year, it remains relatively consistent with the past several years.

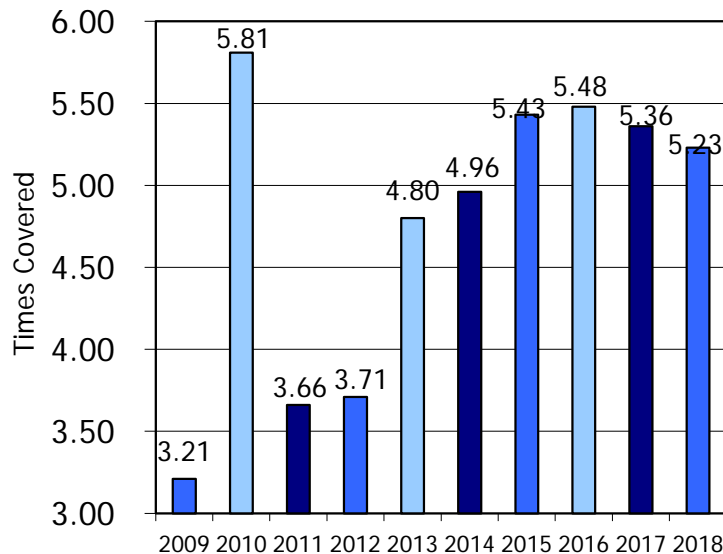
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
104%	113%	111%	113%	115%	118%	123%	126%	119%	122%



Debt Service Coverage

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

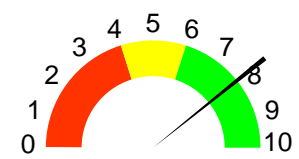
Number of Times Net Pledged Revenues Cover Annual Debt Service



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 1.00 indicates a sufficient ability to make the debt service payments from net revenue from operations.

For the year ended June 30, 2018, the City experienced a favorable debt service coverage ratio of 5.23, a slight decrease from the ratio in the prior year. This indicates the City generated a little over 5 times the amount of cash necessary to pay the debt service requirements on its revenue bonds and notes.

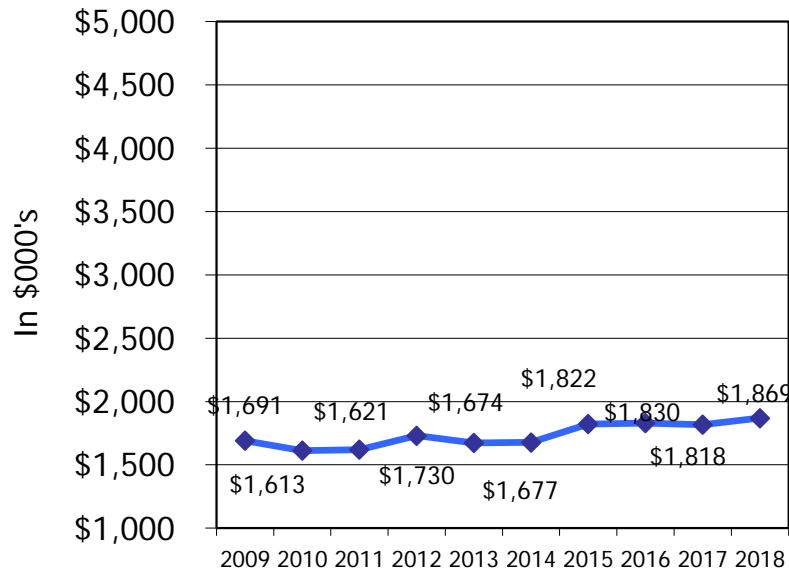
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
3.21	5.81	3.66	3.71	4.80	4.96	5.43	5.48	5.36	5.23



Sales Tax Growth

What is the state of our local economy?

Sales Revenue
per One-Cent Tax



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

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

For the year ended June 30, 2018, the City experienced an increase in sales tax collections per one-cent in the amount of \$51,701 or 2.8% from the prior year. The Sales Tax Rate of 3.65% was in effect for the entire year.

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
-8.7%	-4.6%	+0.5%	+6.7%	-3.2%	+0.2%	+3.4%	+0.4%	-0.7%	+2.8%

Financial Performance Ratios

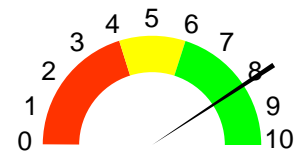
Summary and Comparison to Prior Years

Ratio	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Change in Net Position	1.9%	-0.3%	-5.7%	5.4%	6.3%	5.8%	-453.6%	+4.6%
Interperiod Equity	103%	100%	93%	107%	106%	107%	78%	104%
BTA Self Sufficiency	111%	113%	115%	118%	123%	126%	119%	122%
Debt Service Coverage	3.66	3.71	4.80	4.96	5.43	5.48	5.36	5.23
Sales Tax Growth	0.5%	6.7%	-3.2%	0.2%	3.4%	0.4%	-0.7%	+2.8%
Financial Performance Performer Score	8.2	8.9	5.5	8.5	9.5	8.6	5.2	9.0

Performer[®] Ratios

Financial Capability Ratios

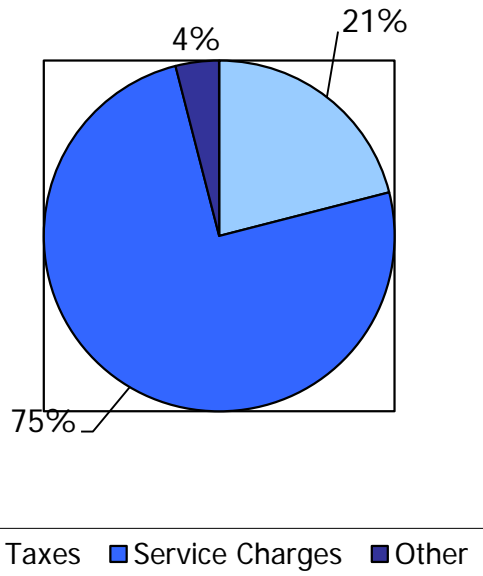
Revenue Dispersion	How much of our revenue is beyond our direct control?
Debt Service Load	How heavily is our budget loaded with payments to retire long-term debt?
Bonded Debt Per Capita	What is the debt burden on our property tax payers?
Legal Debt Limit Remaining	Will we be legally able to issue more 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?

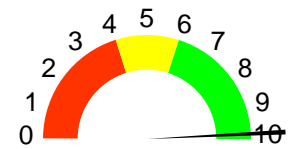
2018 Revenue Percentages by Source



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, 2018, the City had direct control over 75% (service charges) of its revenues. This ratio indicates the City has some limited exposure, as do most cities, to financial difficulties due to reliance (25%) on taxes that require voter approval and on grants, contributions and other revenue.

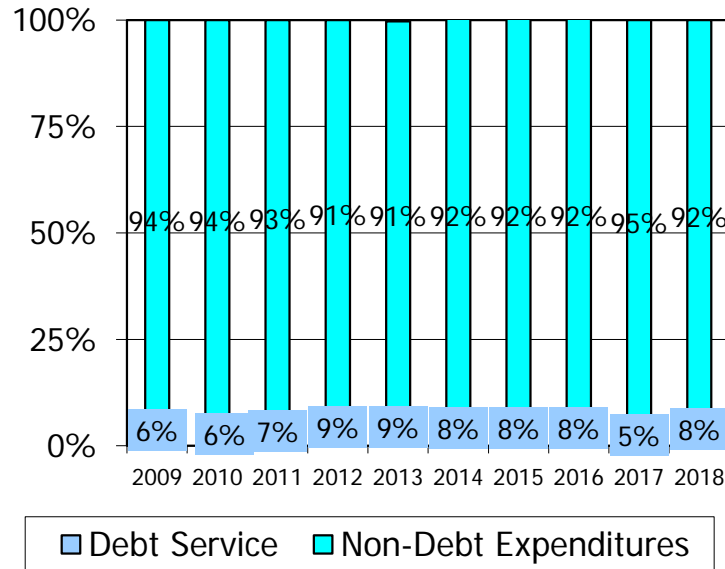
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
71%	73%	72%	74%	76%	72%	73%	73%	75%	75%



Debt Service Load

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

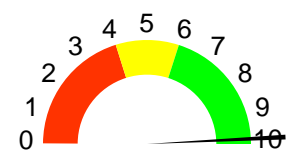
Percentage of Debt Service and Non-Debt Expenditures



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

For the year ended June 30, 2018, the City's total non-capital expenditures amounted to \$32 million of which \$2.4 million (or 8%) were payments for principal and interest on long-term debt. In our model, this is an excellent financial indicator and indicates that for every dollar the City spent on non-capital items, only 8 cents of that dollar was used for debt service.

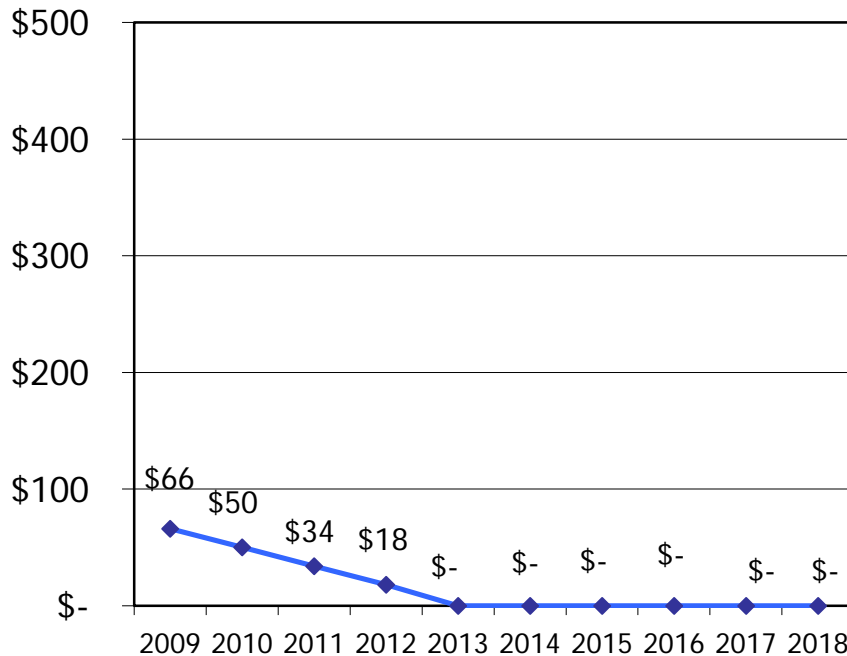
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
6%	6%	7%	9%	9%	8%	8%	8%	5%	8%



Bonded Debt Per Capita

What is the debt burden on our property tax payers?

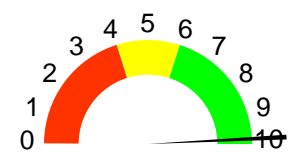
General Bonded Debt Per Capita



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, 2018, the City continued to have no general obligation bonded debt outstanding. Therefore, it has no general bonded debt burden on its citizens and taxpayers.

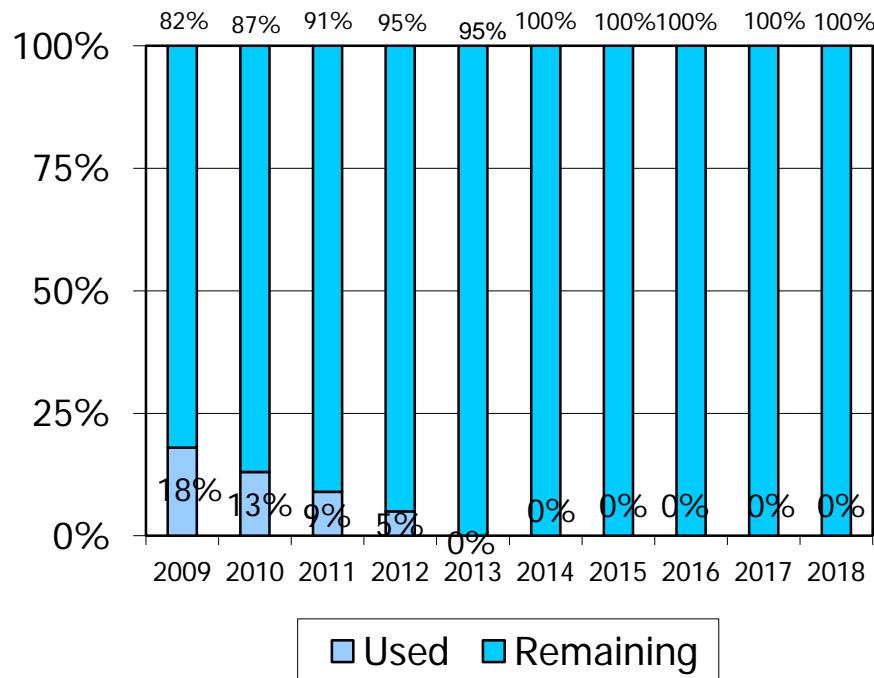
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
\$66	\$50	\$34	\$18	\$0	\$0	\$0	\$0	\$0	\$0



Legal Debt Limit Remaining

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

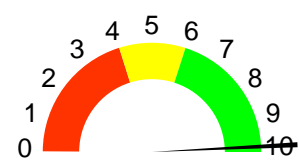
Percentage of Legal Debt Limit Used Versus Remaining



Oklahoma law limits certain types of general obligation debt to no more than 10% of the City's net assessed valuation of taxable property.

For the year ended June 30, 2018, the City continued to have no general obligation debt applicable to this legal debt limit. This means that at June 30, 2018, the City had 100% of its general bonded debt legal limit remaining.

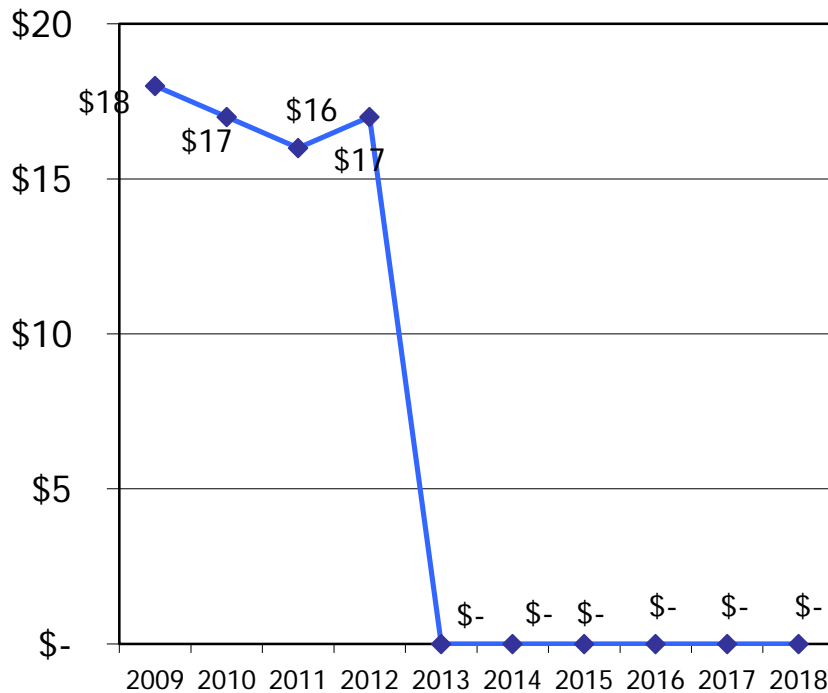
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
82%	87%	91%	95%	100%	100%	100%	100%	100%	100%



Property Taxes Per Capita

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

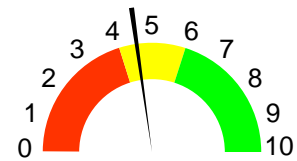
Total Property Taxes Per Capita



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 bonded debt and judgments.

For the year ended June 30, 2018, the City had no general obligation bond debt service or judgments outstanding, and therefore, had no property tax levied in 2018. This is an excellent indicator in our model.

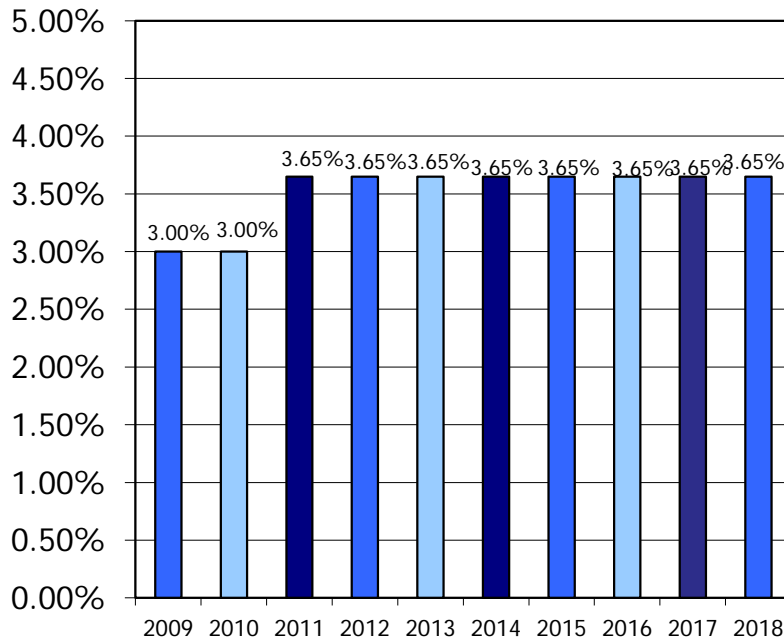
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
\$18	\$17	\$16	\$17	\$0	\$0	\$0	\$0	\$0	\$0



Local Sales Tax Rate

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

Sales Tax Rate



For Oklahoma municipalities, sales tax is the primary source of funding for general government operations. Sales tax rates cannot be increased without voter approval. In our model, a 2% tax rate is considered excellent from the financing margin perspective, while 5% rate is considered a high rate and therefore weak in terms of increase ability margin.

For the year ended June 30, 2018, the City's sales tax rate in effect was 3.65%.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Rate	3.00%	3.00%	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%
Taxes in 000s	\$5.07	\$4.84	\$5.69	\$6.31	\$6.11	\$6.12	\$6.65	\$6.68	\$6.63	\$6.82

Financial Capability Ratios

Summary and Comparison to Prior Years

Ratio	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenue Dispersion	72%	74%	72%	76%	73%	73%	75%	75%
Debt Service Load	7.2%	8.8%	8.7%	8.3%	7.5%	8.3%	5.0%	7.6%
General Bonded Debt per Capita	\$34	\$18	\$0	\$0	\$0	\$0	\$0	\$0
Remaining Legal Debt Margin	91%	95%	100%	100%	100%	100%	100%	100%
Property Taxes per Capita	\$16	\$17	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax Rate	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%
Financial Capability Performer Score	8.0	7.9	8.3	8.3	8.4	8.4	8.6	8.4

Thank You

We would like to commend and thank the City of Miami management, its governing body and audit committee for 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.
