



THE

PERFORMETER®

A Financial Statement Analysis of
The City of Bixby, Oklahoma
As of and for the year ended June 30, 2019



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 the 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

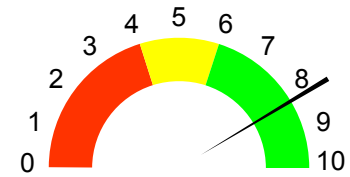
Use the comparisons to prior years to monitor trends in financial indicators

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 specific activities, funds or units

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



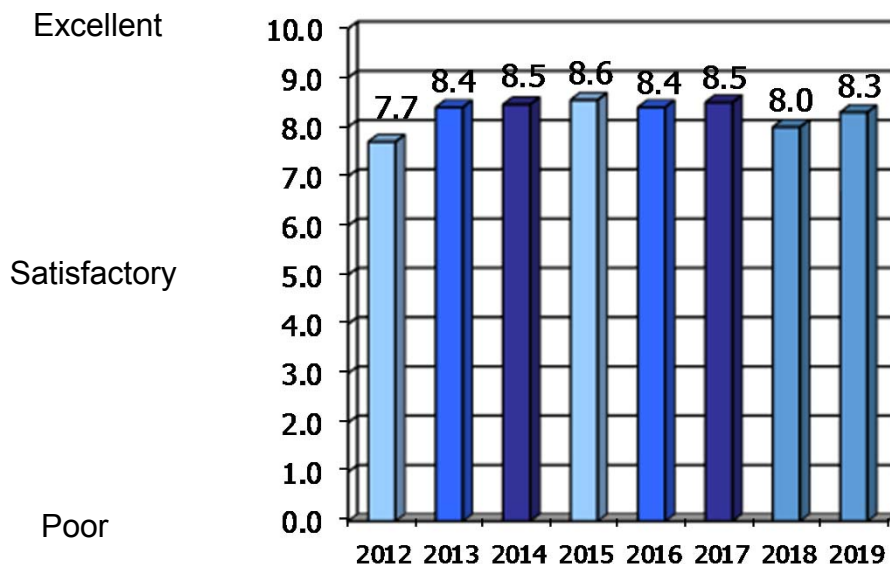
Performer[®] Reading

For the 2019 fiscal year, the readings by ratio category were as follows:

Financial Position	9.7
Financial Performance	10.0
Financial Capability	4.2

The strongest component of the ratings is the City's financial Performer in the current year, followed closely by the City's financial position. In addition, the City's financial capability as of and for the year ended June 30, 2019 reflects a near satisfactory rating. The 2019 overall reading of 8.3 indicates the evaluator's opinion that Bixby's overall financial health and performance continues to be well above satisfactory, and experienced an increase when compared to the score of the prior year.

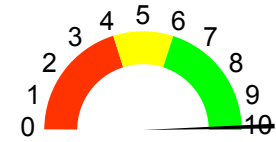
Overall Reading



Performer[®] Ratios

Financial Position Ratios

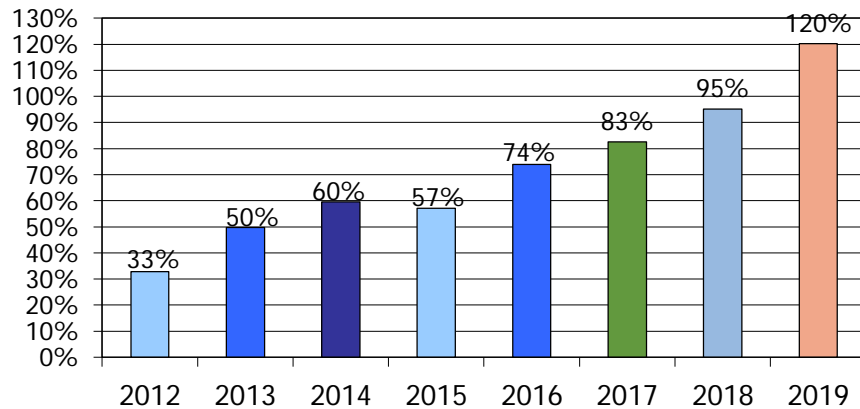
Unrestricted Net Position	How does our overall economic condition look?
Unassigned Fund Balance	How do our rainy day funds look?
Capital Asset Condition	How much estimated useful life do we have left in our capital assets?
Asset to Debt	Who really owns our government's assets?
Current Ratio	What is our ability to pay our employees and vendors on time?
Quick Ratio	How is our short-term cash position?



Level of Unrestricted Net Position

How does our overall economic condition look?

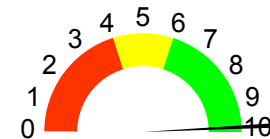
Unrestricted Net Position as a Percentage of Annual Revenues



The level of total unrestricted net position is an indication of the amount of unexpended and available resources the City has 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, 2019, the City's total unrestricted net position approximated \$51 million or 120% of annual total revenues. This exceeds our model's desired minimum of 30% and is considered excellent. This ratio has continued to increase over the past several years.

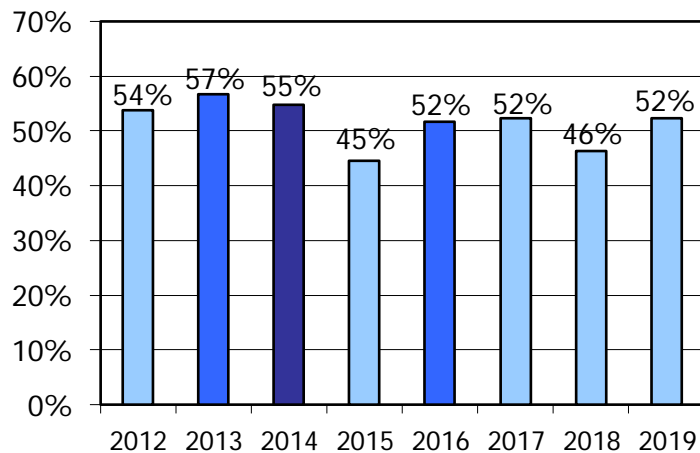
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
44.1%	22.7%	32.8%	49.8%	59.5%	57.1%	73.9%	82.6%	95.2%	120.2%



Level of Unassigned Fund Balance

How do our rainy day funds look?

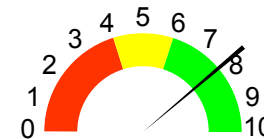
General Fund Unassigned Fund Balance as a Percentage of Annual Revenues



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 specific projects or functions, 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, 2019, the City's total unassigned fund balance of the General Fund amounted to \$5.9 million or 52% of annual General Fund revenues. This is considered an excellent financial indicator.

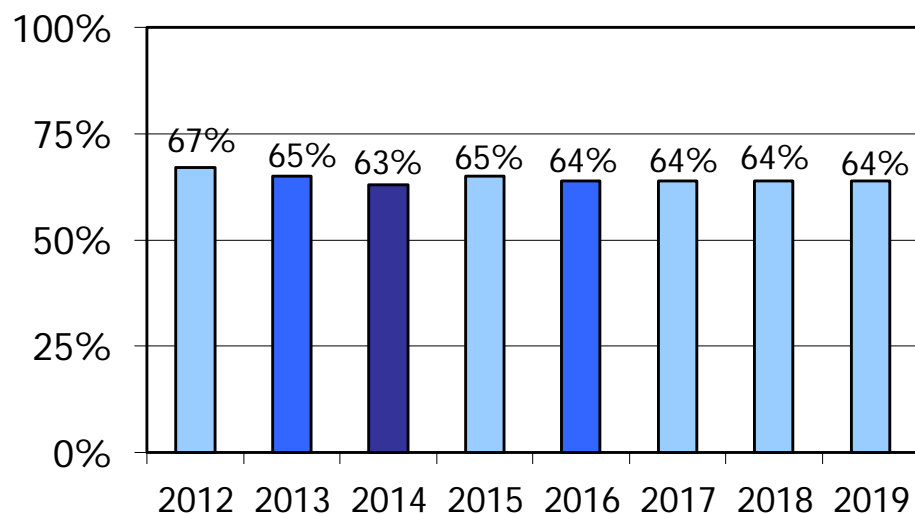
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
40.2%	46.3%	53.8%	56.7%	54.8%	44.6%	51.6%	52.3%	46.4%	52.4%



Capital Asset Condition

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

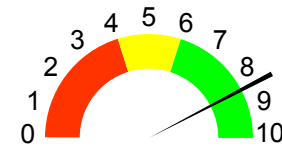
Percentage of Capital Assets' Useful Life Remaining



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, 2019, the City's depreciable capital assets amounted to \$197.7 million while accumulated depreciation totaled \$70.3 million. This indicates that, on the average, the City's capital assets have a little less than two-thirds, or 64%, of their useful lives remaining. This is a favorable financial indicator and is considered well above satisfactory. In addition, this ratio has remained relatively consistent with previous years ratios.

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
67%	66%	67%	65%	63%	65%	64%	64%	64%	64%



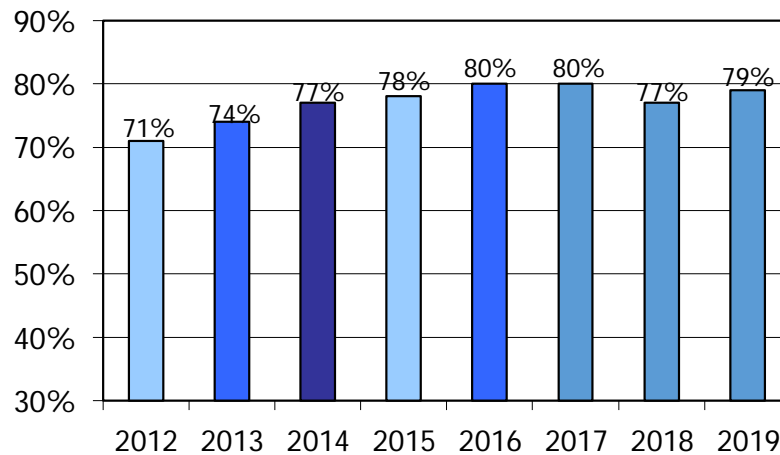
Assets to Debt

Who really owns the City?

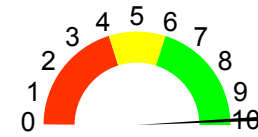
The assets to debt ratio measures the extent to which the City had funded its assets with debt. The higher the percentage, the more equity the City has in its assets.

At June 30, 2019, approximately one-fourth (21%) of the City's \$234 million of total assets were funded with debt or other obligations, leaving an 79% equity position in total assets. This is considered a well above satisfactory financial indicator and indicates that for each dollar of City assets owned, it owes 21 cents of that dollar to others. This ratio has remained relatively consistent with prior years.

Percentage of Equity in Assets



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
71%	69%	71%	74%	77%	78%	80%	80%	77%	79%



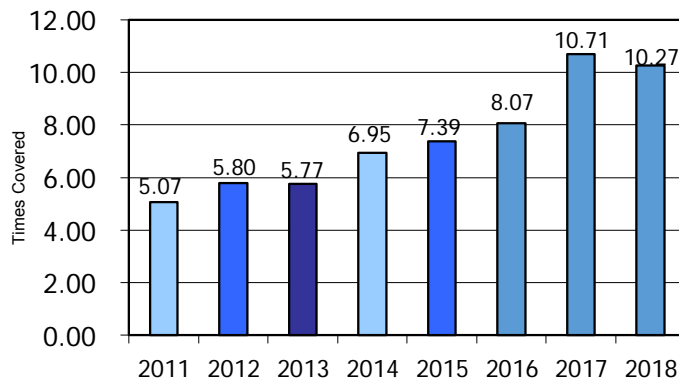
Current Ratio

What is our ability to pay our employees and vendors on time?

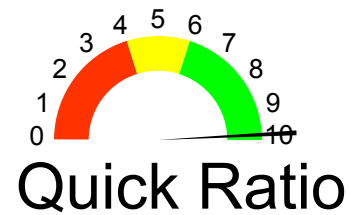
The current ratio is one measure of the City's ability to pay its short-term obligations. The current ratio compares total current assets and liabilities. A current ratio of 2.00 to 1 indicates good current liquidity and an ability to meet the short-term obligations.

At June 30, 2019 the City had a government-wide ratio of current assets to current liabilities of 10.3 to 1. This indicates that the City had 10 times the amount of current assets needed to pay current liabilities. This is considered an excellent liquidity ratio, and has exceeded our model's desired level each year.

Current Assets Compared to Current Liabilities

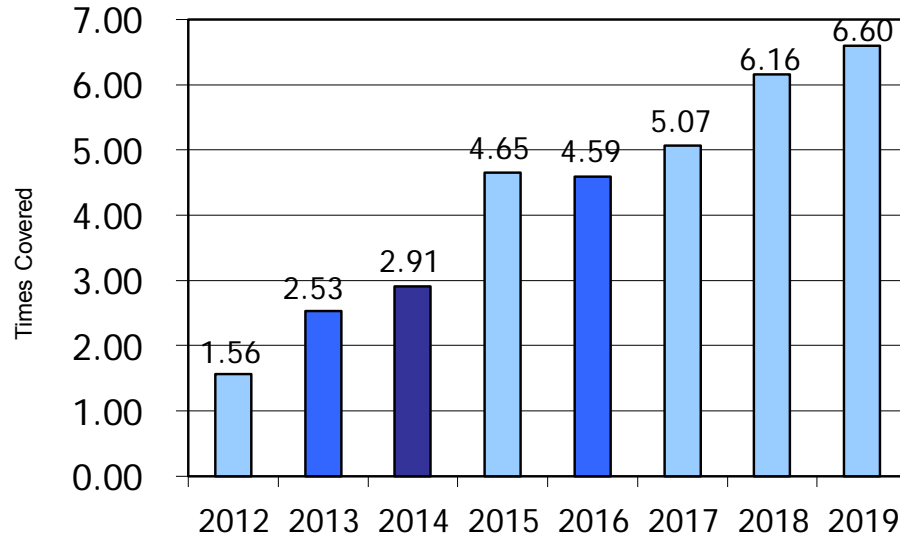


2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
5.89	7.53	5.07	5.80	5.77	6.95	7.39	8.07	10.71	10.27



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 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.

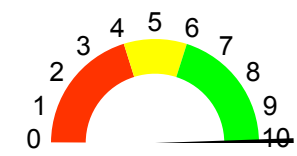
At June 30, 2019, the City had a government-wide ratio of cash and cash equivalents to current operating liabilities of 6.60 to 1. This indicates that the City had over six and one-half times the amount of cash and short-term investments needed to pay current liabilities. This is considered an excellent indicator.

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1.37	1.40	1.56	2.53	2.91	4.65	4.59	5.07	6.16	6.60

Performer[®] Ratios

Financial Performance Ratios

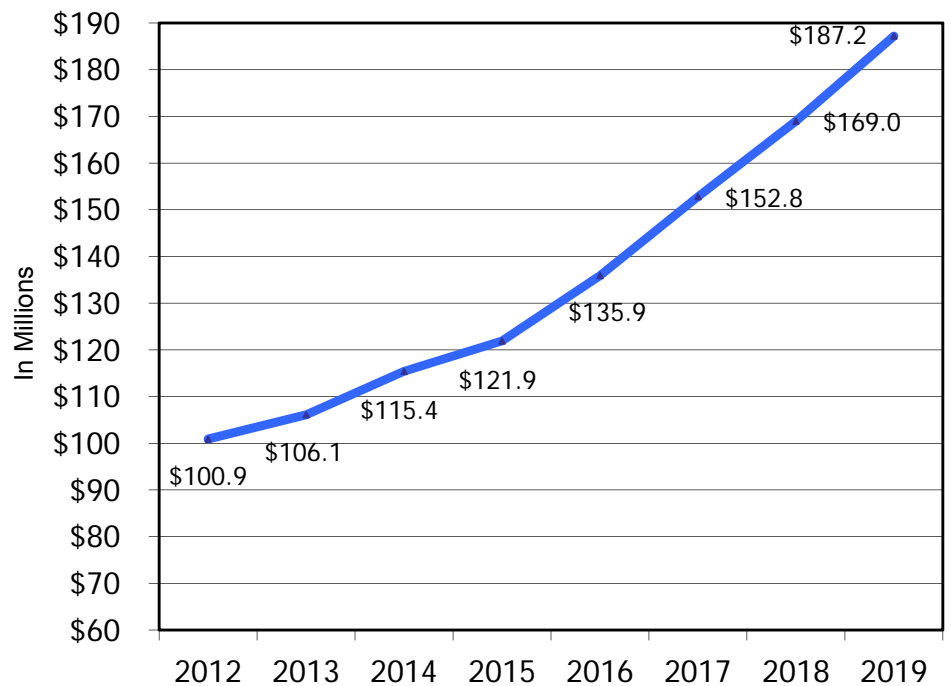
Change in Net Position	Did our overall economic financial condition improve, decline, or remain steady from the past year?
Interperiod Equity	Who paid for the costs of current year services – current, past, or future tax and rate payers?
BTA Self-Sufficiency	Did current year business-type activities pay for themselves?
Debt Service Coverage	What was our ability to pay the government's revenue bond investors when payments were due?
Sales Tax Growth	What is the state of our local economy?



Change in Net Position

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

Net Position at Year End

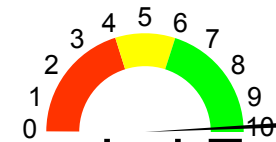


Net position includes all financial assets, deferred outflows, liabilities, and deferred inflows of the City, except for fiduciary funds held for the benefit of others. It is measured as the residual difference between these 4 elements, which includes capital assets, and long-term debt. Net position typically increases as a result of earning more revenue than expenses incurred in the fiscal year.

For the year ended June 30, 2019, total net Position increased by \$18 million or approximately 10.8% from the prior year. This increase is indicative of revenues exceeding expenses in the fiscal year for the City as a whole and is considered an excellent indicator.

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
+8.8%	+17.0%	+5.0%	+5.9%	+8.3%	+11.8%	+11.5%	+12.4%	+10.6%	+10.8%

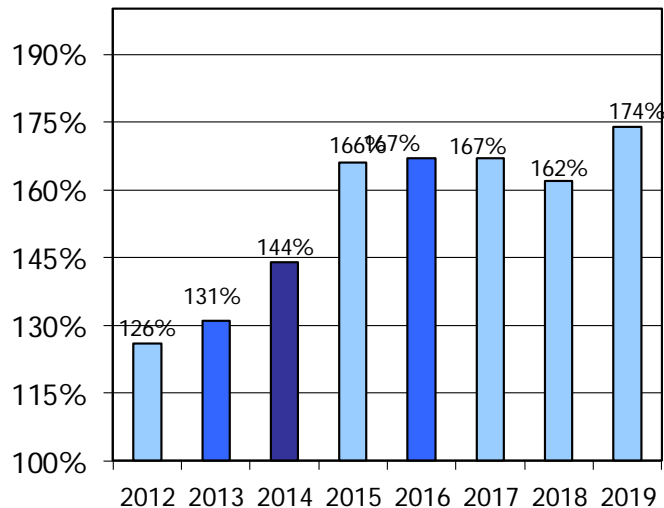




Interperiod Equity

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

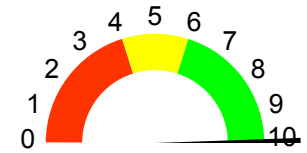
Current Year Revenues as a Percentage of Current Year Costs



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, 2019, the City's total costs were more than fully funded by current year tax and rate payers, and other current year revenues. This ratio is consistent with the prior year, and any unusual spikes in this ratio are usually a result of significant grant activity in an individual year.

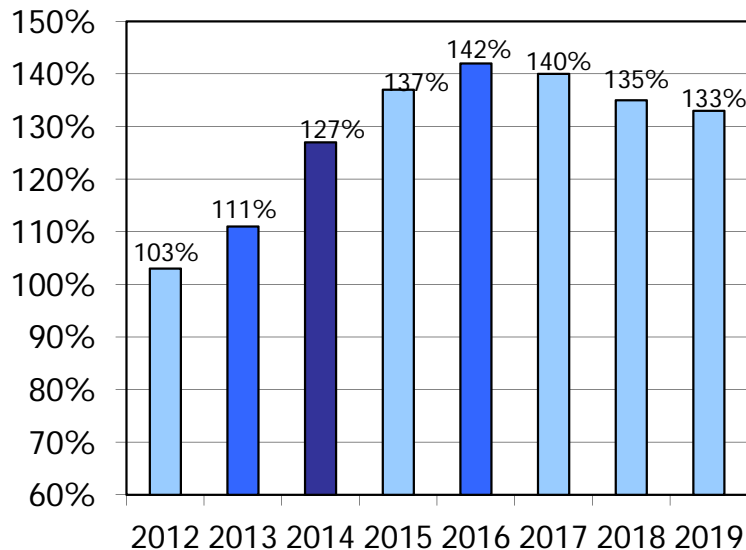
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
138.1%	162.6%	125.8%	130.9%	144%	165.7%	166.6%	166.8%	161.9%	174.4%



BTA Self-Sufficiency

Did current year business-type activities pay for themselves?

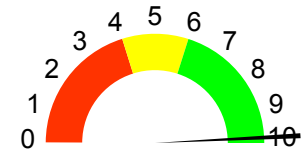
Percentage of BTA Expenses Covered By BTA Revenues



The self-sufficiency ratio indicates the level at which business-type activities 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, 2019, the City's total business-type activities were fully self-sufficient in total and did not require the use of subsidies or the use of prior year reserves to fund current year costs. In 2019, individually, the water and wastewater functions were self-sufficient.

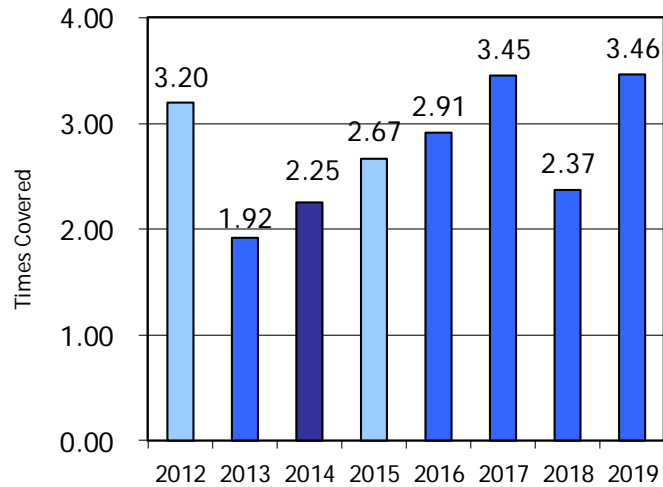
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
91.6%	107%	103%	111%	127%	137%	142%	140%	135%	133%



Debt Service Coverage

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

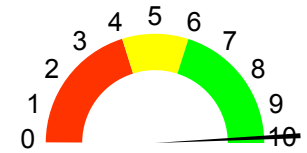
Number of Times Net Pledged Revenues Cover Annual Debt Service



The debt service coverage ratio compares the City's debt service requirements on revenue bonds and notes 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, 2019, the City experienced a very favorable debt service coverage ratio of 3.46. This indicates the City generated nearly three and one-half times the amount of cash necessary to pay the debt service requirements on its revenue bonds and notes. This is an increase in the ratio when compared to the prior period, and represents an excellent indicator.

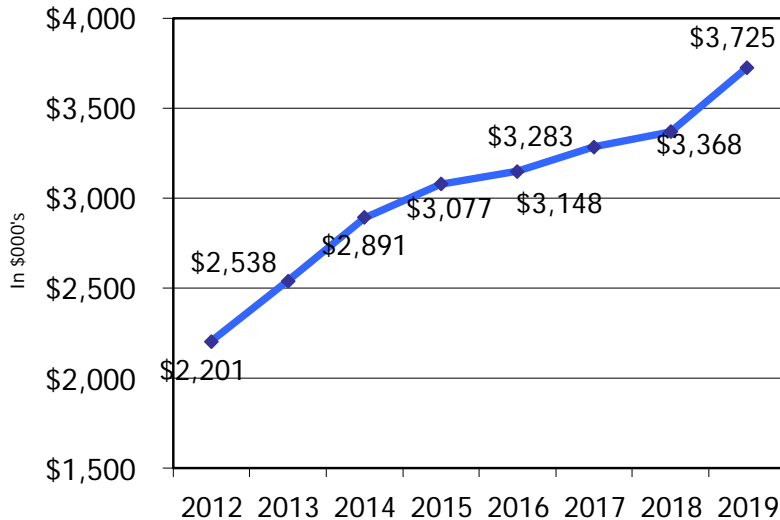
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
2.13	2.75	3.20	1.92	2.25	2.67	2.91	3.45	2.37	3.46



Sales Tax Growth

What is the state of our local economy?

Sales and Use Tax 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 and use tax revenue to fund its annual governmental activities.

Sales tax growth is a measure of the change in the local economy from the prior year in terms of the change per one-cent tax collected.

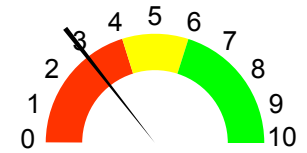
For the year ended June 30, 2019, the City experienced an increase in sales and use tax per one-cent tax of 10.6% from the prior year, sustaining a nine-year positive trend in the local economy.

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
-8.4%	+4.1%	+6.8%	+15.3%	+13.9%	+6.4%	+2.3%	+4.3%	+2.6%	+10.6%

Performer[®] Ratios

Financial Capability Ratios

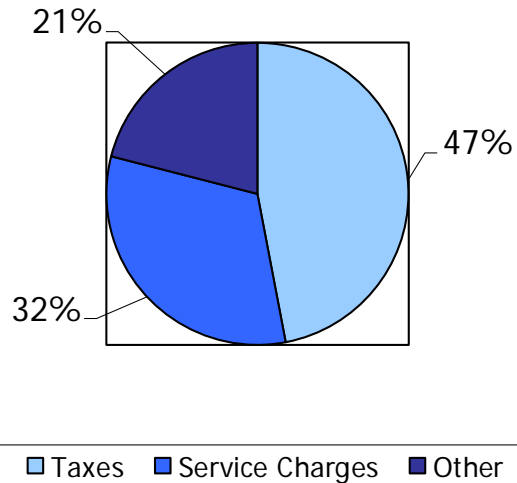
Revenue Dispersion	How heavily are we relying on revenue sources beyond our direct control?
Debt Service Load	How much of our annual budget is loaded with disbursements to pay off long-term debt?
Bonded Debt Per Capita	What is the debt burden on our property tax payers?
Legal Debt Limit Remaining	Will 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?

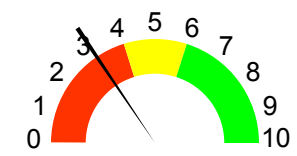
2019 Revenue Percentages by Source



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, 2019, the City had direct control over 33% (service charges) of its revenues. This is a consistent ratio when compared to prior year. Also, this ratio indicates the City has significant exposure, as do most cities, to financial difficulties due to reliance (67%) on taxes that require voter approval and on grants, contributions and other revenues.

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
30%	30%	39%	40%	41%	36%	37%	33%	33%	33%



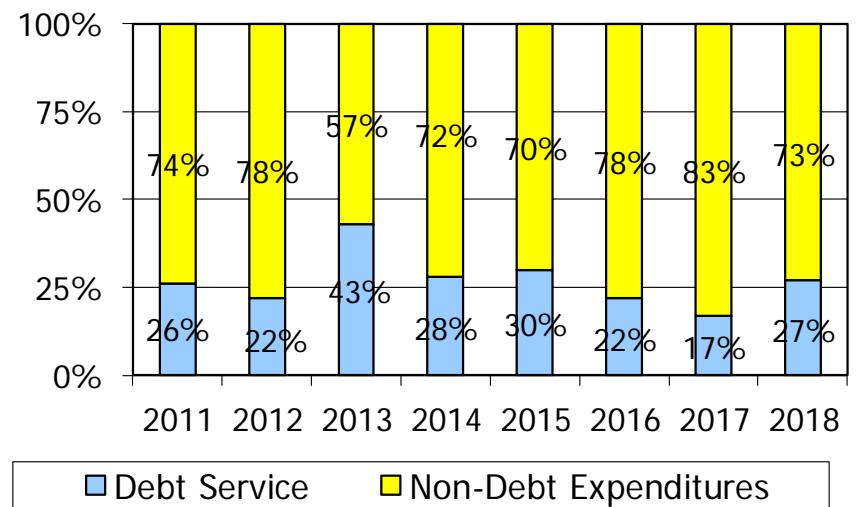
Debt Service Load

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

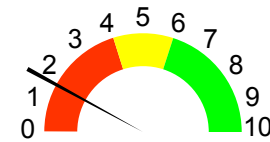
The debt service load ratio measures the extent to which the City's non-capital expenditures were comprised of debt service payments on long-term debt.

For the year ended June 30, 2019, the City's total non-capital expenditures amounted to \$25 million of which \$5.8 million (or 24%) were payments for principal and interest on long-term debt. This is a below satisfactory indicator of solvency and indicates that for every dollar the City spent on non-capital items, 24 cents of that dollar was used for debt service.

Percentage of Debt Service and Non-Capital Expenditures



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
27%	26%	22%	43%	28%	30%	22%	17%	27%	24%



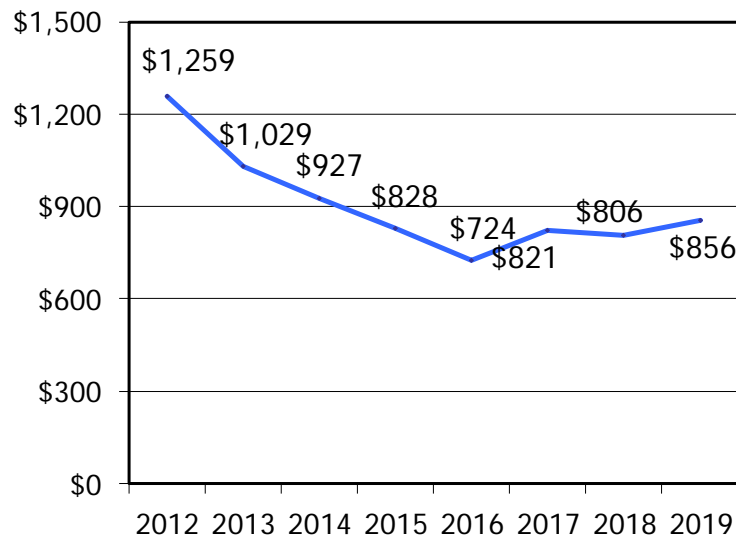
Bonded Debt Per Capita

What is the debt burden on our property tax payers?

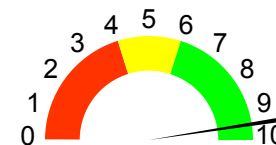
The financial ratio of general bonded debt per capita is an indication of the City's debt burden on its citizens and other taxpayers related to general obligation debt payable from property taxes. The ratio does not consider debt payable from enterprise activities or alternate revenues.

For the year ended June 30, 2019, the City had \$19.7 million in general obligation bonded debt outstanding. Therefore, it has a per capita general bonded debt burden of \$856 on its citizens and taxpayers. In our model, this is considered to be a relatively high debt per capita ratio.

General Bonded Debt Per Capita



2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
\$967	\$1,353	\$1,259	\$1,029	\$927	\$828	\$724	\$821	\$806	\$856

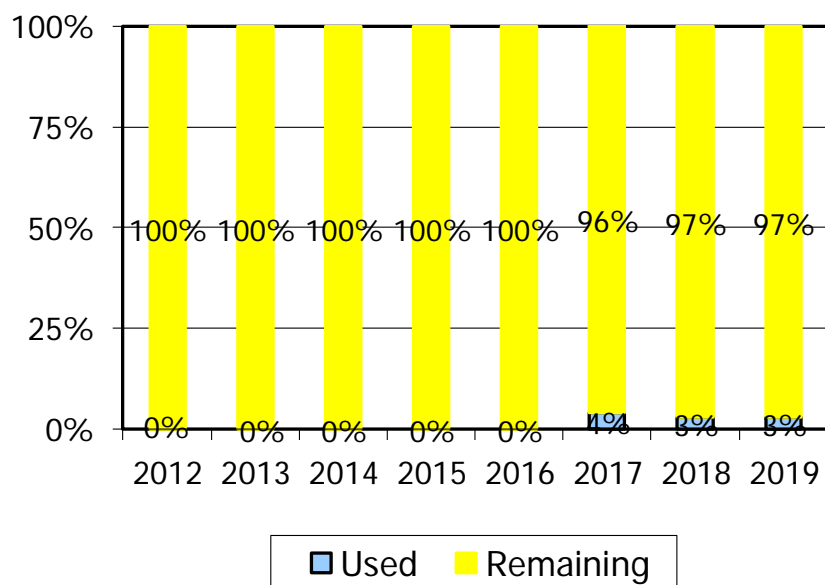


Legal Debt Limit Remaining

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

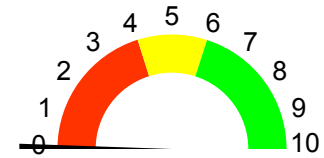
Oklahoma law limits certain types of general obligation debt to no more than 10% of the City's net assessed valuation of taxable property.

Percentage of Legal Debt Limit Used Versus Remaining



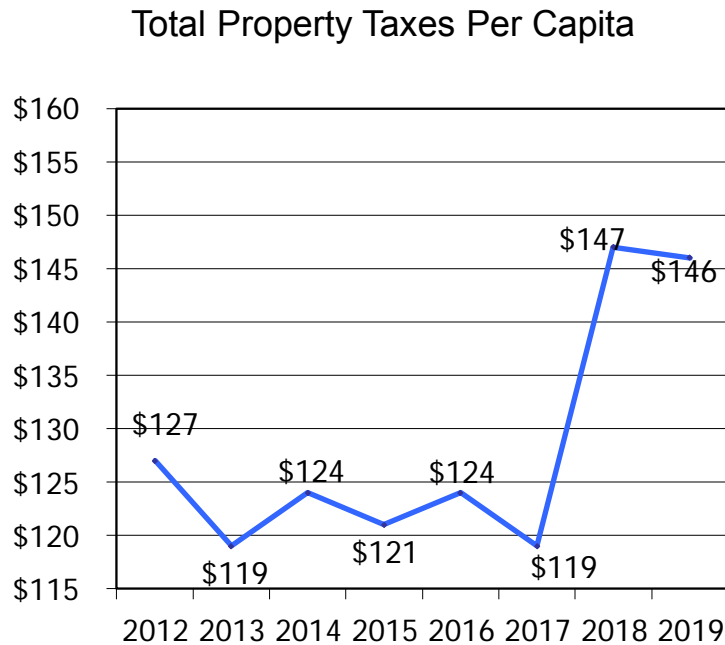
For the year ended June 30, 2019, the City issued \$975,000 of general obligation debt applicable to this legal debt limit. Based upon a review of the City's outstanding general obligation debt issues, 3% of the City's general obligation debt currently outstanding (\$19.7 million) is subject to this legal debt limit. Therefore, the City has retained 97% of its capacity to issue general obligation bond debt. This is an excellent indicator of future capability, and is indicative of a significant ability to issue further general obligation bond debt.

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
100%	100%	100%	100%	100%	100%	100%	96%	97%	97%



Property Taxes Per Capita

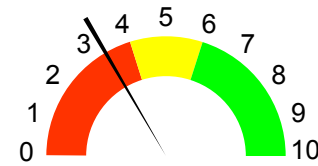
Will our citizens be willing to approve property tax increases, if needed?



The financial ratio of property taxes per capita is an indication of the City's property tax burden on its citizens and other taxpayers.

For the year ended June 30, 2019, the City had levied property taxes of \$3.4 million. This indicates that there is a per capita property tax burden of \$146. This is considered a relatively high ratio in our model but a slight decrease during the past year.

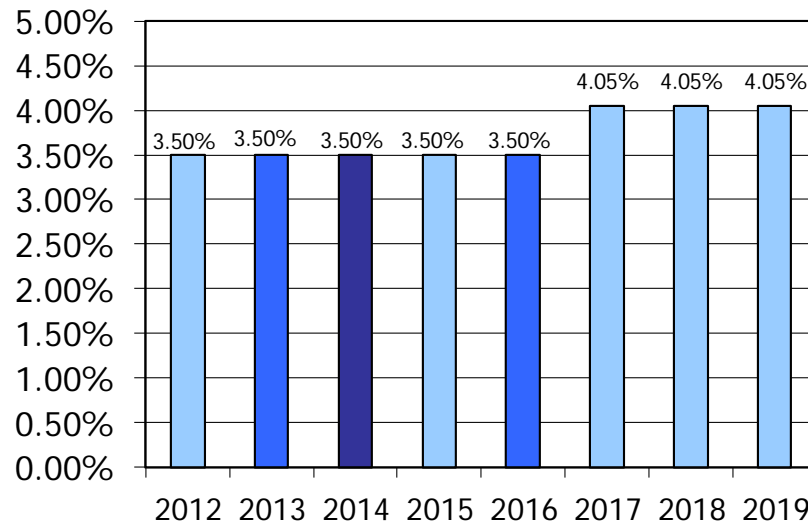
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
\$115	\$120	\$127	\$119	\$124	\$121	\$124	\$119	\$147	\$146



Local Sales Taxes 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 weaker in terms of increased ability margin.

For the year ended June 30, 2019, the City's sales tax rate in effect was 4.05%, and considered a relatively high rate based on our model .

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4.05%	4.05%	4.05%
Taxes in millions	\$6.9	\$7.2	\$7.7	\$8.8	\$10.1	\$10.8	\$11.0	\$12.2	\$13.6	\$15.1

Thank You

We would like to commend and thank the City of Bixby's management and its governing body for allowing us to present this financial analysis. We hope it serves as a useful and understandable complement to your annual financial report.

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