



PERFORMETER.

# *CITY OF BETHANY*

*FISCAL YEAR 2024*

A Financial Statement Analysis Tool Using Indicators of Financial  
Health and Success



## *WHAT IS THE PERFORMETER®?*

- An analysis that takes a government's 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 ratings from 0-10.
- The overall rating is a barometer of the entity's financial health and performance.

## *HOW TO USE THE PERFORMETER®*

- Use the individual ratios to identify financial warning signals.
- Use the overall rating as a collective benchmark of financial health and success of the entity as a whole.
- Use the comparisons to prior years to monitor trends in financial indicators.

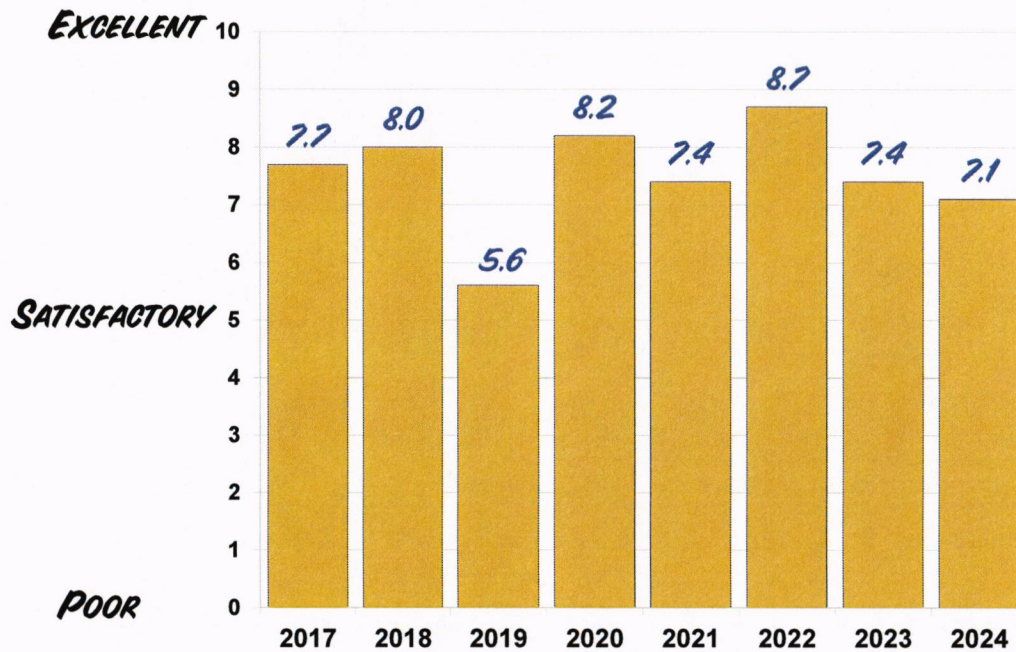
## ***LIMITATIONS OF THE PERFORMETER®***

- The Performeter® should not be used as the only source of financial information to evaluate the entity's performance and condition.
- The analysis is an overall rating of the entity 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® RATING

## WHAT IS THE STATE OF OUR OVERALL FINANCIAL HEALTH?

OVERALL RATING



For the 2024 fiscal year, the ratings by ratio category were as follows:

Financial Position	6.2
Financial Performance	9.2
Financial Capability	<u>5.0</u>
<b>Overall Rating</b>	<b>7.1</b>

The strongest component of the overall rating is the City’s financial performance, while the City’s financial position and capability were satisfactory. The 2024 overall rating of 7.1 indicates the evaluator’s opinion that the City of Bethany’s overall financial health declined slightly when compared to the prior period but remains well above satisfactory. The decline is due primarily to a lowering of the financial capability score which was the result of an increase in property taxes per capita. .

FY 24 OVERALL PERFORMETER® RATING: **7.1**

# *FINANCIAL POSITION RATINGS*

- This set of ratings illustrates “point-in-time” measures of the entity’s financial status, solvency, and liquidity as of the date of its most recent annual financial statements.



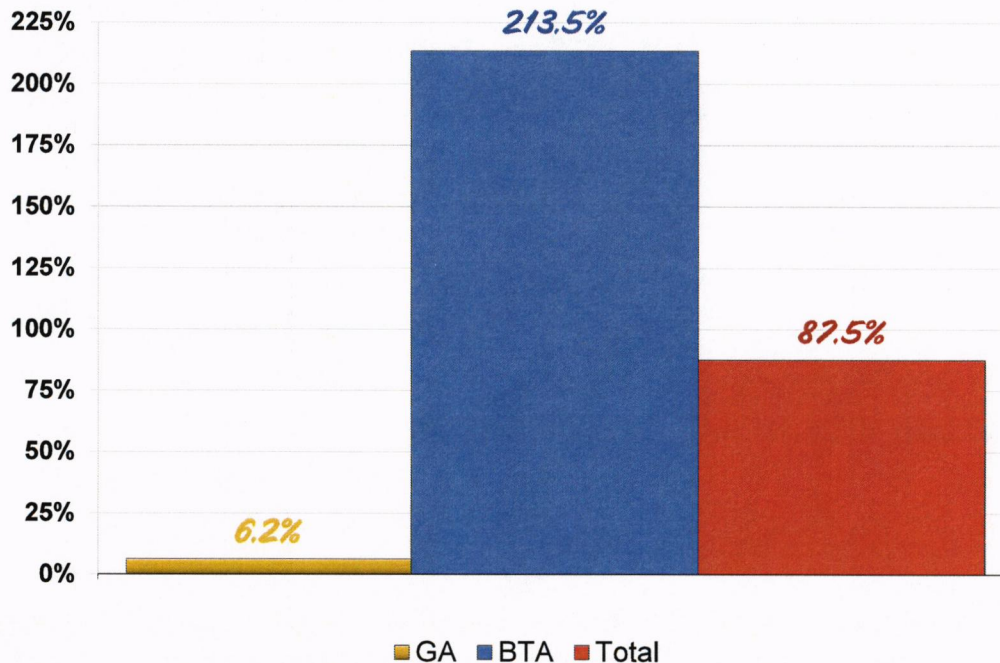
# *FINANCIAL POSITION RATINGS*

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-uniformed employees be happy with us when they retire?
OPEB Plan Funding	Will we be able to pay for retiree healthcare when they retire?
Debt to Assets	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 (DEFICIT) AS A % 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, 2024, the City's total unrestricted net position was approximately \$25.9 million, equivalent to 87.5% of annual total revenues. This is well above the 50% level that our model considers excellent and is an improvement over the prior year's already strong position. The low unrestricted net position of the Governmental Activities is due to the inclusion of the City's share of unfunded State Firefighters Pension system.

2017	2018	2019	2020	2021	2022	2023	2024
51.4%	42.4%	29.6%	45.0%	54.1%	60.3%	61.7%	87.5%

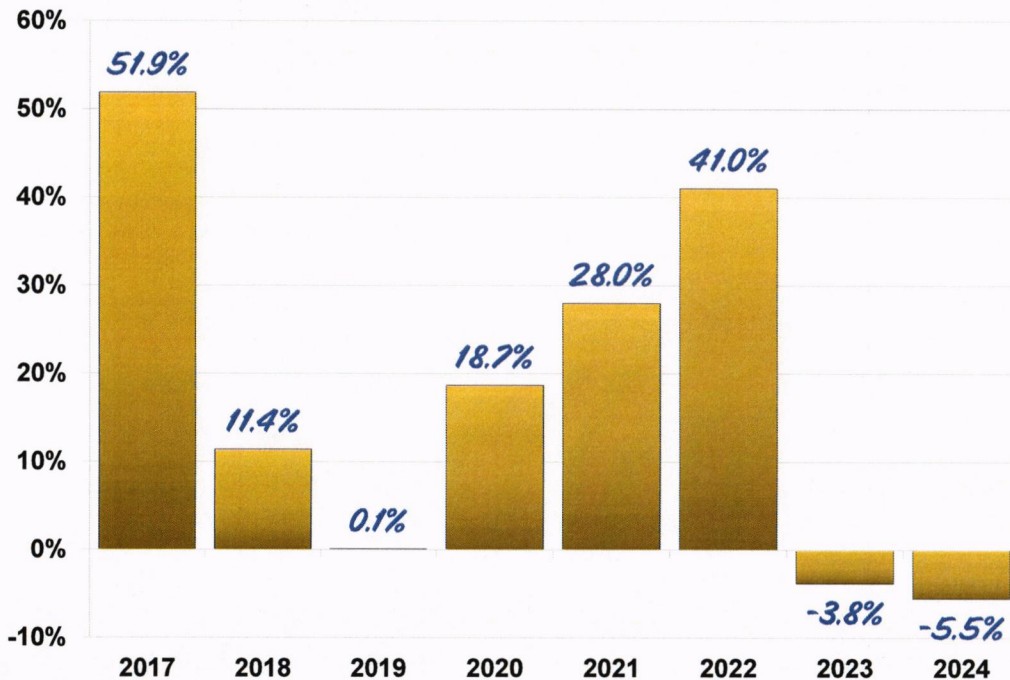
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RATING

10

# GF UNASSIGNED FUND BALANCE

## HOW DOES OUR CARRYOVER LOOK?

UNASSIGNED FUND BALANCE (DEFICIT) AS A PERCENTAGE OF ANNUAL REVENUES



The level of general fund 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, 2024, the City's unassigned fund balance of the General Fund, along with any deficit unassigned fund balance in any other governmental fund, amounted to approximately \$645,000 deficit or -5.5% of annual General Fund revenues. This represents a slight decline when compared to the prior year and is considered an unfavorable score. However, the City does have just over \$3.0 million in an assigned stabilization category that could be used to offset this deficit unassigned fund balance. If we include that in this ratio, the ratio would rise to 20.2%.

2017	2018	2019	2020	2021	2022	2023	2024
51.9%	11.4%	0.1%	18.7%	28.0%	41.0%	-3.8%	-5.5%

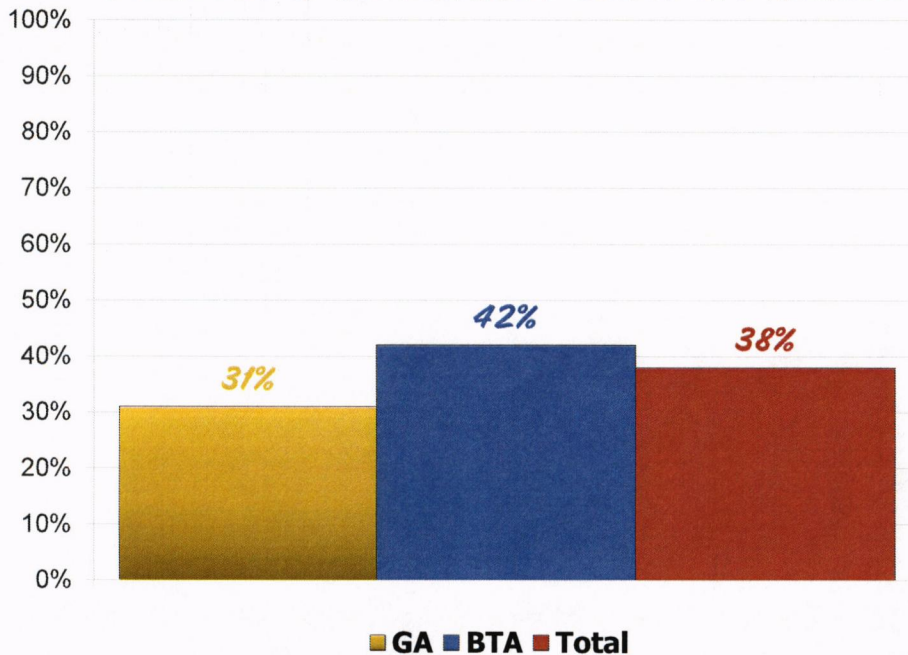
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# CAPITAL ASSET CONDITION

*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 at 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. For comparison purposes, we have removed the consideration of the cost of land and current construction-in-progress.

At June 30, 2024, the City's depreciable capital assets amounted to \$90.2 million while accumulated depreciation totaled \$56.2 million. This indicates that, on average, the City's depreciable capital assets have a little more than one-third (38%) of their useful lives remaining. This is a below satisfactory financial indicator in our model, and the ratio has decreased slightly when compared to the prior year.

2017	2018	2019	2020	2021	2022	2023	2024
43%	42%	41%	46%	43%	42%	39%	38%

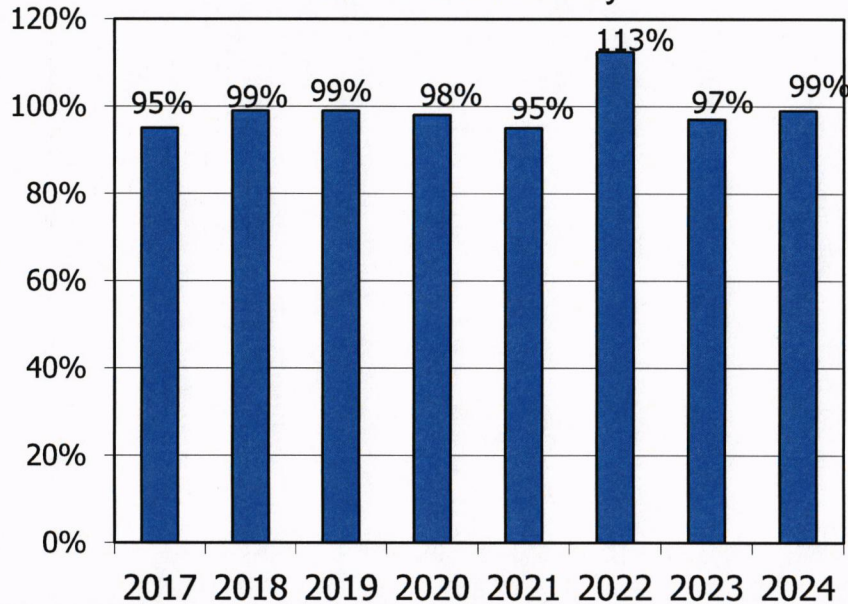
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RATING**

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# NON-UNIFORMED EMPLOYEE PENSION PLAN FUNDING RATIO

*WILL WE BE ABLE TO PAY OUR NON-UNIFORMED EMPLOYEES WHEN THEY RETIRE?*

Pension Plan Net Position as a Percentage of Total Pension Liability



The pension funding ratio compares the actuarial fair value of the 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, 2024, the City's pension plan net position was 99% of the total pension liability, indicating the plan was almost fully-funded, from an actuarial perspective, at the last valuation date. In addition, the funded ratio is an improvement when compared with the ratio of the prior period. This ratio is based on 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.

2017	2018	2019	2020	2021	2022	2023	2024
95%	99%	99%	98%	95%	112.5%	97%	99%

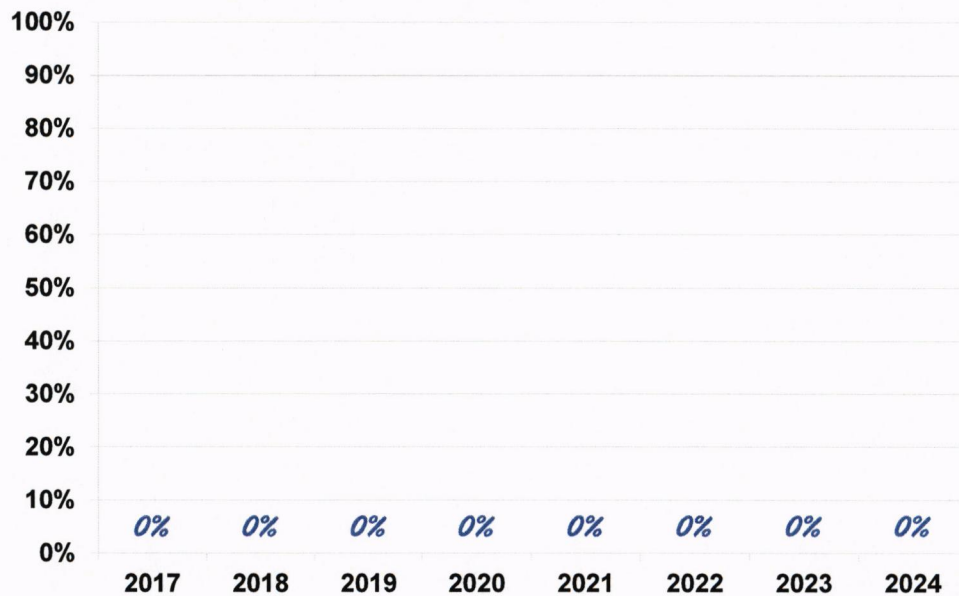
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# OPEB PLAN FUNDING RATIO

*WILL WE BE ABLE TO PAY FOR RETIREE HEALTH CARE IN THE FUTURE?*

**PERCENTAGE OF TOTAL OPEB LIABILITY THAT IS ADVANCE FUNDED**



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” funding strategy for the OPEB benefits plan would report a funding percentage of 0%. The City has adopted a pay-as-you-go funding strategy for the OPEB benefits.

Certain future retiree post employment healthcare costs must 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 \$1.4 million. The ability to pay for these future benefits will be dependent on future resources and appropriations.

2017	2018	2019	2020	2021	2022	2023	2024
0%	0%	0%	0%	0%	0%	0%	0%

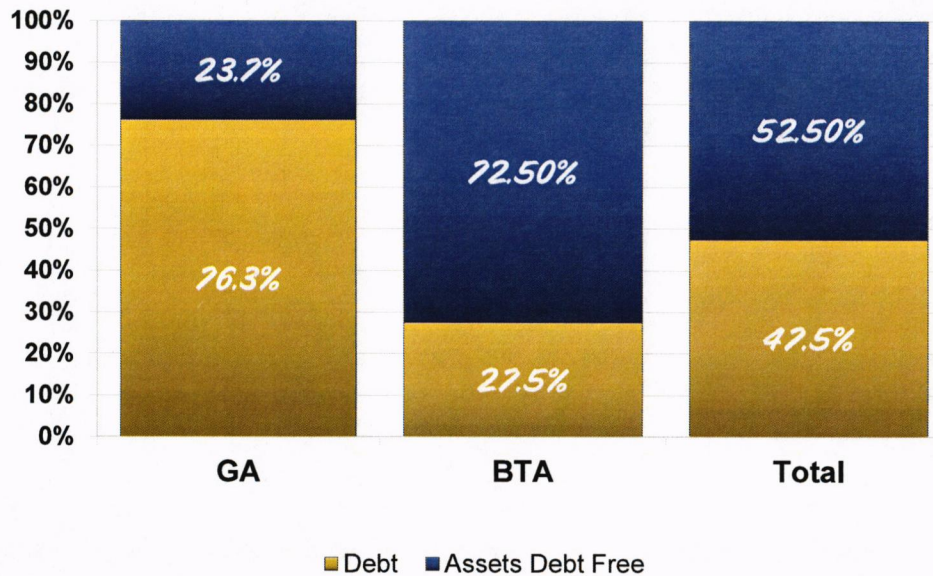
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RATING**

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# DEBT TO ASSETS

## WHO REALLY OWNS THE CITY'S ASSETS?

PERCENTAGE OF DEBT TO ASSETS



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

At June 30, 2024, about 48% of the City's \$112.8 million of total assets were funded with debt or other obligations, leaving 52% as equity. This indicates that for each dollar of assets owned, the City owes about 48 cents of that dollar to others. This is considered to be an above satisfactory ratio but has declined slightly from last year's ratio.

2017	2018	2019	2020	2021	2022	2023	2024
49%	55%	56%	59%	59%	73%	54%	52%

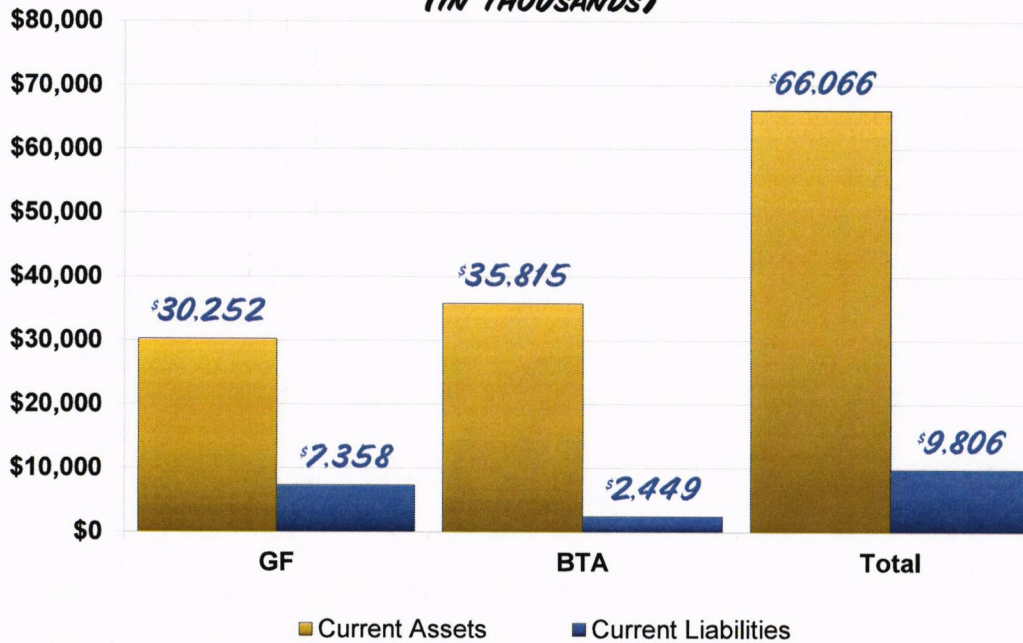
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# CURRENT RATIO

*WILL OUR VENDORS AND EMPLOYEES BE PLEASED WITH OUR ABILITY TO PAY THEM ON TIME?*

**CURRENT ASSETS COMPARED TO CURRENT LIABILITIES  
(IN THOUSANDS)**



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 current liabilities. A current ratio of 2.0 indicates a satisfactory current liquidity and an ability to meet the short-term obligations.

At June 30, 2024, the City had a government-wide ratio of current assets to current liabilities of 6.7. This indicates that the City had almost seven times the current assets needed to pay its current liabilities. This is considered an excellent indicator of liquidity even though it was a decrease when compared to the ratio of the prior period.

2017	2018	2019	2020	2021	2022	2023	2024
8.38	6.30	4.13	5.5	7.6	5.1	7.4	6.7

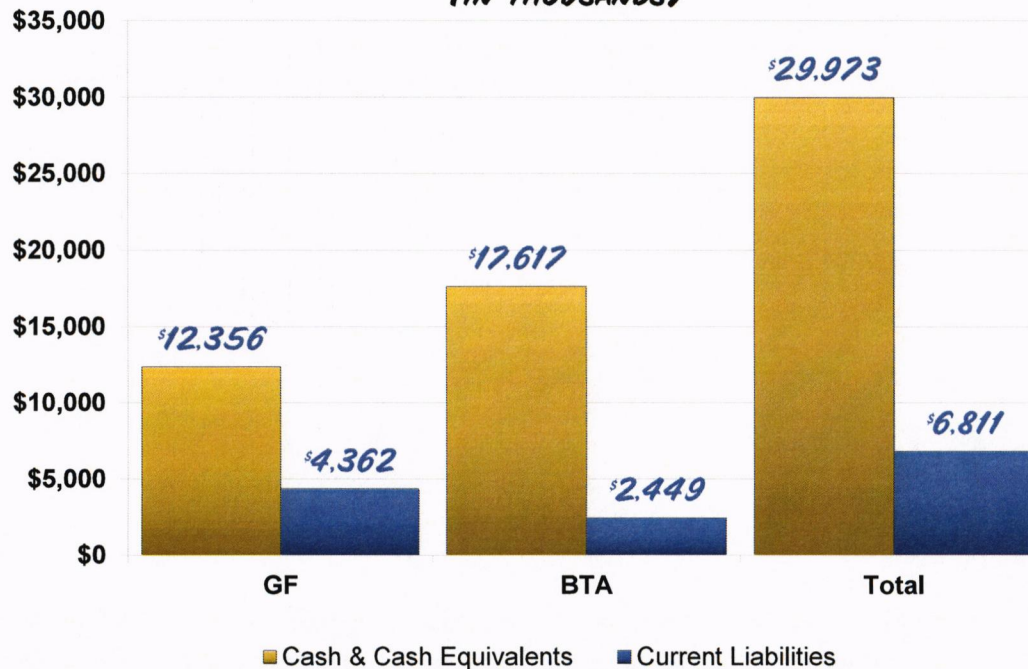
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RATING**

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# QUICK RATIO

## HOW IS OUR SHORT-TERM CASH POSITION?

**CASH AND CASH EQUIVALENTS  
COMPARED TO CURRENT LIABILITIES  
(IN THOUSANDS)**



The quick ratio is a more conservative measure of the City's ability to pay its short-term operating obligations. The quick ratio compares total unrestricted cash and cash equivalents to current liabilities. A quick ratio of 1.0 indicates adequate liquidity and an ability to meet short-term obligations with cash on hand.

At June 30, 2024, the City had a government-wide ratio of unrestricted cash and cash equivalents to current liabilities of 4.40. This indicates that the City had over four times the unrestricted cash and cash equivalents needed to pay its short-term operating obligations at year-end. This ratio is at an excellent level and is an increase from the ratio of the prior fiscal year.

2017	2018	2019	2020	2021	2022	2023	2024
2.77	3.77	2.56	3.68	5.61	5.42	4.09	4.40

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# FINANCIAL POSITION RATINGS

## SUMMARY AND COMPARISON TO PRIOR YEARS

Ratio	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Unrestricted Net Position	42.4%	29.6%	45%	54.1%	60.3%	61.7%	87.5%
General Fund Unassigned Fund Balance	11.4%	0.1%	18.7%	28.0%	41%	-3.8%	-5.5%
Capital Asset Condition	42%	41%	46%	43%	42%	39%	38%
Non-Uniformed Pension Plan Funding	99%	99%	98%	95%	112%	97%	99%
OPEB Plan Funding	0%	0%	0%	0%	0%	0%	0%
Debt to Assets	55%	56%	59%	59%	73%	54%	53%
Current Ratio	6.30	4.13	5.52	7.62	5.1	7.36	6.74
Quick Ratio	3.77	2.56	3.68	5.61	5.42	4.09	4.40
Financial Position Rating	7.1	5.9	7.5	7.8	8.4	6.2	6.2

# *FINANCIAL PERFORMANCE RATINGS*

- This set of ratings illustrates “look-back” measures that reveal whether the entity’s financial position has been improving, deteriorating, or remaining constant.



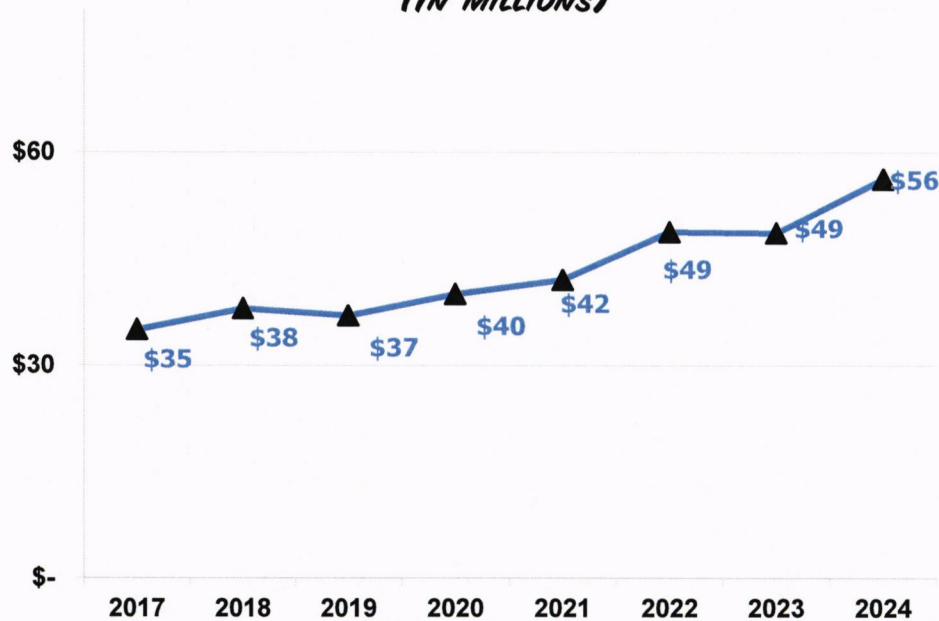
# *FINANCIAL PERFORMANCE RATING*

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

# CHANGE IN NET POSITION

*DID OUR OVERALL FINANCIAL CONDITION IMPROVE, DECLINE OR REMAIN STEADY OVER THE PAST YEAR?*

*NET POSITION AT YEAR END  
(IN MILLIONS)*



Net position is measured as the difference between total assets plus deferred outflows, including capital assets, and total liabilities plus 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, 2024, total net position increased by approximately \$7.6 million, or 15.7% from the prior year beginning net position. The City's change in net position is at an exceptional level and continues a positive trend in the past five years.

2017	2018	2019	2020	2021	2022	2023	2024
+5.8%	+6.4%	-1.9%	+7.7%	+4.6%	+15.7%	+3.6%	+15.7%

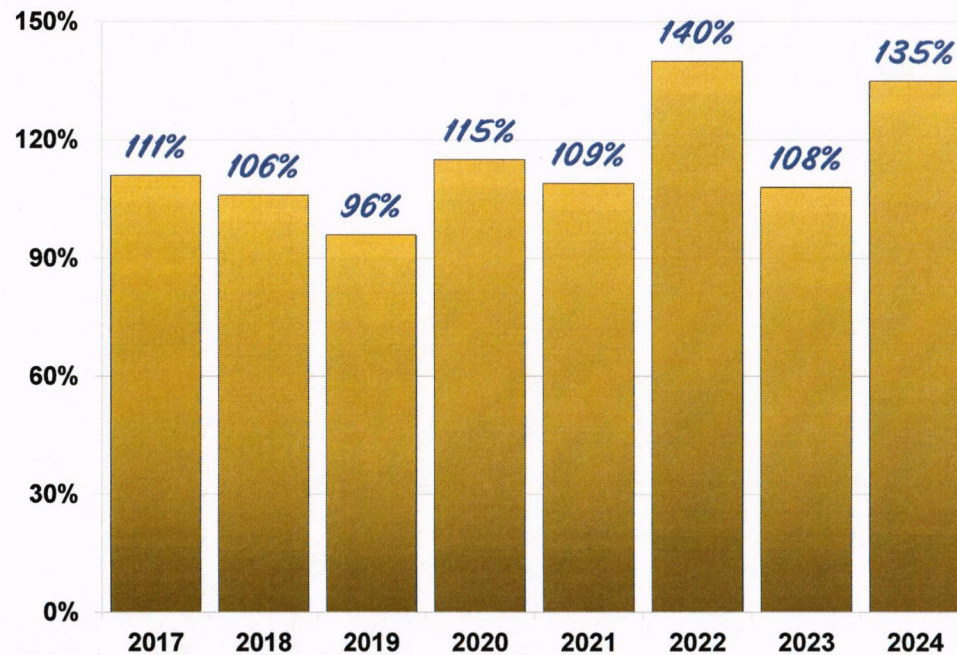
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RATING**

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# INTERPERIOD EQUITY

## WHO IS PAYING FOR TODAY'S COSTS OF SERVICES?

REVENUES AS A PERCENTAGE OF ANNUAL EXPENSES



Interperiod equity is achieved when the cost of current services are paid by current year taxes and rate payers. When current year costs are subsidized by prior year resources or debt proceeds, interperiod equity was not achieved, and either past or future taxes and rate payers helped fund the costs of these services.

For the year ended June 30, 2024, the City's total costs were more than fully funded by current year taxes and rate payers, with current year revenues, excluding fund balance carryovers, generating revenues at a level of about 135% of current year costs.

2017	2018	2019	2020	2021	2022	2023	2024
111%	106%	96%	115%	109%	140%	108%	135%

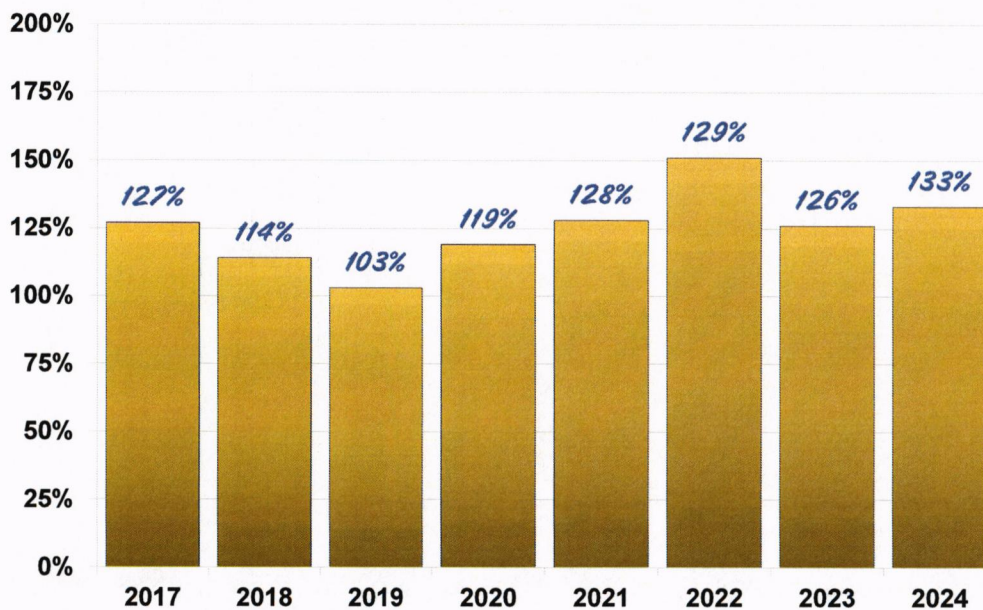
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# BTA SELF-SUFFICIENCY

*DID CURRENT YEAR BUSINESS-TYPE ACTIVITIES (BTA) 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, 2024, the City's business-type activities were 133% self-sufficient. This indicates that current year costs of the City's business-type activities were more than fully funded by current year operating revenues. The City's business-type activities have consistently covered its annual costs over the past several years.

2017	2018	2019	2020	2021	2022	2023	2024
127%	114%	103%	119%	128%	151%	126%	133%

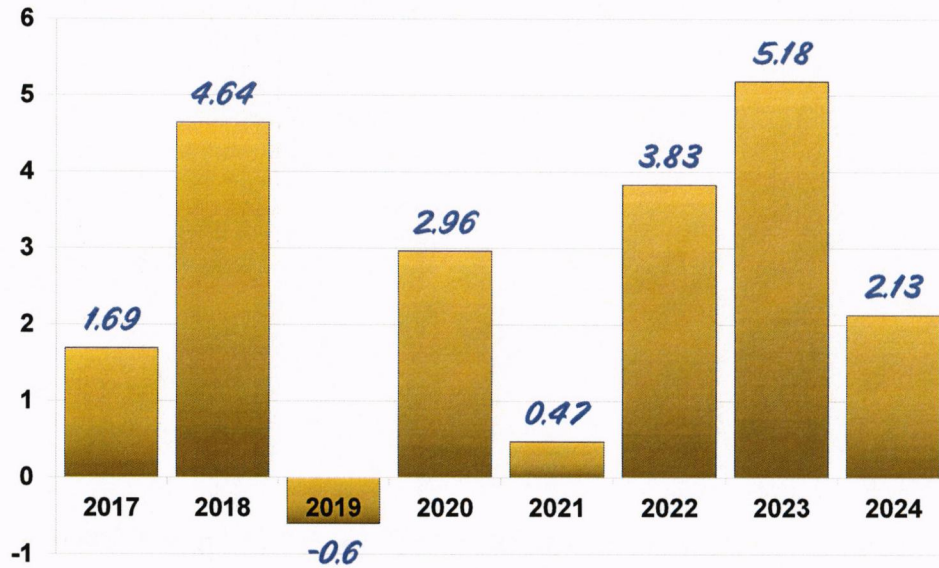
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RATING**

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# 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 revenues from operations.

For the year ended June 30, 2024, the City had an excellent debt service coverage ratio of 2.13. This indicates the City generated more than enough cash necessary to pay the debt service requirements on its revenue bonds and notes.

2017	2018	2019	2020	2021	2022	2023	2024
1.69	4.64	-0.60	2.96	0.47	3.83	5.18	2.13

**PERFORMETER®  
RATING**

**10**

# SALES TAX GROWTH

## WHAT IS THE STATE OF OUR LOCAL ECONOMY?

*SALES AND USE TAX REVENUE PER ONE CENT  
(IN THOUSANDS)*



Due to the inability of Oklahoma municipalities to levy a property tax for operations, the City is highly dependent on sales and use tax revenues to fund its general governmental activities. Sales tax growth measures the state of the local economy by comparing the annual sales and use tax revenues collected to the prior year.

For the year ended June 30, 2024, the City experienced a total increase of \$100 thousand in sales and use tax collections or a total of 1.4% from the prior year. The sales tax rate of 4.0% was in effect for the entire year.

2017	2018	2019	2020	2021	2022	2023	2024
-0.8%	+9.5%	-0.6%	+10.9%	+15.3%	+5.7%	+5.2%	+1.4%

**PERFORMETER®  
RATING**

**6.4**

# FINANCIAL PERFORMANCE RATINGS

## SUMMARY AND COMPARISON TO PRIOR YEARS

Ratio	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Change in Net Position	6.4%	-1.9%	+7.7%	+4.6%	+15.7%	+3.6%	+15.7%
Interperiod Equity	106%	96%	115%	109%	140%	108%	135%
BTA Self Sufficiency	114%	103%	119%	128%	151%	126%	133%
Debt Service Coverage	4.64	-0.60	2.96	0.47	3.83	5.2	2.13
Sales Tax Growth	9.5%	-0.6%	10.9%	15.3%	5.7%	5.2%	1.4%
Financial Performance Rating	<b>9.6</b>	<b>4.6</b>	<b>9.8</b>	<b>7.3</b>	<b>10</b>	<b>9.3</b>	<b>9.2</b>

# *FINANCIAL CAPABILITY SCORES*

- This set of scores illustrates “forward-looking” measures of the government’s ability to obtain resources in the form of revenues or borrowings in order to finance the services its constituency requires.



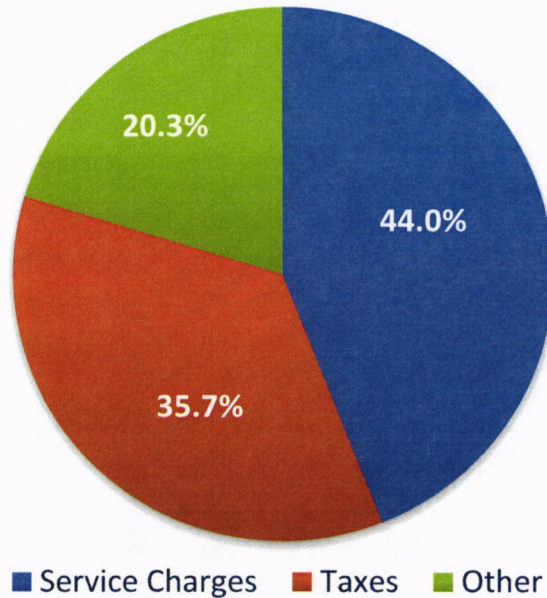
# *FINANCIAL CAPABILITY RATINGS*

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

**2024 REVENUE PERCENTAGES BY SOURCE**



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

For the year ended June 30, 2024, the City had direct control over about 44% of its revenues, in the form of service charges. This ratio indicates the City has significant exposure to financial difficulties due to the overreliance on taxes that require voter approval, grants, contributions, and other revenues of about 56%.

2017	2018	2019	2020	2021	2022	2023	2024
39%	47%	48%	56%	49%	49%	48%	56%

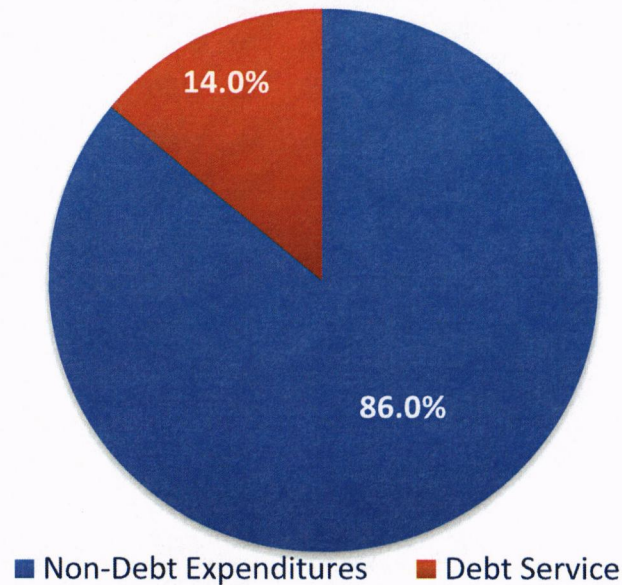
**PERFORMETER®  
RATING**

**4.2**

# DEBT SERVICE LOAD

*HOW MUCH OF OUR ANNUAL NON-CAPITAL 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 City-wide non-capital expenditures were comprised of debt service payments on long-term obligations.

For the year ended June 30, 2024, the City's total non-capital expenditures amounted to approximately \$22.3 million, of which \$3 million (14%), were payments of principal and interest on long-term debt. In other words, about fourteen cents of each dollar spent on non-capital expenditures was for debt service payments. In our model, the City's debt service load is still above satisfactory even though it is an increase from the prior period.

2017	2018	2019	2020	2021	2022	2023	2024
9%	13%	10%	11%	11%	11%	12%	14%

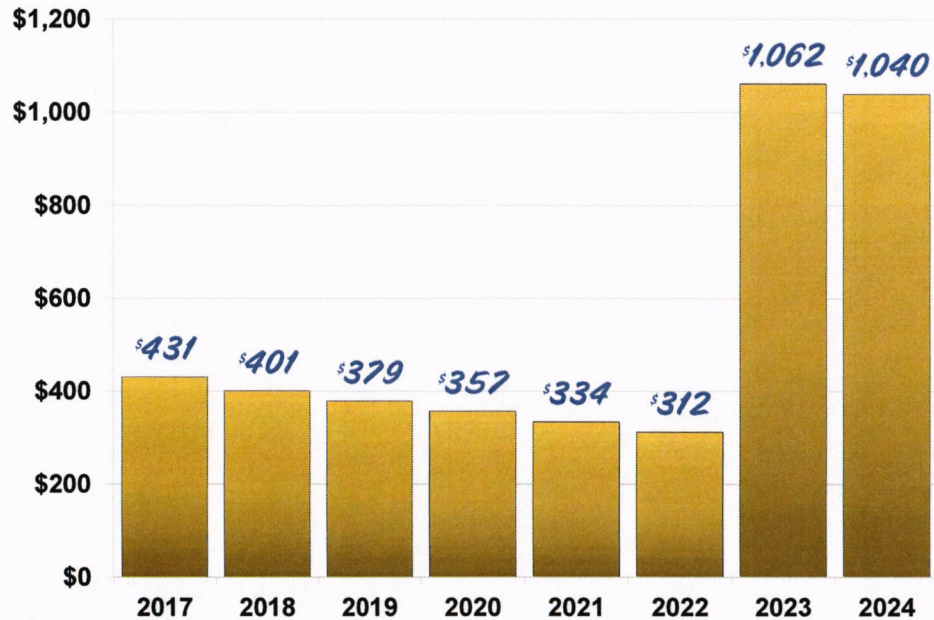
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RATING**

**7.2**

# 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, 2024, the City had \$20.4 million of general obligation bonded debt. The City's general bonded debt per capita in 2024 amounted to \$1,040. This is consistent with the prior year ratio and is still considered a well below satisfactory general bonded debt burden in our model.

2017	2018	2019	2020	2021	2022	2023	2024
\$431	\$401	\$379	\$357	\$334	\$312	\$1,062	\$1,040

**PERFORMETER®  
RATING**



# LEGAL DEBT LIMIT REMAINING

*WILL WE BE ABLE TO ISSUE MORE DEBT, IF NEEDED?*

*PERCENTAGE OF LEGAL DEBT LIMIT USED  
VERSUS PERCENTAGE REMAINING*



■ Debt Limit Remaining    ■ Debt Limit Used

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, 2024, the City continued to have no general obligation debt applicable to this limitation and had 100% of its general bonded debt legal limit remaining.

2017	2018	2019	2020	2021	2022	2023	2024
100%	100%	100%	100%	100%	100%	100%	100%

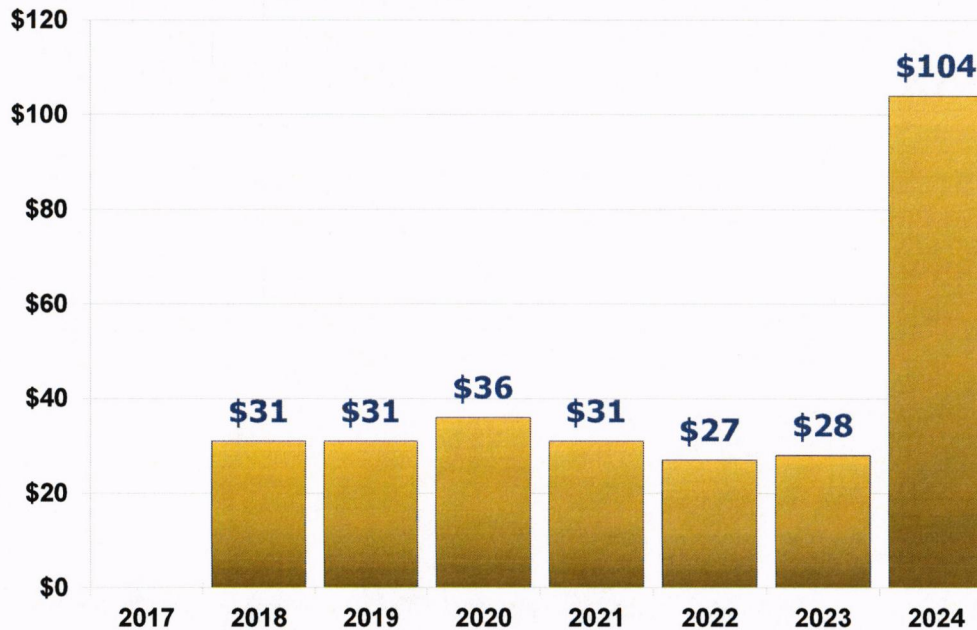
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RATING**

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# 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, 2024, the City experienced a significant increase in total property tax revenue in the amount of \$1.47 million or 73% from the prior year and increased the property tax levy per capita calculation.

2017	2018	2019	2020	2021	2022	2023	2024
\$0	\$31	\$31	\$36	\$31	\$27	\$28	\$104

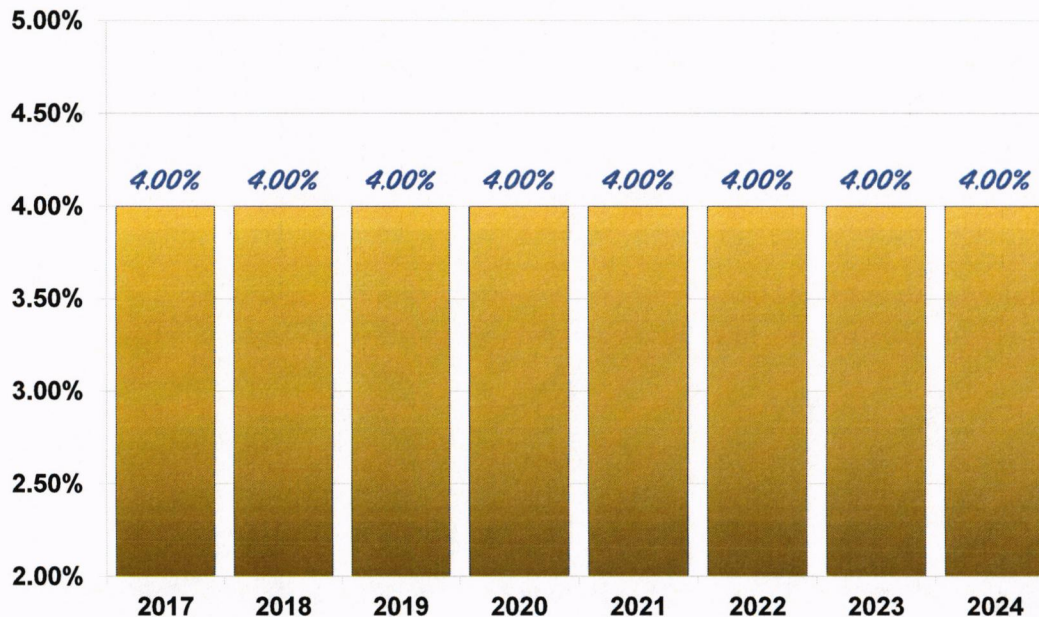
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# LOCAL SALES TAX RATE

*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 a 5% rate is considered poor as the city has less ability to increase the rate in the future.

For the year ended June 30, 2024, the City's sales tax rate in effect was 4.0%. This is unchanged from the prior period.

2017	2018	2019	2020	2021	2022	2023	2024
4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

**PERFORMETER®  
RATING**

**3.3**

# FINANCIAL CAPABILITY RATINGS

## SUMMARY AND COMPARISON TO PRIOR YEARS

Ratio	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue Dispersion	47%	48%	56%	49%	49%	48%	56%
Debt Service Load	13%	10%	11%	11%	11%	12%	14%
General Bonded Debt per Capita	\$401	\$379	\$357	\$334	\$312	\$1,062	\$1,040
Remaining Legal Debt Margin	100%	100%	100%	100%	100%	100%	100%
Property Taxes per Capita	\$31	\$31	\$36	\$31	\$27	\$28	\$104
Sales Tax Rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Financial Capability Rating	<b>6.4</b>	<b>6.8</b>	<b>6.7</b>	<b>6.8</b>	<b>6.9</b>	<b>6.1</b>	<b>5.0</b>

# *THANK YOU!*

- We would like to commend and thank the City of Bethany for allowing us to present this financial analysis. We hope it serves as a useful and understandable complement to the annual financial report.
- Visit our website at [www.crawfordcpas.com](http://www.crawfordcpas.com) for other useful tools for governments.