

TOWN OF OKOTOKS

INDICATORS OF FINANCIAL CONDITION
For the year ended December 31, 2021

Avail CHARTERED
PROFESSIONAL
ACCOUNTANTS

Introduction

A Key Performance Indicator (KPI) is a metric used to evaluate factors that are crucial to the success of an organization. The importance of each KPI may change with time depending on the goals and strategic plans of the organization.

When reviewing KPIs, it is important to not only compare to past performance and desired goals, but to consider industry standards and benchmarks.

The following information has been provided in order to provide you some insight into some important KPIs for your organization.

It is important to review the underlying information of your municipality in order to determine cause and create desired change.

The underlying data for this report was taken from the financial data publicly available found on the Alberta Municipal Affairs website.

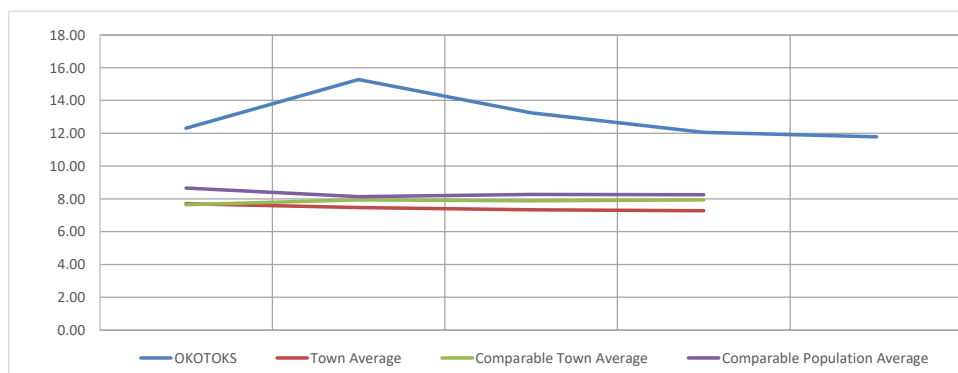
Comparable municipalities were determined based on a range of 50% to 150% of your population.

2017 2018 2019 2020 2021

SUSTAINABILITY INDICATORS

Assets to Liabilities

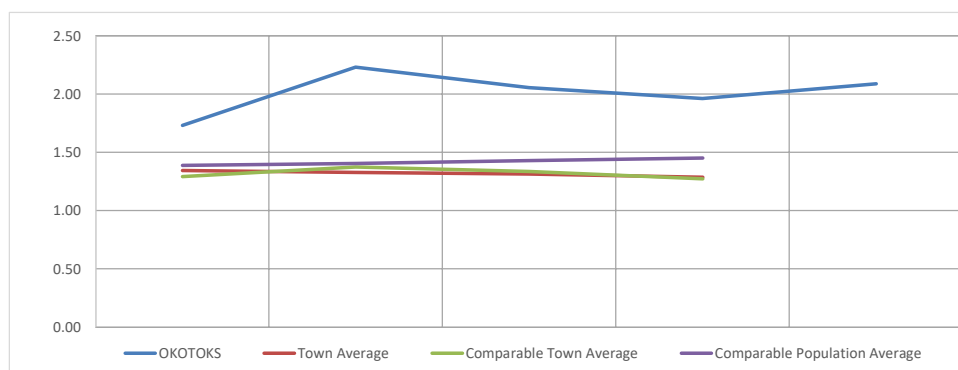
This indicator illustrates the extent a government finances its operations by issuing debt. A ratio higher than one indicates that a government has accumulated surplus and has assets greater than debt. A ratio of less than one indicates that debt is greater than assets and the government has been financing its operations by issuing debt.



Total assets	425,093,414	432,725,371	444,749,516	464,196,565	488,877,048
Total liabilities	34,548,330	28,337,466	33,584,390	38,528,083	41,451,215
Assets to liabilities	12.30	15.27	13.24	12.05	11.79
Town Average	7.70	7.47	7.33	7.28	
Comparable Town Average	7.66	7.94	7.88	7.94	
Comparable Population Average	8.66	8.13	8.27	8.24	

Financial assets to liabilities

This indicator illustrates the ratio of a government's financial assets to its liabilities. A result lower than one indicates a net debt position and future revenues will be required to pay for past transactions. A result higher than one indicates net financial assets and financial resources are on hand that can finance future operations. A trend showing increases in net debt or reductions in net financial assets may not be sustainable.



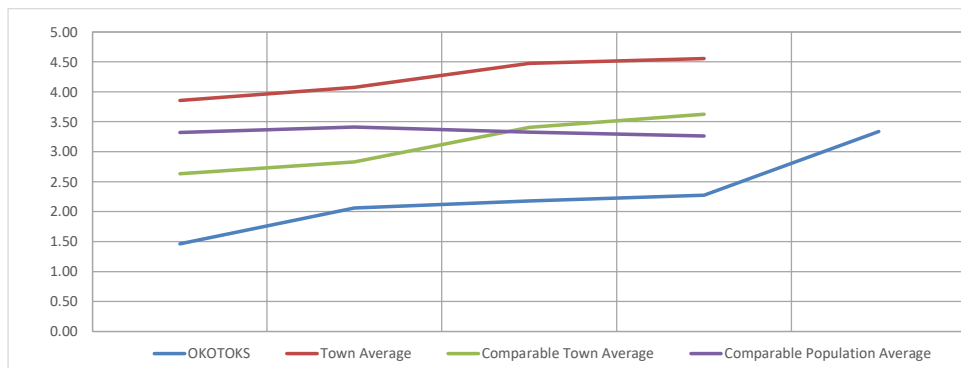
Total financial assets	59,827,155	63,232,498	68,956,144	75,489,969	86,545,048
Total liabilities	34,548,330	28,337,466	33,584,390	38,528,083	41,451,215
Financial assets to liabilities	1.73	2.23	2.05	1.96	2.09
Town Average	1.35	1.33	1.31	1.29	
Comparable Town Average	1.29	1.37	1.33	1.27	
Comparable Population Average	1.39	1.40	1.43	1.45	

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Current Ratio

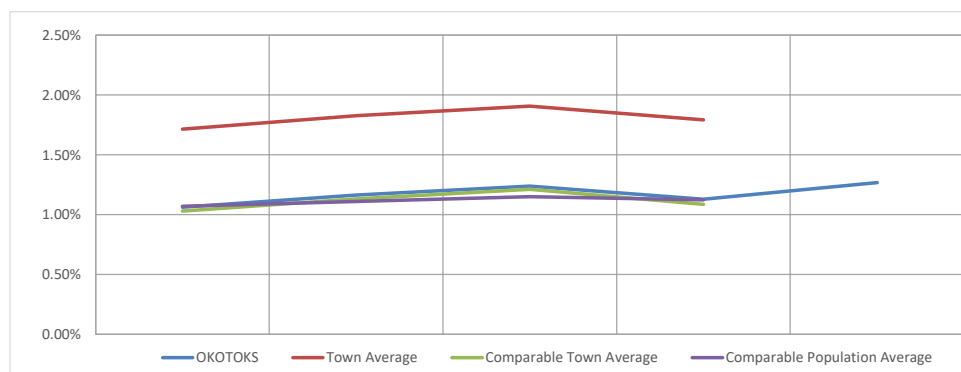
The ratio of current assets (cash, temporary investments, accounts receivable) to current liabilities (accounts payable, temporary borrowings, current repayment obligations on long-term borrowings). This ratio is an indication of the governments ability to meet short term obligations.



Current assets	20,955,754	23,324,398	28,392,224	33,389,857	43,071,532
Current liabilities	14,296,262	11,309,117	13,033,492	14,696,405	12,892,686
Assets to liabilities	1.47	2.06	2.18	2.27	3.34
Town Average	3.85	4.07	4.47	4.55	
Comparable Town Average	2.64	2.83	3.41	3.63	
Comparable Population Average	3.32	3.41	3.32	3.26	

Operating expenses to taxable assessment

This indicator provides the trend of government spending over time in relation to the growth in the economy. A trend that shows total expense is growing at a faster rate than the growth in the economy may not be sustainable.



Operating expenses	55,039,792	58,375,926	64,647,752	59,770,573	67,052,866
Taxable assessment	5,186,464,503	5,027,058,520	5,226,159,205	5,303,987,882	5,294,826,598
Operating expenses to taxable assessment	1.06%	1.16%	1.24%	1.13%	1.27%
Town Average	1.71%	1.83%	1.91%	1.79%	
Comparable Town Average	1.03%	1.13%	1.21%	1.09%	
Comparable Population Average	1.07%	1.11%	1.15%	1.12%	

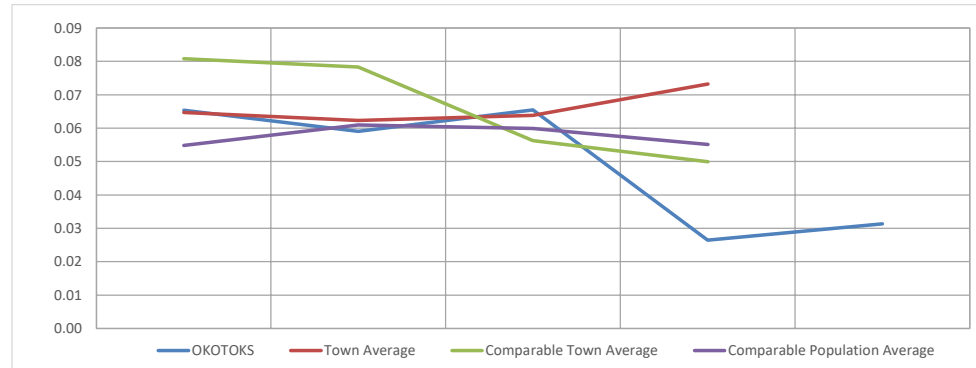
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FLEXIBILITY INDICATORS

Public debt charges to revenues

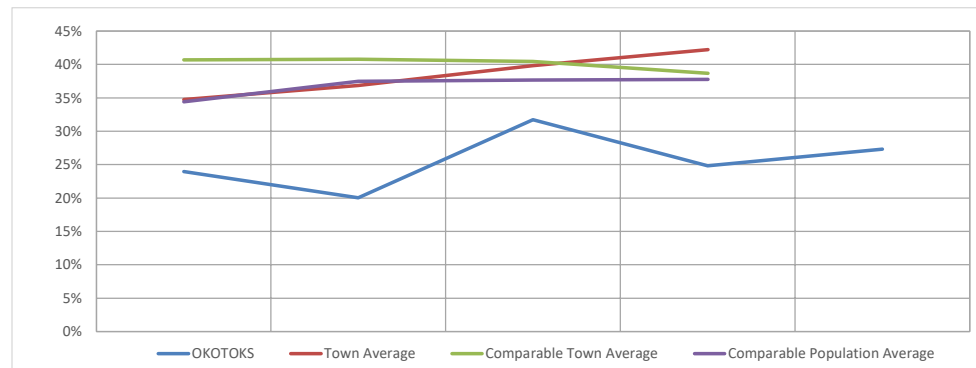
This indicator measures public debt charges as a percentage of revenues. It illustrates the extent to which past borrowing decisions present a constraint on the ability to meet financial and service commitments in the current period. Specifically, the more a government uses revenues to fund debt servicing, the less will be available for program spending.



Debt servicing	3,855,221	3,855,221	4,112,351	1,681,815	2,022,782
Operating revenue	59,004,948	65,262,822	62,780,733	63,426,539	64,595,737
Public debt charges to revenues	0.07	0.06	0.07	0.03	0.03
Town Average	0.06	0.06	0.06	0.07	
Comparable Town Average	0.08	0.08	0.06	0.05	
Comparable Population Average	0.05	0.06	0.06	0.06	

Debt to Revenue Percentage

The total amount of municipal borrowings, including long term capital leases, as a percentage of total municipal revenues. This indicator demonstrates the growth in revenue compared to changes in debt. An increasing trend would indicate the municipality is increasing its debt load faster than its revenue is growing, which may not be sustainable.



Total long term debt principal balance	17,448,867	14,259,107	21,923,582	18,444,115	24,271,722
Total revenue	72,775,976	71,190,804	69,078,356	74,273,929	88,810,217
Debt to revenue	24%	20%	32%	25%	27%
Town Average	35%	37%	40%	42%	
Comparable Town Average	41%	41%	40%	39%	
Comparable Population Average	34%	37%	38%	38%	

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Net book value to cost of tangible capital assets

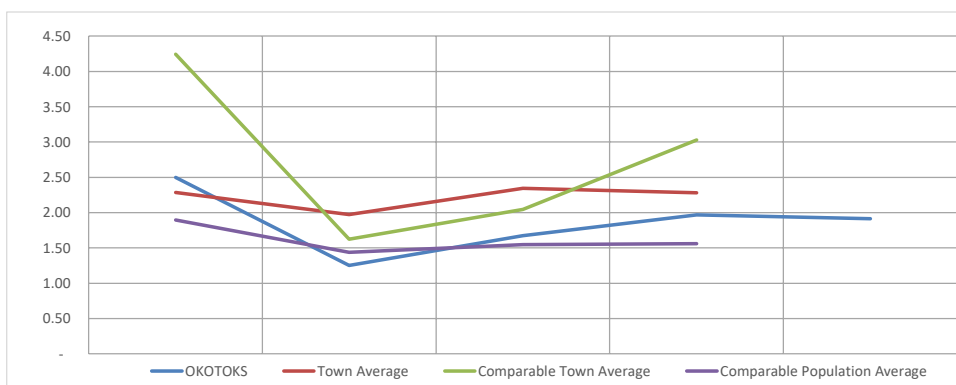
This indicator is important because it reports the extent that the estimated useful lives of tangible capital assets are available to provide its services. If a government's scale, scope and level of services remain unchanged or grow, its asset base could eventually impair flexibility because of the impending future costs of capital asset repair or replacement.



Net book value	364,814,854	368,998,036	375,501,675	388,273,270	402,060,852
Cost of tangible capital assets	471,996,876	486,991,022	500,534,339	524,422,431	549,373,845
Net book value to cost of tangible capital assets	0.77	0.76	0.75	0.74	0.73
Town Average	0.64	0.64	0.63	0.62	
Comparable Town Average	0.77	0.76	0.75	0.74	
Comparable Population Average	0.66	0.66	0.65	0.64	

Infrastructure Investment

The total cost of annual additions (through purchases or construction) to tangible capital assets (vehicles, equipment, buildings, roads, utility infrastructure, land) relative to the annual amortization (depreciation) on all tangible capital assets - measured as a five-year average.



Tangible capital assets additions	22,719,629	12,214,781	17,244,162	22,153,762	24,219,459
Annual amortization expense	9,091,573	9,768,438	10,316,384	11,260,368	12,656,136
Additions to amortization expense	2.50	1.25	1.67	1.97	1.91
Town Average	2.28	1.97	2.35	2.28	
Comparable Town Average	4.24	1.62	2.05	3.03	
Comparable Population Average	1.89	1.44	1.55	1.56	

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Own source revenues to taxable assessment

This indicator is important because it shows the ratio of a local government's own source revenues to its tax base. A change in the size of a local government's taxable assessment or a change in the rate of growth in assessment in relation to changes in own source revenues could influence flexibility.

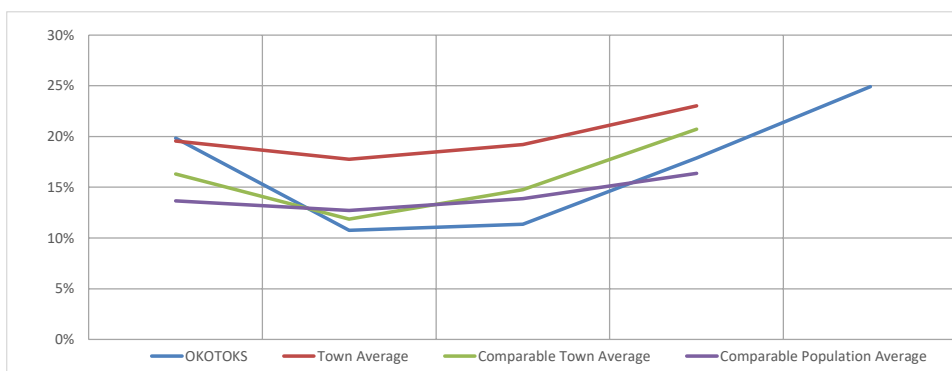


Own source revenues (net of government transfers)	58,337,181	63,542,145	61,242,189	60,983,045	66,677,958
Taxable assessment	5,186,464,503	5,027,058,520	5,226,159,205	5,303,987,882	5,294,826,598
Own source revenues to taxable assessment	1.12%	1.26%	1.17%	1.15%	1.26%
Town Average	1.60%	1.75%	1.70%	1.59%	
Comparable Town Average	1.21%	1.24%	1.20%	1.12%	
Comparable Population Average	1.12%	1.15%	1.11%	1.05%	

VULNERABILITY INDICATORS

Government transfers to total revenues

The purpose of this ratio is to show the proportion of revenues that provincial or local governments receive from other governments. This indicator offers a perspective on the degree of vulnerability a government faces as a result of its dependence on another level of government for revenues.



Government transfers (including capital)	14,438,795	7,648,659	7,836,167	13,290,884	22,132,259
Total revenues (including capital)	72,775,976	71,190,804	69,078,356	74,273,929	88,810,217
Government transfers to total revenues	20%	11%	11%	18%	25%
Town Average	20%	18%	19%	23%	
Comparable Town Average	16%	12%	15%	21%	
Comparable Population Average	14%	13%	14%	16%	

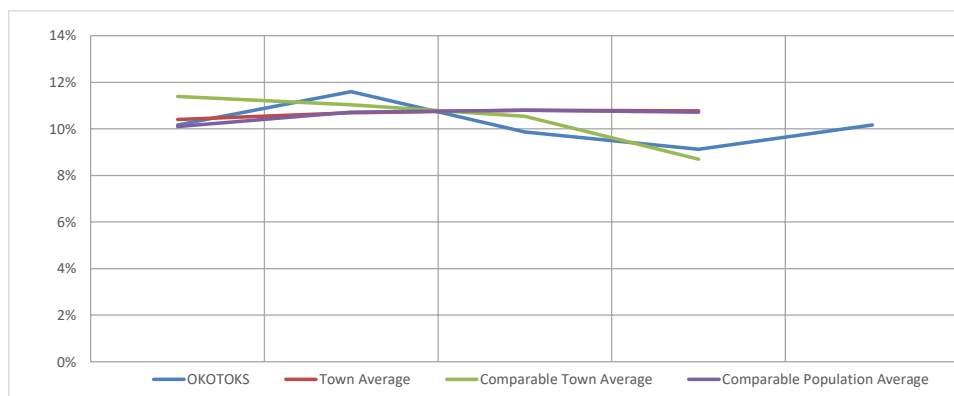
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OTHER INDICATORS

Reserves to total accumulated surplus

The purpose of this ratio is to show the proportion of total accumulated surplus that has been internally restricted. This indicator provides insight on the change in reserves in relation to overall accumulated surplus. A decrease would show that the government has drawn on past reserves to fund current operations.



Accumulated surplus - restricted	39,702,112	46,893,675	40,576,882	38,820,214	45,462,442
Overall accumulated surplus	390,545,084	404,387,905	411,165,126	425,668,482	447,425,833
Restricted surplus to accumulated surplus	10%	12%	10%	9%	10%
Town Average	10%	11%	11%	11%	
Comparable Town Average	11%	11%	11%	9%	
Comparable Population Average	10%	11%	11%	11%	

Accumulated surplus available for future use

Accumulated surplus, to the extent it has not been invested in Tangible Capital Assets, represents overall surplus that is available for future use. This consists of unrestricted surplus and reserves and shows trends in spending vs. saving. This indicator only shows total surplus; the overall size of the municipality is not taken into account.



Accumulated surplus - restricted	39,702,112	46,893,675	40,576,882	38,820,214	45,462,442
Accumulated surplus - unrestricted	3,476,985	2,755,301	10,979,193	17,019,113	21,174,261
Total accumulated surplus	43,179,097	49,648,976	51,556,075	55,839,327	66,636,703
Town Average	8,190,869	8,985,339	9,050,722	9,498,385	
Comparable Town Average	38,869,602	43,999,829	42,796,524	41,257,702	
Comparable Population Average	47,509,042	55,354,688	57,333,878	59,416,801	

Comparable Listing

Comparables were determined on a range of 50% to 150% of your population

Total Town Count: 105

Comparables - Same Type (5)

Town list with a comparable population

CANMORE
COCHRANE
OKOTOKS
STONY PLAIN
SYLVAN LAKE

Comparables - Any Type (19)

List used for comparable populations

BEAUMONT
CAMROSE
CANMORE
CHESTERMERE
COCHRANE
COLD LAKE
FOOTHILLS COUNTY
FORT SASKATCHEWAN
GRANDE PRAIRIE NO. 1, COUNTY OF
LEDUC
LLOYDMINSTER
OKOTOKS
PARKLAND COUNTY
RED DEER COUNTY
ROCKY VIEW COUNTY
SPRUCE GROVE
STONY PLAIN
STURGEON COUNTY
SYLVAN LAKE