

TOWN OF OKOTOKS

INDICATORS OF FINANCIAL CONDITION
For the year ended December 31, 2023

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.

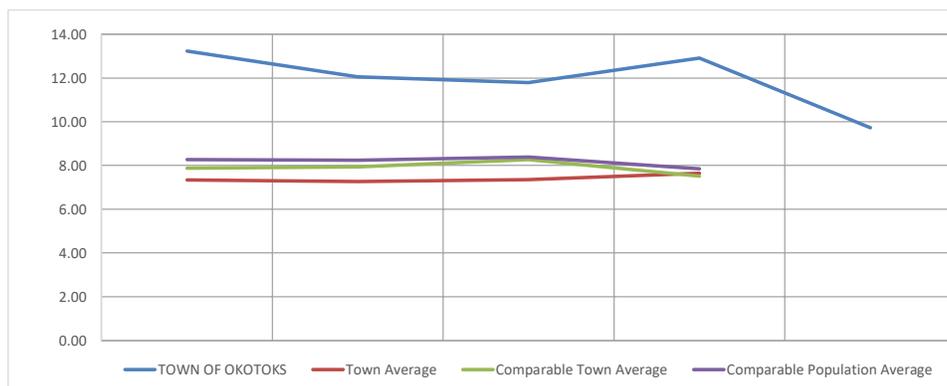
Comparable municipalities were determined based on a range of 50% to 150% of your population.

2019 2020 2021 2022 2023

SUSTAINABILITY INDICATORS

Assets to Liabilities

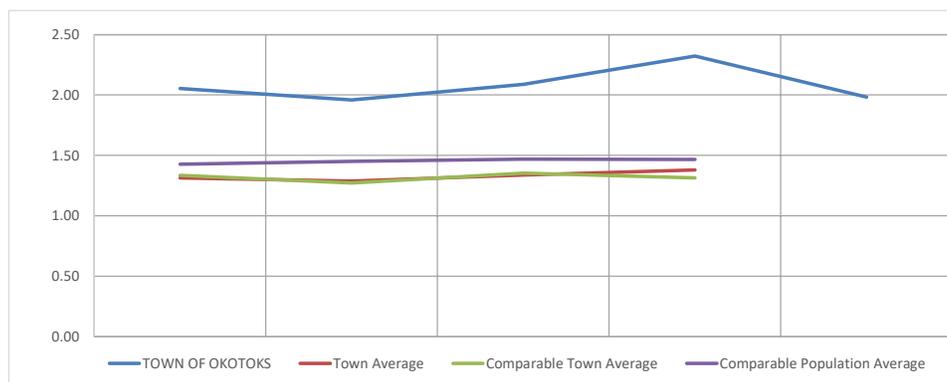
This indicator illustrates the extent a government finances its operations by issuing debt. A ratio higher than one indicates that a government has accumulated surplus and has assets greater than debt. A ratio of less than one indicates that debt is greater than assets and the government has been financing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



Total assets	444,749,516	464,196,565	488,877,048	494,140,318	512,755,859
Total liabilities	33,584,390	38,528,083	41,451,215	38,281,840	52,734,040
Assets to liabilities	13.24	12.05	11.79	12.91	9.72
Town Average	7.33	7.28	7.36	7.65	
Comparable Town Average	7.88	7.94	8.27	7.52	
Comparable Population Average	8.27	8.24	8.39	7.86	

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.

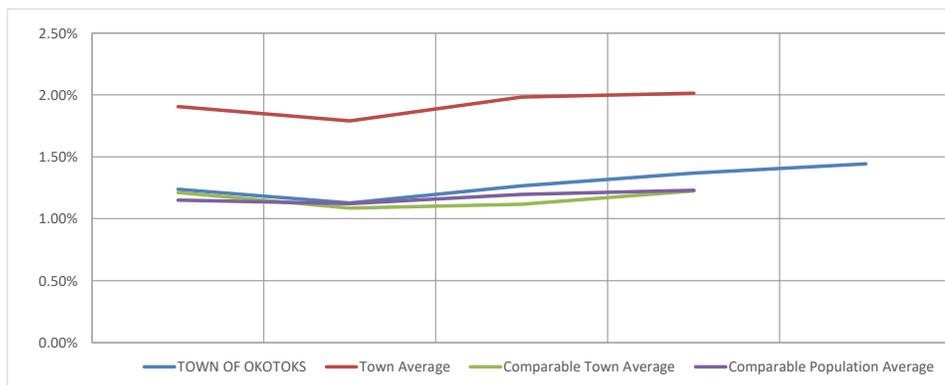


Total financial assets	68,956,144	75,489,969	86,545,048	88,939,751	104,546,357
Total liabilities	33,584,390	38,528,083	41,451,215	38,281,840	52,734,040
Financial assets to liabilities	2.05	1.96	2.09	2.32	1.98
Town Average	1.31	1.29	1.34	1.38	
Comparable Town Average	1.33	1.27	1.35	1.31	
Comparable Population Average	1.43	1.45	1.47	1.46	

2019 2020 2021 2022 2023

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	64,647,752	59,770,573	67,052,866	71,301,012	79,974,082
Taxable assessment	5,226,159,205	5,303,987,882	5,294,826,598	5,206,865,325	5,536,106,645
Operating expenses to taxable assessment	1.24%	1.13%	1.27%	1.37%	1.44%
Town Average	1.91%	1.79%	1.98%	2.01%	
Comparable Town Average	1.21%	1.09%	1.12%	1.23%	
Comparable Population Average	1.15%	1.12%	1.20%	1.23%	

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.

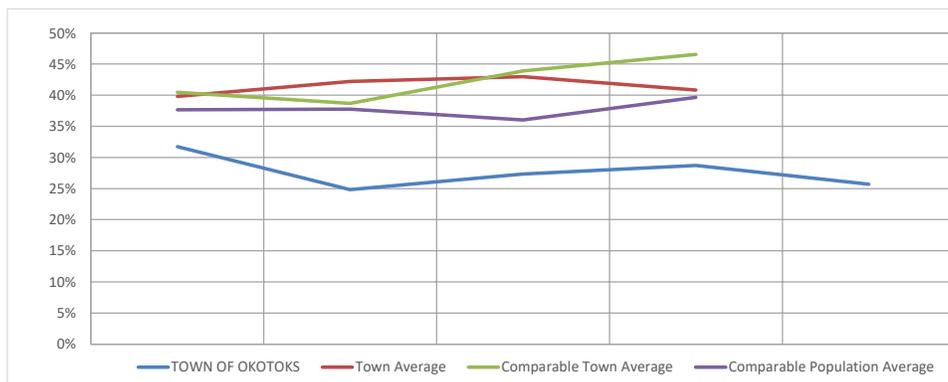


Debt servicing	4,112,351	1,681,815	2,022,782	1,858,942	1,588,753
Operating revenue	63,571,565	65,313,695	66,995,958	70,576,425	79,674,249
Public debt charges to revenues	0.06	0.03	0.03	0.03	0.02
Town Average	0.06	0.07	0.07	0.06	
Comparable Town Average	0.05	0.05	0.05	0.05	
Comparable Population Average	0.06	0.05	0.05	0.05	

2019 2020 2021 2022 2023

Debt to Revenue Percentage

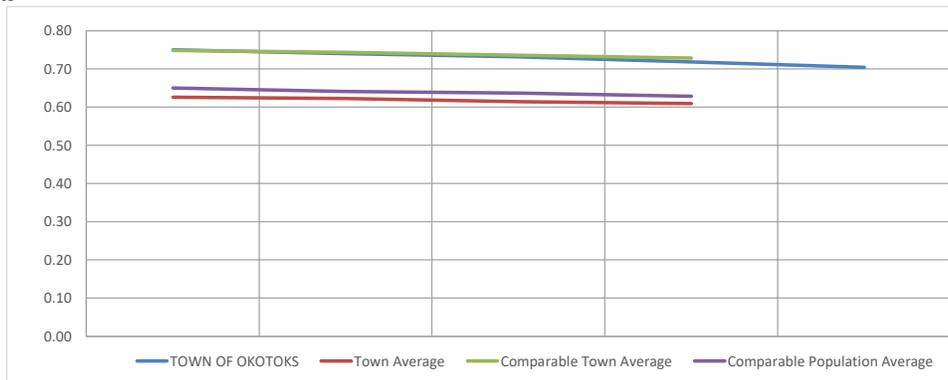
The total amount of municipal borrowings, including long term capital leases, as a percentage of total municipal revenues. This indicator demonstrates the growth in revenue compared to changes in debt. An increasing trend would indicate the municipality is increasing its debt load faster than its revenue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



Total long term debt principal balance	21,923,582	18,444,115	24,271,722	22,890,654	21,627,886
Total revenue	69,078,356	74,273,929	88,810,217	79,733,667	84,137,423
Debt to revenue	32%	25%	27%	29%	26%
Town Average	40%	42%	43%	41%	
Comparable Town Average	40%	39%	44%	47%	
Comparable Population Average	38%	38%	36%	40%	

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	375,501,675	388,273,270	402,060,852	404,829,948	407,951,538
Cost of tangible capital assets	500,534,339	524,422,431	549,373,845	563,434,624	578,787,242
Net book value to cost of tangible capital assets	0.75	0.74	0.73	0.72	0.70
Town Average	0.63	0.62	0.61	0.61	
Comparable Town Average	0.75	0.74	0.74	0.73	
Comparable Population Average	0.65	0.64	0.64	0.63	

2019 2020 2021 2022 2023

Infrastructure Investment

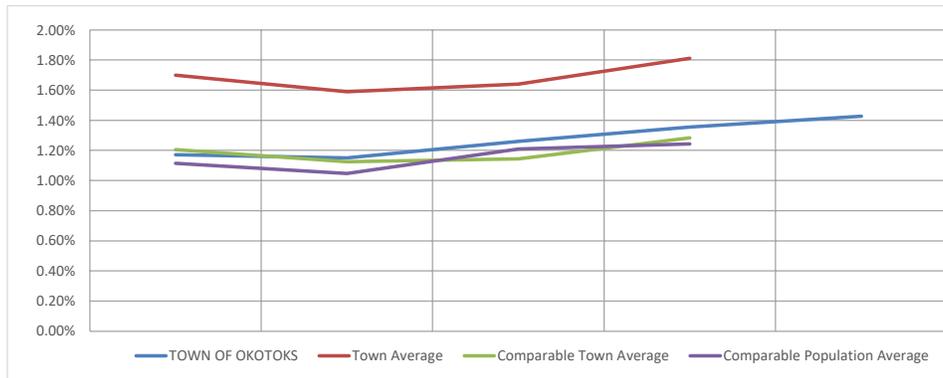
The total cost of annual additions (through purchases or construction) to tangible capital assets (vehicles, equipment, buildings, roads, utility infrastructure, land) relative to the annual amortization (depreciation) on all tangible capital assets - measured as a five-year average.



Tangible capital assets additions	18,034,994	24,040,918	26,619,680	15,157,912	16,008,705
Annual amortization expense	10,316,384	11,260,368	12,656,136	12,368,778	12,858,678
Additions to amortization expense	1.75	2.14	2.10	1.23	1.24
Town Average	2.52	2.44	2.06	1.82	
Comparable Town Average	2.30	3.51	2.51	2.28	
Comparable Population Average	1.89	1.87	2.19	1.81	

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.



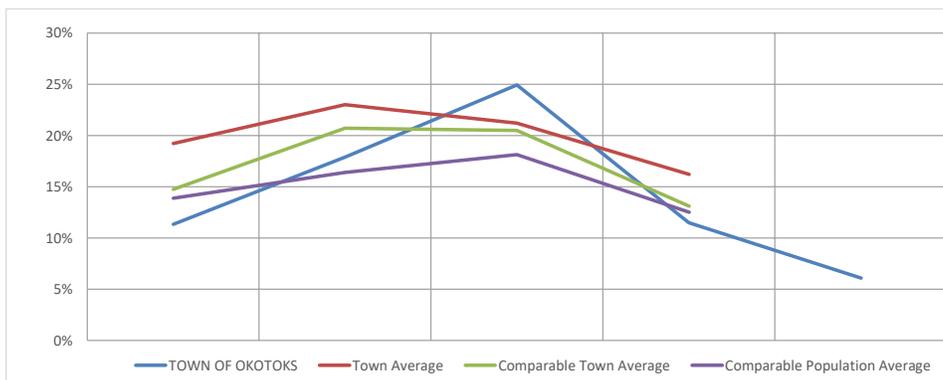
Own source revenues (net of government transfers)	61,242,189	60,983,045	66,677,958	70,576,425	79,025,221
Taxable assessment	5,226,159,205	5,303,987,882	5,294,826,598	5,206,865,325	5,536,106,645
Own source revenues to taxable assessment	1.17%	1.15%	1.26%	1.36%	1.43%
Town Average	1.70%	1.59%	1.64%	1.81%	
Comparable Town Average	1.20%	1.12%	1.14%	1.28%	
Comparable Population Average	1.11%	1.05%	1.21%	1.24%	

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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)	7,836,167	13,290,884	22,132,259	9,157,242	5,112,202
Total revenues (including capital)	69,078,356	74,273,929	88,810,217	79,733,667	84,137,423
Government transfers to total revenues	11%	18%	25%	11%	6%
Town Average	19%	23%	21%	16%	
Comparable Town Average	15%	21%	20%	13%	
Comparable Population Average	14%	16%	18%	13%	

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	40,576,882	38,820,214	45,462,442	49,725,400	51,271,147
Overall accumulated surplus	411,165,126	425,668,482	447,425,833	455,858,478	460,021,819
Restricted surplus to accumulated surplus	10%	9%	10%	11%	11%
Town Average	11%	11%	11%	11%	
Comparable Town Average	11%	9%	9%	10%	
Comparable Population Average	11%	11%	11%	12%	

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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	40,576,882	38,820,214	45,462,442	49,725,400	51,271,147
Accumulated surplus - unrestricted	10,979,193	17,019,113	21,174,261	22,809,712	24,222,220
Total accumulated surplus	51,556,075	55,839,327	66,636,703	72,535,112	75,493,367
Town Average	9,050,722	9,498,385	10,193,754	10,668,368	
Comparable Town Average	42,796,524	41,257,702	46,221,604	50,766,527	
Comparable Population Average	57,333,878	59,416,801	64,788,561	70,183,015	

Comparable Listing

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

Total Town Count: 104

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