

# TOWN OF OKOTOKS

INDICATORS OF FINANCIAL CONDITION  
For the year ended December 31, 2024

The logo for Avail Chartered Professional Accountants. It features the word "Avail" in a white, sans-serif font. A stylized, white, curved line resembling a wing or a swoosh is positioned above the "v" and "a". To the right of "Avail", the words "CHARTERED PROFESSIONAL ACCOUNTANTS" are written in a smaller, white, sans-serif font, stacked in three lines.

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.*

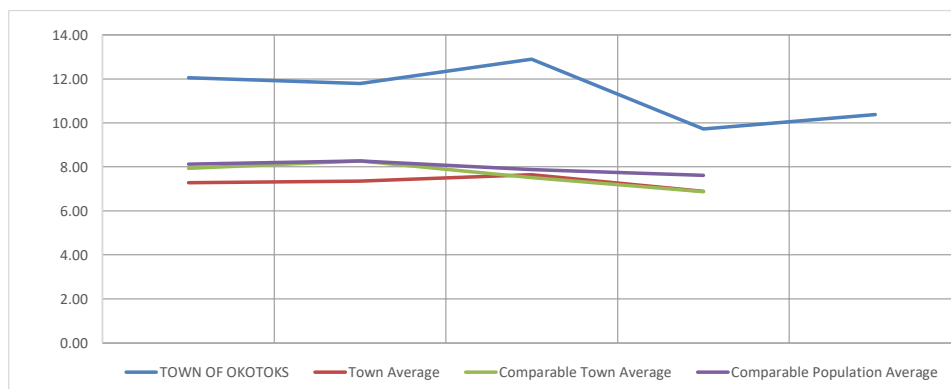
*Comparable municipalities were determined based on a range of 50% to 150% of your population.*

2020                      2021                      2022                      2023                      2024

## SUSTAINABILITY INDICATORS

### Assets to Liabilities

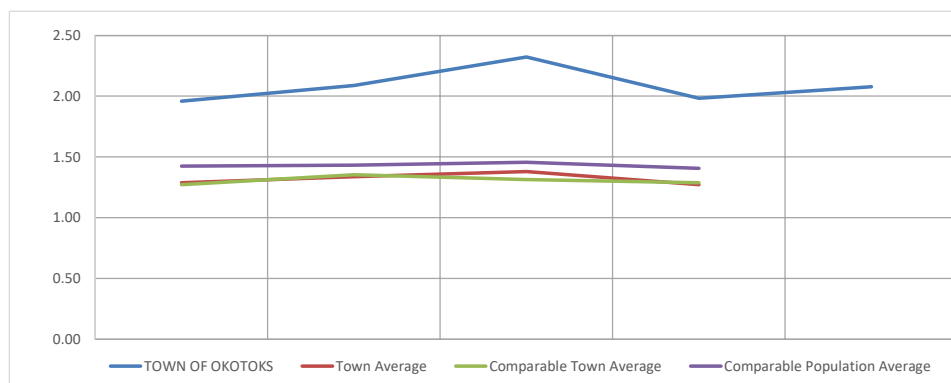
This indicator illustrates the extent a government finances its operations by issuing debt. A ratio higher than one indicates that a government has accumulated surplus and has assets greater than debt. A ratio of less than one indicates that debt is greater than assets and the government has been financing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



Total assets	464,196,565	488,877,048	494,140,318	512,755,859	533,939,108
Total liabilities	38,528,083	41,451,215	38,281,840	52,734,040	51,440,048
Assets to liabilities	12.05	11.79	12.91	9.72	10.38
Town Average	7.28	7.36	7.65	6.90	
Comparable Town Average	7.94	8.27	7.52	6.88	
Comparable Population Average	8.12	8.27	7.88	7.63	

### 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.



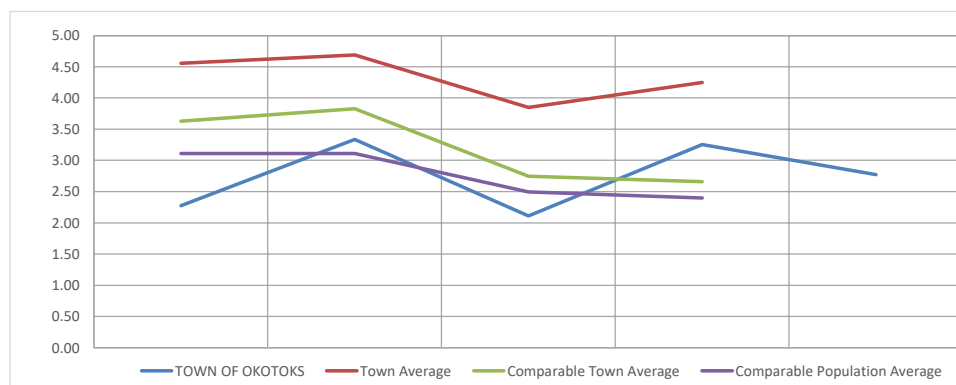
Total financial assets	75,489,969	86,545,048	88,939,751	104,546,357	106,885,997
Total liabilities	38,528,083	41,451,215	38,281,840	52,734,040	51,440,048
Financial assets to liabilities	1.96	2.09	2.32	1.98	2.08
Town Average	1.29	1.34	1.38	1.27	
Comparable Town Average	1.27	1.35	1.31	1.29	
Comparable Population Average	1.42	1.43	1.46	1.41	

**TOWN OF OKOTOKS**  
**INDICATORS OF FINANCIAL CONDITION**  
For the year ended December 31, 2024

2020                      2021                      2022                      2023                      2024

**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	33,389,857	43,056,092	29,657,294	45,175,120	46,696,326
Current liabilities	14,696,405	12,892,686	14,033,797	13,882,341	16,861,680
Assets to liabilities	2.27	3.34	2.11	3.25	2.77
Town Average	4.55	4.69	3.85	4.25	
Comparable Town Average	3.63	3.83	2.74	2.66	
Comparable Population Average	3.11	3.11	2.49	2.40	

**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.



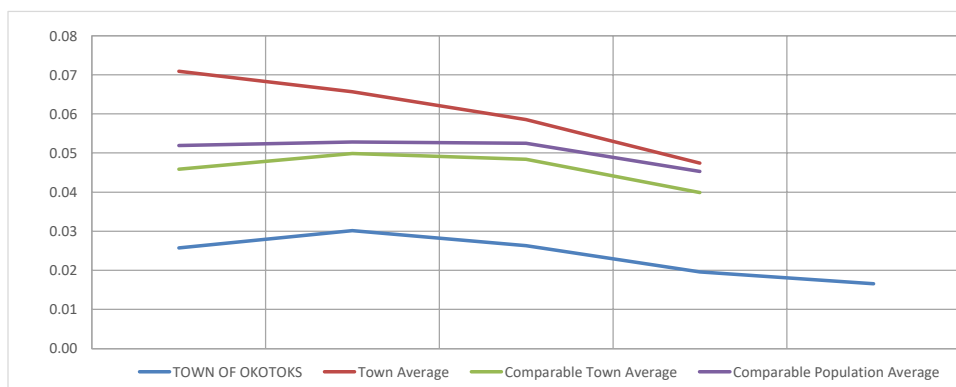
Operating expenses	59,770,573	67,052,866	71,301,012	79,974,082	83,388,919
Taxable assessment	5,303,987,882	5,294,826,598	5,206,865,325	5,532,087,317	6,171,827,735
Operating expenses to taxable assessment	1.13%	1.27%	1.37%	1.45%	1.35%
Town Average	1.79%	1.98%	2.01%	2.11%	
Comparable Town Average	1.09%	1.12%	1.23%	1.26%	
Comparable Population Average	1.08%	1.16%	1.18%	1.24%	

	2020	2021	2022	2023	2024
--	------	------	------	------	------

## FLEXIBILITY INDICATORS

### Public debt charges to revenues

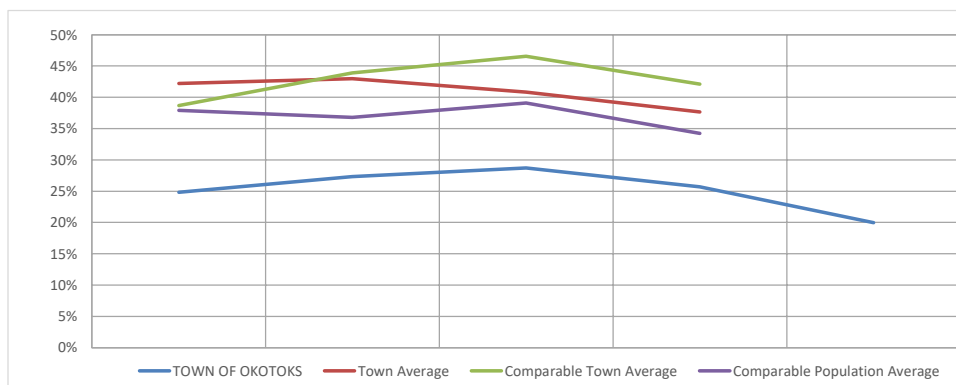
This indicator measures public debt charges as a percentage of revenues. It illustrates the extent to which past borrowing decisions present a constraint on the ability to meet financial and service commitments in the current period. Specifically, the more a government uses revenues to fund debt servicing,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



Debt servicing	1,681,815	2,022,782	1,858,942	1,588,753	1,445,895
Operating revenue	65,313,695	66,995,958	70,576,425	80,961,385	87,224,815
Public debt charges to revenues	0.03	0.03	0.03	0.02	0.02
Town Average	0.07	0.07	0.06	0.05	
Comparable Town Average	0.05	0.05	0.05	0.04	
Comparable Population Average	0.05	0.05	0.05	0.05	

### 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.



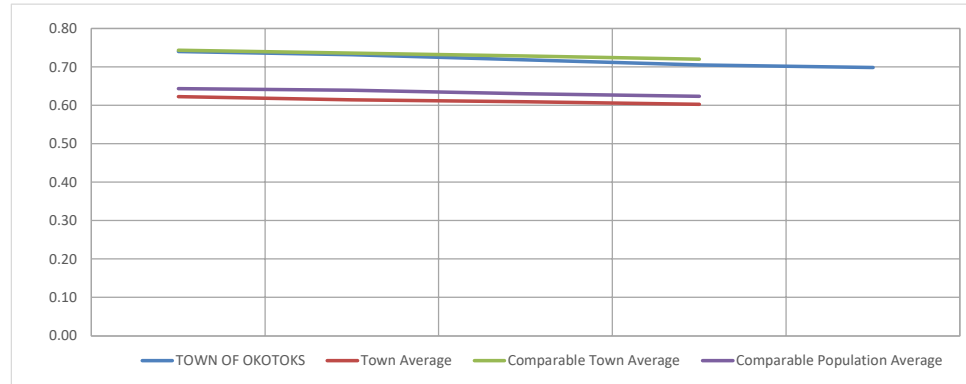
Total long term debt principal balance	18,444,115	24,271,722	22,890,654	21,627,886	21,169,352
Total revenue	74,273,929	88,810,217	79,733,667	84,137,423	105,866,160
Debt to revenue	25%	27%	29%	26%	20%
Town Average	42%	43%	41%	38%	
Comparable Town Average	39%	44%	47%	42%	
Comparable Population Average	38%	37%	39%	34%	

**TOWN OF OKOTOKS**  
**INDICATORS OF FINANCIAL CONDITION**  
For the year ended December 31, 2024

	2020	2021	2022	2023	2024
--	------	------	------	------	------

**Net book value to cost of tangible capital assets**

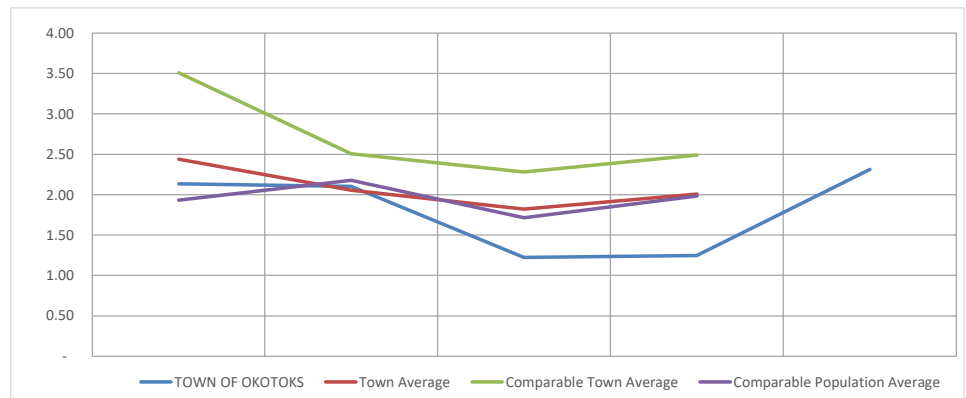
This indicator is important because it reports the extent that the estimated useful lives of tangible capital assets are available to provide its services. If a government's scale, scope and level of services remain unchanged or grow, its asset base could eventually impair flexibility because of the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



Net book value	388,273,270	402,060,852	404,829,948	407,951,538	425,387,751
Cost of tangible capital assets	524,422,431	549,373,845	563,434,624	578,787,242	609,141,260
Net book value to cost of tangible capital assets	0.74	0.73	0.72	0.70	0.70
Town Average	0.62	0.61	0.61	0.60	
Comparable Town Average	0.74	0.74	0.73	0.72	
Comparable Population Average	0.64	0.64	0.63	0.62	

**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.



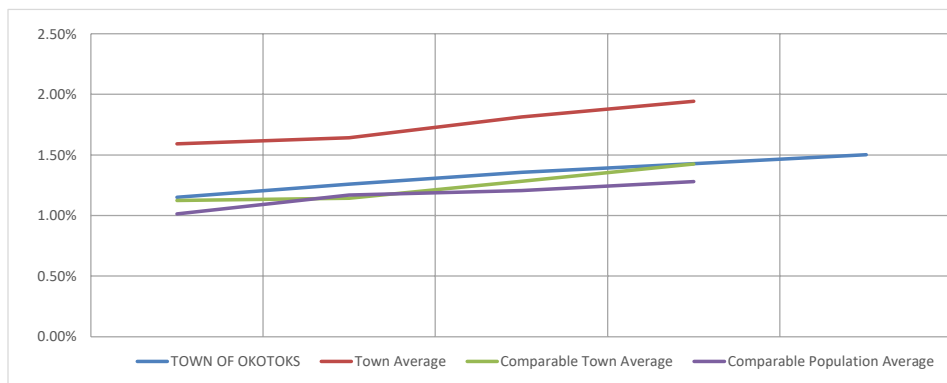
Tangible capital assets additions	24,040,918	26,619,680	15,157,912	16,008,705	30,962,431
Annual amortization expense	11,260,368	12,656,136	12,368,778	12,858,678	13,381,422
Additions to amortization expense	2.14	2.10	1.23	1.24	2.31
Town Average	2.44	2.06	1.82	2.01	
Comparable Town Average	3.51	2.51	2.28	2.49	
Comparable Population Average	1.93	2.18	1.71	1.98	

**TOWN OF OKOTOKS**  
**INDICATORS OF FINANCIAL CONDITION**  
For the year ended December 31, 2024

2020                      2021                      2022                      2023                      2024

**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.

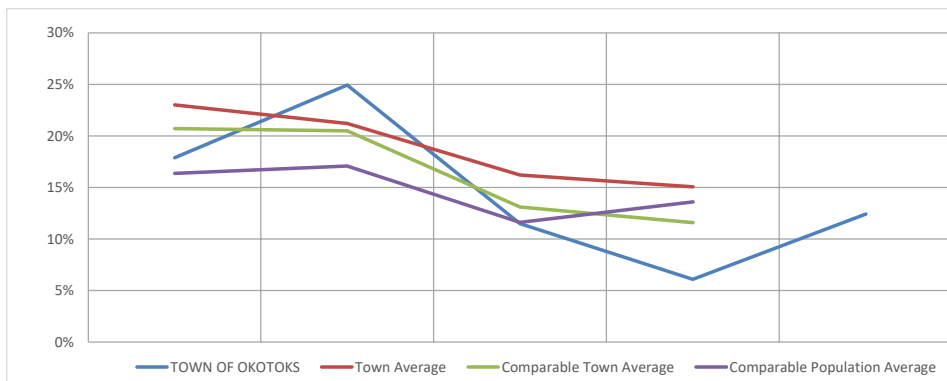


Own source revenues (net of government transfers)	60,983,045	66,677,958	70,576,425	79,025,221	92,706,456
Taxable assessment	5,303,987,882	5,294,826,598	5,206,865,325	5,532,087,317	6,171,827,735
Own source revenues to taxable assessment	1.15%	1.26%	1.36%	1.43%	1.50%
Town Average	1.59%	1.64%	1.81%	1.94%	
Comparable Town Average	1.12%	1.14%	1.28%	1.43%	
Comparable Population Average	1.01%	1.17%	1.21%	1.28%	

**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)	13,290,884	22,132,259	9,157,242	5,112,202	13,159,704
Total revenues (including capital)	74,273,929	88,810,217	79,733,667	84,137,423	105,866,160
Government transfers to total revenues	18%	25%	11%	6%	12%
Town Average	23%	21%	16%	15%	
Comparable Town Average	21%	20%	13%	12%	
Comparable Population Average	16%	17%	12%	14%	

2020                      2021                      2022                      2023                      2024

## OTHER INDICATORS

### Reserves to total accumulated surplus

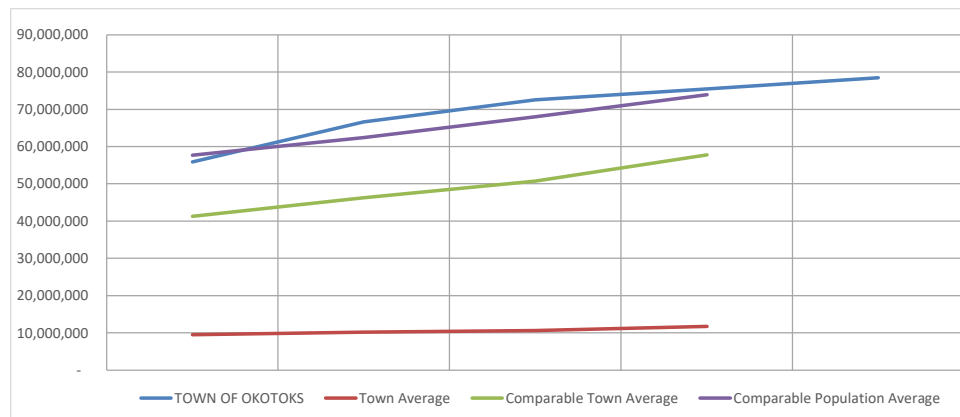
The purpose of this ratio is to show the proportion of total accumulated surplus that has been internally restricted. This indicator provides insight on the change in reserves in relation to overall accumulated surplus. A decrease would show that the government has drawn on past reserves to fund current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



Accumulated surplus - restricted	38,820,214	45,462,442	49,725,400	51,271,147	54,452,749
Overall accumulated surplus	425,668,482	447,425,833	455,858,478	460,021,819	482,499,060
Restricted surplus to accumulated surplus	9%	10%	11%	11%	11%
Town Average	11%	11%	11%	12%	
Comparable Town Average	9%	9%	10%	10%	
Comparable Population Average	11%	11%	12%	12%	

### 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	38,820,214	45,462,442	49,725,400	51,271,147	54,452,749
Accumulated surplus - unrestricted	17,019,113	21,174,261	22,809,712	24,222,220	24,009,606
Total accumulated surplus	55,839,327	66,636,703	72,535,112	75,493,367	78,462,355
Town Average	9,498,385	10,193,754	10,668,368	11,780,447	
Comparable Town Average	41,257,702	46,221,604	50,766,527	57,736,111	
Comparable Population Average	57,716,811	62,380,245	68,008,731	73,888,594	



## **Comparable Listing**

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

**Total Town Count: 102**

### **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