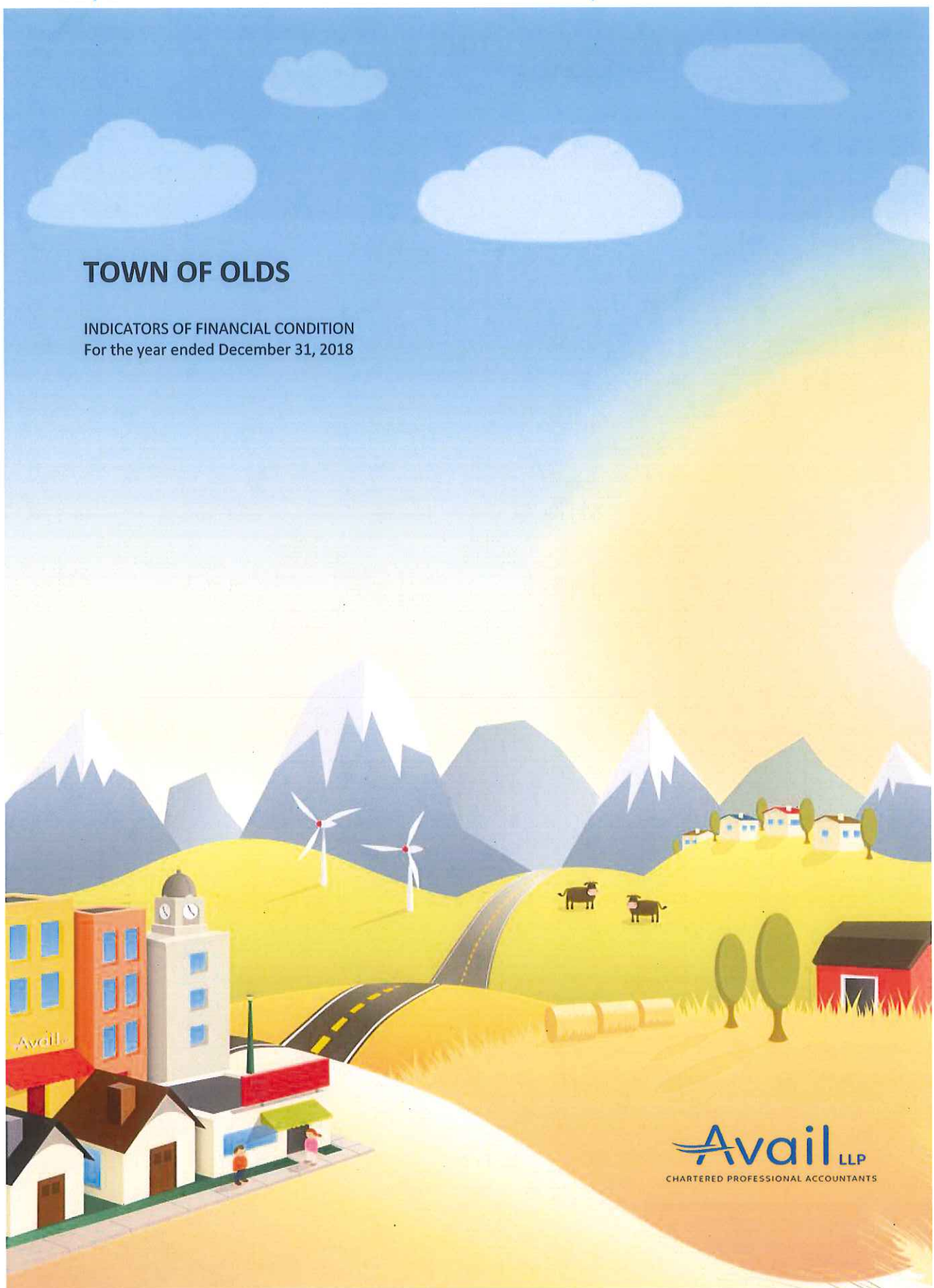


TOWN OF OLDS

INDICATORS OF FINANCIAL CONDITION
For the year ended December 31, 2018



Avail LLP
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 75% to 125% of your population.

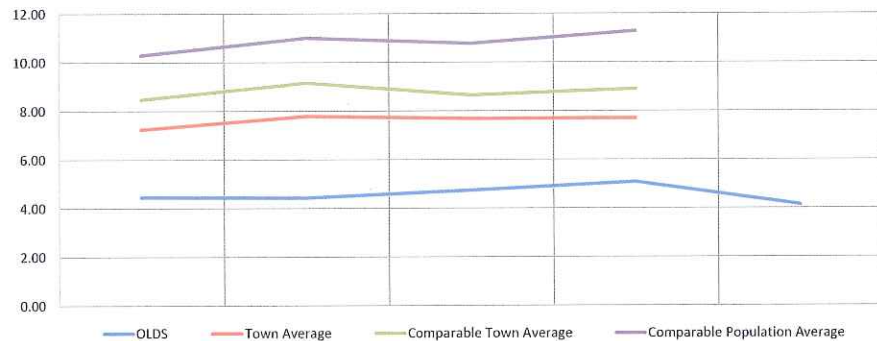
TOWN OF OLDS
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SUSTAINABILITY INDICATORS

Assets to Liabilities

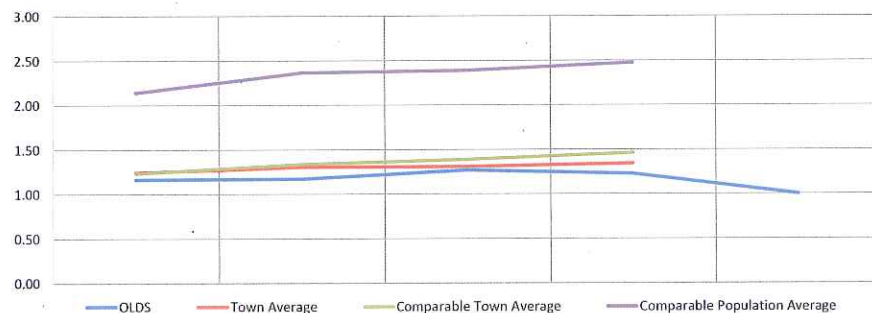
This indicator illustrates the extent a government finances its operations by issuing debt. A ratio higher than one indicates that a government has accumulated surplus and has assets greater than debt. A ratio of less than one indicates that debt is greater than assets and the government has been financing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



Total assets	93,808,419	97,099,438	100,025,837	104,764,099	113,228,581
Total liabilities	21,025,012	21,918,040	21,093,216	20,615,123	27,337,607
Assets to liabilities	4.46	4.43	4.74	5.08	4.14
Town Average	7.25	7.79	7.69	7.69	
Comparable Town Average	8.47	9.16	8.65	8.90	
Comparable Population Average	10.29	11.00	10.77	11.28	

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.



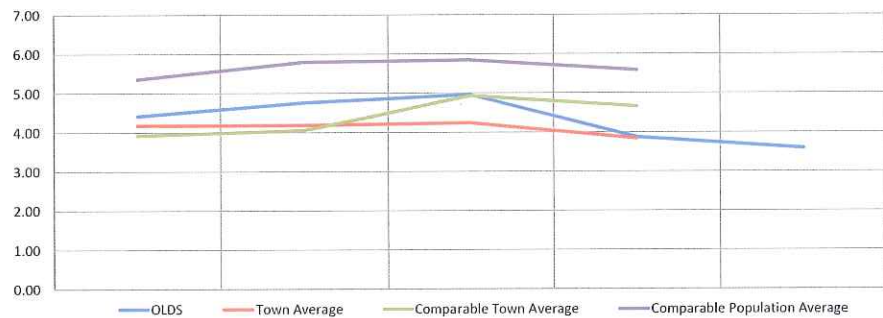
Total financial assets	24,425,472	25,613,533	26,726,520	25,257,206	27,314,569
Total liabilities	21,025,012	21,918,040	21,093,216	20,615,123	27,337,607
Financial assets to liabilities	1.16	1.17	1.27	1.23	1.00
Town Average	1.24	1.30	1.31	1.34	
Comparable Town Average	1.23	1.34	1.39	1.46	
Comparable Population Average	2.14	2.36	2.39	2.47	

TOWN OF OLDS
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Current Ratio

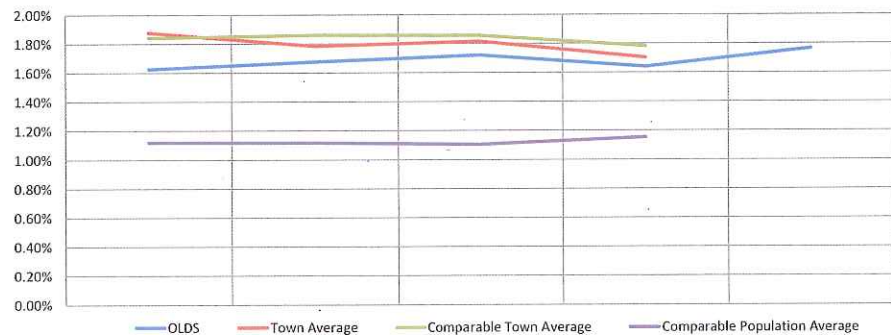
The ratio of current assets (cash, temporary investments, accounts receivable) to current liabilities (accounts payable, temporary borrowings, current repayment obligations on long-term borrowings). This ratio is an indication of the governments ability to meet short term obligations.



Current assets	14,656,312	19,253,156	20,290,111	20,427,738	24,980,711
Current liabilities	3,320,711	4,041,890	4,090,751	5,272,893	6,958,680
Assets to liabilities	4.41	4.76	4.96	3.87	3.59
Town Average	4.18	4.19	4.24	3.84	
Comparable Town Average	3.92	4.06	4.93	4.66	
Comparable Population Average	5.35	5.80	5.84	5.58	

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	19,639,926	21,109,834	22,586,566	23,224,581	25,036,467
Taxable assessment	1,208,884,984	1,259,970,406	1,312,315,527	1,415,932,962	1,419,026,761
Operating expenses to taxable assessment	1.62%	1.68%	1.72%	1.64%	1.76%
Town Average	1.88%	1.79%	1.82%	1.70%	
Comparable Town Average	1.84%	1.86%	1.86%	1.78%	
Comparable Population Average	1.12%	1.12%	1.10%	1.15%	

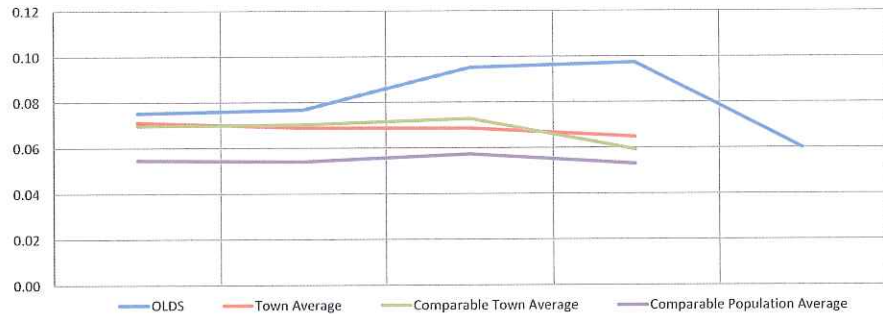
TOWN OF OLDS
INDICATORS OF FINANCIAL CONDITION
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FLEXIBILITY INDICATORS

Public debt charges to revenues

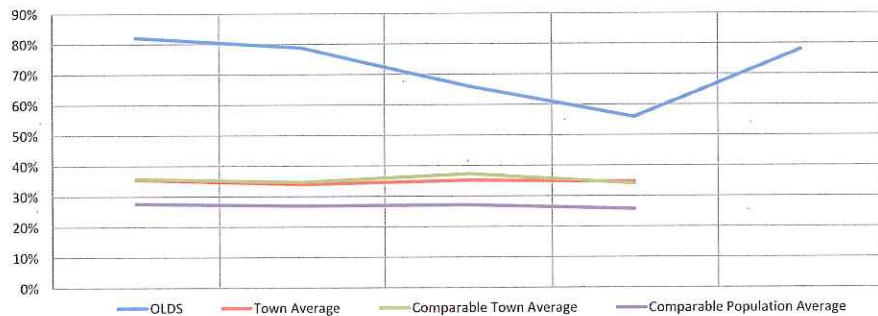
This indicator measures public debt charges as a percentage of revenues. It illustrates the extent to which past borrowing decisions present a constraint on the ability to meet financial and service commitments in the current period. Specifically, the more a government uses revenues to fund debt servicing,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



Debt servicing	1,570,724	1,753,351	2,069,516	2,121,901	1,420,305
Operating revenue	20,880,744	22,830,147	21,742,252	21,808,370	23,639,394
Public debt charges to revenues	0.08	0.08	0.10	0.10	0.06
Town Average	0.07	0.07	0.07	0.06	
Comparable Town Average	0.07	0.07	0.07	0.06	
Comparable Population Average	0.05	0.05	0.06	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.



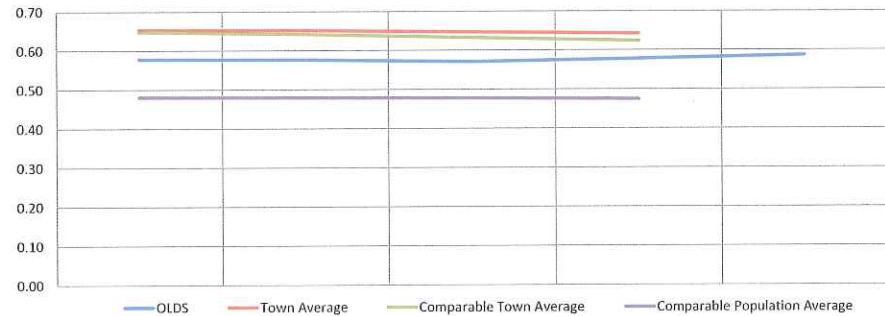
Total long term debt principal balance	17,896,799	18,527,381	17,396,386	15,906,839	20,878,773
Total revenue	21,792,662	23,507,823	26,337,789	28,440,936	26,778,467
Debt to revenue	82%	79%	66%	56%	78%
Town Average	36%	34%	35%	35%	
Comparable Town Average	36%	35%	37%	34%	
Comparable Population Average	28%	27%	27%	26%	

TOWN OF OLDS
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Net book value to cost of tangible capital assets

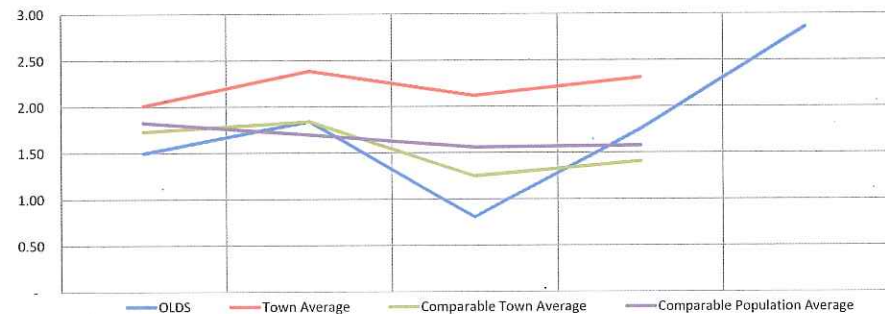
This indicator is important because it reports the extent that the estimated useful lives of tangible capital assets are available to provide its services. If a government's scale, scope and level of services remain unchanged or grow, its asset base could eventually impair flexibility because of the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



Net book value	69,367,458	71,369,567	73,224,108	79,392,145	85,852,942
Cost of tangible capital assets	119,921,379	123,778,847	128,245,789	137,323,275	146,242,974
Net book value to cost of tangible capital assets	0.58	0.58	0.57	0.58	0.59
Town Average	0.65	0.65	0.65	0.64	
Comparable Town Average	0.65	0.64	0.63	0.62	
Comparable Population Average	0.48	0.48	0.48	0.47	

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.



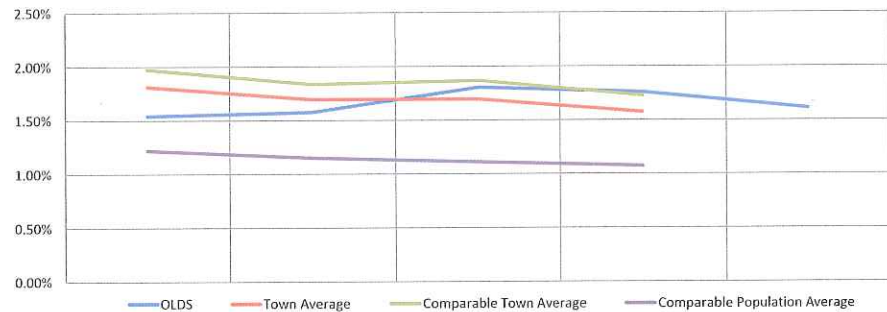
Tangible capital assets additions	4,096,632	5,379,575	2,388,523	5,698,937	9,256,274
Annual amortization expense	2,734,787	2,924,836	2,968,766	3,248,743	3,241,260
Total accumulated surplus	1.50	1.84	0.80	1.75	2.86
Town Average	2.01	2.39	2.12	2.31	
Comparable Town Average	1.73	1.84	1.25	1.41	
Comparable Population Average	1.83	1.70	1.56	1.58	

TOWN OF OLDS
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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.

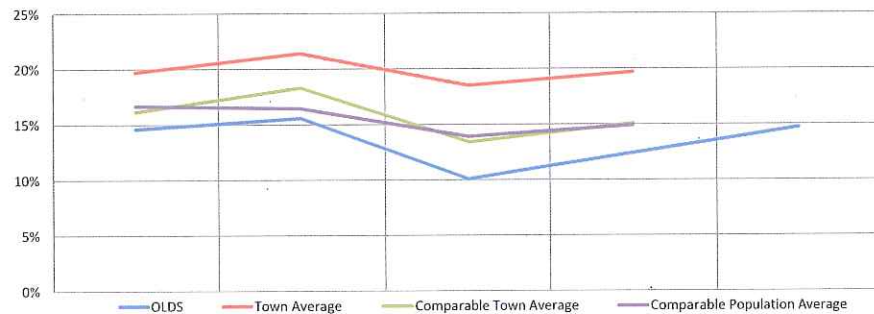


Own source revenues (net of government transfers)	18,608,164	19,848,430	23,687,430	24,910,645	22,835,093
Taxable assessment	1,208,884,984	1,259,970,406	1,312,315,527	1,415,932,962	1,419,026,761
Own source revenues to taxable assessment	1.54%	1.58%	1.81%	1.76%	1.61%
Town Average	1.81%	1.70%	1.70%	1.57%	
Comparable Town Average	1.97%	1.84%	1.87%	1.73%	
Comparable Population Average	1.22%	1.15%	1.11%	1.07%	

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)	3,184,498	3,659,393	2,650,359	3,530,291	3,943,374
Total revenues (including capital)	21,792,662	23,507,823	26,337,789	28,440,936	26,778,467
Government transfers to total revenues	15%	16%	10%	12%	15%
Town Average	20%	21%	19%	20%	
Comparable Town Average	16%	18%	13%	15%	
Comparable Population Average	17%	16%	14%	15%	

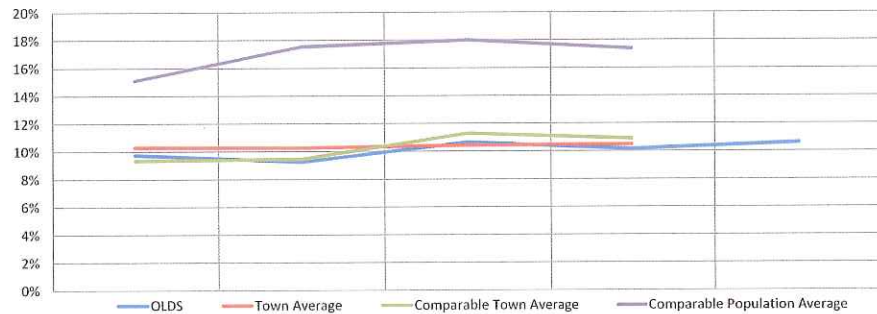
TOWN OF OLDS
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OTHER INDICATORS

Reserves to total accumulated surplus

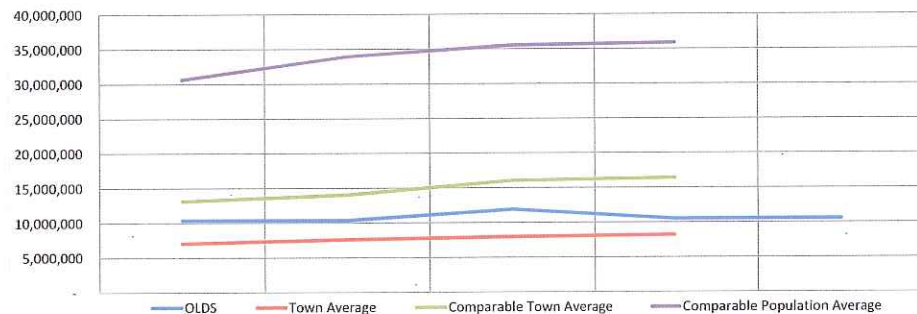
The purpose of this ratio is to show the proportion of total accumulated surplus that has been internally restricted. This indicator provides insight on the change in reserves in relation to overall accumulated surplus. A decrease would show that the government has drawn on past reserves to fund current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



Accumulated surplus - restricted	7,084,838	6,943,916	8,395,851	8,527,823	9,106,357
Overall accumulated surplus	72,783,407	75,181,398	78,932,621	84,148,976	85,890,974
Restricted surplus to accumulated surplus	10%	9%	11%	10%	11%
Town Average	10%	10%	10%	10%	
Comparable Town Average	9%	9%	11%	11%	
Comparable Population Average	15%	18%	18%	17%	

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.



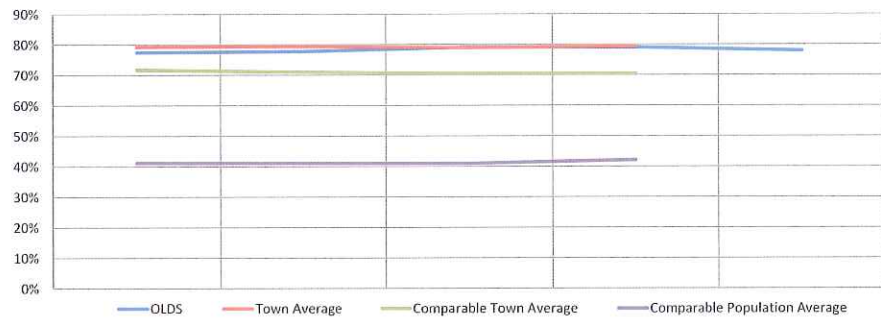
Accumulated surplus - restricted	7,084,838	6,943,916	8,395,851	8,527,823	9,106,357
Accumulated surplus - unrestricted	3,286,188	3,427,733	3,471,076	1,964,522	1,422,655
Total accumulated surplus	10,371,026	10,371,649	11,866,927	10,492,345	10,529,012
Town Average	7,063,868	7,583,409	7,974,510	8,185,109	
Comparable Town Average	13,101,413	14,023,850	16,039,023	16,407,101	
Comparable Population Average	30,615,450	33,942,188	35,517,811	35,857,786	

TOWN OF OLDS
INDICATORS OF FINANCIAL CONDITION
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Tax Base Ratio

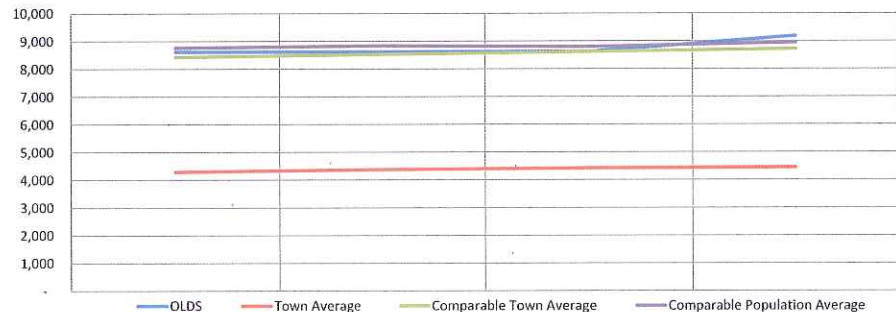
This ratio reports the proportion of the total municipal tax revenue generated by residential and farmland tax base, regardless of whether it is municipal property taxes, special taxes, or local improvement taxes.



Residential & farmland revenue	936,626,433	978,880,443	1,038,803,077	1,118,540,494	1,106,071,415
Total revenues	1,208,884,984	1,259,970,406	1,312,315,527	1,415,932,962	1,419,026,761
Residential & farmland revenue percentage	77%	78%	79%	79%	78%
Town Average	79%	80%	79%	79%	
Comparable Town Average	72%	71%	70%	70%	
Comparable Population Average	41%	41%	41%	42%	

Population Change

The change in population of the municipality over the past ten years based on the Municipal Affairs Population List.



Population	8,617	8,617	8,617	9,184
Prior year population	8,511	8,617	8,617	8,617
Population change	1.25%	0.00%	0.00%	6.58%
Population (Town Average)	4,283	4,375	4,415	4,448
Town Average	-0.65%	2.14%	0.91%	0.76%
Population (Comparable Town Average)	8,425	8,521	8,614	8,716
Comparable Town Average	2.49%	1.13%	1.09%	1.19%
Population (population average)	8,755	8,837	8,786	8,944
Comparable Population Average	1.41%	0.93%	-0.58%	1.80%

Comparable Listing

Comparables were determined on a range of 75% to 125% of your population

Total Town Count: 107

Comparables - Same Type (13)

Town list with a comparable population

BANFF
BLACKFALDS
COALDALE
DRAYTON VALLEY
DRUMHELLER
EDSON
HINTON
INNISFAIL
MORINVILLE
OLDS
PONOKA
TABER
WHITECOURT

Comparables - Any Type (30)

List used for comparable populations

ATHABASCA COUNTY
BANFF
BLACKFALDS
BRAZEAU COUNTY
CAMROSE COUNTY
COALDALE
CYPRESS COUNTY
DRAYTON VALLEY
DRUMHELLER
EDSON
HINTON
INNISFAIL
LAC LA BICHE COUNTY
LAC STE. ANNE COUNTY
LACOMBE COUNTY
LETHBRIDGE COUNTY
MACKENZIE COUNTY
MORINVILLE
NEWELL, COUNTY OF
OLDS
PONOKA
PONOKA COUNTY
TABER
TABER, M.D. OF
VERMILION RIVER, COUNTY OF
WESTLOCK COUNTY
WETASKIWIN NO. 10, COUNTY OF
WHEATLAND COUNTY
WHITECOURT
YELLOWHEAD COUNTY