

TOWN OF OLDS

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.

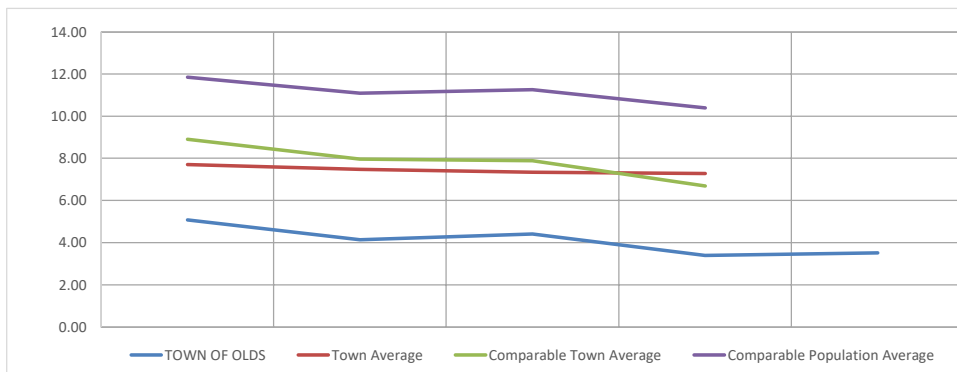
Comparable municipalities were determined based on a range of 75% to 125% of your population.

2017 2018 2019 2020 2021

SUSTAINABILITY INDICATORS

Assets to Liabilities

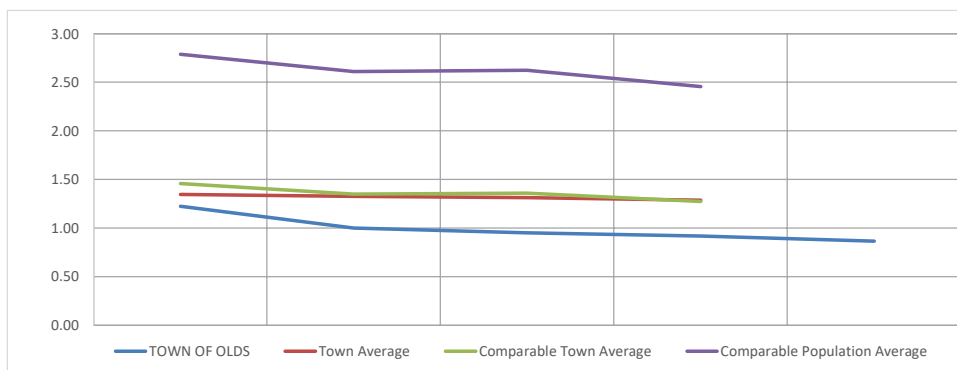
This indicator illustrates the extent a government finances its operations by issuing debt. A ratio higher than one indicates that a government has accumulated surplus and has assets greater than debt. A ratio of less than one indicates that debt is greater than assets and the government has been financing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



Total assets	104,764,099	113,228,581	116,545,488	130,610,393	134,421,885
Total liabilities	20,615,123	27,337,607	26,420,449	38,480,669	38,318,468
Assets to liabilities	5.08	4.14	4.41	3.39	3.51
Town Average	7.70	7.47	7.33	7.28	
Comparable Town Average	8.90	7.96	7.88	6.69	
Comparable Population Average	11.85	11.08	11.25	10.40	

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	25,257,206	27,314,569	25,133,778	35,292,824	33,234,880
Total liabilities	20,615,123	27,337,607	26,420,449	38,480,669	38,318,468
Financial assets to liabilities	1.23	1.00	0.95	0.92	0.87
Town Average	1.35	1.33	1.31	1.29	
Comparable Town Average	1.46	1.35	1.36	1.28	
Comparable Population Average	2.79	2.61	2.62	2.46	

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Current Ratio

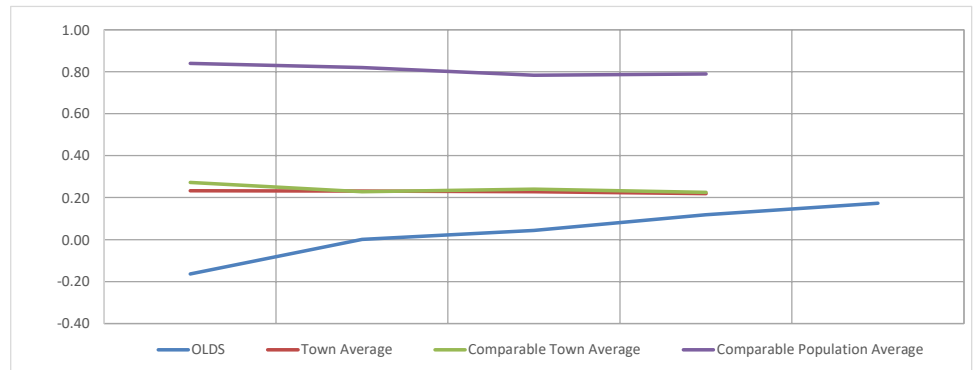
The ratio of current assets (cash, temporary investments, accounts receivable) to current liabilities (accounts payable, temporary borrowings, current repayment obligations on long-term borrowings). This ratio is an indication of the governments ability to meet short term obligations.



Current assets	20,427,738	24,980,711	25,029,520	35,193,239	33,138,243
Current liabilities	5,272,893	6,958,680	4,624,414	6,130,800	4,910,924
Assets to liabilities	3.87	3.59	5.41	5.74	6.75
Town Average	3.85	4.07	4.47	4.55	
Comparable Town Average	4.66	4.86	5.05	5.32	
Comparable Population Average	5.68	6.11	6.89	6.70	

Net debt to annual revenue

Net debt provides a measure of the future revenue required to pay for past transactions. A ratio that is increasing would indicate that more time to eliminate net debt will be necessary.

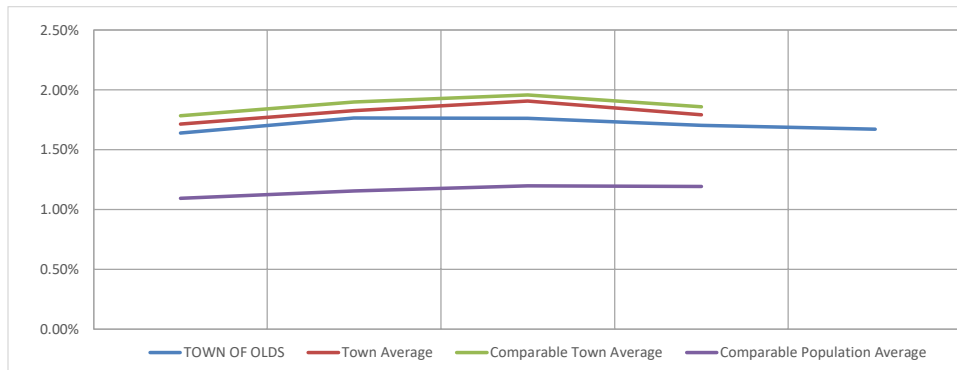


Net debt (assets)	(4,642,083)	23,038	1,286,671	3,187,845	5,083,588
Total revenues (including capital)	28,440,936	26,778,467	29,651,970	27,012,685	29,344,361
Net debt to annual revenue	-0.16	0.00	0.04	0.12	0.17
Town Average	0.23	0.23	0.23	0.22	
Comparable Town Average	0.27	0.23	0.24	0.23	
Comparable Population Average	0.84	0.82	0.78	0.79	

2017 2018 2019 2020 2021

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.

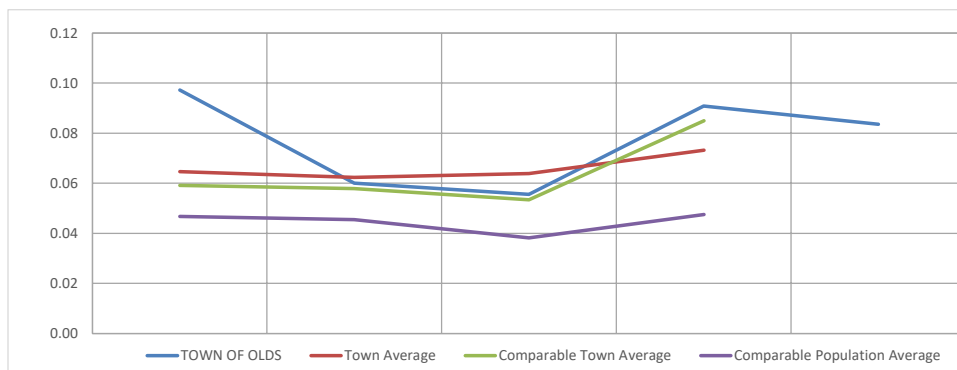


Operating expenses	23,224,581	25,036,467	25,417,905	25,008,000	25,370,668
Taxable assessment	1,415,932,962	1,419,026,761	1,441,938,171	1,467,777,330	1,518,232,487
Operating expenses to taxable assessment	1.64%	1.76%	1.76%	1.70%	1.67%
Town Average	1.71%	1.83%	1.91%	1.79%	
Comparable Town Average	1.78%	1.90%	1.96%	1.86%	
Comparable Population Average	1.09%	1.15%	1.20%	1.19%	

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.

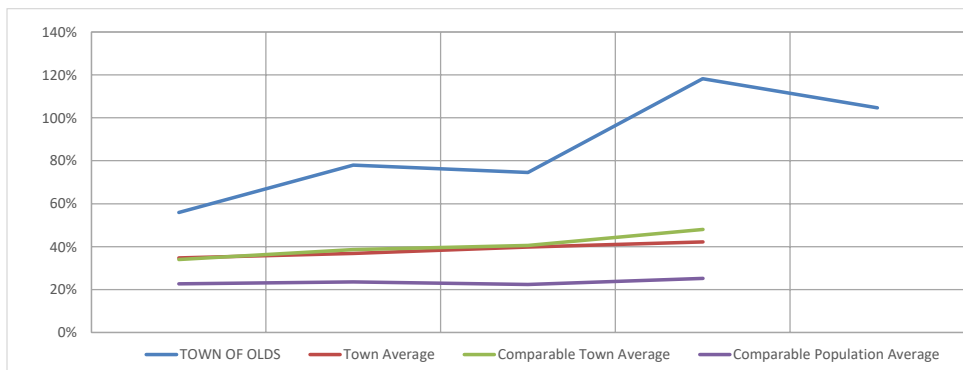


Debt servicing	2,121,901	1,420,305	1,544,730	2,221,833	2,336,138
Operating revenue	21,808,370	23,639,394	27,801,324	24,470,152	27,971,721
Public debt charges to revenues	0.10	0.06	0.06	0.09	0.08
Town Average	0.06	0.06	0.06	0.07	
Comparable Town Average	0.06	0.06	0.05	0.09	
Comparable Population Average	0.05	0.05	0.04	0.05	

2017 2018 2019 2020 2021

Debt to Revenue Percentage

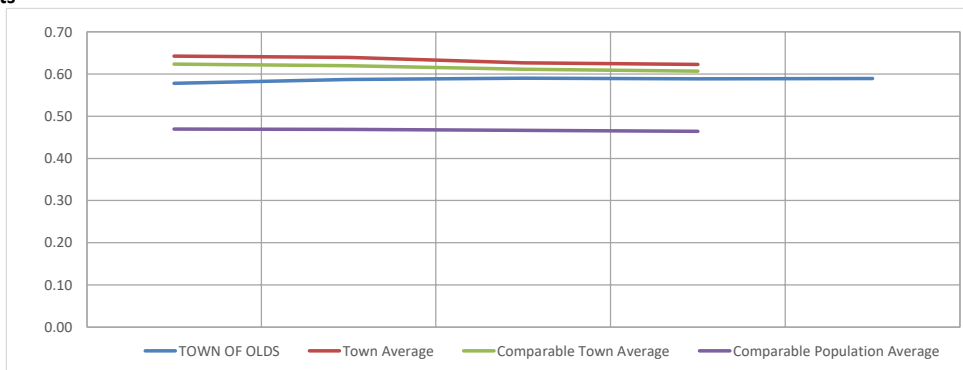
The total amount of municipal borrowings, including long term capital leases, as a percentage of total municipal revenues. This indicator demonstrates the growth in revenue compared to changes in debt. An increasing trend would indicate the municipality is increasing its debt load faster than its revenue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



Total long term debt principal balance	15,906,839	20,878,773	22,100,186	31,936,804	30,723,798
Total revenue	28,440,936	26,778,467	29,651,970	27,012,685	29,344,361
Debt to revenue	56%	78%	75%	118%	105%
Town Average	35%	37%	40%	42%	
Comparable Town Average	34%	39%	41%	48%	
Comparable Population Average	23%	24%	22%	25%	

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.



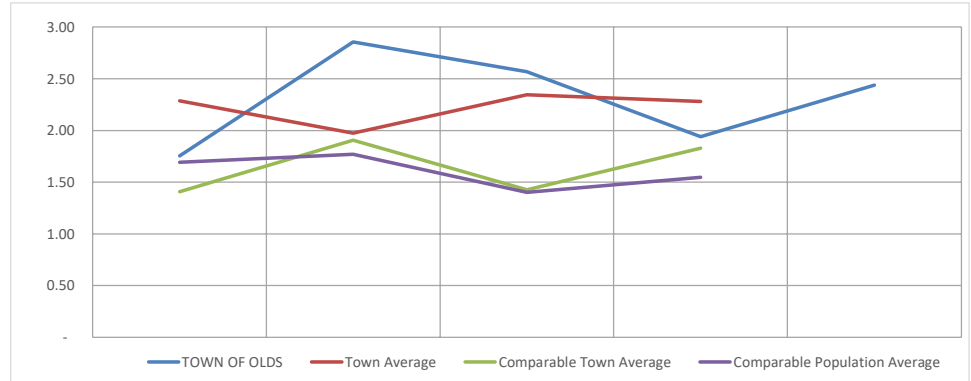
Net book value	79,392,145	85,852,942	91,224,540	95,297,594	101,143,007
Cost of tangible capital assets	137,323,275	146,242,974	154,477,907	161,893,295	171,694,343
Net book value to cost of tangible capital assets	0.58	0.59	0.59	0.59	0.59
Town Average	0.64	0.64	0.63	0.62	
Comparable Town Average	0.62	0.62	0.61	0.61	
Comparable Population Average	0.47	0.47	0.47	0.46	

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Infrastructure Investment

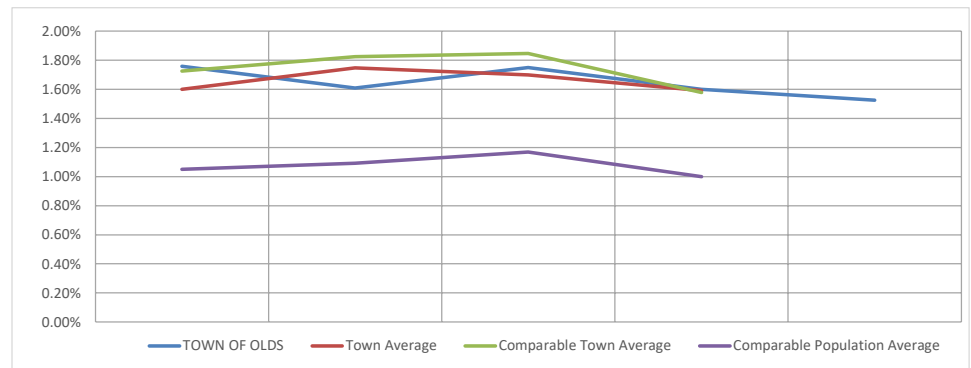
The total cost of annual additions (through purchases or construction) to tangible capital assets (vehicles, equipment, buildings, roads, utility infrastructure, land) relative to the annual amortization (depreciation) on all tangible capital assets - measured as a five-year average.



Tangible capital assets additions	5,698,937	9,256,274	8,994,274	7,538,905	9,920,552
Annual amortization expense	3,248,743	3,241,260	3,502,248	3,886,998	4,067,839
Additions to amortization expense	1.75	2.86	2.57	1.94	2.44
Town Average	2.28	1.97	2.35	2.28	
Comparable Town Average	1.41	1.91	1.43	1.83	
Comparable Population Average	1.69	1.77	1.40	1.55	

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.



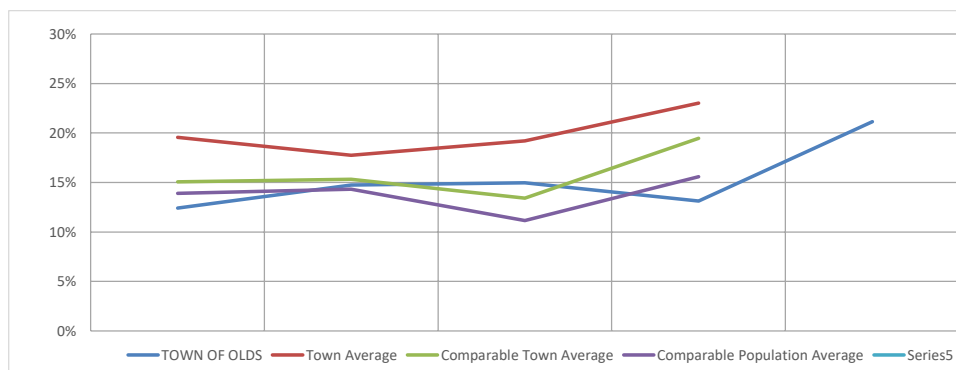
Own source revenues (net of government transfers)	24,910,645	22,835,093	25,212,453	23,470,657	23,140,199
Taxable assessment	1,415,932,962	1,419,026,761	1,441,938,171	1,467,777,330	1,518,232,487
Own source revenues to taxable assessment	1.76%	1.61%	1.75%	1.60%	1.52%
Town Average	1.60%	1.75%	1.70%	1.59%	
Comparable Town Average	1.73%	1.82%	1.85%	1.58%	
Comparable Population Average	1.05%	1.09%	1.17%	1.00%	

2017 2018 2019 2020 2021

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)	3,530,291	3,943,374	4,439,517	3,542,028	6,204,162
Total revenues (including capital)	28,440,936	26,778,467	29,651,970	27,012,685	29,344,361
Government transfers to total revenues	12%	15%	15%	13%	21%
Town Average	20%	18%	19%	23%	
Comparable Town Average	15%	15%	13%	19%	
Comparable Population Average	14%	14%	11%	16%	

OTHER INDICATORS

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	8,527,823	9,106,357	8,999,594	9,637,053	9,686,542
Accumulated surplus - unrestricted	1,964,522	1,422,655	1,422,655	4,274,480	5,576,230
Total accumulated surplus	10,492,345	10,529,012	10,422,249	13,911,533	15,262,772
Town Average	8,190,869	8,985,339	9,050,722	9,498,385	
Comparable Town Average	16,407,101	18,073,106	18,387,587	20,380,852	
Comparable Population Average	40,813,688	41,298,040	41,491,214	42,240,940	

Comparable Listing

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

Total Town Count: 105

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
GREENVIEW NO. 16, M.D. OF
HINTON
INNISFAIL
LAC LA BICHE COUNTY
LAC STE. ANNE COUNTY
LACOMBE COUNTY
LETHBRIDGE 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