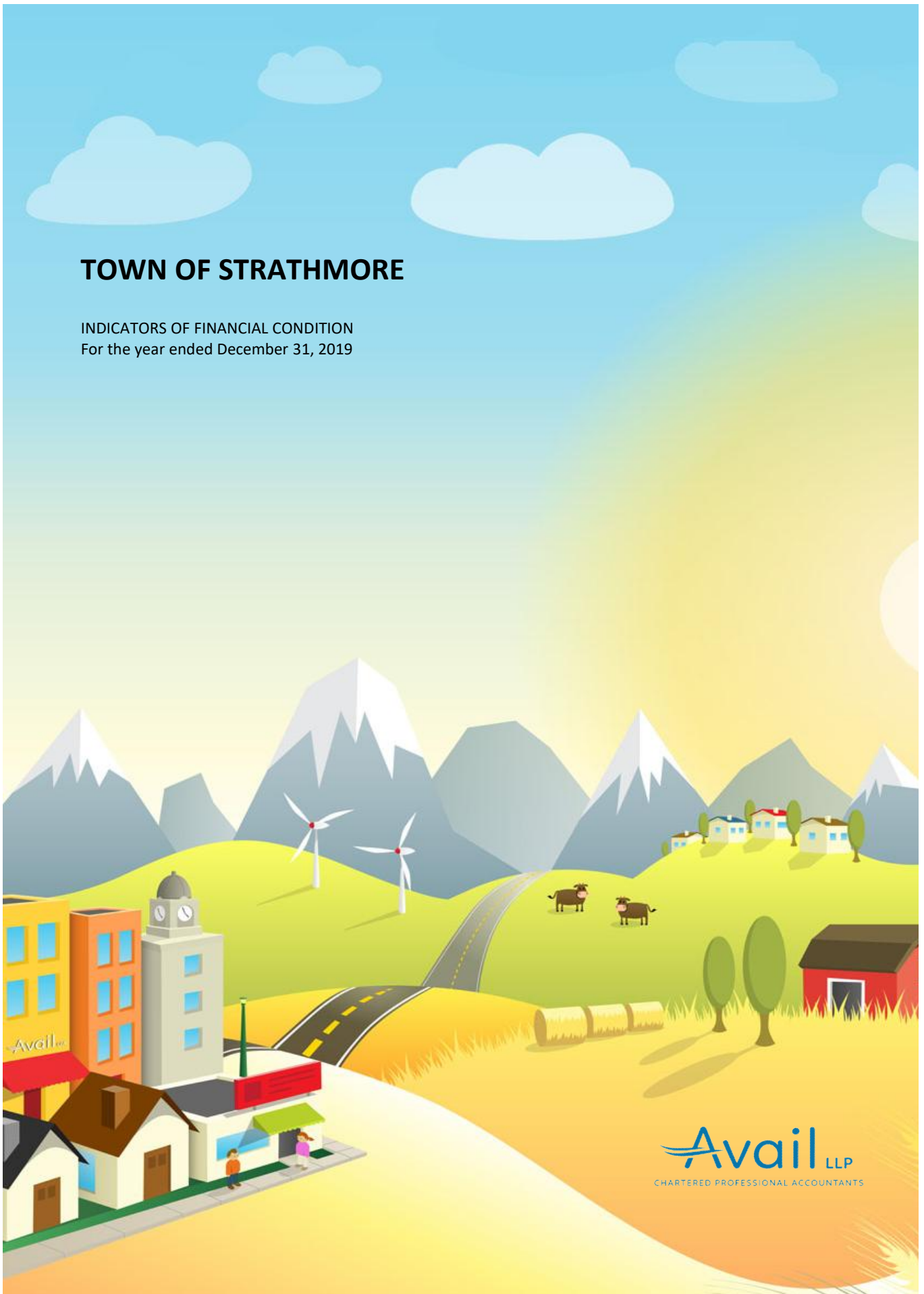


TOWN OF STRATHMORE

INDICATORS OF FINANCIAL CONDITION
For the year ended December 31, 2019



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.

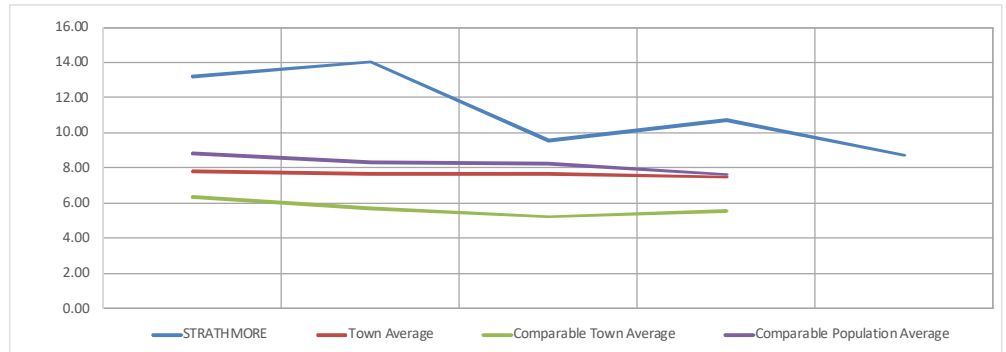
TOWN OF STRATHMORE
INDICATORS OF FINANCIAL CONDITION
For the year ended December 31, 2019

2015 2016 2017 2018 2019

SUSTAINABILITY INDICATORS

Assets to Liabilities

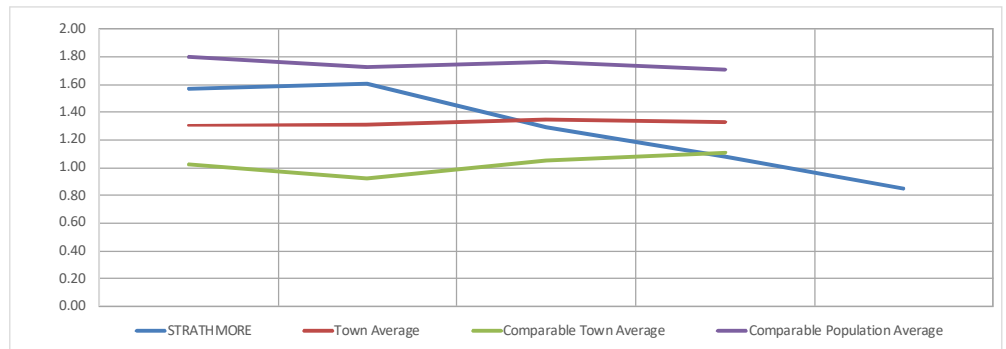
This indicator illustrates the extent a government finances its operations by issuing debt. A ratio higher than one indicates that a government has accumulated surplus and has assets greater than debt. A ratio of less than one indicates that debt is greater than assets and the government has been financing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



Total assets	201,501,334	204,251,009	217,848,696	221,506,032	229,098,337
Total liabilities	15,281,065	14,549,288	22,816,681	20,633,708	26,287,048
Assets to liabilities	13.19	14.04	9.55	10.74	8.72
Town Average	7.79	7.69	7.69	7.47	
Comparable Town Average	6.35	5.71	5.22	5.52	
Comparable Population Average	8.82	8.31	8.22	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.



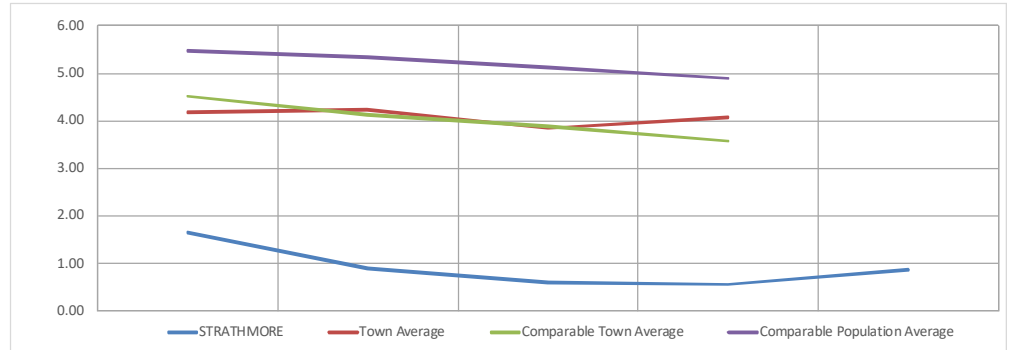
Total financial assets	23,894,556	23,364,525	29,400,646	22,217,225	22,305,172
Total liabilities	15,281,065	14,549,288	22,816,681	20,633,708	26,287,048
Financial assets to liabilities	1.56	1.61	1.29	1.08	0.85
Town Average	1.30	1.31	1.34	1.33	
Comparable Town Average	1.02	0.92	1.05	1.11	
Comparable Population Average	1.80	1.73	1.76	1.71	

TOWN OF STRATHMORE
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2015 2016 2017 2018 2019

Current Ratio

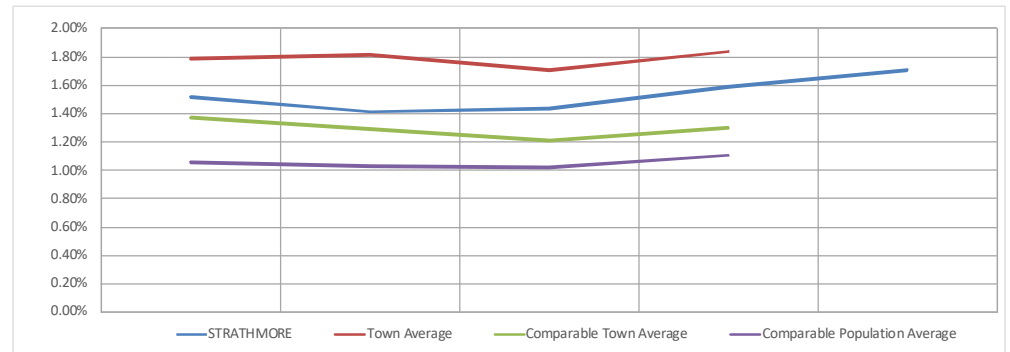
The ratio of current assets (cash, temporary investments, accounts receivable) to current liabilities (accounts payable, temporary borrowings, current repayment obligations on long-term borrowings). This ratio is an indication of the government's ability to meet short term obligations.



Current assets	9,287,881	4,956,890	5,728,975	4,491,750	6,214,391
Current liabilities	5,629,426	5,482,066	9,424,958	8,003,973	7,127,155
Assets to liabilities	1.65	0.90	0.61	0.56	0.87
Town Average	4.19	4.24	3.84	4.07	
Comparable Town Average	4.52	4.14	3.87	3.58	
Comparable Population Average	5.48	5.34	5.13	4.89	

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	25,977,684	26,405,175	28,333,352	31,633,252	34,123,041
Taxable assessment	1,710,324,278	1,868,116,691	1,975,940,996	1,991,361,868	1,997,184,278
Operating expenses to taxable assessment	1.52%	1.41%	1.43%	1.59%	1.71%
Town Average	1.79%	1.82%	1.70%	1.84%	
Comparable Town Average	1.37%	1.29%	1.21%	1.30%	
Comparable Population Average	1.06%	1.03%	1.02%	1.11%	

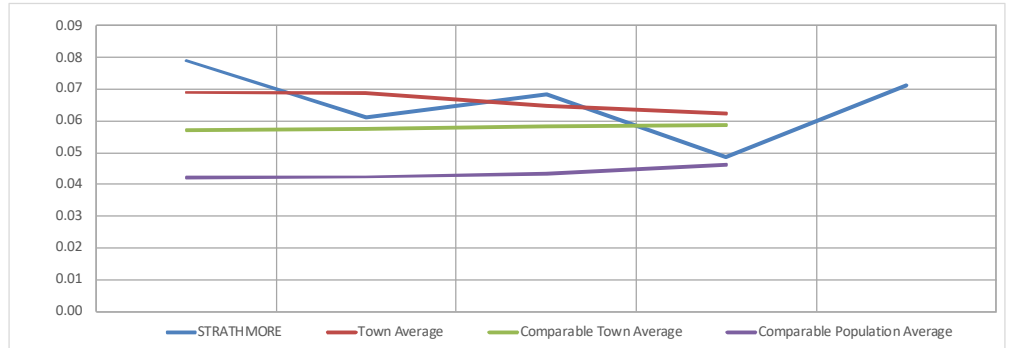
TOWN OF STRATHMORE
INDICATORS OF FINANCIAL CONDITION
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FLEXIBILITY INDICATORS

Public debt charges to revenues

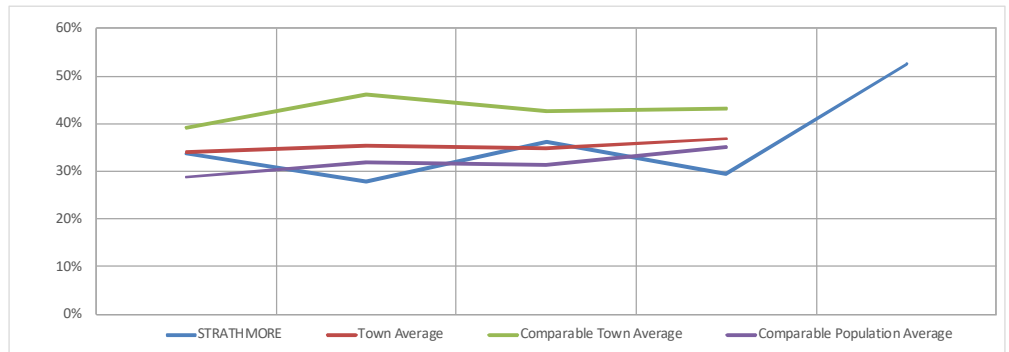
This indicator measures public debt charges as a percentage of revenues. It illustrates the extent to which past borrowing decisions present a constraint on the ability to meet financial and service commitments in the current period. Specifically, the more a government uses revenues to fund debt servicing,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



Debt servicing	1,858,368	1,456,468	1,881,091	1,308,374	1,967,955
Operating revenue	23,511,353	23,753,752	27,519,626	26,893,654	27,601,234
Public debt charges to revenues	0.08	0.06	0.07	0.05	0.07
Town Average	0.07	0.07	0.06	0.06	0.06
Comparable Town Average	0.06	0.06	0.06	0.06	0.06
Comparable Population Average	0.04	0.04	0.04	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.



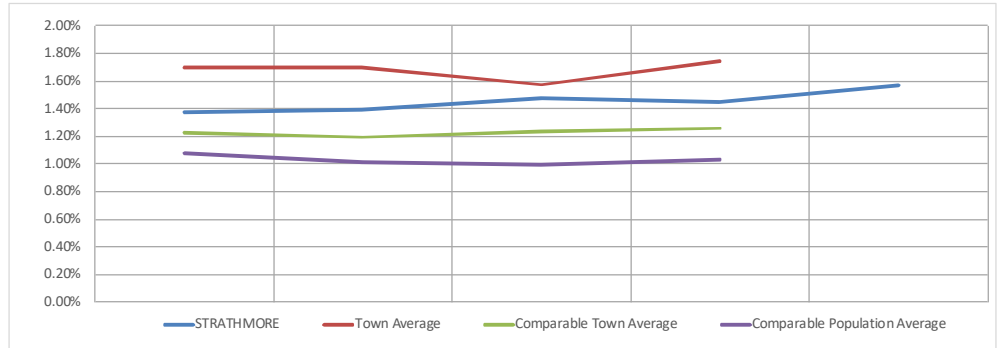
Total long term debt principal balance	9,811,811	8,331,260	12,170,308	11,021,352	18,950,160
Total revenue	29,169,951	29,886,629	33,663,646	37,473,561	36,062,008
Debt to revenue	34%	28%	36%	29%	53%
Town Average	34%	35%	35%	37%	37%
Comparable Town Average	39%	46%	43%	43%	43%
Comparable Population Average	29%	32%	31%	35%	35%

TOWN OF STRATHMORE
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2015 2016 2017 2018 2019

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.

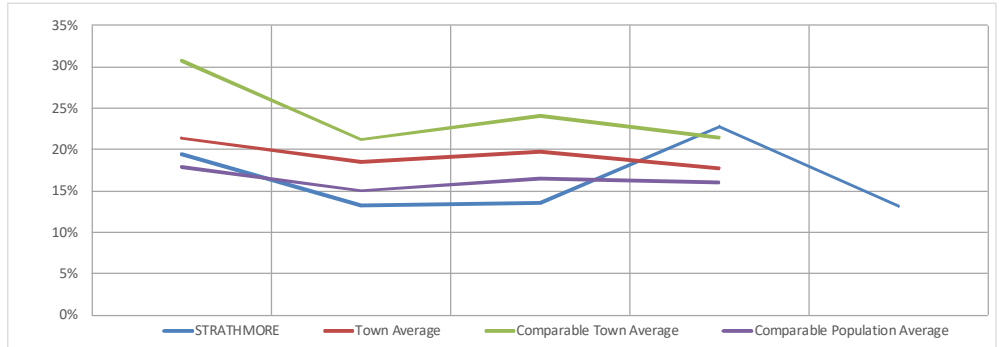


Own source revenues (net of government transfers)	23,511,353	25,937,014	29,115,621	28,925,281	31,316,957
Taxable assessment	1,710,324,278	1,868,116,691	1,975,940,996	1,991,361,868	1,997,184,278
Own source revenues to taxable assessment	1.37%	1.39%	1.47%	1.45%	1.57%
Town Average	1.70%	1.70%	1.57%	1.74%	
Comparable Town Average	1.23%	1.20%	1.23%	1.26%	
Comparable Population Average	1.08%	1.02%	1.00%	1.04%	

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)	5,658,598	3,949,615	4,548,025	8,548,280	4,745,051
Total revenues (including capital)	29,169,951	29,886,629	33,663,646	37,473,561	36,062,008
Government transfers to total revenues	19%	13%	14%	23%	13%
Town Average	21%	19%	20%	18%	
Comparable Town Average	31%	21%	24%	21%	
Comparable Population Average	18%	15%	16%	16%	

Comparable Listing

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

Total Town Count: 108

Comparables - Same Type (5)

Town list with a comparable population

CANMORE
HIGH RIVER
STRATHMORE
SYLVAN LAKE
WHITECOURT

Comparables - Any Type (19)

List used for comparable populations

BONNYVILLE NO. 87, M.D. OF
BROOKS
CANMORE
CLEARWATER COUNTY
COLD LAKE
HIGH RIVER
LAC STE. ANNE COUNTY
LACOMBE
LACOMBE COUNTY
LEDUC COUNTY
LETHBRIDGE COUNTY
MACKENZIE COUNTY
MOUNTAIN VIEW COUNTY
STRATHMORE
SYLVAN LAKE
WETASKIWIN
WETASKIWIN NO. 10, COUNTY OF
WHITECOURT
YELLOWHEAD COUNTY