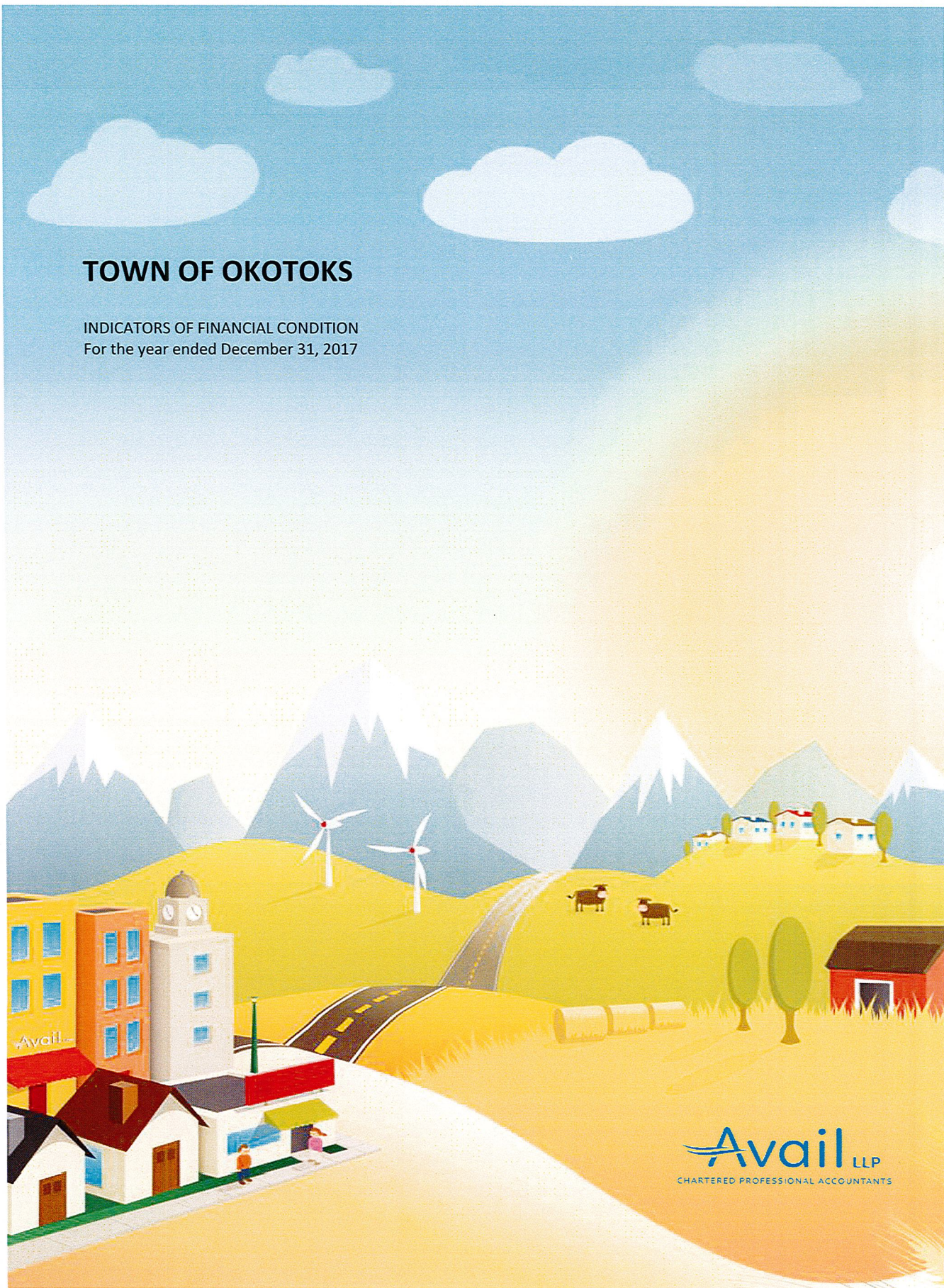


TOWN OF OKOTOKS

INDICATORS OF FINANCIAL CONDITION
For the year ended December 31, 2017



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.

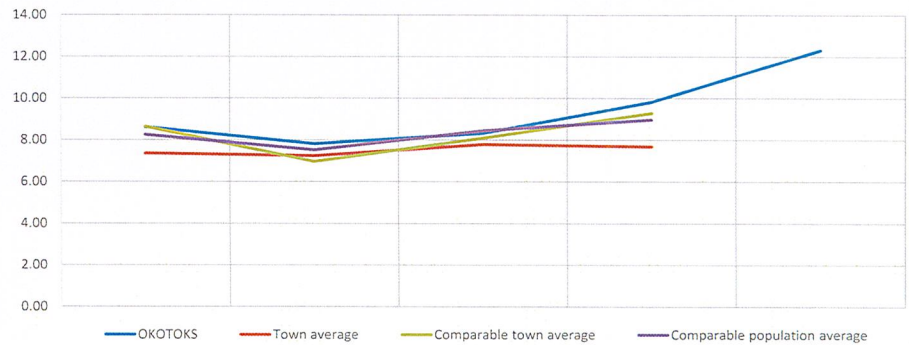
TOWN OF OKOTOKS
INDICATORS OF FINANCIAL CONDITION
For the year ended December 31, 2017

2013 2014 2015 2016 2017

SUSTAINABILITY INDICATORS

Assets to Liabilities

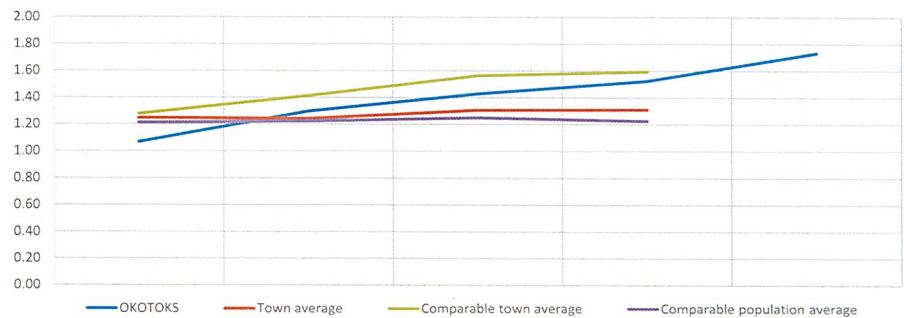
The "assets-to-liabilities" indicator reports the ratio of a government's financial and nonfinancial assets to its liabilities. This indicator supports a discussion about sustainability by illustrating the extent to which a government finances its operations by issuing debt. A ratio higher than one indicates 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 that the government has been financing its operations by issuing debt. A trend in this direction may not be sustainable.



Total assets	387,946,935	392,543,094	405,686,418	415,093,396	425,095,579
Total liabilities	45,042,127	50,214,402	48,761,365	42,284,496	34,550,495
Assets to liabilities	8.61	7.82	8.32	9.82	12.30
Town average	7.36	7.25	7.79	7.69	
Comparable town average	8.64	6.96	8.09	9.28	
Comparable population average	8.24	7.52	8.44	8.97	

Financial assets to liabilities

The "financial assets-to-liabilities" indicator reports the ratio of a government's financial assets to its liabilities. A result lower than one indicates liabilities exceed financial assets (net debt) and future revenues will be required to pay for past transactions and events. A result higher than one indicates financial assets exceed liabilities (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	48,061,483	65,057,129	69,587,226	64,441,334	59,829,320
Total liabilities	45,042,127	50,214,402	48,761,365	42,284,496	34,550,495
Financial assets to liabilities	1.07	1.30	1.43	1.52	1.73
Town average	1.25	1.24	1.30	1.31	
Comparable town average	1.28	1.41	1.56	1.59	
Comparable population average	1.21	1.22	1.25	1.22	

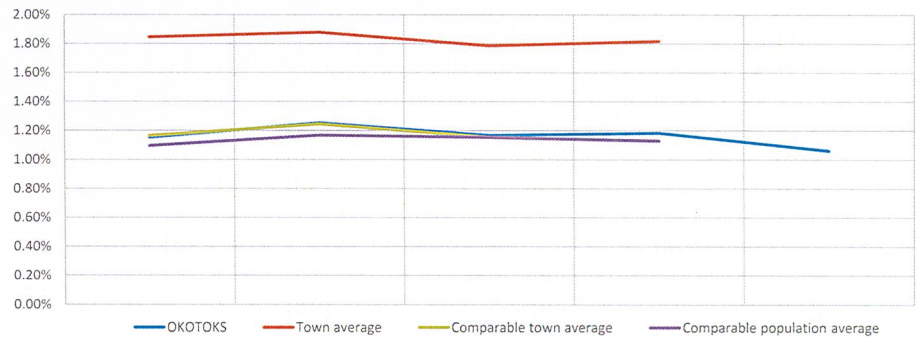
TOWN OF OKOTOKS
INDICATORS OF FINANCIAL CONDITION
For the year ended December 31, 2017

2013 2014 2015 2016 2017

SUSTAINABILITY INDICATORS, CONTINUED

Operating expenses to taxable assessment

The "total expenses-to-taxable assessment" 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.

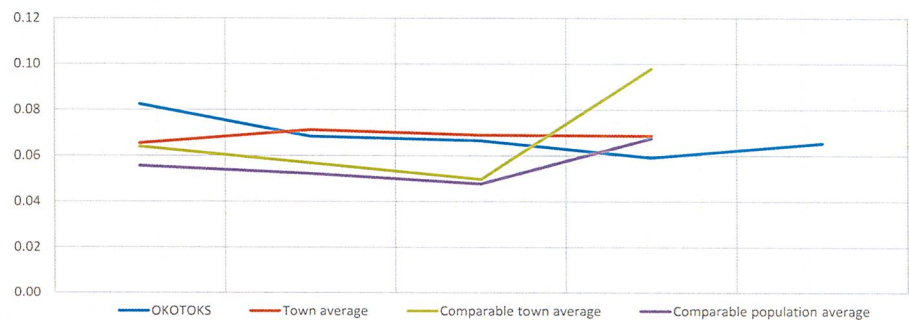


Operating expenses	45,355,013	51,420,960	50,958,339	55,913,061	55,039,792
Taxable assessment	3,933,146,729	4,110,024,576	4,372,219,642	4,728,812,066	5,186,464,503
Operating expenses to taxable assessment	1.15%	1.25%	1.17%	1.18%	1.06%
Town average	1.85%	1.88%	1.79%	1.82%	
Comparable town average	1.16%	1.24%	1.15%	1.13%	
Comparable population average	1.09%	1.17%	1.15%	1.13%	

FLEXIBILITY INDICATORS

Public debt charges to revenues

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



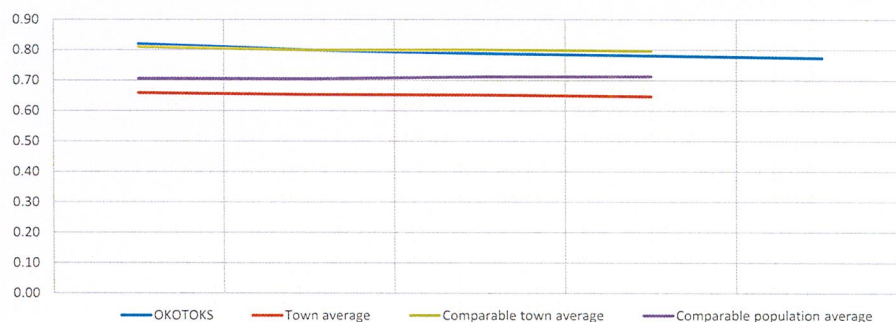
Debt servicing	4,060,671	4,060,672	3,997,265	3,905,782	3,855,221
Operating revenue	49,248,397	59,413,807	60,126,170	66,072,734	59,004,948
Public debt charges to revenues	0.08	0.07	0.07	0.06	0.07
Town average	0.07	0.07	0.07	0.07	
Comparable town average	0.06	0.06	0.05	0.10	
Comparable population average	0.06	0.05	0.05	0.07	

2013 2014 2015 2016 2017

FLEXIBILITY INDICATORS, CONTINUED

Net book value to cost of tangible capital assets

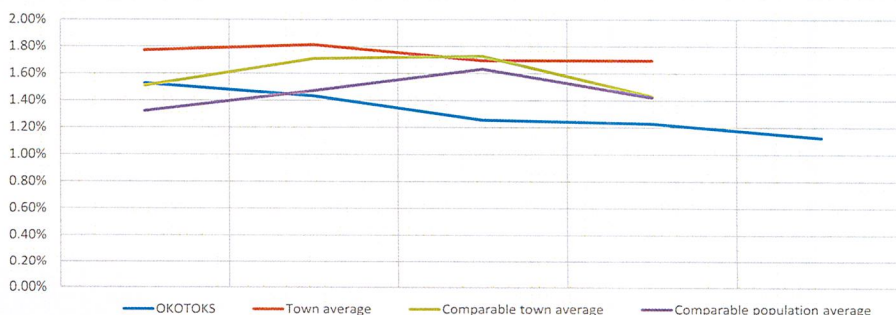
The "net book value of capital assets-to-cost of capital assets" indicator is important because it reports the extent to which the estimated useful lives of a government's tangible capital assets are available to provide its products and services. If a government's scale, scope and level of services remain unchanged or grow, its asset base could eventually impair flexibility because of the impending future costs of capital asset repair or replacement. Further information regarding assessing the physical condition of tangible capital assets can be found in ASSESSMENT OF TANGIBLE CAPITAL ASSETS, SORP-3.



Net book value	339,598,105	327,254,491	335,621,984	350,253,744	364,814,854
Cost of tangible capital assets	414,374,907	409,493,824	425,921,113	448,649,654	471,996,876
Net book value to cost of tangible capital assets	0.82	0.80	0.79	0.78	0.77
Town average	0.66	0.65	0.65	0.65	
Comparable town average	0.81	0.80	0.80	0.80	
Comparable population average	0.71	0.71	0.71	0.71	

Own source revenues to taxable assessment

The "own source revenues-to-taxable assessment" 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)	59,996,538	58,857,995	54,834,289	58,048,994	58,337,181
Taxable assessment	3,933,146,729	4,110,024,576	4,372,219,642	4,728,812,066	5,186,464,503
Own source revenues to taxable assessment	1.53%	1.43%	1.25%	1.23%	1.12%
Town average	1.77%	1.81%	1.70%	1.70%	
Comparable town average	1.51%	1.71%	1.73%	1.43%	
Comparable population average	1.32%	1.47%	1.63%	1.42%	

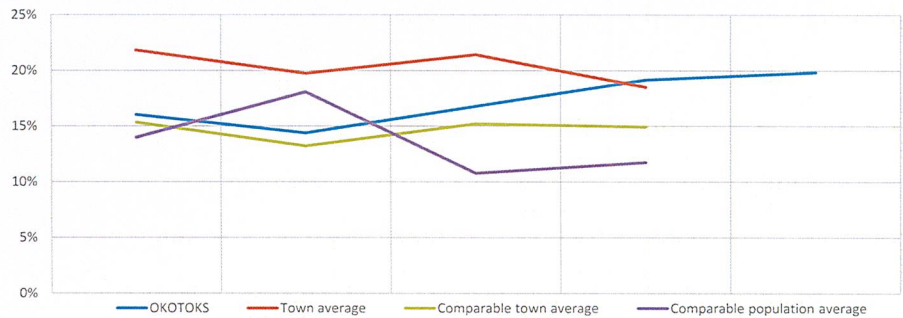
TOWN OF OKOTOKS
INDICATORS OF FINANCIAL CONDITION
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2013 2014 2015 2016 2017

VULNERABILITY INDICATORS

Government transfers to total revenues

The purpose of reporting "government transfers-to-total revenues" 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)	11,446,266	9,881,400	11,058,329	13,747,922	14,438,795
Total revenues (including capital)	71,442,804	68,739,395	65,892,618	71,796,916	72,775,976
Government transfers to total revenues	16%	14%	17%	19%	20%
Town average	22%	20%	21%	19%	
Comparable town average	15%	13%	15%	15%	
Comparable population average	14%	18%	11%	12%	

Comparable Listing

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

Total Town Count: 106

Comparables - Same Type (2)

COCHRANE

OKOTOKS

Comparables - Any Type (7)

COCHRANE

FOOTHILLS NO. 31, M.D. OF

FORT SASKATCHEWAN

LEDUC

OKOTOKS

PARKLAND COUNTY

SPRUCE GROVE