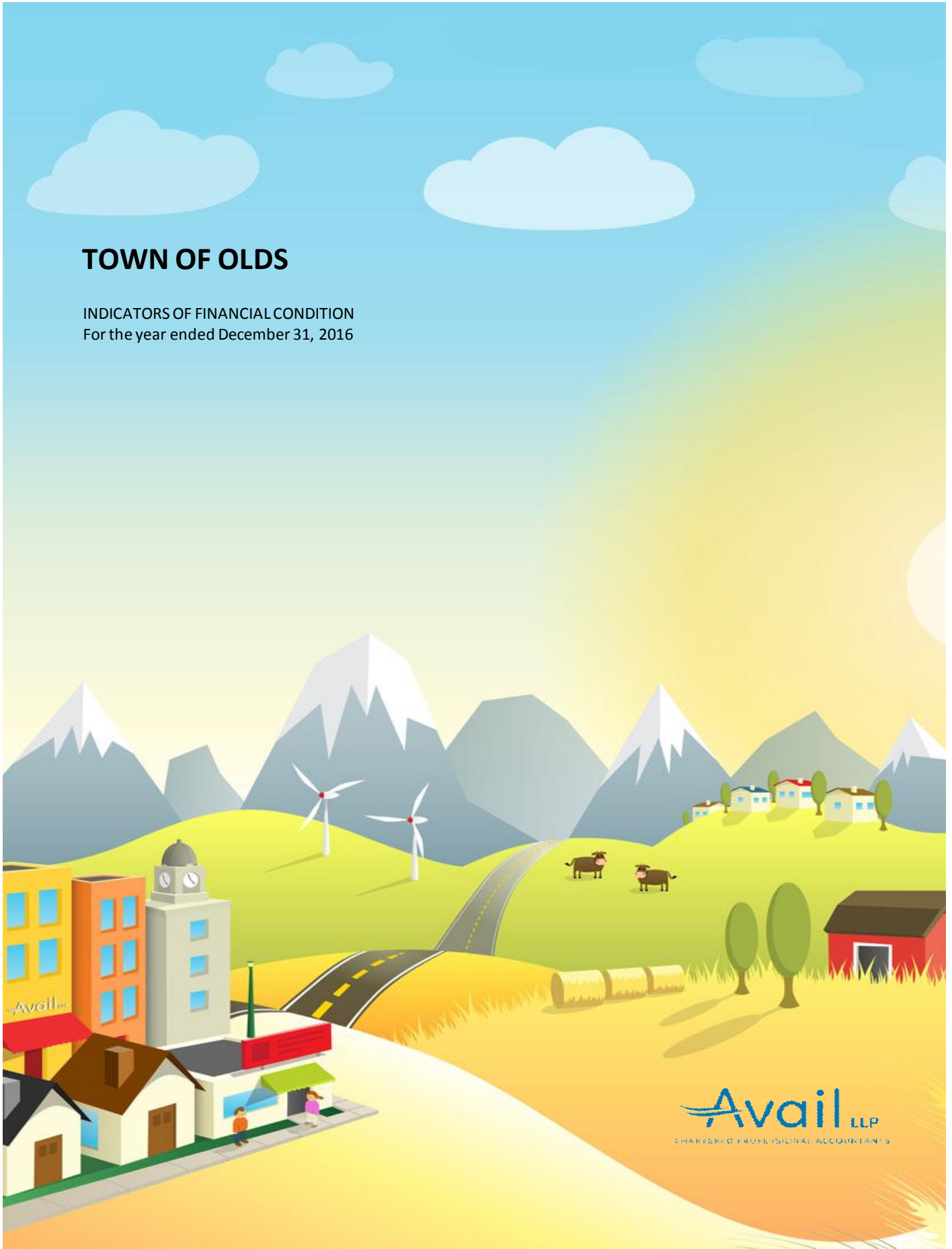


TOWN OF OLDS

INDICATORS OF FINANCIAL CONDITION
For the year ended December 31, 2016



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.

Comparable Listing

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

Total Town Count: 107

Comparables - Same Type (18)

BANFF
BLACKFALDS
BONNYVILLE
COALDALE
DEVON
DRAYTON VALLEY
DRUMHELLER
EDSON
HINTON
INNISFAIL
MORINVILLE
OLDS
PEACE RIVER
PONOKA
ROCKY MOUNTAIN HOUSE
SLAVE LAKE
TABER
WHITECOURT

Comparables - Any Type (32)

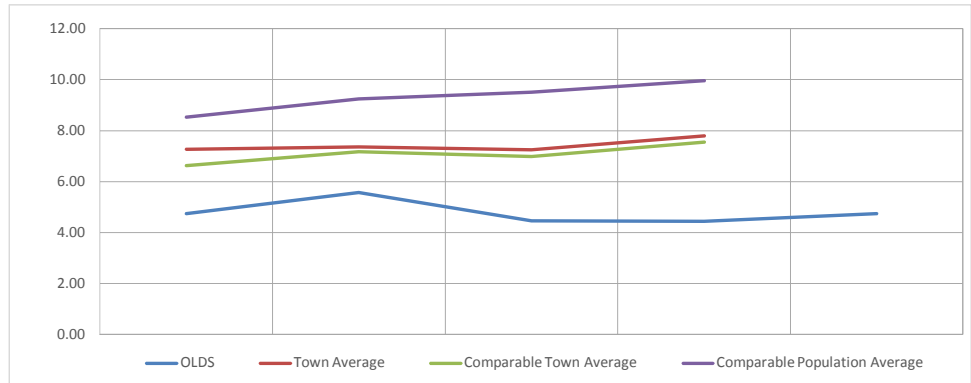
ATHABASCA COUNTY
BANFF
BLACKFALDS
BONNYVILLE
BRAZEAU COUNTY
CAMROSE COUNTY
COALDALE
CYPRESS COUNTY
DEVON
DRAYTON VALLEY
DRUMHELLER
EDSON
HINTON
INNISFAIL
LAC STE. ANNE COUNTY
LACOMBE COUNTY
LETHBRIDGE COUNTY
MORINVILLE
NEWELL, COUNTY OF
OLDS
PEACE RIVER
PONOKA
PONOKA COUNTY
ROCKY MOUNTAIN HOUSE
SLAVE LAKE
TABER
TABER, M.D. OF
VERMILION RIVER, COUNTY OF
WESTLOCK COUNTY
WHEATLAND COUNTY
WHITECOURT
YELLOWHEAD COUNTY

2012 2013 2014 2015 2016

SUSTAINABILITY INDICATORS

Assets to Liabilities

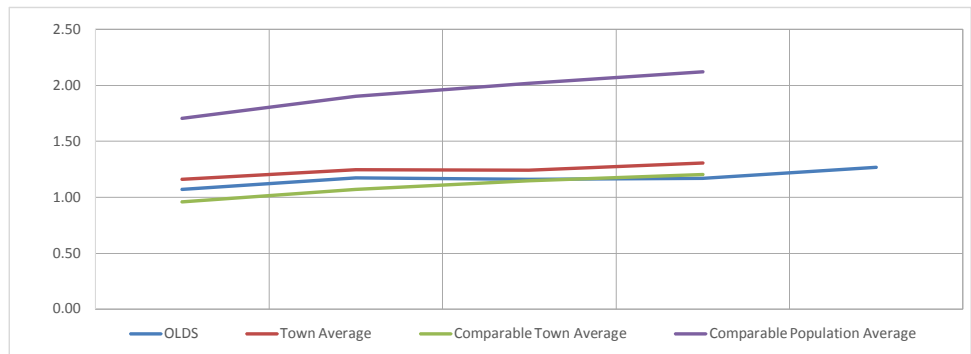
The "assets-to-liabilities" indicator reports the ratio of a government's financial and nonfinancial assets to its liabilities. This indicator supports a discussion about sustainability by illustrating the extent to which a government finances its operations by issuing debt. A ratio higher than one indicates 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	78,872,336	86,097,415	93,808,419	97,099,438	100,025,837
Total liabilities	16,622,932	15,466,741	21,025,012	21,918,040	21,093,020
Assets to liabilities	4.74	5.57	4.46	4.43	4.74
Town Average	7.27	7.36	7.25	7.79	
Comparable Town Average	6.63	7.16	6.99	7.54	
Comparable Population Average	8.52	9.25	9.51	9.96	

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	17,802,426	18,119,475	24,425,472	25,613,533	26,726,520
Total liabilities	16,622,932	15,466,741	21,025,012	21,918,040	21,093,020
Financial assets to liabilities	1.07	1.17	1.16	1.17	1.27
Town Average	1.16	1.25	1.24	1.30	
Comparable Town Average	0.96	1.07	1.15	1.20	
Comparable Population Average	1.71	1.90	2.02	2.12	

2012 2013 2014 2015 2016

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.

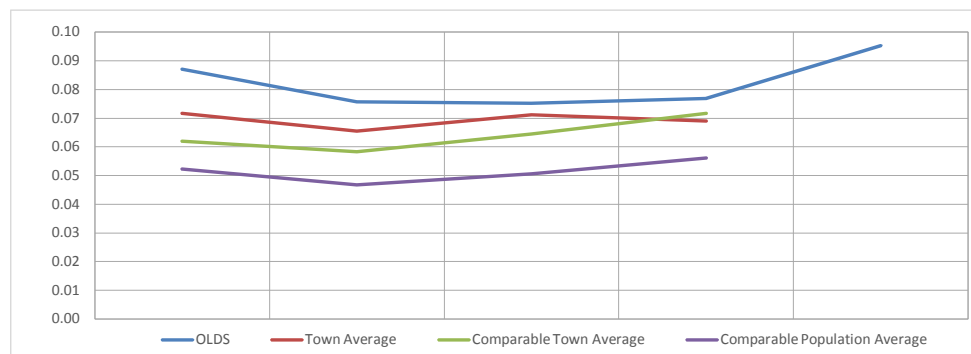


Operating expenses	16,753,891	18,782,465	19,639,926	21,109,834	22,586,370
Taxable assessment	1,163,518,189	1,189,080,925	1,208,884,984	1,259,970,406	1,312,315,527
Operating expenses to taxable assessment	1.44%	1.58%	1.62%	1.68%	1.72%
Town Average	1.67%	1.85%	1.88%	1.79%	-
Comparable Town Average	1.83%	1.92%	1.92%	1.96%	-
Comparable Population Average	1.13%	1.16%	1.16%	1.17%	-

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.



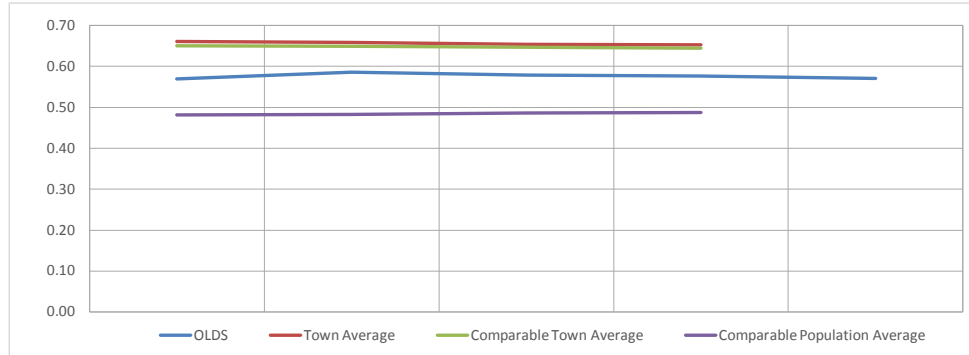
Debt servicing	1,400,043	1,400,051	1,570,724	1,753,351	2,069,516
Operating revenue	16,082,316	18,488,538	20,880,744	22,830,147	21,731,877
Public debt charges to revenues	0.09	0.08	0.08	0.08	0.10
Town Average	0.07	0.07	0.07	0.07	-
Comparable Town Average	0.06	0.06	0.06	0.07	-
Comparable Population Average	0.05	0.05	0.05	0.06	-

2012 2013 2014 2015 2016

FLEXIBILITY INDICATORS, CONTINUED

Net book value to cost of tangible capital assets

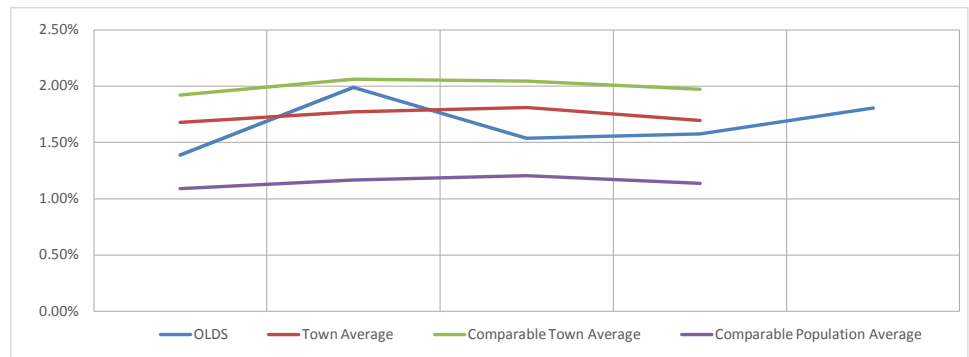
The "net book value of capital assets-to-cost of capital assets" indicator is important because it reports the extent to which the estimated useful lives of a government's tangible capital assets are available to provide its products and services. If a government's scale, scope and level of services 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	60,980,230	67,963,427	69,367,458	71,369,567	73,224,108
Cost of tangible capital assets	107,182,295	115,914,839	119,921,379	123,778,847	128,245,789
Net book value to cost of tangible capital assets	0.57	0.59	0.58	0.58	0.57
Town Average	0.66	0.66	0.65	0.65	
Comparable Town Average	0.65	0.65	0.65	0.64	
Comparable Population Average	0.48	0.48	0.49	0.49	

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.



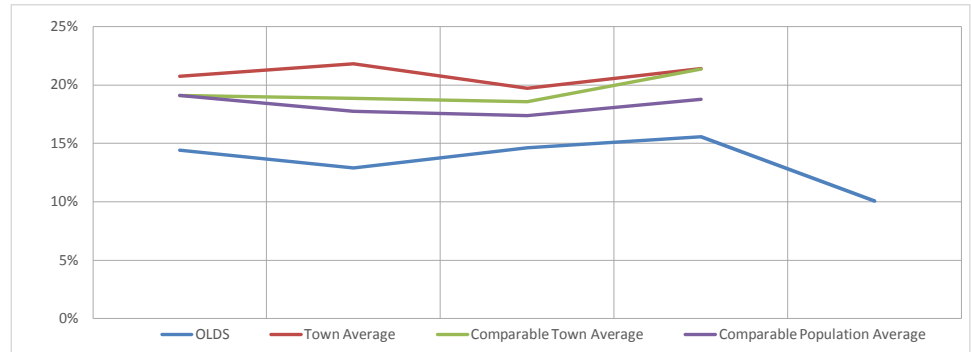
Own source revenues (net of government transfers)	16,168,280	23,657,177	18,608,164	19,848,430	23,687,430
Taxable assessment	1,163,518,189	1,189,080,925	1,208,884,984	1,259,970,406	1,312,315,527
Own source revenues to taxable assessment	1.39%	1.99%	1.54%	1.58%	1.81%
Town Average	1.68%	1.77%	1.81%	1.70%	
Comparable Town Average	1.92%	2.06%	2.05%	1.97%	
Comparable Population Average	1.09%	1.17%	1.20%	1.14%	

2012 2013 2014 2015 2016

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)	2,727,514	3,506,559	3,184,498	3,659,393	2,650,359
Total revenues (including capital)	18,895,794	27,163,736	21,792,662	23,507,823	26,337,789
Government transfers to total revenues	14%	13%	15%	16%	10%
Town Average	21%	22%	20%	21%	
Comparable Town Average	19%	19%	19%	21%	
Comparable Population Average	19%	18%	17%	19%	