FINANCIAL INDICATOR REVIEW

(Based on 2022 Financial Information Return)

East Ferris M

Date Prepared:	20-Dec-23	2022 Households:	2,237	Median Household Income:	92,199
MSO Office:	Northeast	2022 Population	4,946	Taxable Residential Assessment as a % of Total Taxable Assessment:	96.5%
Prepared By:	Sarah Cormier	2023 MFCI Index	1.6	Own Purpose Taxation:	6,343,445
Tier	ST				

SUSTAINABILITY INDICATORS

Indicator	Ranges	Year	Actuals	North - Population > 2500 <= 10000 Median	North - Population > 2500 <= 10000 Average	Level of Risk
Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied	Low: < 10% Mod: 10% to 15% High: > 15%	2018	**5.7%**	8.7%	10.9%	LOW
		2019	**6.4%**	8.6%	10.3%	LOW
		2020	**6.5%**	8.8%	10.7%	LOW
		2021	**6.4%**	6.3%	8.6%	LOW
		2022	**6.2%**	6.2%	8.1%	**LOW**
Net Financial Assets or Net Debt as % of Own Source Revenues	Low: > -50% Mod: -50% to -100% High: < -100%	2018	**-35.2%**	6.6%	-3.2%	LOW
		2019	**-31.6%**	22.8%	6.0%	LOW
		2020	**-2.5%**	28.8%	19.1%	LOW
		2021	**-33.1%**	41.4%	31.7%	LOW
		2022	**-67.8%**	35.1%	29.2%	**MODERATE**
Total Reserves and Discretionary Reserve Funds as a % of Municipal Expenses	Low: > 20% Mod: 10% to 20% High: < 10%	2018	**16.5%**	35.3%	40.0%	MODERATE
		2019	**22.8%**	46.1%	48.1%	LOW
		2020	**17.3%**	49.3%	54.8%	MODERATE
		2021	**16.7%**	54.7%	61.5%	MODERATE
		2022	**16.6%**	58.9%	55.6%	**MODERATE**
Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)	Low: > 50% Mod: 50% to 25% High: < 25%	2018	63.0%	238.9%	277.5%	LOW
		2019	12.2%	330.9%	388.1%	HIGH
		2020	-46.6%	464.0%	454.9%	HIGH
		2021	56.1%	414.0%	525.8%	LOW
		2022	37.4%	336.9%	389.5%	**MODERATE**

FLEXIBILITY INDICATORS

Indicator	Ranges	Year	Actuals	Median	Average	Level of Risk
Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)	Low: < 5% Mod: 5% to 10% High: >10%	2018	**4.7%**	4.5%	4.8%	LOW
		2019	**4.7%**	3.9%	4.7%	LOW
		2020	**3.7%**	4.7%	5.0%	LOW
		2021	**3.7%**	4.1%	4.6%	LOW
		2022	**3.7%**	3.3%	5.0%	**LOW**
Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)	Low: < 50% Mod: 50% to 75% High: > 75%	2018	**41.1%**	47.4%	47.8%	LOW
		2019	**43.5%**	49.0%	48.4%	LOW
		2020	**45.8%**	49.0%	49.6%	LOW
		2021	**46.3%**	51.1%	50.4%	LOW
		2022	**42.3%**	50.1%	50.0%	**LOW**
Annual Surplus / (Deficit) as a % of Own Source Revenues	Low: > -1% Mod: -1% to -30% High: < -30%	2018	**7.2%**	8.1%	9.1%	LOW
		2019	**0.5%**	15.4%	15.1%	LOW
		2020	**23.3%**	12.9%	12.2%	LOW
		2021	**32.5%**	14.9%	14.8%	LOW
		2022	**34.9%**	18.2%	21.3%	**LOW**

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East Ferris M

NOTES

Financial Information Returns ("FIRs") are a standard set of year-end reports submitted by municipalities to the Province which capture certain financial information. On an annual basis, Ministry staff prepare certain financial indicators for each municipality, based on the information contained in the FIRs. It is important to remember that these financial indicators provide a snapshot at a particular moment in time and should not be considered in isolation, but supported with other relevant information sources. In keeping with our Financial Information Return review process and follow-up, Ministry staff may routinely contact and discuss this information with municipal officials.

Supplementary Indicators of Sustainability and Flexibility

The following is a summary, adapted from the Chartered Professional Accountants of Canada Statement of Recommended Practice (SORP) 4.

- A government (including a municipality) may choose to report supplementary information on financial condition, to expand on and help explain the government's financial statements.
- Supplementary assessment of a government's financial condition needs to consider the elements of sustainability and flexibility.
- Sustainability in this context may be seen as the degree to which a municipality can maintain its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others without inappropriately increasing the debt or tax burden relative to the economy within which it operates.
- Sustainability is an important element to include in an assessment of financial condition because it may help to describe a government's ability to manage its financial and service commitments and debt burden. It may also help to describe the impact that the level of debt could have on service provision.
- Flexibility is the degree to which a government can change its debt or tax level on the economy within which it operates to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others.
- Flexibility provides insights into how a government manages its finances. Increasing taxation or user fees may reduce a municipality's flexibility to respond when adverse circumstances develop if the municipality approaches the limit that citizens and businesses are willing to bear.
  A municipality may temporarily use current borrowing, subject to the requirements set out in the Municipal Act to meet expenses and certain other amounts required in the year, until taxes are collected and other revenues are received. Municipal current borrowing cannot be carried over the long term or converted to long term borrowing except in very limited circumstances.
- For each element of financial condition, the report on indicators of financial condition should include municipality-specific indicators and municipality-related indicators. It may be useful to also include economy-wide information when discussing financial condition.

Additional Notes on what Financial Indicators may indicate:

Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied - *Shows how much of the taxes billed are not collected.*

Net Financial Assets or Net Debt as % of Own Source Revenues - *Indicates how much property tax and user fee revenue is servicing debt.*

Reserves and Reserve Funds as a % of Municipal Expenses - *Indicates how much money is set aside for future needs and contingencies.*

Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities) - *Indicates how much cash and liquid investments could be available to cover current obligations.*

Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs) - *Indicates how much of each dollar raised in revenue is spent on paying down existing debt.*

Closing Amortization Balance as a % or Total Cost of Capital Assets (Asset Consumption Ratio) - *Indicates how much of the assets' life expectancy has been consumed.*

Annual Surplus / (Deficit) (Less Donated TCAs) as a % of Own Source Revenues - *Indicates the municipality's ability to cover its operational costs and have funds available for other purposes (e.g. reserves, debt repayment, etc.)*

The Northern and Rural Municipal Fiscal Circumstances Index (MFCI) *is used by the Ministry of Finance to calculate the "Northern and Rural Fiscal Circumstances Grant" aimed at northern as well as single and lower-tier rural municipalities. The index measures a municipality's fiscal circumstances. The MFCI is determined by six indicators: Weighted Assessment per Household, Median Household Income, Average Annual Change in Assessment (New Construction), Employment Rate, Ratio of Working Age to Dependent Population, and Per Cent of Population Above Low-Income Threshold. A lower MFCI corresponds to relatively positive fiscal circumstances, whereas a higher MFCI corresponds to more challenging fiscal circumstances. (Note: the MFCI index is only available for northern and rural municipalities)*

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East Ferris M

CALCULATIONS

Total Taxes Rec. less Allowance for Uncollectibles as % of Total Taxes Levied	SLC 70 0699 01 / (SLC 26 9199 03 - SLC 72 2899 09)
Net Financial Assets or Net Debt as % of Own Source Revenues	SLC 70 9945 01 / (SLC 10 9910 01 - SLC 10 0699 01 - SLC 10 0899 01 - SLC 10 1098 01 - SLC 10 1099 01 - SLC 10 1811 01 - SLC 10 1812 01 - SLC 10 1813 01- SLC 10 1814 01 - SLC 10 1830 01 - SLC 10 1831 01 - SLC 12 1850 04)
Total Reserves and Reserve Funds as a % of Municipal Expenses	(SLC 60 2099 02+SLC 60 2099 03)/(SLC 40 9910 11-SLC 12 9910 03-SLC 12 9910 07)
Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)	SLC 70 0299 01 / (SLC 70 2099 01 + SLC 70 2299 01)
Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)	(SLC 74 3099 01 + SLC 74 3099 02) / (SLC 10 9910 01 - SLC 10 1831 01)
Closing Amortization Balance as a % or Total Cost of Capital Assets (Asset Consumption Ratio)	SLC 51 9910 10 / SLC 51 9910 06
Annual Surplus / (Deficit) (Less Donated TCAs) as a % of Own Source Revenues	(SLC 10 2099 01 - SLC 10 1831 01) / (SLC 10 9910 01 - SLC 10 0699 01 - SLC 10 0899 01 - SLC 10 1098 01 - SLC 10 1099 01 - SLC 10 1811 01 - SLC 10 1812 01 - SLC 10 1813 01- SLC 10 1814 01 - SLC 10 1830 01 - SLC 10 1831 01 - SLC 12 1850 04)