

FINANCIAL INDICATOR REVIEW

(Based on the 2023 Financial Information Return)

East Zorra - Tavistock Tp (Oxford Co)

| | | | | | |
|----------------|---------|------------------|-------|-------------------------------------|-----------|
| Date Prepared: | | 2023 Households: | 3,055 | Median Household Income: | 80,674 |
| MSO Office: | Western | 2023 Population | 7,841 | Taxable Residential Assessment as a | |
| Prepared By: | | 2024 MFCI Index | 0.9 | % of Total Taxable Assessment: | 66.2% |
| Tier: | LT | | | Own Purpose Taxation: | 7,168,190 |

SUSTAINABILITY INDICATORS

| Indicator | Ranges | | Actuals | South - LT - Regions -Rural | | Level of Risk | Comments |
|---|--|------|---------|-----------------------------|---------|---------------|----------|
| | | | | Median | Average | | |
| Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied | Low: < 10% Mod: 10% to 15% High: > 15% | 2019 | 3.3% | 7.3% | 7.1% | LOW | |
| | | 2020 | 2.3% | 7.6% | 7.2% | LOW | |
| | | 2021 | 2.3% | 6.5% | 6.3% | LOW | |
| | | 2022 | 2.6% | 7.4% | 6.6% | LOW | |
| | | 2023 | 3.0% | 7.1% | 6.7% | LOW | |
| Net Financial Assets or Net Debt as % of Own Source Revenues | Low: > -50% Mod: -50% to -100% High: < -100% | 2019 | 132.6% | 58.2% | 71.1% | LOW | |
| | | 2020 | 173.9% | 78.6% | 85.2% | LOW | |
| | | 2021 | 190.9% | 83.7% | 88.8% | LOW | |
| | | 2022 | 176.5% | 70.8% | 75.5% | LOW | |
| | | 2023 | 115.2% | 51.0% | 55.8% | LOW | |
| Total Reserves and Discretionary Reserve Funds as a % of Municipal Expenses | Low: > 20% Mod: 10% to 20% High: < 10% | 2019 | 129.8% | 64.3% | 67.8% | LOW | |
| | | 2020 | 174.3% | 77.0% | 77.8% | LOW | |
| | | 2021 | 178.9% | 80.8% | 82.0% | LOW | |
| | | 2022 | 157.6% | 80.3% | 82.6% | LOW | |
| | | 2023 | 89.6% | 75.6% | 73.7% | LOW | |
| Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities) | Low: > 50% Mod: 50% to 25% High: < 25% | 2019 | 534.4% | 328.0% | 354.3% | LOW | |
| | | 2020 | 599.6% | 375.1% | 372.3% | LOW | |
| | | 2021 | 715.5% | 453.2% | 423.1% | LOW | |
| | | 2022 | 603.6% | 309.6% | 370.8% | LOW | |
| | | 2023 | 391.2% | 267.1% | 326.9% | LOW | |

FLEXIBILITY INDICATORS

| | | | | | | | |
|---|--|------|-------|-------|-------|-----|--|
| Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs) | Low: < 5% Mod: 5% to 10% High: >10% | 2019 | 2.7% | 2.7% | 3.9% | LOW | |
| | | 2020 | 2.4% | 3.4% | 3.8% | LOW | |
| | | 2021 | 2.6% | 3.1% | 3.2% | LOW | |
| | | 2022 | 2.1% | 2.8% | 3.1% | LOW | |
| | | 2023 | 1.7% | 2.6% | 2.9% | LOW | |
| Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio) | Low: < 50% Mod: 50% to 75% High: > 75% | 2019 | 32.4% | 52.9% | 50.5% | LOW | |
| | | 2020 | 33.0% | 53.4% | 51.1% | LOW | |
| | | 2021 | 34.9% | 53.9% | 52.0% | LOW | |
| | | 2022 | 35.6% | 54.1% | 52.4% | LOW | |
| | | 2023 | 32.7% | 53.1% | 52.2% | LOW | |
| Annual Surplus / (Deficit) (Less Donated TCAs) as a % of Own Source Revenues | Low: > -1% Mod: -1% to -30% High: < -30% | 2019 | 47.2% | 18.7% | 21.6% | LOW | |
| | | 2020 | 52.9% | 16.4% | 20.4% | LOW | |
| | | 2021 | 21.2% | 15.8% | 15.3% | LOW | |
| | | 2022 | 27.3% | 15.1% | 17.4% | LOW | |
| | | 2023 | 16.4% | 19.0% | 30.7% | LOW | |

The data and information contained in this document is for informational purposes only. It is not an opinion about a municipality and is not intended to be used on its own - it should be used in conjunction with other financial information and resources available. It may be used, for example, to support a variety of strategic and policy discussions.

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FOLLOW - UP REVIEW AND COMMENTS

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

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.

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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)

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)