

From: Bradica, Karen (MMAH) <Karen.Bradica@ontario.ca>
Sent: Friday, November 15, 2019 9:16 AM
To: Dawn Galusha <dgalusha@fortfrances.ca>
Subject: Fort Frances T - 2019 Financial Indicators Report (y/e Dec 31/18)

Good morning Dawn,

The Ministry of Municipal Affairs and Housing reviews each municipality's financial health through the use of key financial indicators in relation to established provincial thresholds. Please find attached the financial indicators report that has been calculated using your 2018 FIR data. Also attached, for your information, is the municipal profile. Municipal profiles consist of financial and statistical information compiled for all municipalities based on the most recent five years.

The ministry reviews the indicators from time-to-time, to make sure they provide useful information, and you will notice that there have been a few changes in the report this year. The changes this year are relatively minor and are intended to represent improvements in the value of the calculations (making them more representative of overall financial situation). For this year, changes have been made to three of the indicators.

- The denominator for Net Financial Assets or Net Debt indicator has been changed from as a Percentage of Own Purpose Taxation, User Fees and Charges to as a Percentage of Own Source Revenues. This is intended to provide a better reflection of all the revenues that municipalities have control over.
- Donated Tangible Capital Assets (TCAs) have been subtracted from Total Revenues in the Debt Servicing Costs as a Percentage of Total Revenues indicator. Donated TCAs are non-cash revenue and the year over year changes in this line may impact annual comparisons.
- The Annual Surplus/Deficit indicator has been updated to both subtract Donated TCAs from the numerator, and change the denominator to as a Percentage of Own Source Revenues. This reflects consistency with the other changes above.

The formulas (SLC references and calculations) can be found at the bottom of the report for all indicators.

Financial indicators are an important but incomplete measure of municipal financial health and are not a substitute for financial or other professional advice in connection with any particular matter.

For 2018 the Town of Fort Frances had no indicators that exceeded the threshold for "moderate" risk and as such no follow up is required. We encourage you to share this information with your Council.

If you have any questions about your financial indicators, please feel free to give me a call.

Best regards,

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