

FINANCIAL INDICATOR REVIEW

(Based on 2012 Financial Information Return)

Fort Frances T

Date Prepared: 10-Oct-13
MSO Office: Northwest Ontario
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Tier: Single Tier
MAH Code: 87401
MUNID: 59012
REV Code: 5912

FINANCIAL INDICATORS

Indicator	Ranges		Actuals	North - Population > 2500 ≤ 10000		Level of Challenge
				Median	Average	
Net Financial Assets or Net Debt as a % of Own Purpose Taxation Plus User Fees	Low: > -50%	2010	57.5%	-32.6%	-29.9%	Low
	Mod: -50% to -100%	2011	64.5%	-36.9%	-33.4%	
	High: < -100%	2012	59.9%	-12.4%	-24.0%	
Total Reserves and Discretionary Reserve Funds as a % of Operating Expenses	Low: > 20%	2010	46.0%	26.0%	30.9%	Low
	Mod: 10% to 20%	2011	52.2%	29.4%	35.0%	
	High: < 10%	2012	53.1%	34.1%	36.7%	
Debt Servicing Cost as a % of Total Operating Revenue	Low: < 5%	2010	4.0%	4.2%	4.3%	Low
	Mod: 5% to 10%	2011	4.1%	4.4%	5.5%	
	High: > 10%	2012	4.0%	4.7%	5.7%	
Total Taxes Receivable less Allowance for Uncollectables as a % of Total Taxes Levied	Low: < 10%	2010	6.5%	10.0%	13.9%	Low
	Mod: 10% to 15%	2011	6.3%	9.1%	12.9%	
	High: > 15%	2012	6.4%	8.2%	10.5%	
Total Cash and Temporary Investments as a % of Operating Expenses	Low: > 10%	2010	38.4%	30.4%	46.3%	Low
	Mod: 5% to 10%	2011	44.2%	27.1%	31.7%	
	High: < 5%	2012	45.2%	35.8%	36.8%	
Net Working Capital as a % of Total Municipal Operating Expenses	Low: > 10%	2010	18.1%	32.3%	34.0%	Low
	Mod: 10% to -10%	2011	23.0%	36.0%	51.3%	
	High: < -10%	2012	15.1%	38.3%	36.5%	
Net Book Value of Capital Assets as a % of Cost of Capital Assets	Low: > 50%	2009	62.7%	60.8%	60.9%	Low
	Mod: 35% to 50%	2010	60.5%	60.4%	60.5%	
	High: < 35%	2011	58.5%	60.4%	59.7%	
		2012	57.5%	59.3%	58.0%	

The data and information contained in this document is for informational purposes only. Any use of the data and information in this document should be done by qualified individuals. This information is not intended to be used on its own and should be used in conjunction with other financial information and resources available.

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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.

Additional Notes on what Financial Indicators may indicate:

Net Financial Assets or Net Debt as a % of Own Purpose Taxation Plus User Fees - *How much tax and fee revenue is servicing debt?*

Reserves and Reserve Funds as a % of Operating Expenses (excluding amortization) - *How much money is set aside for future needs / contingencies?*

Debt Charges as a % of Total Operating Revenue - *How much of each dollar raised is spent on debt?*

Total Taxes Receivable less Allowance for Uncollectables as a % of Total Taxes Levied - *High percentages may indicate collection challenges.*

Total Cash and Temporary Investments as a % of Operating Expenses (excluding amortization) - *How much cash and liquid investments could be available to cover operating expenses?*

Net Working Capital as a % of Total Municipal Operating Expenses (excluding amortization) - *How much cash, receivables and inventory less short-term debt could be available to cover operating expenses?*

Net Book Value of Capital Assets as a % of Cost of Capital Assets - *Remaining life / value of infrastructure; high percentage may indicate "new" assets while a low percentage may indicate "used up" assets that may need repair / replacement soon.*



"Vail, Jessica (MAH)"
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10/18/2013 12:09 PM

To "lwitherspoon@fort-frances.com"
<lwitherspoon@fort-frances.com>
cc
bcc
Subject Copy of Fort Frances FITS 2013

Hi Laurie,

Happy Friday!

Here is a copy of the 2013 FITS (Financial analysis of the your submitted 2013 FIR).

Here you can see the indicators examined and if they are considered LOW, MEDIUM or HIGH risk.

We of course like to see LOW indicators so this is the kind of report we like to see given you have all LOW indicators.

This is one of the pieces of data we look at when we review your municipality's financial health for various things like grant applications and so on.

I think it is useful for you to have a copy of this analysis to see one of the pieces of data we are working with. Feel free to share this information with your council.

Let me know if you have any questions.

Have a great weekend!

Jessica

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