

## Report to Council

**Report Title:** Financial Indicator Review 2017

**Prepared By:** Trish Serratore, Chief Financial Officer

**Department:** Finance

**Date:** December 17, 2018

**Report Number:** FIN2018-40                      **File Number:** C11FIN

**Attachments:** 2017 Financial Indicator Review Letter,  
2017 Financial Indicator Review

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### Recommendation:

That the Council of the Municipality of Brockton hereby receive Report Number FIN2018-40 – Financial Indicator Review 2017, prepared by Trish Serratore, CFO for information purposes

### Report:

#### Background:

Each year the Ministry of Municipal Affairs and Housing prepares an annual Financial Indicator Review using the data from the Financial Information Returns (FIR) in the region. It also includes the comparative median and average results of other non-rural, lower tier municipalities in Southern Ontario.

Financial Indicator Review results are provided to municipalities for information purposes – they should not be looked at in isolation, and are not a substitute for financial or other professional advice in connection with any particular matter

Attached is the results for the Municipality of Brockton based on the 2017 FIR.

#### Analysis:

The Ministry reviews the indicators from time-to-time, to make sure they provide useful information. Below is changes made to the 2017 report:

The changes this year are relatively minor and are intended to represent improvements in the value of the

**The Debt Servicing indicator (Debt Servicing Cost as a % of Total Operating Revenue)** has been changed to:

Debt Servicing Cost as a % of Total Revenue in order to recognize all revenues available to the municipality.

**Net Financial Assets or Net Debt is now labelled as a % of Own Purpose Taxation, User Fees and Service Charges** - previously known as: Own Purpose Taxation plus User Fees). This is just a name change, the data sources remain the same.

**Cash and Cash Equivalents as a % of Current Liabilities** – previously known as: Cash Ratio. The formula for this indicator remains the same; however, it is now displayed as a ratio as opposed to a percentage. The thresholds for this indicator have also been updated to:

- Low = >0.5:1
- Moderate= 0.5:1 to 0.25:1
- High = <0.25:1

Name changes to the following sections:

- **Closing Amortization Balance as a % of Total Cost of Capital Assets** – previously known as Asset Consumption Ratio
- **Annual Surplus/(Deficit) as a % of Own Purpose Taxation, User Fees and Service Charges** – previously known as Operating Surplus Ratio

**Sustainability Checklist:**

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- |   |     |
|---|-----|
| • Do the recommendations help move the Municipality closer to its Vision? | N/A |
| • Do the recommendations contribute to achieving Cultural Vibrancy?       | N/A |
| • Do the recommendations contribute to achieving Economic Prosperity?     | N/A |
| • Do the recommendations contribute to Environmental Integrity?           | N/A |
| • Do the recommendations contribute to the Social Equity?                 | N/A |

**Financial Impacts/Source of Funding:**

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

The Municipality of Brockton was consistent across the board with being below the “low” threshold level of risk

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**Respectfully Submitted by:**



Trish Serratore, Chief Financial Officer

**Reviewed By:**

A handwritten signature in black ink, appearing to read "Sonya Abbott", with a long, sweeping horizontal line extending to the right.

**Chief Administrative Officer**