

Financial Health Indicators

Introduction

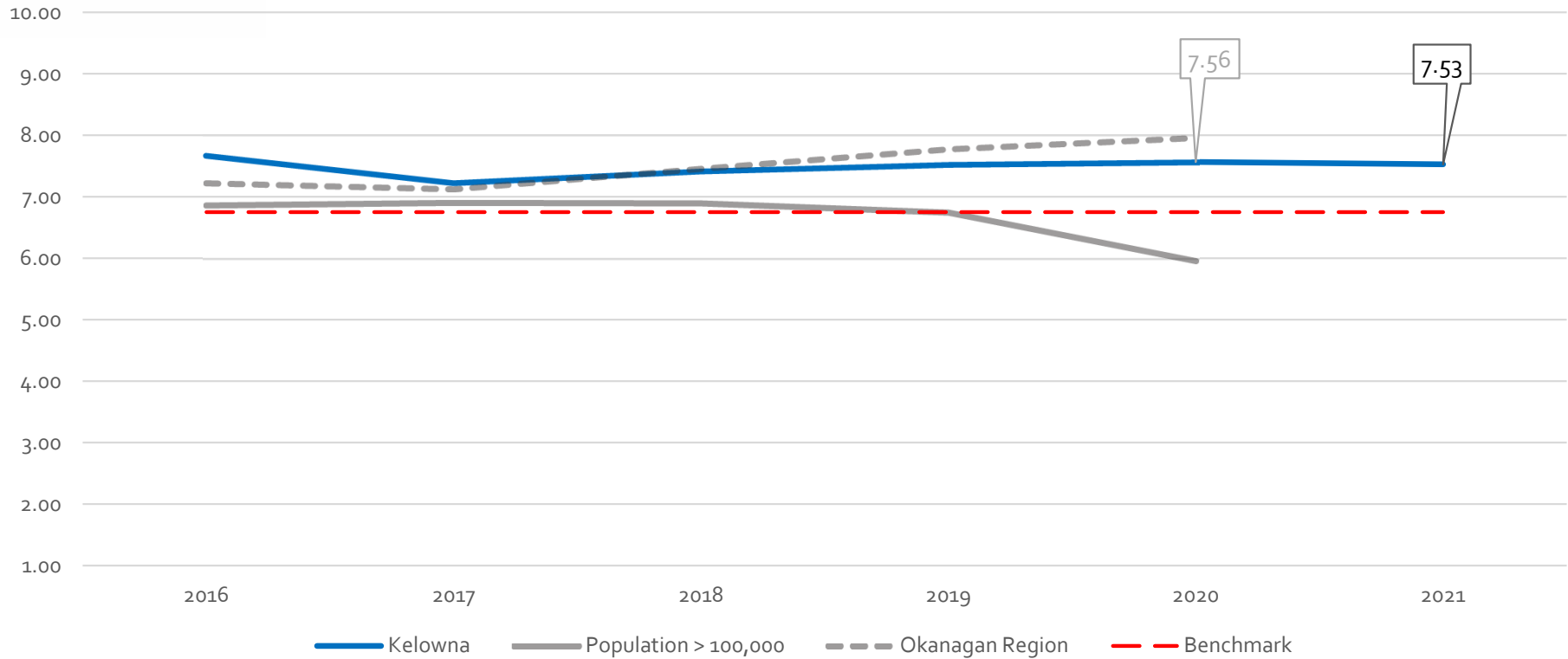
- ▶ Purpose of Financial Health Indicators
- ▶ Ratios measure Sustainability, Flexibility and Vulnerability
- ▶ City financial information is compared to Municipalities greater than 100,000 population and those in the Okanagan Region
- ▶ Addition of benchmarks for some ratios

Sustainability Ratios

- ▶ Measure the degree to which a Municipality can maintain its existing financial obligations without increasing the debt or tax burden relative to the economy in which it operates

Sustainability

Total Assets to Liabilities

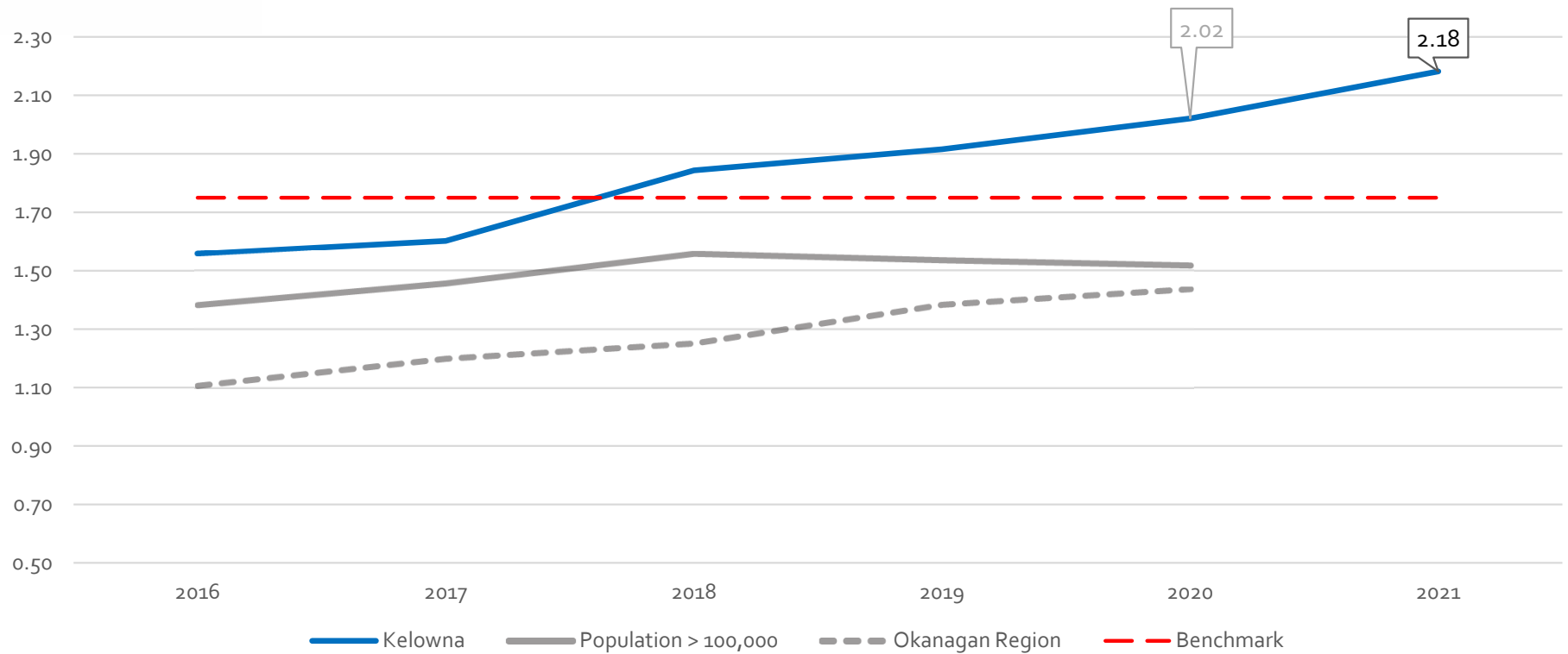


City of Kelowna



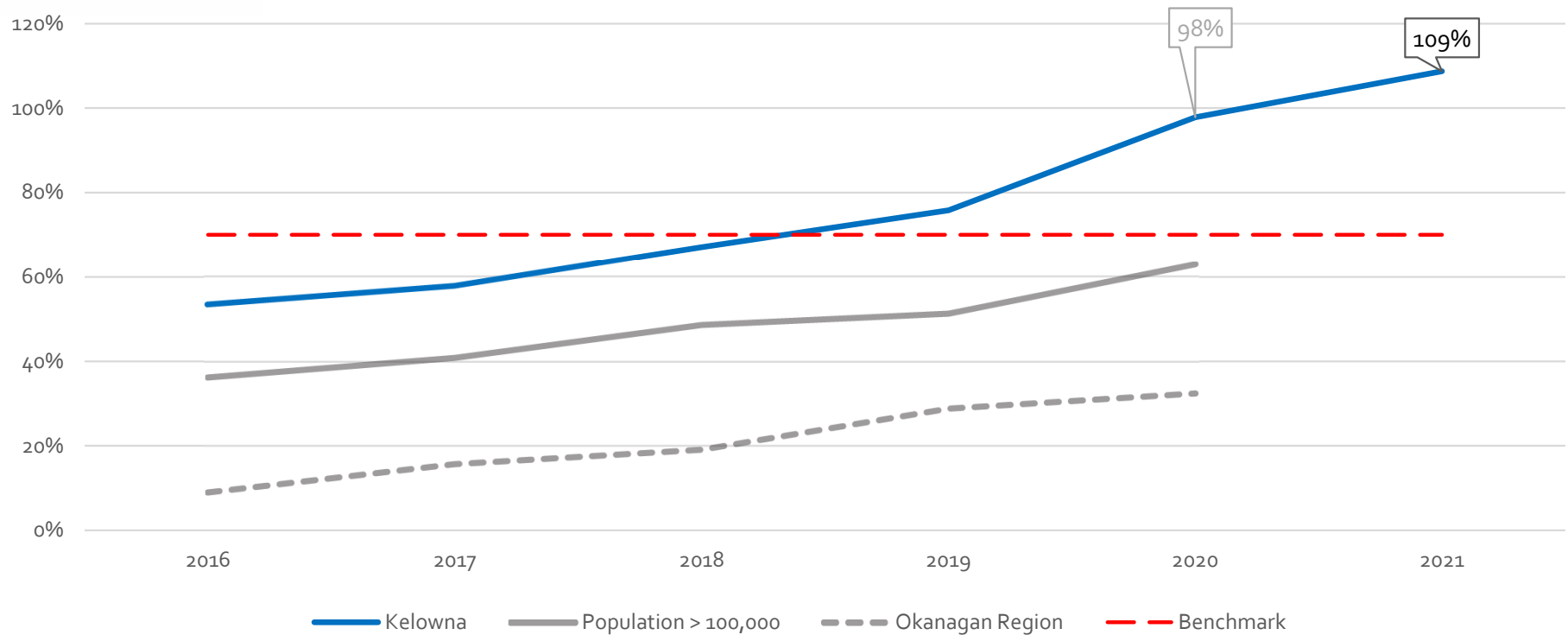
Sustainability

Financial Assets to Liabilities



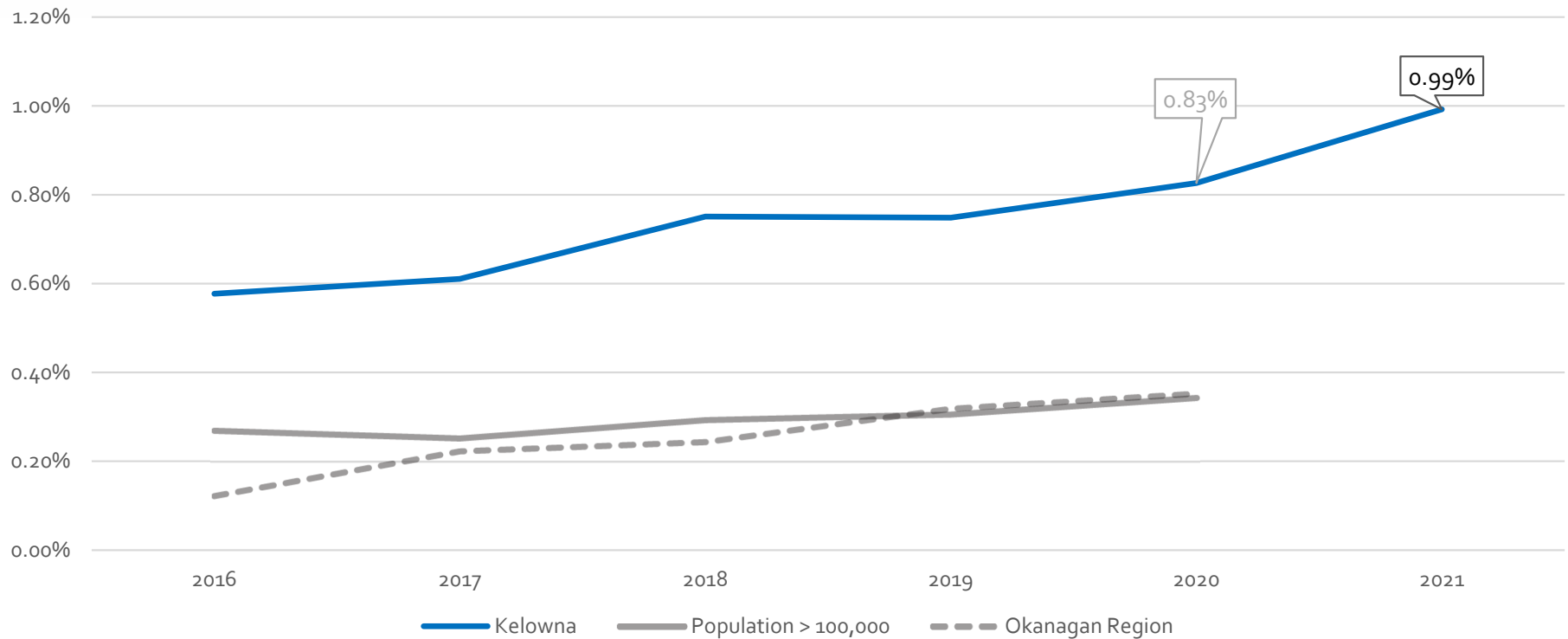
Sustainability

Net Financial Assets to Total Revenue



Sustainability

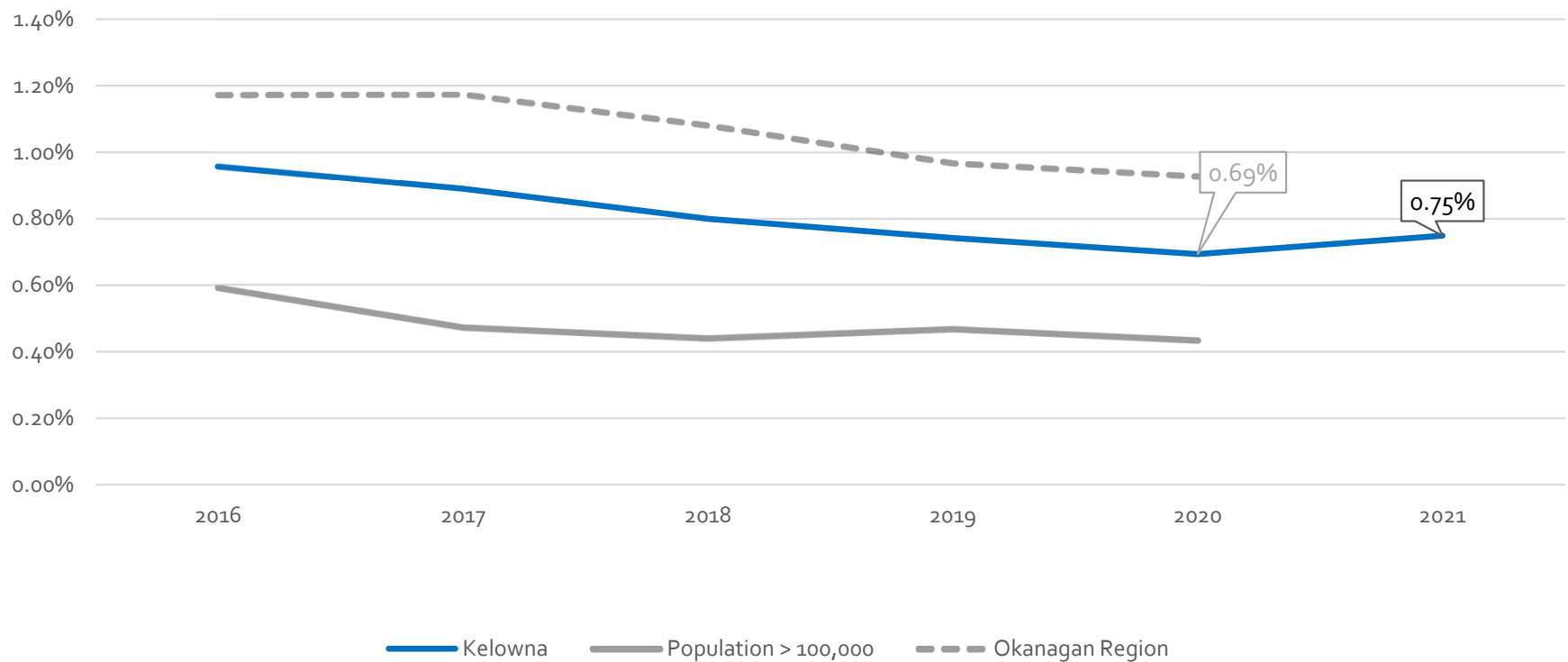
Net Financial Assets to Tax Assessment



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Sustainability

Total Expense to Tax Assessment

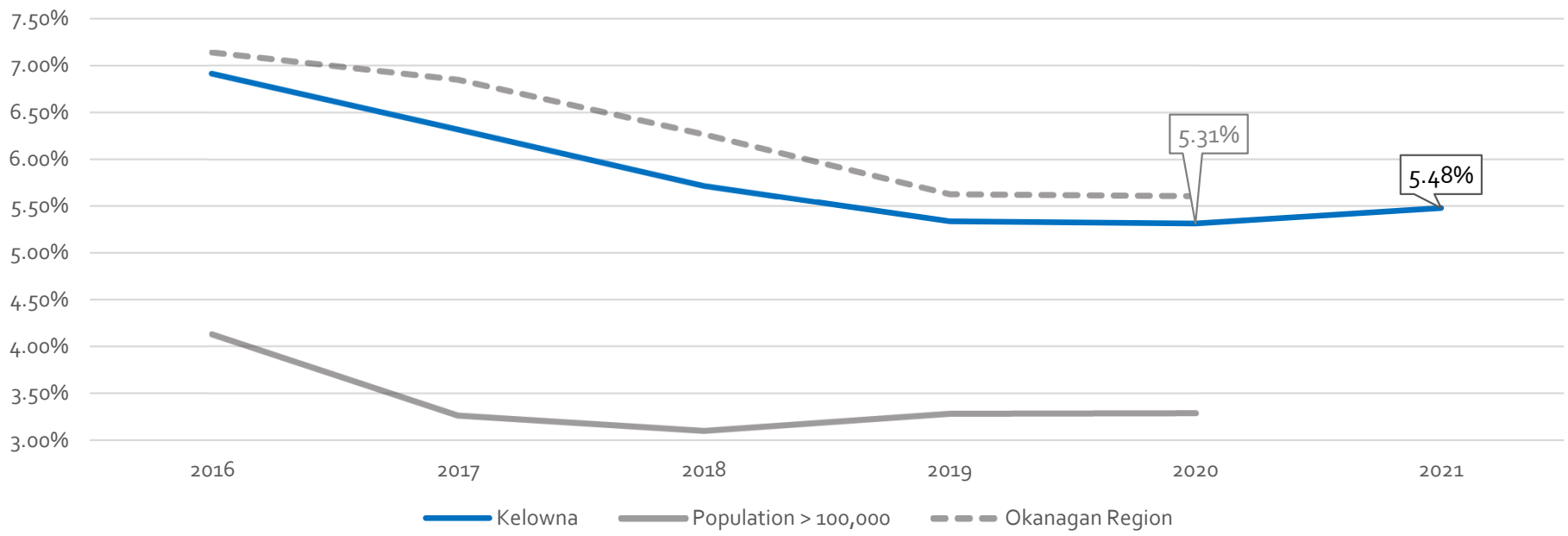


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Sustainability

Accumulated Surplus/Deficit to Property Assessment

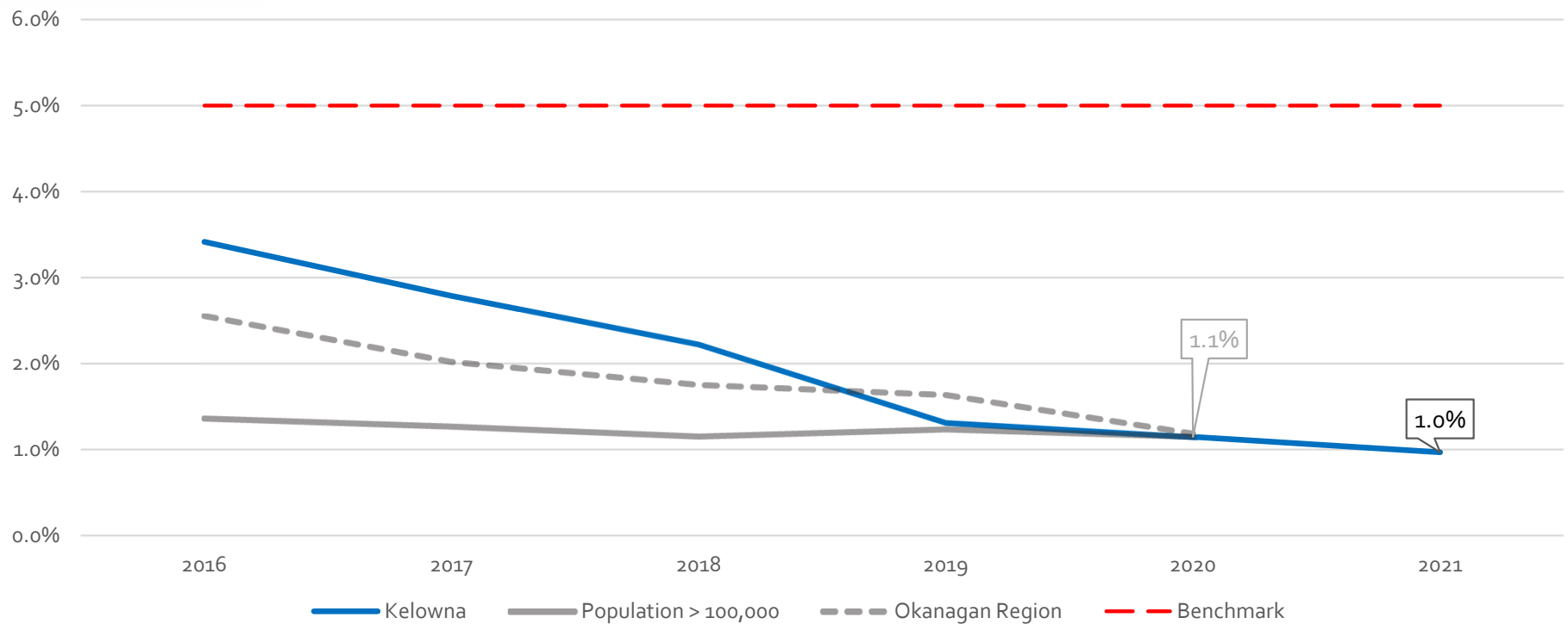


Flexibility Ratios

- ▶ Measures the degree to which a Municipality can change its debt or tax burden on the economy in which it operates to meet its existing financial obligations

Flexibility

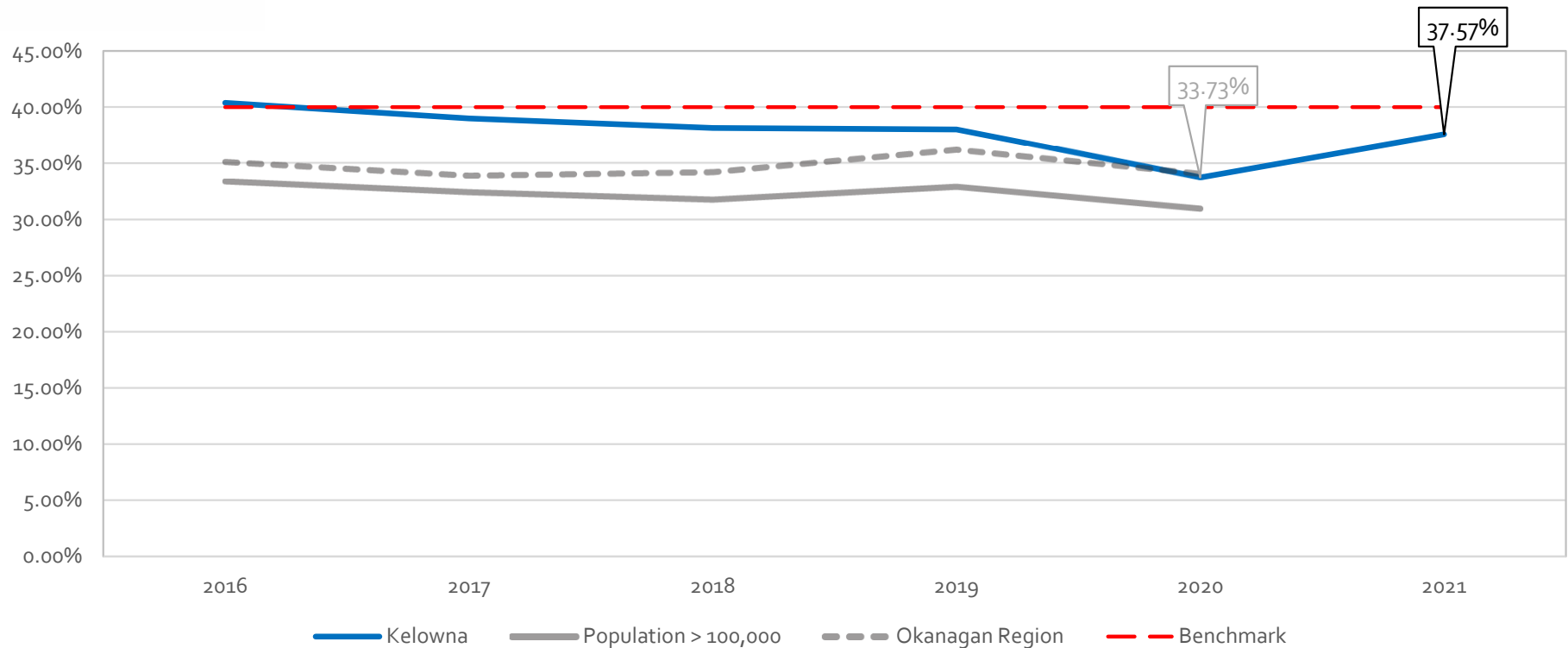
Debt Service to Revenues



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Flexibility

Own Source Revenue to Total Revenue

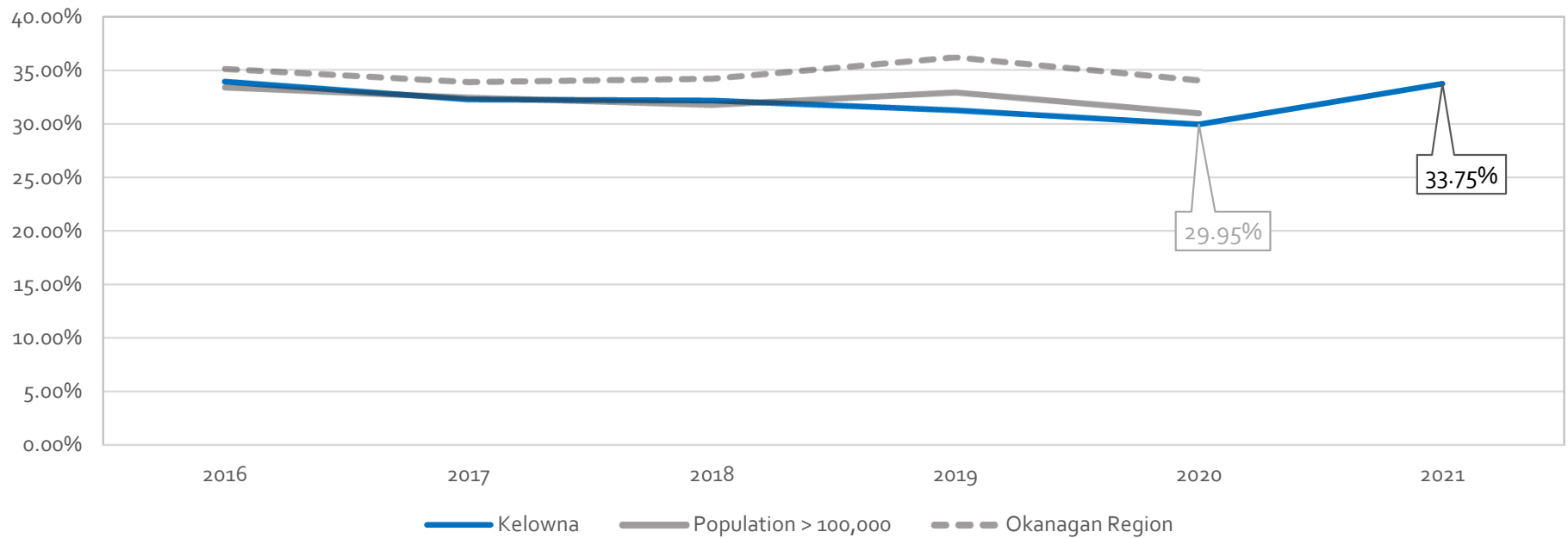


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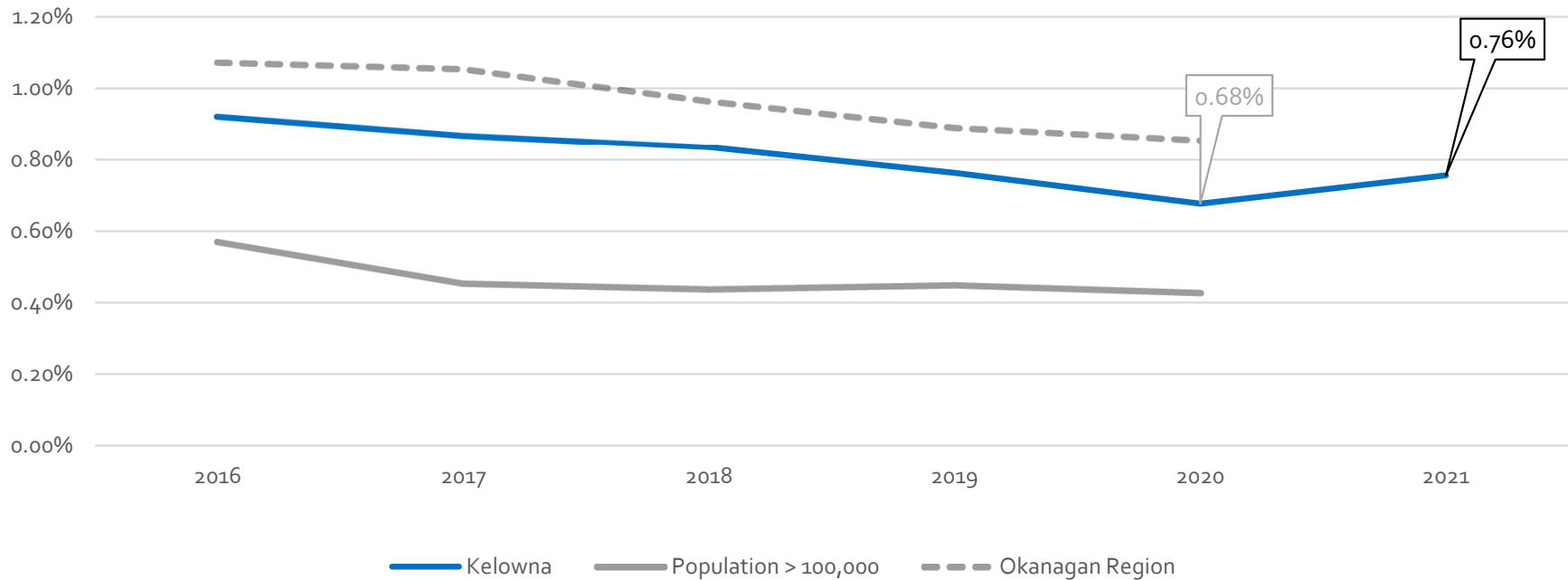
Flexibility

Own Source Revenue to Total Revenue (no Airport)



Flexibility

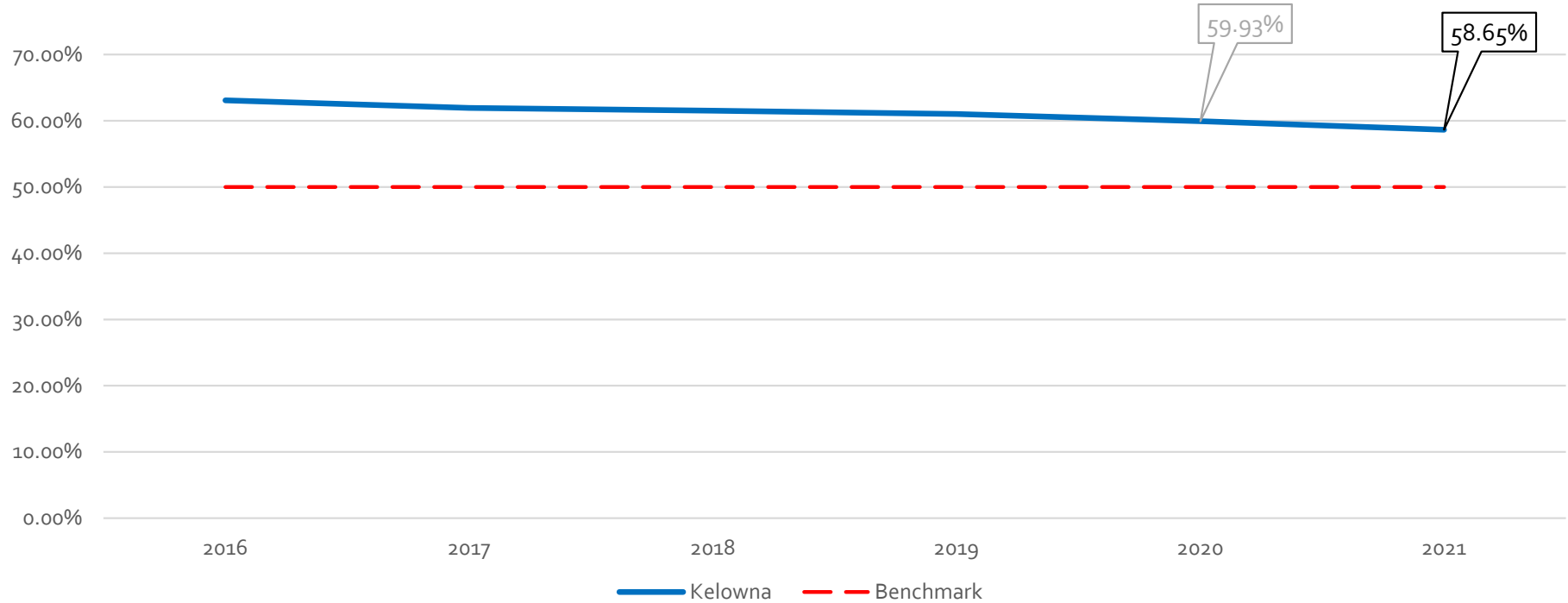
Own Source Revenue and Property Tax Revenue to Tax Assessment



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Flexibility

Net Book Value to Cost of Tangible Capital Assets

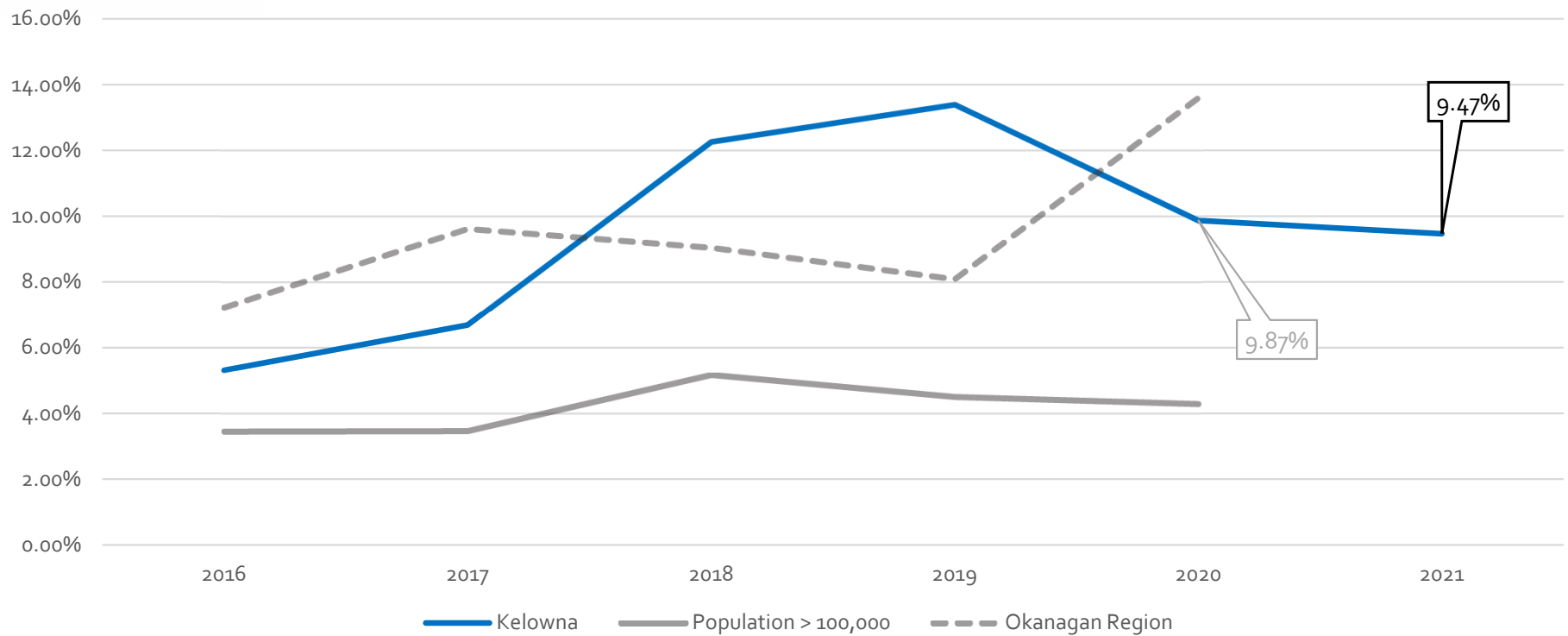


Vulnerability Ratios

- ▶ Measures the degree to which a Municipality is dependent on sources of funding outside its control or influence or is exposed to risks that could affect its ability to meet existing financial obligations

Vulnerability

Government Transfers to Total Revenues



City of Kelowna

Financial Health Indicators - Conclusion

- ▶ Overall Financial Health of the City is strong
- ▶ Sustainability ratios show the City can meet current and future financial obligations
- ▶ Flexibility ratios show that the City is positioned to be able to take on new opportunities without creating financial burden
- ▶ Strong sustainability and flexibility ratios will help the City navigate and recover from the COVID-19 pandemic
- ▶ The City is managing its vulnerability in regard to dependence on sources of funding outside its control