



Measuring Financial Performance

Introduction to Kelowna's Financial Health Measures

February 13, 2023



Introduction

As local government leaders, it is important for us to understand the financial health of our city and how it impacts the delivery of services to our community both now, and into the future.








Categories

- **Financial Flexibility** – How much flexibility in the short term, without direct tax increases?
- **Financial Sustainability** – Do we have ability to maintain operations and services over the long term?
- **Competitiveness** – How do we fare financially on a per capita basis relative to similar municipalities and the region?

Financial Flexibility

How much room we have to move in the short term

	KELOWNA	COMPARATORS		
		BENCHMARK	Pop > 100K	OKANAGAN
Debt Service Ratio	 3.3%	<5%	4.7%	3.4%
Own Source Revenue	 37.6%	>40%	31%	33.7%
Gov Transfers Ratio	 9.5%	<10%	4.3%	13.6%

Financial Sustainability

The ability to maintain operations and services over the long term

	KELOWNA	COMPARATORS		
		BENCHMARK	Pop > 100K	OKANAGAN
Financial Assets/Liabilities	↑ 2.2%	>1.75%	1.5%	1.4%
Net Financial Assets/Revenue	↑ 109%	>70%	63%	32%
Accum. Surplus & Reserves/Expenses	↑ 159%	>100%	83%	96%

Competitiveness

How do we fare financially on a per capita basis

	KELOWNA	COMPARATORS		
		BENCHMARK	Pop > 100K	OKANAGAN
Tax Burden Per Capita	➔ \$1801	TBD	\$1720	\$1615
Debt Per Capita	⬆️ \$565	TBD	\$666	\$602
Annual Surplus Per Capita	⬆️ \$474	TBD	\$399	\$370

Conclusion

Financial Flexibility

- Debt is low and decreasing relative to revenues.
- Own source revenues strong and improving over time (grants and partnerships).
- External sources of revenue forecasted to increase as strategic priority.



Financial Sustainability

- Financial Assets and Liquidity VERY strong on all measures.
- City showing incredible resilience coming out of Pandemic Emergency.
- Infrastructure deficit is future headwind. (Future Measure)



Competitiveness

- Kelowna is well positioned relative to similar sized cities.
- Fast growing population will improve per capita metrics quickly.
- Opportunity exists for maximization of annual revenues given surplus figures.



Proposed New Quarterly Activity Measures

1

Actual Activity to Budget

2

Revenue Earned to Budget & Salary Expense to Budget

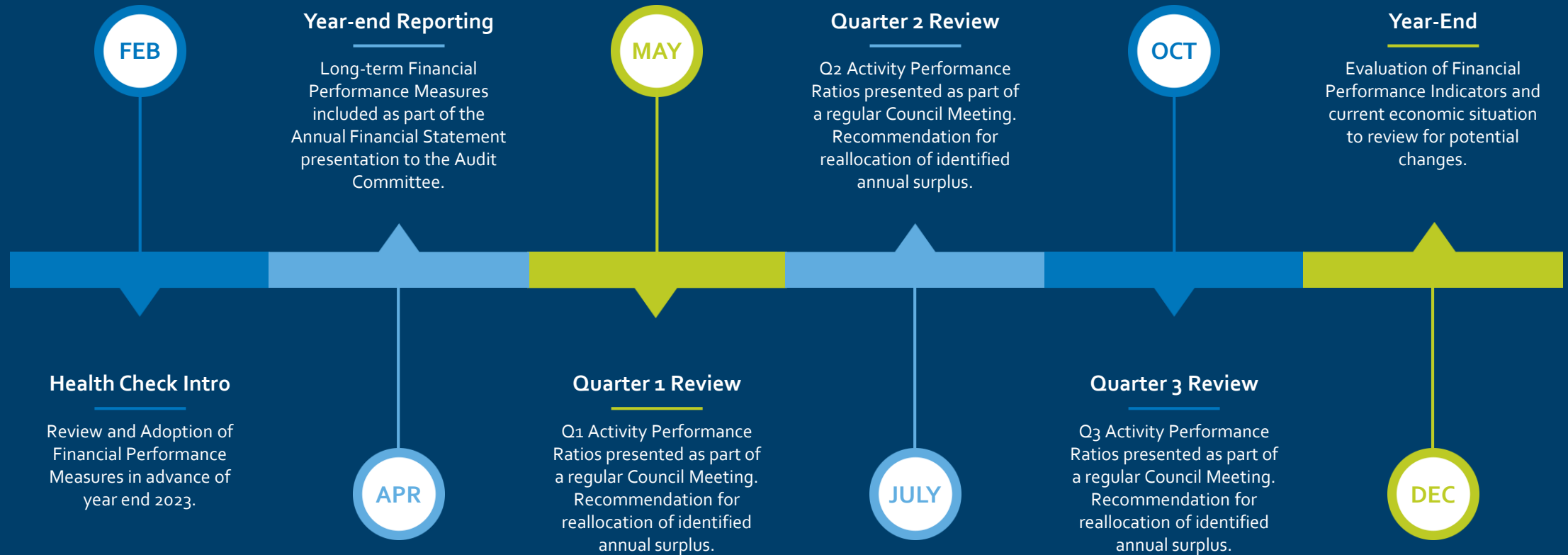
3

Capital Expenditure Burn Rate by Cost Centre

4

Investment Income Revenue to Budget

Going Forward 2023



An aerial photograph of a suburban neighborhood at dusk. The houses have dark roofs and some lights are on. In the background, there is a large body of water and mountains. The sky is a mix of blue and orange. On the right side, there is a large graphic overlay consisting of several overlapping geometric shapes in yellow, orange, pink, and teal.

Questions?