



The Corporation of the Town of LaSalle

To: Mayor and Members of Council

Prepared by: Dale Langlois, Director of Finance and Treasurer

Department: Finance

Date of Report: December 22, 2020

Report Number: FIN-02-2021

Subject: Town of LaSalle Financial Indicator Review

Recommendation

That the report of the Director of Finance dated December 22, 2020 (FIN-02-2021) regarding the Town of LaSalle financial indicator review be received.

Report

Annually, the Ministry of Municipal Affairs and Housing review's each municipality in Ontario's financial health through the use of key financial indicators in relation to established provincial thresholds. This review provides a financial snapshot at a particular moment in time (December 31, 2019 for this attached review). The financial data for this review is obtain from each Municipality's financial information return (FIR), which is required to be completed annually. For each indicator, medians and averages have been calculated for comparator groupings relative to the Town.

It is important to note that the Town of LaSalle has scored a low level of risk for all financial indicators included in this review and outperforms the medians and averages of comparable municipalities in most categories. Below is a description of what each financial indicator means.

- 1) Total taxes receivable less allowance for uncollectibles as a % of total taxes levied shows how much of the taxes billed are not collected. A lower percentage is better than a higher percentage.
- 2) Net financial assets or net debt as a % of own source revenues indicates how much property tax and user fee revenue is servicing debt. A higher percentage is better than a lower percentage.
- 3) Reserves and reserve funds as a % of municipal expenses indicates how much money is set aside for future needs and contingencies. A higher percentage is better than a lower percentage.

- 4) Cash ratio (total cash and cash equivalents as a % of current liabilities) indicates how much cash and liquid investments are available to cover current obligations. A higher ratio is better than a lower ratio.
- 5) Debt servicing cost as a % of total revenues (less donated tangible capital assets) indicates how much each dollar raised in revenue is spent on paying down existing debt. A lower percentage is better than a higher percentage.
- 6) Closing amortization balance as a % of total cost of capital assets (asset consumption ratio) indicates how much of the assets' life expectancy has been consumed. A lower percentage is better than a higher percentage.
- 7) Annual surplus / (deficit) (less donated tangible capital assets) as a % of own source revenues indicates the municipality's ability to cover its operational costs and have funds available for other purposes (e.g. reserves, debt repayment, etc.). A higher percentage is better than a lower percentage.

The attached review provides a detail of the Town of LaSalle's scores in each of these categories mentioned above for the years 2015 through 2019. The results of this review, shows the strong financial health of the Town of LaSalle, which is due to the carefully planned financial approach the Town of LaSalle has taken over many decades, specifically with regards to solid asset management planning and debt management planning.

Please feel free to contact me with any specific questions that you may have regarding this financial indicator review.

Consultations

None

Financial Implications

None

Prepared By:



Director of Finance/Treasurer

Dale Langlois, CPA, CA

Link to Strategic Goals

1. Enhancing organizational excellence - Not Applicable
2. Strengthen the community's engagement with the Town - Not Applicable
3. Grow and diversify the local economy - Not Applicable
4. Build on our high-quality of life - Not Applicable

Communications

Not applicable.

Notifications

Not applicable.

Report Approval Details

Document Title:	FIN-02-2021 Town of LaSalle Financial Indicator Review.docx
Attachments:	- FITC20_LaSalle T.pdf
Final Approval Date:	Jan 4, 2021

This report and all of its attachments were approved and signed as outlined below:



Chief Administrative Officer

Joe Milicia