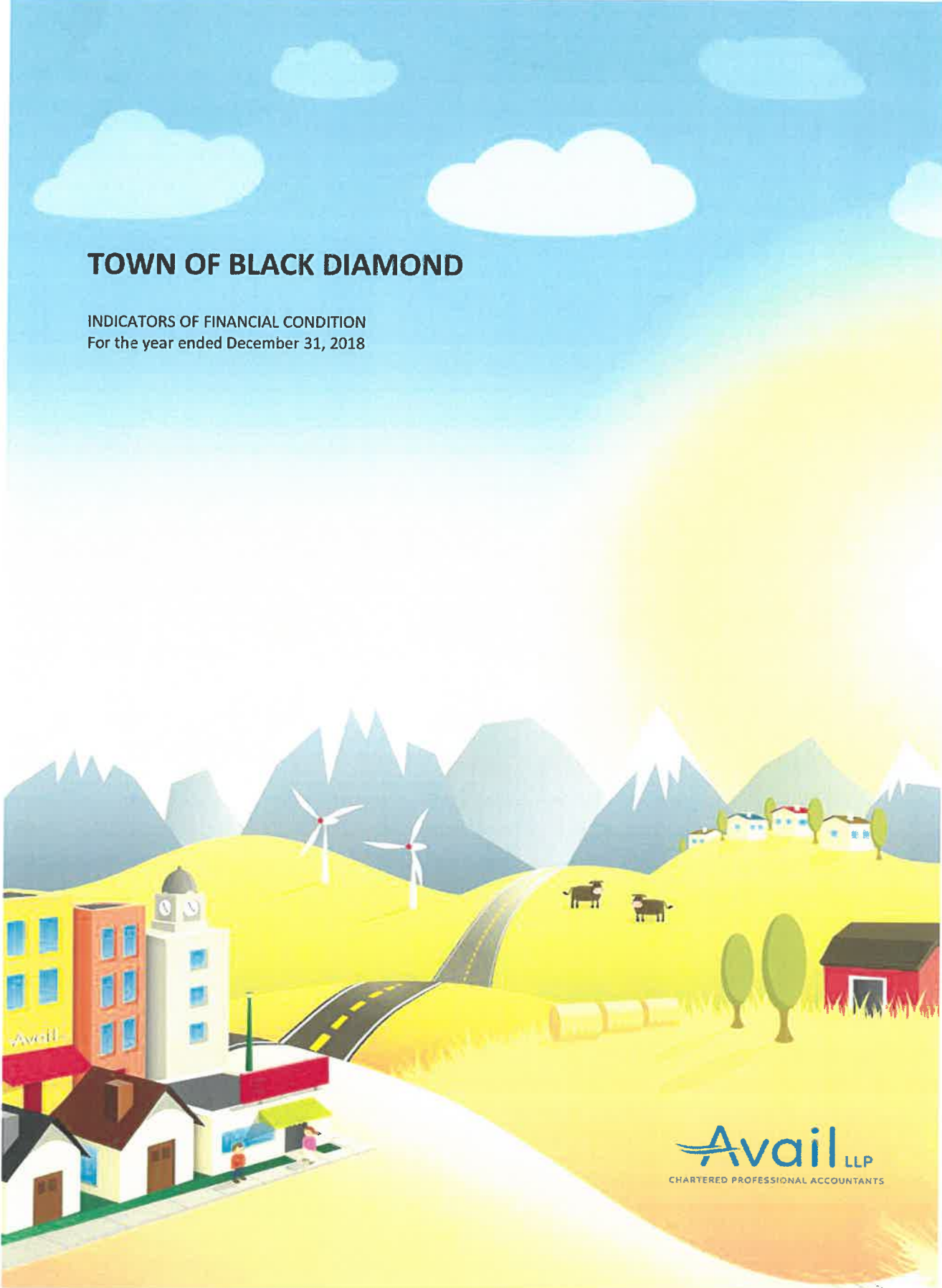


TOWN OF BLACK DIAMOND

INDICATORS OF FINANCIAL CONDITION
For the year ended December 31, 2018



Avail LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Introduction

A Key Performance Indicator (KPI) is a metric used to evaluate factors that are crucial to the success of an organization. The importance of each KPI may change with time depending on the goals and strategic plans of the organization.

When reviewing KPIs, it is important to not only compare to past performance and desired goals, but to consider industry standards and benchmarks.

The following information has been provided in order to provide you some insight into some important KPIs for your organization.

It is important to review the underlying information of your municipality in order to determine cause and create desired change.

The underlying data for this report was taken from the financial data publicly available found on the Alberta Municipal Affairs website.

Comparable municipalities were determined based on a range of 75% to 125% of your population.

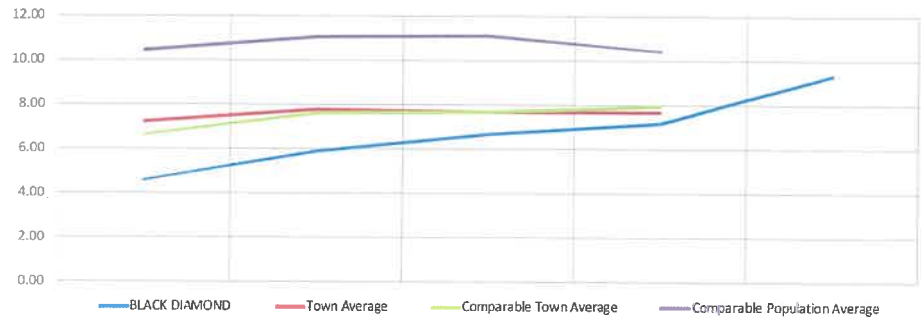
TOWN OF BLACK DIAMOND
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2014 2015 2016 2017 2018

SUSTAINABILITY INDICATORS

Assets to Liabilities

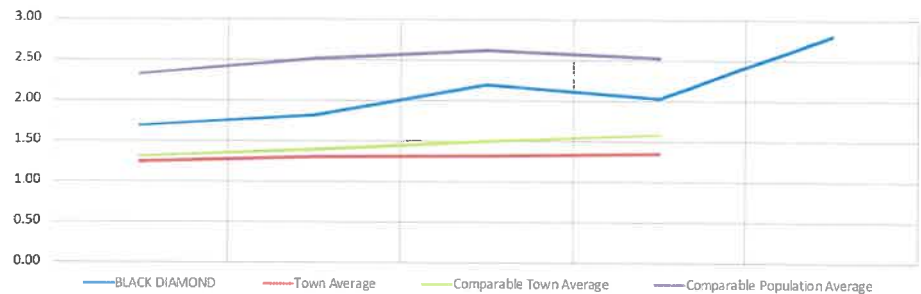
This indicator illustrates the extent a government finances its operations by issuing debt. A ratio higher than one indicates that a government has accumulated surplus and has assets greater than debt. A ratio of less than one indicates that debt is greater than assets and the government has been financing its operations by issuing debt.



Total assets	49,285,189	53,843,564	48,509,958	49,791,237	47,614,282
Total liabilities	10,726,713	9,145,972	7,265,730	6,955,200	5,100,962
Assets to liabilities	4.59	5.89	6.68	7.16	9.33
Town Average	7.25	7.79	7.69	7.69	
Comparable Town Average	6.65	7.60	7.66	7.96	
Comparable Population Average	10.44	11.08	11.13	10.43	

Financial assets to liabilities

This indicator illustrates the ratio of a government's financial assets to its liabilities. A result lower than one indicates a net debt position and future revenues will be required to pay for past transactions. A result higher than one indicates net financial assets and financial resources are on hand that can finance future operations. A trend showing increases in net debt or reductions in net financial assets may not be sustainable.



Total financial assets	18,096,612	16,634,397	15,888,058	14,085,974	14,290,324
Total liabilities	10,726,713	9,145,972	7,265,730	6,955,200	5,100,962
Financial assets to liabilities	1.69	1.82	2.19	2.03	2.80
Town Average	1.24	1.30	1.31	1.34	
Comparable Town Average	1.31	1.40	1.50	1.58	
Comparable Population Average	2.32	2.52	2.62	2.52	

TOWN OF BLACK DIAMOND
INDICATORS OF FINANCIAL CONDITION
For the year ended December 31, 2018

Current Ratio

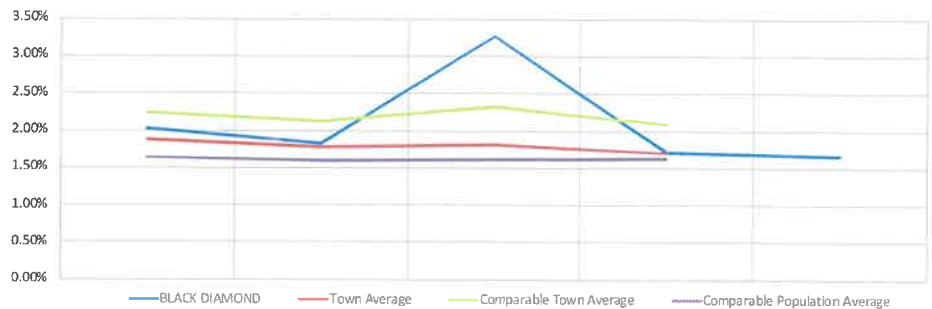
The ratio of current assets (cash, temporary investments, accounts receivable) to current liabilities (accounts payable, temporary borrowings, current repayment obligations on long-term borrowings). This ratio is an indication of the governments ability to meet short term obligations.



Current assets	18,096,612	16,634,397	13,830,237	14,085,974	14,290,319
Current liabilities	1,516,154	1,745,445	1,164,286	2,667,100	1,378,029
Assets to liabilities	11.94	9.53	11.88	5.28	10.37
Town Average	4.18	4.19	4.24	3.84	
Comparable Town Average	5.59	4.42	5.59	5.04	
Comparable Population Average	5.82	4.81	5.97	5.64	

Operating expenses to taxable assessment

This indicator provides the trend of government spending over time in relation to the growth in the economy. A trend that shows total expense is growing at a faster rate than the growth in the economy may not be sustainable.

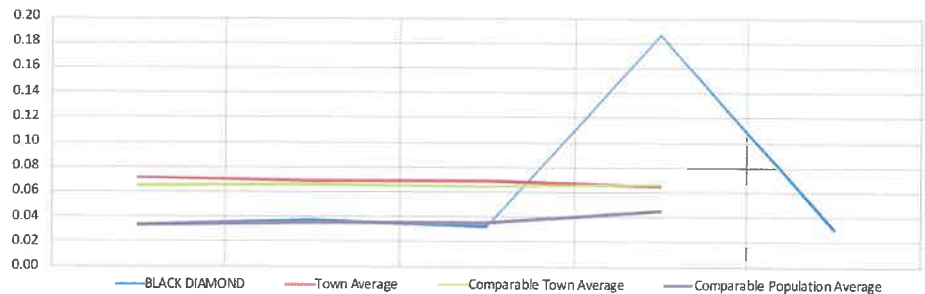


Operating expenses	6,184,741	5,846,640	11,606,915	6,207,925	6,312,417
Taxable assessment	305,937,117	319,422,745	355,066,703	362,459,222	379,334,791
Operating expenses to taxable assessment	2.02%	1.83%	3.27%	1.71%	1.66%
Town Average	1.88%	1.79%	1.82%	1.70%	
Comparable Town Average	2.24%	2.12%	2.32%	2.08%	
Comparable Population Average	1.64%	1.59%	1.62%	1.63%	

FLEXIBILITY INDICATORS

Public debt charges to revenues

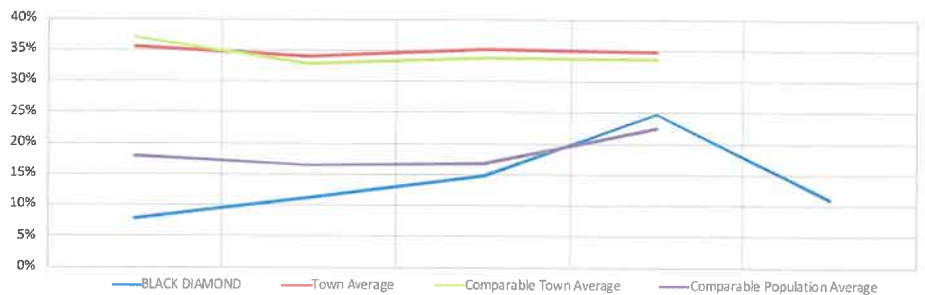
This indicator measures public debt charges as a percentage of revenues. It illustrates the extent to which past borrowing decisions present a constraint on the ability to meet financial and service commitments in the current period. Specifically, the more a government uses revenues to fund debt servicing, the less will be available for program spending.



Debt servicing	183,751	230,826	200,049	1,200,049	193,280
Operating revenue	5,598,977	6,241,876	6,128,186	6,423,399	6,311,696
Public debt charges to revenues	0.03	0.04	0.03	0.19	0.03
Town Average	0.07	0.07	0.07	0.06	
Comparable Town Average	0.06	0.07	0.06	0.07	
Comparable Population Average	0.03	0.03	0.04	0.05	

Debt to Revenue Percentage

The total amount of municipal borrowings, including long term capital leases, as a percentage of total municipal revenues. This indicator demonstrates the growth in revenue compared to changes in debt. An increasing trend would indicate the municipality is increasing its debt load faster than its revenue is growing, which may not be sustainable.

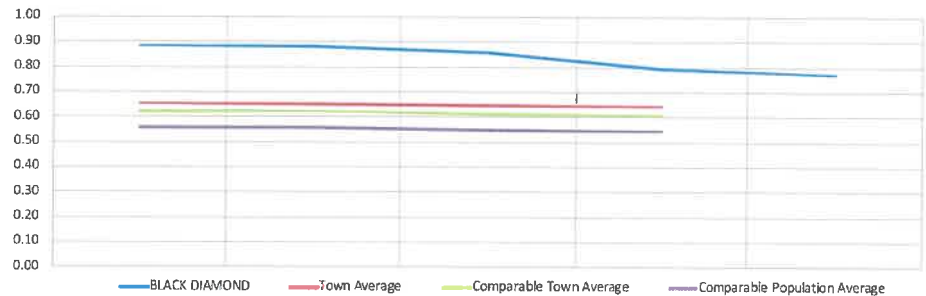


Total long term debt principal balance	1,052,777	1,365,552	1,197,485	2,051,607	900,302
Total revenue	13,406,621	12,130,054	8,153,550	8,292,288	8,234,645
Debt to revenue	8%	11%	15%	25%	11%
Town Average	36%	34%	35%	35%	
Comparable Town Average	37%	33%	34%	34%	
Comparable Population Average	18%	16%	17%	23%	

TOWN OF BLACK DIAMOND
INDICATORS OF FINANCIAL CONDITION
For the year ended December 31, 2018

Net book value to cost of tangible capital assets

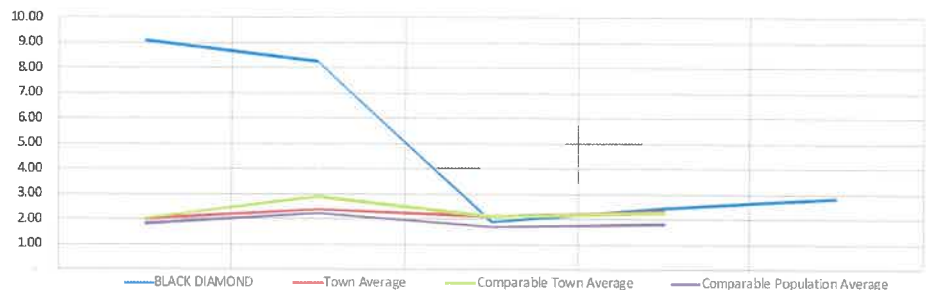
This indicator is important because it reports the extent that the estimated useful lives of tangible capital assets are available to provide its services. If a government's scale, scope and level of services remain unchanged or grow, its asset base could eventually impair flexibility because of the impending future costs of capital asset repair or replacement.



Net book value	31,008,413	37,047,361	32,432,418	35,516,335	33,162,118
Cost of tangible capital assets	35,051,072	41,922,527	37,735,730	44,839,934	42,941,152
Net book value to cost of tangible capital assets	0.88	0.88	0.86	0.79	0.77
Town Average	0.65	0.65	0.65	0.64	
Comparable Town Average	0.62	0.62	0.61	0.61	
Comparable Population Average	0.56	0.56	0.55	0.54	

Infrastructure Investment

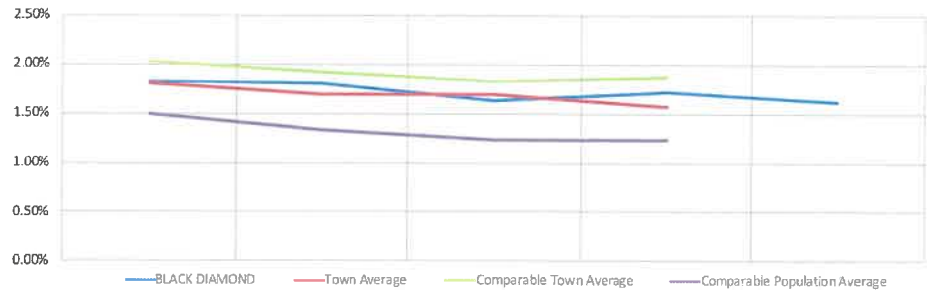
The total cost of annual additions (through purchases or construction) to tangible capital assets (vehicles, equipment, buildings, roads, utility infrastructure, land) relative to the annual amortization (depreciation) on all tangible capital assets - measured as a five-year average.



Tangible capital assets additions	7,263,116	6,871,455	1,545,196	2,572,331	3,004,118
Annual amortization expense	798,285	832,507	811,333	1,055,410	1,052,323
Total accumulated surplus	9.10	8.25	1.90	2.44	2.85
Town Average	2.01	2.39	2.12	2.31	
Comparable Town Average	2.05	2.89	2.14	2.27	
Comparable Population Average	1.84	2.24	1.71	1.83	

Own source revenues to taxable assessment

This indicator is important because it shows the ratio of a local government's own source revenues to its tax base. A change in the size of a local government's taxable assessment or a change in the rate of growth in assessment in relation to changes in own source revenues could influence flexibility.

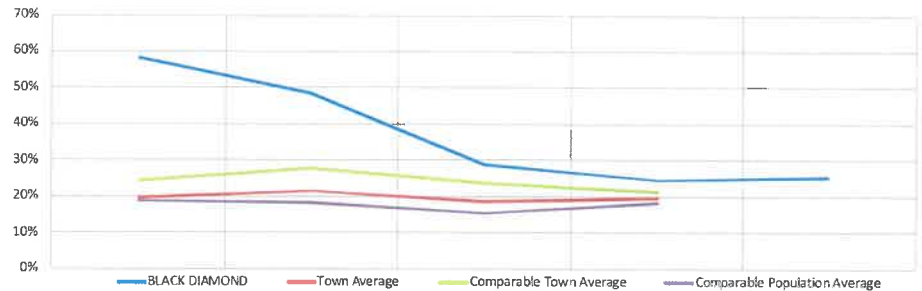


Own source revenues (net of government transfers)	5,598,977	5,768,090	5,814,690	6,257,422	6,151,922
Taxable assessment	305,937,117	319,422,745	355,066,703	362,459,222	379,334,791
Own source revenues to taxable assessment	1.83%	1.81%	1.64%	1.73%	1.62%
Town Average	1.81%	1.70%	1.70%	1.57%	
Comparable Town Average	2.03%	1.93%	1.83%	1.87%	
Comparable Population Average	1.49%	1.34%	1.23%	1.23%	

VULNERABILITY INDICATORS

Government transfers to total revenues

The purpose of this ratio is to show the proportion of revenues that provincial or local governments receive from other governments. This indicator offers a perspective on the degree of vulnerability a government faces as a result of its dependence on another level of government for revenues.

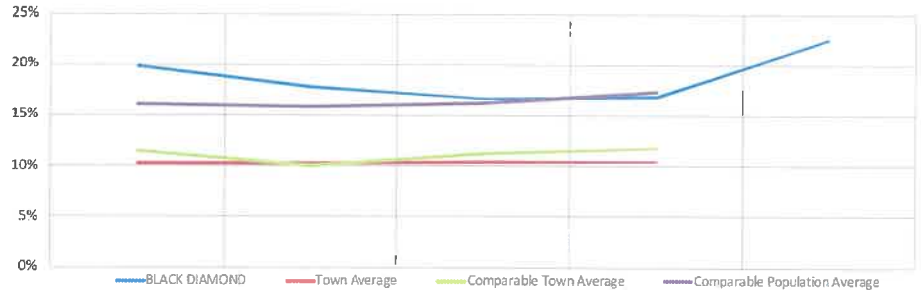


Government transfers (including capital)	7,807,644	5,888,178	2,338,860	2,034,866	2,082,723
Total revenues (including capital)	13,406,621	12,130,054	8,153,550	8,292,288	8,234,645
Government transfers to total revenues	58%	49%	29%	25%	25%
Town Average	20%	21%	19%	20%	
Comparable Town Average	24%	28%	24%	21%	
Comparable Population Average	19%	18%	15%	18%	

OTHER INDICATORS

Reserves to total accumulated surplus

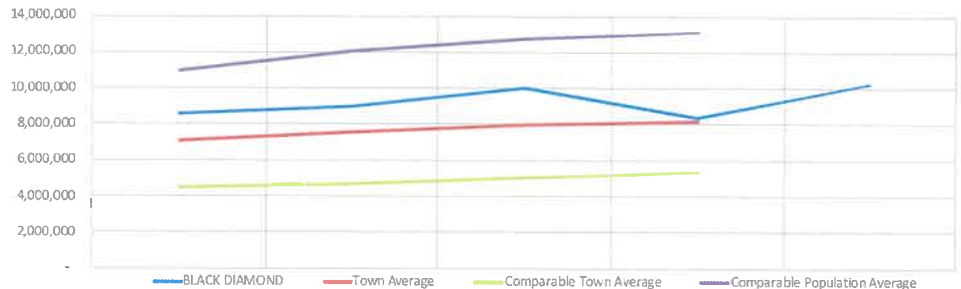
The purpose of this ratio is to show the proportion of total accumulated surplus that has been internally restricted. This indicator provides insight on the change in reserves in relation to overall accumulated surplus. A decrease would show that the government has drawn on past reserves to fund current operations.



Accumulated surplus - restricted	7,652,262	7,965,611	6,856,752	7,216,227	9,543,877
Overall accumulated surplus	38,558,476	44,697,592	41,244,228	42,836,037	42,513,320
Restricted surplus to accumulated surplus	20%	18%	17%	17%	22%
Town Average	10%	10%	10%	10%	
Comparable Town Average	12%	10%	11%	12%	
Comparable Population Average	16%	16%	16%	17%	

Accumulated surplus available for future use

Accumulated surplus, to the extent it has not been invested in Tangible Capital Assets, represents overall surplus that is available for future use. This consists of unrestricted surplus and reserves and shows trends in spending vs. saving. This indicator only shows total surplus; the overall size of the municipality is not taken into account.

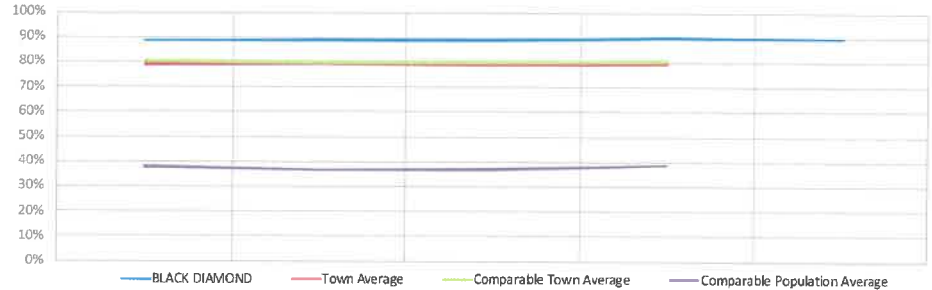


Accumulated surplus - restricted	7,652,262	7,965,611	6,856,752	7,216,227	9,543,877
Accumulated surplus - unrestricted	950,578	1,050,169	3,152,543	1,155,082	707,627
Total accumulated surplus	8,602,840	9,015,780	10,009,295	8,371,309	10,251,504
Town Average	7,063,868	7,583,409	7,974,510	8,185,109	
Comparable Town Average	4,488,993	4,671,056	5,028,287	5,330,516	
Comparable Population Average	10,952,375	12,063,330	12,769,917	13,115,305	

TOWN OF BLACK DIAMOND
INDICATORS OF FINANCIAL CONDITION
For the year ended December 31, 2018

Tax Base Ratio

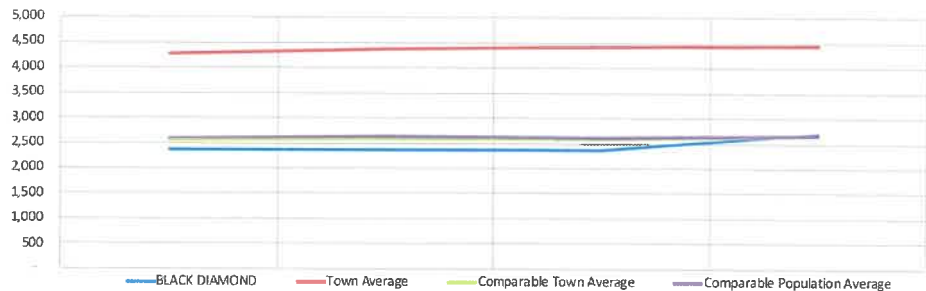
This ratio reports the proportion of the total municipal tax revenue generated by residential and farmland tax base, regardless of whether it is municipal property taxes, special taxes, or local improvement taxes.



Residential & farmland revenue	270,994,315	284,111,281	316,376,705	325,114,457	340,432,355
Total revenues	305,937,117	319,422,745	355,066,703	362,459,222	379,334,791
Residential & farmland revenue percentage	89%	89%	89%	90%	90%
Town Average	79%	80%	79%	79%	
Comparable Town Average	80%	80%	80%	81%	
Comparable Population Average	38%	37%	37%	39%	

Population Change

The change in population of the municipality over the past ten years based on the Municipal Affairs Population List.



Population	2,373	2,373	2,373	2,700
Prior year population	2,373	2,373	2,373	2,373
Population change	0.00%	0.00%	0.00%	13.78%
Population (Town Average)	4,283	4,375	4,415	4,448
Town Average	-0.65%	2.14%	0.91%	0.76%
Population (Comparable Town Average)	2,552	2,578	2,578	2,644
Comparable Town Average	0.97%	1.00%	0.00%	2.55%
Population (population average)	2,603	2,632	2,616	2,655
Comparable Population Average	0.64%	1.12%	-0.64%	1.52%

Comparable Listing

Comparables were determined on a range of 75% to 125% of your population

Total Town Count: 107

Comparables - Same Type (23)

Town list with a comparable population

ATHABASCA
BEAVERLODGE
BLACK DIAMOND
BOW ISLAND
CALMAR
COALHURST
CROSSFIELD
FAIRVIEW
FORT MACLEOD
GIBBONS
GRIMSHAW
HANNA
HIGH PRAIRIE
MAGRATH
NANTON
PENHOLD
REDWATER
RIMBEY
SEXSMITH
SUNDRE
THREE HILLS
TOFIELD
TURNER VALLEY

Comparables - Any Type (34)

List used for comparable populations

ATHABASCA
BEAVERLODGE
BLACK DIAMOND
BOW ISLAND
CALMAR
CLEAR HILLS COUNTY
COALHURST
CROSSFIELD
FAIRVIEW
FORT MACLEOD
GIBBONS
GRIMSHAW
HANNA
HIGH PRAIRIE
LESSER SLAVE RIVER NO. 124, M.D. OF
MAGRATH
MINBURN NO. 27, COUNTY OF
NANTON
OPPORTUNITY NO. 17, M.D. OF
PAINTEARTH NO. 18, COUNTY OF
PENHOLD
PINCHER CREEK NO. 9, M.D. OF
PROVOST NO. 52, M.D. OF
REDWATER
RIMBEY
SADDLE HILLS COUNTY
SEXSMITH
SMOKY LAKE COUNTY
STARLAND COUNTY
SUNDRE
THORHILD COUNTY
THREE HILLS
TOFIELD
TURNER VALLEY