Some notes to 2016 Financial Indicator Graphs:

There is no explanation guide primarily because the graphs look quite different from one municipality to the next. Local context must be considered when reviewing the graphs to not only understand what the values mean, but some of the reasons why they are what they are.

A perfect example for Two Hills is tax rates. Looking at the graphs on residential and non-residential tax rates alone (FYI I would just ignore the first graph, it's a mash up of both) one might suggest that residents are highly taxed Two Hills. However, when you look at actual tax revenue per capita (pg10) Two Hills is well below the median. This is of course due to the very low assessment values in the Town (pg4) and of course lower assessment values necessitate higher tax rates to collect similar amounts for covering the cost of services. This is one of the most important concepts to get across to residents – higher tax rates in your town vs your neighbor does not necessarily mean higher taxes.

If you have half the assessment levels you need twice the tax rate to generate the same amount of money from residents to pay for services. This conversation is key for council to focus on the tax levy rather than the rate during budget discussions avoiding the "cart before the horse" cycle a lot of councils get into when they are primarily concerned about fitting the budget to a predetermined rate rather than have the rate result from budget council agrees to.

Another good discussion could be around debt and state of infrastructure. Yes, the Town has a fair amount of debt, but when you look at the net book value of your assets (pg20) it's been steadily climbing as council has invested in the infrastructure of the community. If you look at both the median line on the graph and even the high point (the top of the shaded part) both of those are trending down while Two Hills has made steady and substantial gains. Investment in key infrastructure is the number one issue when looking at the long-term viability of a community.

Net book value is the remaining value of your capital assets – If the total historical costs of all Tangible Capital Assets (TCAs) is $3 million and you've booked $1 million in accumulated amortization on those assets your net book value is $2 million.

So the Net Book Value as % of Total Capital Property Costs = $2 million (net book value)/ $3 million (total original cost) = 66.7%

The number is essentially a representation of the useful life or value remaining in your TCAs as a whole, so for Two Hills you have 59.1% of the value of your assets remaining. This is a strong number, Municipal Affairs' internal Key measures of sustainability don't trigger until that number dips below 30%.