



Corporation of the Municipality of Temagami

Memo No.
2020-M-001

Memorandum to Council

Subject:	Ministry of Municipal Affairs and Housing Financial Review
Agenda Date:	January 21, 2021
Attachments:	Temagami Financial Indicators, Temagami Financial Profile

RECOMMENDATION

BE IT RESOLVED THAT Council receive the Financial Indicators from the Ministry of Municipal Affairs and Housing for 2019.

INFORMATION

In December, the Province issued the financial indicators based on the 2019 Financial Information Return. The Financial Indicator Review and the Financial Profile are attached to this report.

There are two indicators where we are not in the 'low risk' area. These are taxes receivable as a percentage of total taxes – 13.9% and total amortization as a percentage of total capital asset costs – 53.2%. To be in the low risk area for these two we need to get to taxes receivable being under 10% and total amortization being less than 50% of the total cost of capital assets.

Taxes receivable are further explained in a separate report on this agenda.

With the asset consumption ratio this is an indication of capital projects that have been completed in recent years. It could also be a function of our capital assets, both size and composition. There are many assets where although there are annual maintenance costs, assets are only replaced at the end of their life. While, ideally, the replacement of assets would be staggered, ensuring appropriate planning for capital asset replacement is more important. As we work through April and May, the next steps of our asset management plan will be reviewed with Council to accomplish this.

The Ministry can be scheduled to review these indicators should Council wish.

Respectfully Submitted:
Craig Davidson
Treasurer/Administrator