



Financial Sustainability



Indicator Title: Financial Position-Net Financial Assets

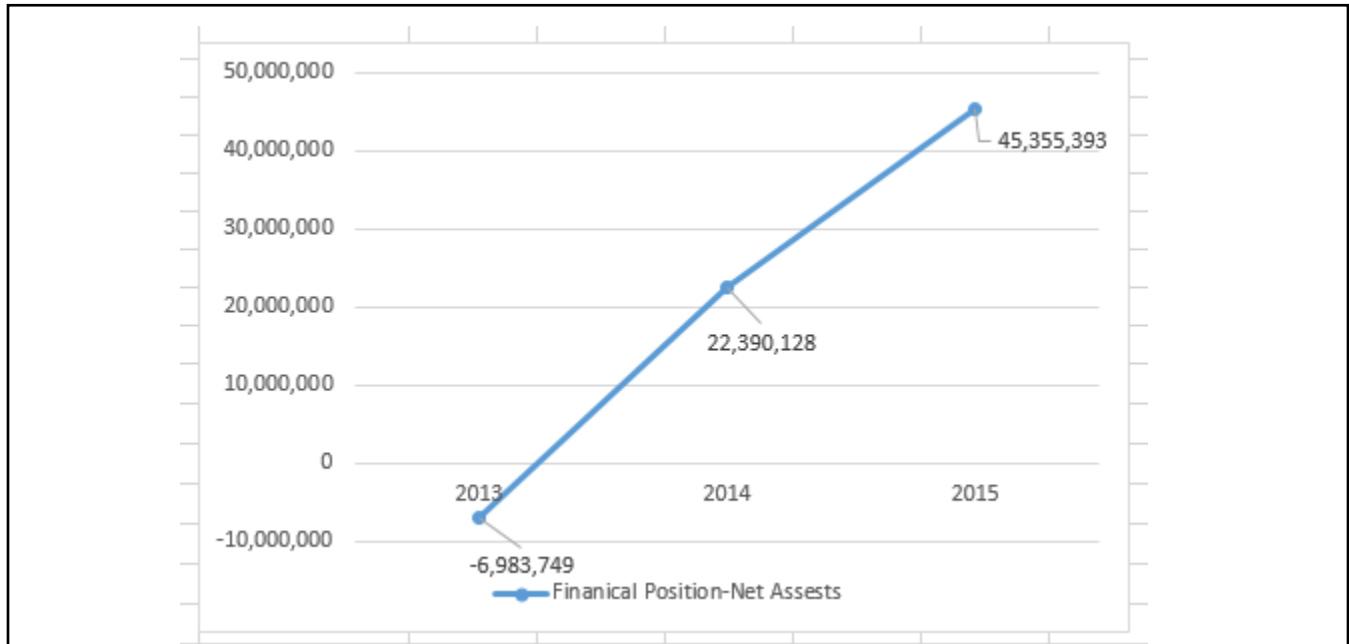
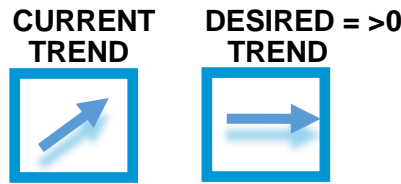


Figure 1. Financial Position-Net Assets, 2013-2015

Financial Position-Net Financial Assets: A municipality's net financial assets is equal to its financial assets less liabilities. For the Municipality of Chatham-Kent financial assets include all assets except capital assets, inventory and prepaid expenses.

CURRENT TREND

In recent years reserve balances have grown and debt has been reduced resulting in Chatham-Kent moving from a net debt position to a net asset position in 2014. It is anticipated that the net asset position should continue to improve as debt is reduced.

DESIRED TREND

Maintain a net asset position greater than \$0.

WHY IS THIS IMPORTANT TO CREATING FINANCIAL SUSTAINABILITY?

A net financial asset position indicates a municipality has the ability to meet its liabilities with the financial assets it possesses. A municipality in a net debt position would theoretically have to sell off inventory and capital assets to meet its financial liabilities.