

Debt Information

The following is a comparison of the Region's debt-related metrics compiled from the Financial Information Return (FIR) compared to our upper tier municipal peers. The information on the FIR below represents actual debt issued with the exception of the S&P ratio. The S&P Ratio and ARL are presented in the table are based on forecasted timing of debt issuance. The worst case scenario in which all debt is issued upon approval would put the S&P ratio at 108.1% and the ARL at 9.80%.

Metric	Current State	Proposed with 2021 Budget	Average of Comparable Regions ¹	Key thresholds
Debt as a % of Operating Revenues	38.0%	63.0%	29.0%	
Debt as a % of Reserves & Reserve Funds	82.0%	137.0%	65.0%	
Debt per Capita	\$801.02	\$1,335.68	\$583.30	
Debt per Household (upper tier)	\$1,902.10	\$3,171.67	\$1,628.51	
Debt per Household (upper & lower tier)	\$3,550.71	\$4,820.28	\$2,544.89	
S&P Ratio of Total Region and lower tier Debt to Operating Revenue ²	76.20%	90.4%	55.30%	120.00% ³
Annual Repayment Limit (ARL)	7.79%	8.30%	5.64%	25.00% ⁴

Source: Ministry of Municipal Affairs Financial Information Return

1 - The comparable regions are Durham, Halton, and Waterloo in line with the KPMG Sustainability review

2 - Waterloo does not use S&P as their credit agency and thus was not included for this analysis. The Region's S&P ratio is calculated as of August 31, 2020.

3 - If this ratio surpasses 120% or total consolidated debt surpasses \$1 billion there is a risk of downgrade in the Region's credit rating.

4 - Legislated maximum ratio set by the Province is 25%.

Five-year Forecasted Debt Outstanding

