

Debt Metrics

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 107.4% and the ARL at 10.1%.

Metric	Current State	Proposed with 2020 Budget	Average of Comparable Regions ¹	Key thresholds
Debt as a % of Operating Revenues	36.0%	51.0%	52.0%	
Debt as a % of Reserves & Reserve Funds	79.0%	112.0%	77.0%	
Debt per Capita	\$755.58	\$1,062.93	\$1,119.30	
Debt per Household	\$1,775.43	\$2,497.63	\$3,430.07	
S&P Ratio of Total Region and lower tier Debt to Operating Revenue ²	75.85%	88.6%	69.20%	120.00% ³
Annual Repayment Limit (ARL)	7.09%	8.30%	10.77%	25.00% ⁴

Source: Ministry of Municipal Affairs Financial Information Return

1 - The comparable regions are Durham, Halton, Peel, York and Waterloo

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, 2019.

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

Forecasted Debt Outstanding						
	2019	2020	2021	2022	2023	2024
Regional Debt						
Opening Balance	\$ 356,982,728.32	\$ 379,977,804.78	\$ 445,215,147.03	\$ 521,920,423.70	\$ 567,746,656.03	\$ 541,765,219.69
Closing Balance	\$ 379,977,804.78	\$ 445,215,147.03	\$ 521,920,423.70	\$ 567,746,656.03	\$ 541,765,219.69	\$ 517,940,607.22