



TO: Business Board

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DATE: January 11, 2013 for January 28, 2013

AGENDA ITEM: 3

ITEM IDENTIFICATION:

Status Report on Debt to January 31, 2013

JURISDICTIONAL INFORMATION:

The Business Board receives reports on financial matters.

PREVIOUS ACTION TAKEN:

The borrowing strategy was initially approved by Governing Council in June 2004. A revision of this debt strategy was recently approved in November 2012.

HIGHLIGHTS:

This regular status report provides the Business Board with an update of the debt policy limit, borrowing allocated by Business Board and actual external and internal borrowing. It also provides the actual debt burden and viability ratios as compared to the ratios of the debt policy limit.

The total debt policy limit for 2012-13 is \$1.3296 billion, reflecting the maximum debt that can be taken on based on a debt burden ratio of 5% at April 30, 2012, as defined by the Debt Strategy. The debt burden ratio equals interest plus principal repayments divided by total expenditures.

Allocations include borrowing approved by Business Board along with a contingency for donations targets and pledges. To January 31, 2013, net allocations were \$1.0947 billion, leaving \$234.9 million (\$1.3296 billion minus \$1.0947 billion) available for future allocation.

Actual debt outstanding is the sum of internal loans issued from internal funds plus actual external debt issuance. At January 31, 2013, actual debt outstanding was \$996.0 million. The debt burden ratio reflecting actual outstanding debt was 3.8%, of which 1.2% related to internal loans and 2.6% related to external debt issuance.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

-None

RECOMMENDATION:

For information.