

## University of Toronto

### Status Report on Debt to February 28, 2013

<b>Financial Ratios in accordance with Policy</b>	<b>Total</b>	<b>Internal Component</b>		<b>External Component</b>
		<b>Pension Debt</b>	<b>Other Debt</b>	
Debt burden ratios:				
Debt policy limit at April 30, 2012	<b>5.0%</b>	0.5%	1.0%	3.5%
Actual debt outstanding at February 28, 2013*	<b>3.8%</b>	0.4%	0.8%	2.6%
Viability ratios:				
Debt policy limit at April 30, 2012	<b>0.82</b>	7.24	5.43	1.11
Actual debt outstanding at February 28, 2013*	<b>1.09</b>	10.13	6.57	1.50
<b>Monitoring debt burden + pension special payments</b>				
Actual debt outstanding at February 28, 2013 plus special pension payments as % of total expenditures*	<b>5.5%</b>	2.1%	0.8%	2.6%

\* Calculated using the Total expenditures or Total expendable resources at April 30, 2012, and special pension payments for the year ended April 30, 2012.

<b>Debt Policy Limit April 30, 2012</b>	<b>Total in Millions</b>	<b>Internal Component</b>		<b>External Component</b>
		<b>Pension Debt</b>	<b>Other Debt</b>	
Debt Policy Limit	<b>1,329.6</b>	150.0	200.0	979.6

<b>Allocations</b>	<b>Total in Millions</b>	<b>Internal Component</b>		<b>External Component</b>
		<b>Pension Debt</b>	<b>Other Debt</b>	
Opening balance at January 31, 2013	<b>1,094.7</b>	150.0	200.0	744.7
Approved by Business Board on January 28, 2013	<b>19.5</b>	-	-	19.5
Change of allocation on previously approved projects	<b>-</b>	-	-	-
Closing balance at February 28, 2013	<b>1,114.2</b>	150.0	200.0	764.2
<b>Unallocated</b>	<b>215.4</b>	-	-	215.4

<b>Actual Debt Outstanding</b>	<b>Total in Millions</b>	<b>Internal Component</b>		<b>External Component</b>
		<b>Pension Debt</b>	<b>Other Debt</b>	
Opening balance at January 31, 2013				
Debentures due 2031 to 2051	<b>710.0</b>			710.0
Other external debt	<b>12.6</b>			12.6
Internal debt	<b>273.4</b>	107.5	165.9	-
	<b>996.0</b>	107.5	165.9	722.6
Changes	<b>(1.0)</b>	(0.3)	(0.7)	-
Closing balance at February 28, 2013	<b>995.0</b>	107.2	165.2	722.6

#### **Definitions:**

**Debt** includes all long-term external and internal borrowed funds obtained by any means (e.g. debentures, bank loans) and excludes letters and lines of credit and all short-term and medium term internal financing for purposes such as construction financing and fund deficits.

**Debt burden ratio**, key determinant of debt policy limit, equals interest plus principal divided by total expenditures.

**Debt policy limit** is the maximum debt that can be taken on based on a debt burden ratio of 5%.

**Viability ratio**, to be taken into consideration in setting debt policy limit, equals expendable resources divided by debt.

The debt strategy has set a preference of a viability ratio of 0.8 or greater.

**Allocations** include borrowing approved by Business Board, plus contingency for donations targets and pledges.

**Actual debt outstanding** is the sum of internal loans issued from internal debt plus actual external debt issuance.