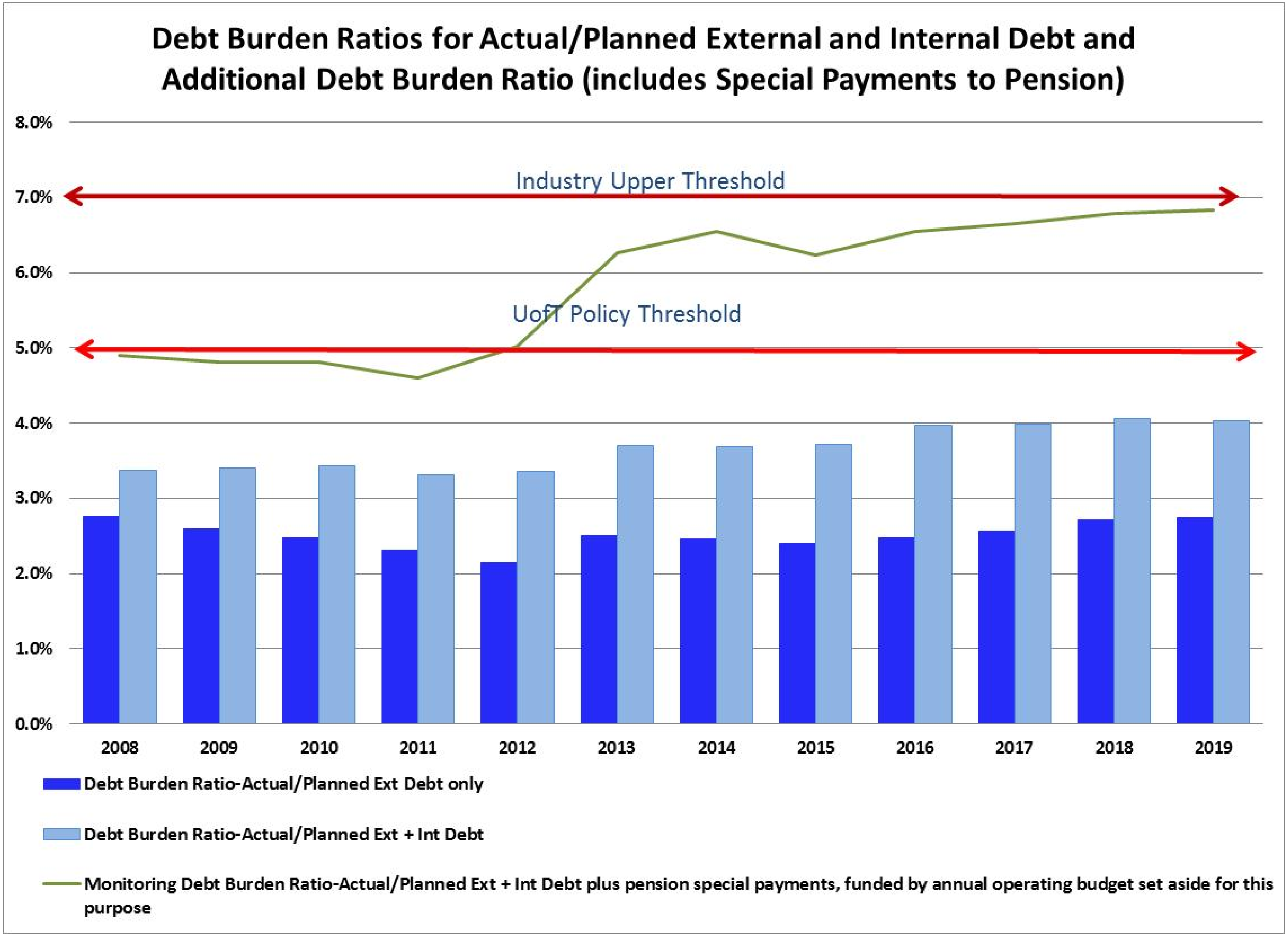
Debt Strategy
Annual Review 2014

Presentation to Business Board

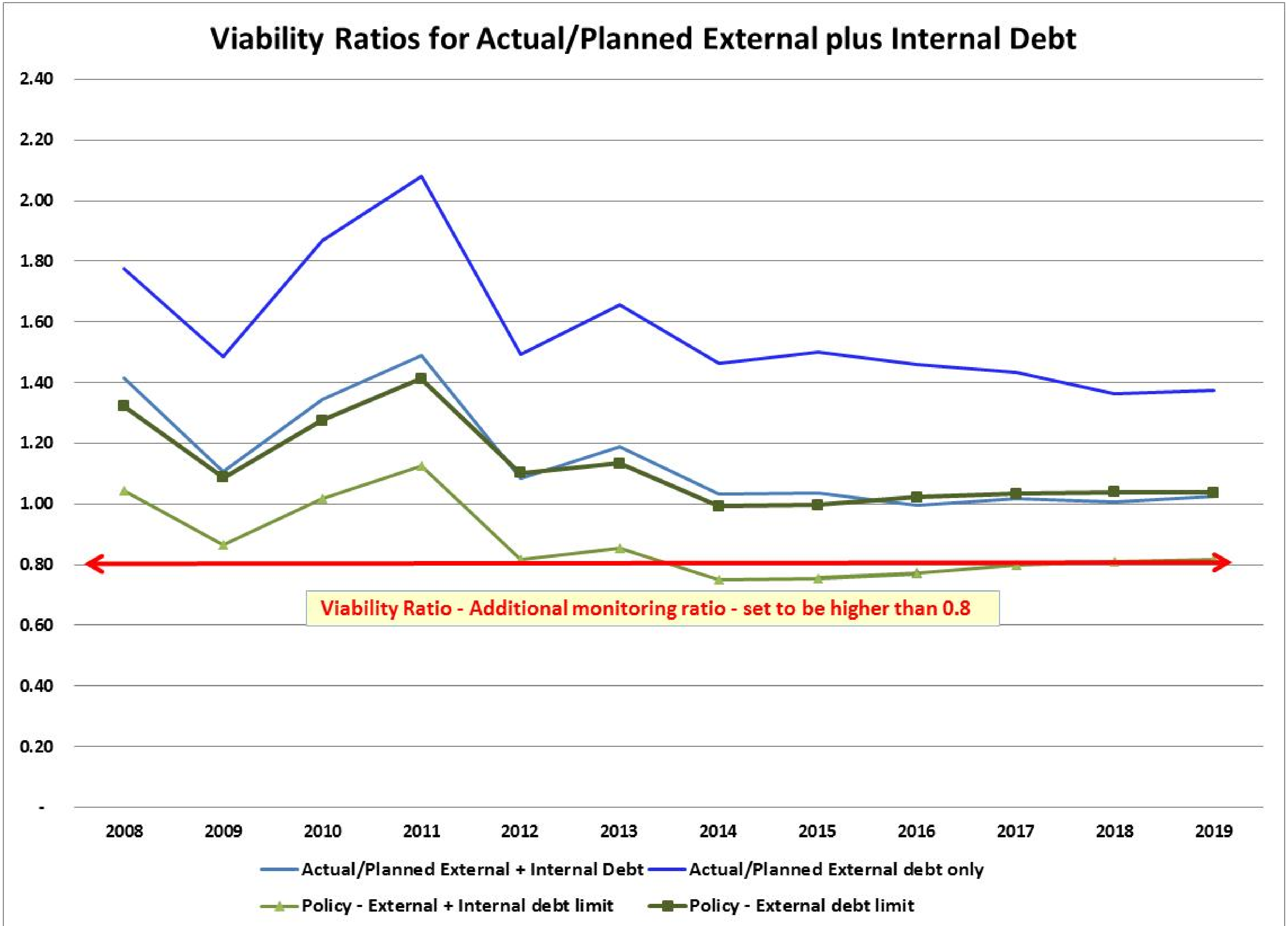
March 31, 2014

Debt Summary March 31, 2014

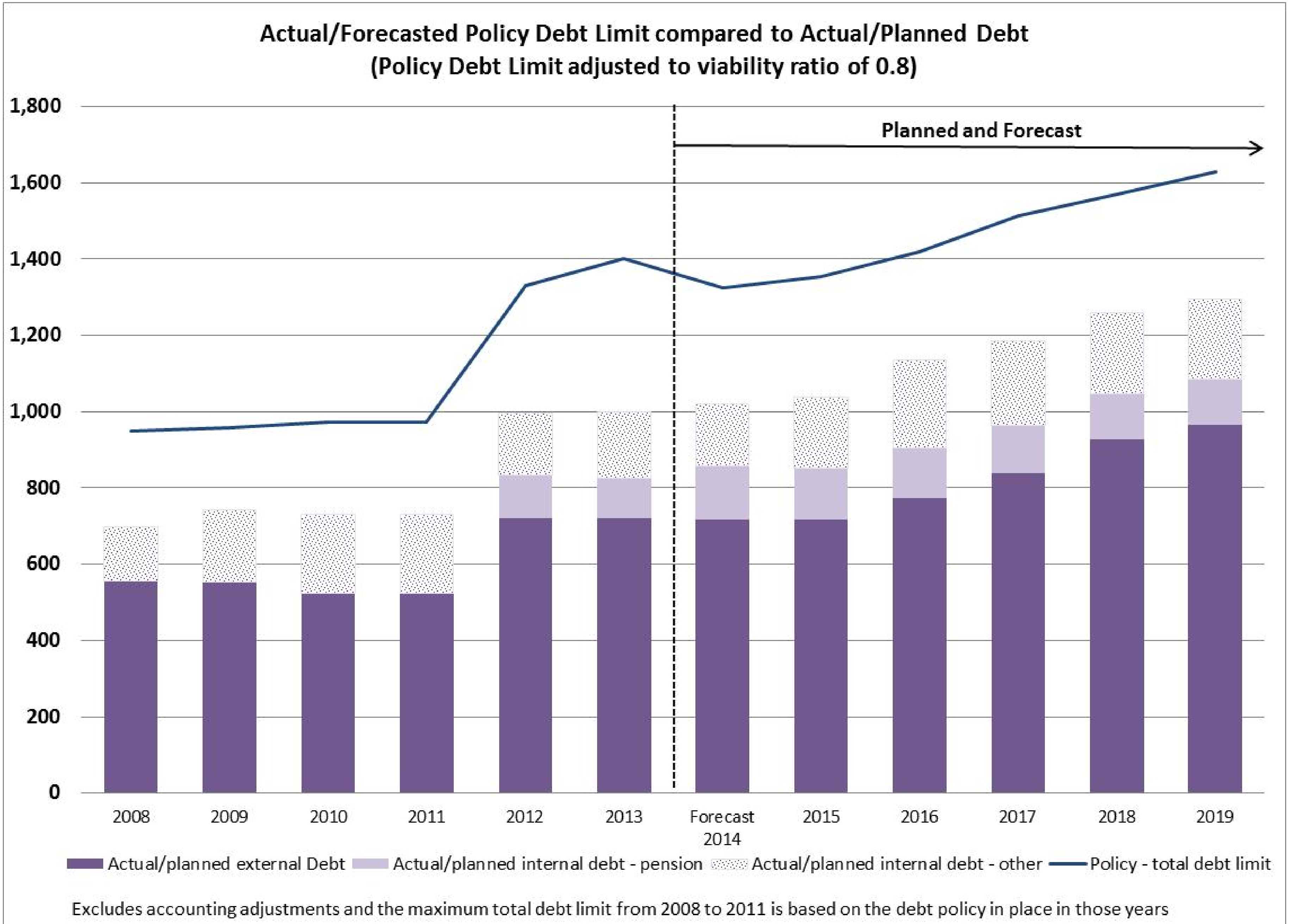
Debt burden ratio	= interest + principal divided by total expenditures.
5.0%	= maximum debt burden ratio for debt policy limit.
$1,400.0 M	= debt policy limit
<u>$1,183.6 M</u>	= allocated by Business Board (debt + contingency for donations)
$ 216.4 M	= unallocated
3.8%	= debt burden ratio for actual debt outstanding
$1,025.0 M	= actual debt outstanding.
Viability ratio	= expendable resources divided by debt.
0.85	= viability ratio for debt policy limit.
1.17	= viability ratio for actual debt outstanding.
6.4%	= debt burden ratio for actual debt outstanding plus pension special payments budget.



Debt Burden Ratios for Actual/Planned External and Internal Debt and Additional Debt Burden Ratio (includes Special Payments to Pension)
8.0%
7.0%
6.0%
5.0%
4.0%
3.0%
2.0%
1.0%
0.0%
Industry Upper Threshold
UofT Policy Threshold
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Debt Burden Ratio-Actual/Planned Ext Debt only
Debt Burden Ratio-Actual/Planned Ext + Int Debt
Monitoring Debt Burden Ratio-Actual/Planned Ext + Int Debt plus pension special payments, funded by annual operating budget set aside for this purpose



Viability Ratios for Actual/Planned External plus Internal Debt
2.40
2.20
2.00
1.80
1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
-
Viability Ratio - Additional monitoring ratio - set to be higher than 0.8
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Actual/Planned External + Internal Debt
Actual/Planned External debt only
Policy - External + Internal debt limit
Policy - External debt limit


Actual/Forecasted Policy Debt Limit compared to Actual/Planned Debt
(Policy Debt Limit adjusted to viability ratio of 0.8)
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
Planned and Forecast
2008
2009
2010
2011
2012
2013
Forecast 2014
2015
2016
2017
2018
2019
Actual/planned external Debt
Actual/planned internal debt - pension
Actual/planned internal debt - other
Policy - total debt limit
Excludes accounting adjustments and the maximum total debt limit from 2008 to 2011 is based on the debt policy in place in those years