

Town of Pelham
Debt-Related Financial Indicators
As at December 31, 2018

	Debt Servicing Cost as a % of Own-Source Revenues		Debt Service Coverage Ratio		Debt to Reserve Ratio	Debt per Capita	Net Financial Assets (Net Debt) as a % of Own-Source Revenues		Total Reserves and Reserve Funds as a % of Operating Expenditures		Asset Consumption Ratio	
Importance	A measure of the Town's ability to service debt payments. A higher number indicates that debt servicing is consuming a higher portion of the operating budget and may constrain the funding that is available for other service delivery.		A measure of the Town's ability to service debt with recurrent operating cash flows. If this ratio is 1, the Town has just enough cash flow to pay for debt servicing. If it is less than one, the Town operating income is constrained in covering debt servicing costs.		A measure of the amount of debt taken out that will need to be funded in the future, versus the amount that has been put away into reserves to provide for future expenditures. A ratio of greater than 1 means that debt outstanding exceeds reserves available. A ratio of less than 1 means that debt outstanding is lower than reserves available.	A measure of how much debt is outstanding per citizen of the Town. This can give an indication of the amount of future tax revenues that need to be recovered to pay for existing infrastructure, and a high level of debt relative to other similar municipalities may mean that the Town would have less flexibility to respond to an unanticipated event or expenditure.	A measure of the amount that Own-Source Revenue is servicing debt. A ratio less than zero indicates that the Town is in a Net Debt position (liabilities exceed financial assets). An increasing negative number may indicate challenges for long-term sustainability because an increasing amount of future revenues will be required to pay for the existing debt.		A measure of the amount of funds that have been set aside for future needs and contingencies. A higher percentage means that the Town may be relying less on debt or putting funds away for future expenditures. A lower percentage may mean that the Town is relying more heavily on in-year tax levy and rates to pay for expenditures.		A measure of the amount of the Town capital assets' life expectancy which has been consumed. A higher ratio may indicate that there are significant replacement needs, and a lower ratio may indicate that there is not significant aging of the Town's capital assets.	
Low Risk	Less than 5%	L	1.5 or higher	L			Greater than -50%	L	Greater than 20%	L	Less than 0.5	L
Moderate Risk	5% to 10%	M	1 to 1.49	M			-50% to -100%	M	10% to 20%	M	0.5 to 0.75	M
High Risk	Greater than 10%	H	Less than 1	H			Less than -100%	H	Less than 10%	H	Greater than 0.75	H

Pelham	13%	H	1.01	M	10.23	\$	1,759	-203%	H	12%	M	0.37	L
Fort Erie	3%	L	8.20	L	0.29	\$	240	60%	L	54%	L	0.43	L
Grimsby *	0%	L	53.22	L	0.21	\$	142	132%	L	69%	L	0.27	L
Niagara Falls *	3%	L	8.65	L	0.55	\$	588	58%	L	56%	L	0.38	L
N-O-T-L	2%	L	7.90	L	0.18	\$	158	79%	L	42%	L	0.30	L
Port Colborne *	7%	M	0.80	H	1.37	\$	1,335	-90%	M	53%	L	0.38	L
St. Catharines	7%	M	1.24	M	2.11	\$	965	1%	L	29%	L	0.40	L
Thorold	1%	L	33.19	L	0.03	\$	57	85%	L	154%	L	0.41	L
Wainfleet *	1%	L	20.62	L	0.04	\$	28	31%	L	57%	L	0.45	L
Welland	8%	M	2.00	L	1.33	\$	961	29%	L	44%	L	0.41	L
West Lincoln	5%	M	4.21	L	1.18	\$	1,051	25%	L	95%	L	0.35	L

* Used FIR from 2017

Note: For details behind all calculations please refer to Appendix B in the "Capital Financing and Debt Management Policy"