





# Financial Sustainability



Indicator Title: Reserve to Debt Ratio

**CURRENT TREND**  


**DESIRED = >1.0 TREND**  


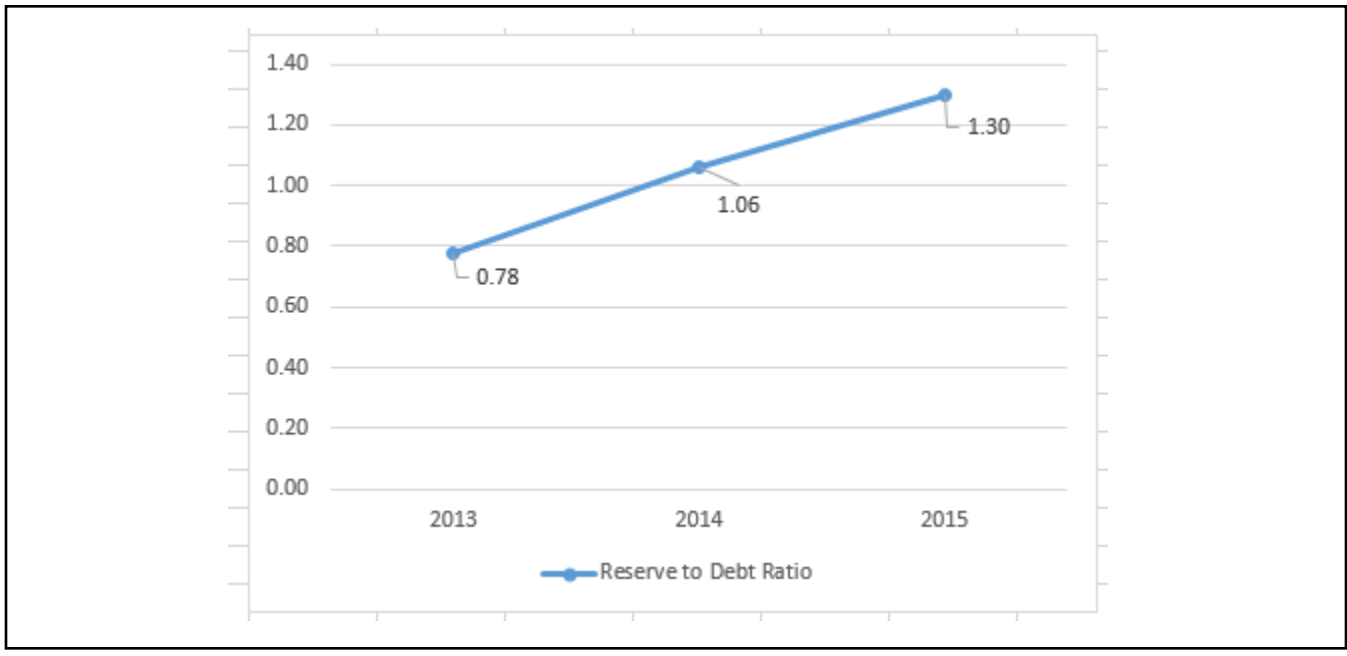


Figure 1. Reserve to Debt Ratio, 2013-2015

**Reserve to Debt Ratio:** Compares the levels of reserves and reserve funds to the total outstanding debt.

**CURRENT TREND**

The recent trend of increasing reserve balances and debt reduction has resulted in a steady improvement in this ratio. While it is anticipated that debt will continue to be reduced, it is expected that reserve balances will fluctuate as reserves are used to fund major capital projects.

**DESIRED TREND**

Maintain a ratio greater than 1.00

**WHY IS THIS IMPORTANT TO CREATING FINANCIAL SUSTAINABILITY?**

A healthy reserve to debt ratio indicates an ability to fund infrastructure and strategic initiatives through use of reserves or the ability to borrow.