



Announcement of Periodic Review: Moody's announces completion of a periodic review of ratings of York, Regional Municipality of

22 Jul 2020

Toronto, July 22, 2020 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of York, Regional Municipality of and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

The Aaa rating is based on the region's high levels of cash and investments and continued ability to generate strong operating outcomes. Debt affordability remains strong, supported by a sustained low interest environment. The rating also reflects a wealthy and diverse tax base which has supported the region's ability to generate predictable revenues. The rating is pressured by increased demand for government services and capital infrastructure spending which put upward pressure on an already elevated debt burden. The region is exposed to fiscal pressure stemming from the coronavirus pandemic, which Moody's views as a social risk, which could cause the debt burden to rise higher, although budget flexibility and strong management will cushion the fiscal impact. York's rating incorporates its baseline credit assessment (BCA) of aaa, as well as Moody's assessment of a high likelihood of extraordinary support from the Province of Ontario (Aa3) in the event that York faced acute liquidity stress.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Regional and Local Governments published in January 2018. Please see the Rating Methodologies page on www.moody's.com for a copy of this methodology.

This announcement applies only to EU rated and EU endorsed ratings. Non EU rated and non EU endorsed ratings may be referenced above to the extent necessary, if they are part of the same analytical unit.

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