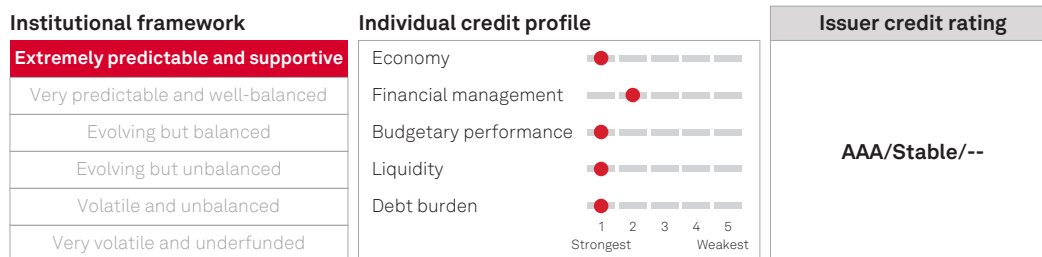


City of Barrie

October 13, 2026

This report does not constitute a rating action.

Ratings Score Snapshot



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Credit Highlights

Overview

Credit context and assumptions	Base-case expectations
The stability of Barrie's revenue generation is underpinned by a growing property tax base and a diversified economy.	High operating surpluses, reserves, and capital grants will fund the city's capital plan.
Prudent financial management practices support strong financial results.	The debt burden will decline as principal repayments and revenue growth exceed planned debt issuance.
The city benefits from an extremely predictable and supportive local and regional government framework.	Liquidity will be more than sufficient to cover debt service requirements.

S&P Global Ratings expects the City of Barrie, in the Province of Ontario, will maintain strong budgetary performance through a disciplined approach to capital planning and financial management. The diverse economy and steady population growth provide a stable tax base, enabling the city to fund much of its capital program through internal resources. This ability to self-finance has driven a continuous reduction in debt levels and kept borrowing needs limited; we expect these trends will continue during the outlook horizon.

Outlook

The stable outlook reflects our expectation that, in the next two years, Barrie will keep generating robust operating balances while after-capital balances remain in a surplus position, despite

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growth-related investments in infrastructure. We expect the city will be able to finance most of its substantial capital plan through a combination of internal resources and grants from senior levels of government, along with modest debt issuance. As a result, we expect the city's debt burden will further decrease in the next two years.

Downside scenario

We could take a negative rating action in the next two years if Barrie's budgetary performance weakens such that operating balances fall below 15% and after-capital balances weaken, causing deficits on a sustained basis. We expect this would coincide with increased borrowing needs and a significantly higher-than-expected debt burden above 60% of operating revenue.

Rationale

Prudent financial management and a predictable and supportive institutional framework bolster the city's creditworthiness

Barrie is in Southern Ontario and its sizable economic base benefits from a good transportation network and proximity to the Greater Toronto Area, which continues to draw business investment. The city has a large public sector that helps to insulate against economic volatility and is also home to a growing professional services sector and a diverse manufacturing base. Despite some exposure to industries subject to tariffs, in our opinion, the city's economy is sufficiently broad and diversified to weather tariff impacts. Although GDP per capita data is not available at the local level, we believe that Barrie's is in line with the national level, which we estimate will be about US\$57,800 in 2026. (For further information, see "[Canada Outlook Q4 2026: Trade Uncertainty Limits Economic Growth](#)," Sept. 23, 2026.)

In our view, Barrie has strong financial management practices, with prudent policies and a qualified management team to govern its debt and liquidity management. It produces a detailed annual operating budget that includes a three-year outlook, as well as a long-term capital plan that identifies funding sources and is informed by long-range growth and asset management plans.

On Jan. 1, 2026, the city officially annexed 4,133 acres of land from neighboring townships through the passage of Ontario legislation, the Barrie-Oro-Medonte-Springwater Boundary Adjustment Act, 2025. The expansion of the city's boundary will support expected growth over the next several decades and increase the supply of employment and housing lands. Barrie has already taken steps to integrate the new lands into its master plans, a process that will advance with the passage of the 2027 budget. We expect the city's effective and prudent management will enable the smooth transition of services and gradual intensification of infrastructure.

As do other Canadian municipalities, Barrie benefits from an extremely predictable and supportive local and regional government framework that has demonstrated high institutional stability and extraordinary systemic support in times of financial distress. During the pandemic, senior levels of government provided operating and transit-related grants to municipalities, in addition to direct support to individuals and businesses. Although provincial governments mandate a significant proportion of municipal spending, they also provide operating fund transfers and impose fiscal restraint through legislative requirements to pass balanced operating budgets. Municipalities generally can match expenditure well with revenue and maintain high reserves to fund capital spending.

Strong operating balances and limited debt issuance support deleveraging

We expect Barrie will keep producing strong operating surpluses of about 19% of operating revenue in the next two years. Revenue generation will be supported by moderate property tax and user rate increases on its growing taxable assessment base. However, like other municipalities, Barrie is facing rising personnel costs, increasingly unpredictable winter maintenance costs, and higher global fuel prices.

Barrie has addressed these pressures partially through its operating surpluses that incorporate dedicated infrastructure funding, which serves to internally finance a significant portion of its large capital plan. The city also has capital reserves to help fund growth-related projects and we expect it will draw on them in the next several years to mitigate the size of debt issuance. Barrie additionally benefits from provincial and federal capital grants, most recently securing future funding of C\$129 million through the Development Charge Reduction Program, the timing and terms of which remain subject to the finalization of bilateral and transfer payment agreements. These grants are meant to offset the city's recent development charge discounts on new properties; these charges have traditionally been a major source of growth-related capital financing for many Ontario municipalities. The lower development charge environment could pressure after-capital performance over the medium term if upper-tier funding subsidies or does not become permanent. However, we expect the city will use existing reserves and high operating balances to produce after-capital surpluses over the next two years.

The city has intentionally refrained from issuing debt in the last four years to mitigate interest costs and support deleveraging. We expect it will gradually return to a more regular cadence of borrowing in the next 12 months and will issue approximately C\$75 million by 2028. Even as the city resumes issuing debt, we anticipate debt repayment will continue to exceed Barrie's borrowings while interest costs remain limited to 1.7% of operating revenue in the next several years. The city's dedicated infrastructure levy and high operating balances will also help mitigate the magnitude of debt issuances. This will result in the debt burden falling to about 38% of operating revenue in 2028.

Barrie's exposure to contingent liabilities is modest and does not represent a material credit risk, in our opinion. At the same time, we do not believe liabilities related to the city's government-related entity, Barrie Hydro Holdings Inc., represent a contingent liability risk because we believe the likelihood of the city providing extraordinary support in a stress scenario is low.

The city's credit profile is bolstered by an exceptional liquidity position. Barrie holds healthy cash balances along with investments that totaled C\$381 million at the end of 2025. We expect that, on an adjusted basis, it will maintain liquidity sufficient to cover about 6.9x debt service requirements in the next 12 months. Similar to that of Ontario peers, Barrie has strong access to external liquidity, in our view.

City of Barrie Selected Indicators

Mil. C\$	2023	2024	2025	2026bc	2027bc	2028bc
Operating revenue	470	510	585	583	613	645
Operating expenditure	394	409	477	469	495	523
Operating balance	76	101	108	114	118	122
Operating balance (% of operating revenue)	16.1	19.8	18.5	19.6	19.3	19.0
Capital revenue	59	56	109	79	77	78

City of Barrie

City of Barrie Selected Indicators

Capital expenditure	148	154	166	174	165	168
Balance after capital accounts	(13)	3	52	20	30	32
Balance after capital accounts (% of total revenue)	(2.6)	0.5	7.5	3.0	4.4	4.5
Debt repaid	28	28	26	28	29	31
Gross borrowings	0	0	0	25	26	24
Balance after borrowings	(42)	(25)	25	17	28	26
Direct debt (outstanding at year-end)	303	275	248	246	243	237
Direct debt (% of operating revenue)	64.4	53.8	42.5	42.2	39.7	36.7
Tax-supported debt (outstanding at year-end)	310	281	255	252	250	243
Tax-supported debt (% of consolidated operating revenue)	65.9	55.1	43.6	43.3	40.7	37.7
Interest (% of operating revenue)	2.4	2.1	1.7	1.7	1.6	1.5
Local GDP per capita (\$)	--	--	--	--	--	--
National GDP per capita (\$)	54,883.7	55,149.0	55,785.6	57,812.8	60,396.0	62,782.7

The data and ratios above result in part from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. The main sources are the financial statements and budgets, as provided by the issuer. bc--Base case reflects S&P Global Ratings' expectations of the most likely scenario. C\$--Canadian dollar. \$--U.S. dollar.

City of Barrie Rating Component Scores

Key rating factors	Scores
Institutional framework	1
Economy	1
Financial management	2
Budgetary performance	1
Liquidity	1
Debt burden	1
Stand-alone credit profile	aaa
Issuer credit rating	AAA

S&P Global Ratings bases its ratings on non-U.S. local and regional governments (LRGs) on the six main rating factors in this table. In the "**Methodology For Rating Local And Regional Governments Outside Of The U.S.**," July 15, 2019, we explain the steps we follow to derive the global scale foreign currency rating on each LRG. The institutional framework is assessed on a six-point scale: 1 is the strongest and 6 the weakest score. Our assessments of economy, financial management, budgetary performance, liquidity, and debt burden are on a five-point scale, with 1 being the strongest score and 5 the weakest.

Key Sovereign Statistics

[Sovereign Risk Indicators](https://www.spglobal.com/ratings/sri/), July 14, 2026. An interactive version is available at <https://www.spglobal.com/ratings/sri/>

Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Governments | International Public Finance: Methodology For Rating Local And Regional Governments Outside Of The U.S.](#), July 15, 2019
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Canada Outlook Q4 2026: Trade Uncertainty Limits Economic Growth](#), Sept. 23, 2026
- [S&P Global Ratings Definitions](#), Sept. 1, 2026
- [Local And Regional Government \(LRG\) Risk Indicators For Asia-Pacific, Canada, Europe, and Latin America](#), June 25, 2026
- [Subnational Government Outlook Midyear 2026: LRGs Show Their Mettle Amid Ongoing Conflicts](#), June 24, 2026
- [Institutional Framework Assessment: Canadian Municipalities Leverage Fiscal Flexibility To Address Capital Challenges](#), March 26, 2026

Ratings Detail (as of October 13, 2026)*

Barrie (City of)	
Issuer Credit Rating	AAA/Stable/--
Senior Unsecured	AAA
Issuer Credit Ratings History	
15-Oct-2025	AAA/Stable/--
16-Oct-2024	AA+/Positive/--
01-Jun-2022	AA+/Stable/--

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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