County of Wellington

September 10, 2026

This report does not constitute a rating action.

Ratings Score Snapshot

Institutional framework	Individual credit profile	Issuer credit rating
Extremely predictable and supportive	Economy	**AAA/Stable/--**
Very predictable and well-balanced	Financial management	
Evolving but balanced	Budgetary performance	
Evolving but unbalanced	Liquidity	
Volatile and unbalanced	Debt burden	
Very volatile and underfunded	1 2 3 4 5 Strongest Weakest	

Credit Highlights

Overview

Credit context and assumptions	Base-case expectations
Strong management practices and policies will support the County of Wellington's (Wellington) strong financial policy execution in the medium term.	Wellington will continue to post strong operating balances, anchored by healthy tax receipts and despite high cost pressures.
Incomes will remain stable in a strong and diversified economy despite ongoing trade and tariff uncertainty with the U.S.	Accordingly, we expect the county will fund its capital expenses with reserves and rely less on debt.
Like other Canadian municipalities, Wellington's relationship with the Province of Ontario is likely to remain extremely predictable and supportive.	The county will likely maintain healthy reserves, contributing to its very strong liquidity, which bolsters its credit profile.

S&P Global Ratings' long-term issuer credit rating on the County of Wellington is 'AAA'. We expect Wellington will sustain its strong financial performance, resulting in robust operating surpluses averaging 13% of operating revenues over 2024-2028. Despite the county's sizable capital program, we expect it will maintain average post-capital surpluses of 2% throughout the forecast period. We anticipate the debt burden will remain moderate and relatively low over the next two years, as the capital program is primarily funded through healthy accumulated reserves, reducing the need for new debt issuance. In our view, Wellington's manageable debt profile and very strong liquidity are key credit strengths, supported by a strong and diversified economy.

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Outlook

The stable outlook reflects S&P Global Ratings' expectation that in the next two years, the county's strong revenue sources and prudent financial management will support modest surpluses after capital accounts. In addition, we expect Wellington's debt burden will remain less than 30% of operating revenue. The county's liquidity position remains a credit strength.

Downside scenario

Although unlikely, we could lower the rating over the next two years if the county's capital program expands beyond our base-case assumptions, leading to after-capital deficits of greater than 5% of operating revenue on a sustained basis and a debt burden of more than 60% of operating revenue.

Rationale

Strong local economic foundations and an extremely predictable and supportive local and regional government framework bolster Wellington's creditworthiness

Wellington benefits from a stable and diversified economy, supported primarily by the manufacturing and agricultural sectors. It also enjoys a strategic location close to the Greater Toronto Area, as well as the cities of Hamilton and Guelph, with direct access to the Highway 401 corridor. We expect economic activity in Wellington will remain healthy, supporting revenue generation despite the impact of reduced international immigration targets and trade uncertainty, including U.S. tariffs. We believe these factors have softened development activities for residential and industrial activities in 2025 and 2026 compared with those in 2024.

Our base-case assumption is that the local economy will evolve broadly in line with the national economy, which is expected to slowly recover, rather than deteriorate (see "Economic Outlook Canada Q3 2026: Resilient, Not Strong," June 24, 2026). While GDP per capita is not available at the local level, we estimate it would be somewhat higher than the national level of about US$58,700 in 2026.

In our opinion, Wellington's management team is experienced and capable of providing effective leadership, as demonstrated through prudent financial policies. We expect these practices to continue beyond the municipal election scheduled for October 2026. Management produces clear goals and objectives with 10-year operating budgets and tax-rate projections, approved annually; and uses realistic underlying assumptions, in our view. It also produces a 10-year capital budget accompanied by identified funding sources, which provides transparency about future capital priorities and investment needs. Management recently updated its investment portfolio guidelines, enhancing financial flexibility while maintaining a prudent risk management framework. We will continue to monitor risks and adherence to the policy.

Like other Canadian municipalities, Wellington benefits from an extremely predictable and supportive local and regional government framework that has demonstrated high institutional stability and evidence of systemic extraordinary support in times of financial distress. Most recently through 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 are generally able to match expenditure well with revenue, except for capital expenditure (capex), which can be intensive. Any operating surpluses typically fund capex and future liabilities (such as postemployment obligations) through reserve contributions. Municipalities have demonstrated a track record of strong budget results and, therefore, average debt burdens are low relative to those of global peers, and growth over time has been modest.

Wellington will post near balanced after-capital accounts on average despite significant capex and will maintain low debt burden

The county will post strong operating balances, supported by steady property tax receipts and despite some cost pressures, mainly personnel expenses. In addition, Wellington is responsible for delivering a range of services, including key social services for both the county and the City of Guelph, as part of its role as consolidated municipal services manager. The structural costs for these provincially mandated services, including housing and homelessness programs, are increasing over time and limit the county's spending flexibility. However, we expect the county will continue the necessary measures to address its spending needs and continue generating strong budgetary performance, with average operating balances of 13% of operating revenue in our 2024-2028 base-case period.

We estimate that Wellington will spend a total of C$64 million from 2026-2028 on capex. Capital projects include infrastructure facilities, ambulance, housing, and solid waste services. As a result, the county will post near-balanced after-capital accounts of 2% of total revenue in 2024-2028. We estimate a deficit after capital of almost 2% of total revenues in 2027, but we believe this will normalize in future years.

The primary source of capital funding is the county’s reserves, which account for 63% of the 10-year capital plan. Wellington plans to issue new debt, which we estimate will be C$33 million between 2026 and 2028, including C$18 million on behalf of lower-tier municipalities. As a result, we forecast tax-supported debt will reach C$62 million, or 17% of operating revenues, by 2028. Of the tax-supported debt estimated by 2028, 42% will be from the lower-tier municipalities, which we believe can support their obligations and will reimburse the county for all principal and interest payments as they come due. In turn, we recognize that there is a lower credit risk associated with this debt. We estimate interest costs will increase as the county issues more debt but remain very manageable at less than 1% of operating revenue in the next two years. In addition, Wellington’s exposure to contingent liabilities is limited, in our view.

Wellington's liquidity position is very strong. We estimate free cash balances and investments will be about C$255 million in the next 12 months, which will be sufficient to cover 40x debt service requirements. Similar to that of domestic peers, the county’s access to external liquidity is strong, in our view.

County of Wellington Selected Indicators

Mil. C$	2023	2024	2025	2026bc	2027bc	2028bc
Operating revenue	263	289	333	341	351	362
Operating expenditure	226	246	283	296	308	320
Operating balance	36	43	50	45	44	42
Operating balance (% of operating revenue)	13.7	14.9	15.0	13.2	12.4	11.6
Capital revenue	14	21	35	31	25	26
Capital expenditure	44	67	56	62	75	53

County of Wellington Selected Indicators

Balance after capital accounts	6	(2)	29	13	(7)	15
Balance after capital accounts (% of total revenue)	2.2	(0.8)	7.9	3.6	(1.8)	3.9
Debt repaid	9	6	6	4	5	5
Gross borrowings	4	0	8	15	14	5
Balance after borrowings	1	(8)	32	24	2	15
Direct debt (outstanding at year-end)	46	40	43	54	63	62
Direct debt (% of operating revenue)	17.6	14.0	13.0	15.7	17.8	17.2
Tax-supported debt (outstanding at year-end)	46	40	43	54	63	62
Tax-supported debt (% of consolidated operating revenue)	17.6	14.0	13.0	15.7	17.8	17.2
Interest (% of operating revenue)	0.6	0.5	0.4	0.5	0.6	0.6
Local GDP per capita ($)	--	--	--	--	--	--
National GDP per capita ($)	54,847.5	55,015.7	55,728.4	58,110.1	61,156.4	64,524.9

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.

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.,**" published on 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, July 14, 2026. Interactive version available at http://www.spratings.com/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

- Local And Regional Government (LRG) Risk Indicators For Asia-Pacific, Canada, Europe, and Latin America, June 25, 2026
- Economic Outlook Canada Q3 2026: Resilient, Not Strong, June 24, 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
- S&P Global Ratings Definitions, Dec. 16, 2025

Ratings Detail (as of September 10, 2026)*

Wellington (County of)	
Issuer Credit Rating	AAA/Stable/--
Senior Unsecured	AAA
Issuer Credit Ratings History	
01-Jun-2022	AAA/Stable/--
29-Aug-2014	AA+/Stable/--
16-Aug-2013	AA/Positive/--

*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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