
*The University of Western Ontario***2006-07 Capital Budget**

A. The Evolution of Capital Expenditures

The Capital Budget for 2006-07 should be seen in the context of both recent trends in capital spending and the University's proposed long-range space plan outlined in section C of the 2006-07 Operating Budget Document. Table 22 sets out expenditures in the Capital Budget since 2002-03 in nine categories. Category 1 shows all new construction, while categories 2 to 7 show renovations to existing space. Category 1 expenditures are usually funded from general University funds, the major exceptions being projects funded all or in part from external research and private funds, and Housing construction, which is funded from the Housing budget. Categories 2 to 5 are funded primarily from general University funds, while category 6 is funded from Housing operations, and category 7 is funded by the particular Ancillary undertaking the work. Categories 8 and 9 involve carrying costs and loan repayments, and other expenditures such as purchases of land and buildings and transfers from the capital budget for other purposes.

Categories 2 to 5 involve **Maintenance, Modernization, and Infrastructure (MMI)** and are eligible to receive funds from the annual MMI transfer from the operating budget to the capital budget, which is budgeted at \$8.75 million in 2006-07. These are expenditures directed at modification of existing space and renewal and expansion of the utilities and infrastructure of the University. The four MMI categories can be differentiated by size and by responsibility for oversight, as between the Vice-Presidents Academic and Administration. Category 2 involves a limited number of large projects over \$1,000,000, while categories 3, 4, and 5 involve a greater number of projects, including many costing less than \$100,000. Projects in categories 3 and 5, which deal with non-academic physical infrastructure, are generally recommended by the Associate Vice-President (Physical Plant) through the Vice-President (Administration).

Projects in category 4, involve instructional and research facilities, and are generally recommended by the Associate Vice-President (Planning and Budgeting) through the Vice-President (Academic). Projects in category 2 generally involve collaboration between the two Vice-Presidents, to determine the order in which the potential major building renovations on campus should be done. Certain projects, both new construction and renovation, have a very large component of external research funding (the Biotron, for example) and require leadership by the Vice-President (Research). For most major projects in categories 1 and 2 there is a private fundraising component, so that the involvement of the Vice-President (External) is critical. Generally speaking, the effective planning and implementation of the Capital Budget requires the close collaboration of all four Vice-Presidents and many senior academic and staff leaders who work with them.

In planning future expenditures on Maintenance, Modernization, and Infrastructure, it is useful to review the value of our current fixed assets on campus. At April 30, 2005, our buildings and infrastructure had a current replacement value (CRV) of approximately \$1,391 million, as follows:

	<u>CRV \$M</u>	<u>Square Metres</u>	<u>Major Buildings</u>
Major Nonresidential Buildings	1,052	426,450	60
Utilities and Infrastructure	53		
Subtotal, Eligible for MMI	1,105	426,450	60
Housing	224	207,086	13
Other Ancillary Buildings	62	39,765	5
Total	1,391	673,301	78

At the fiscal year-end of April 30, 2005, the University had 426,450 gross square metres in 60 major nonresidential buildings, ranging in size from the Cronyn Observatory (338 square meters) to the Social Science Centre (33,757 square metres). Those buildings, and some \$53 million in utilities and infrastructure, are the physical assets generally eligible for MMI expenditures. On that same date, the University had 207,086 square metres of Housing space in nine major undergraduate residences, four major apartment buildings, and numerous smaller buildings for graduate students in Platt's Lane Estates. Other than Housing, there are five major buildings which are operated largely or entirely as ancillaries: Thompson Recreation and Athletic Centre, TD Waterhouse Stadium, Boundary Layer Wind Tunnel, University Community Centre, and Spencer Hall.

With this background in mind, we briefly set out the nine categories of capital expenditures.

1. New Construction. This category includes projects which create new buildings, additions to existing buildings, and other new facilities such as parking lots and athletic fields. It does not include projects which improve the space within existing buildings or projects which upgrade other existing facilities. With revenue from the Provincial SuperBuild program, new construction has grown rapidly since 2001-02 to accommodate the significant increase in enrolment at Western since 1998. The growth in research has also led to the need for more space, including the Biotron, funded by the Canada Foundation for Innovation (CFI) and the Ontario Ministry of Research and Innovation (OMRI).

2. Major Building Renovations. This category involves major maintenance and renovation expenditures on nonresidential building projects of over \$1 million (projects generally span more than one year). The University is currently in the initial stages of a five-year renovation to the Biological & Geological Sciences Building, a building opened in 1956 which currently has about 14,700 square meters of space. Of the 426,000 square metres in major buildings, over 75% was built before 1975, so renovations to major buildings will be a continuing part of University capital planning.

3. Utilities and Infrastructure Projects. This category involves projects with values greater than \$10,000 directed at the upgrading and new installation of utilities and other infrastructure, including boilers, chillers, and electrical, water, and sewer systems. Given that most of our Utilities and

Infrastructure plant and equipment is over thirty years old, these projects will continue to be a critical part of our capital budget.

4. Modernization of Instructional and Research Facilities. This category includes the renewal and modernization of classrooms, laboratories, libraries, and other space used for instruction and research, as well as upgrades to information technology. These expenditures are critical to maintaining Western's reputation as a leader in the quality of teaching and research. These projects are sometimes funded by the units themselves with operating or research funds. While many of these projects are under \$100,000 in cost, some can be large, such as the \$790,000 renovation in the Siebens-Drake Building to accommodate IT equipment for the SHARCNet Research Group.

5. General Maintenance and Modernization Projects. This category consists of a wide variety of maintenance and modernization projects which are not included in categories 2 to 4. Most of the projects are under \$100,000, involving such work as roof replacement, interior and exterior painting, road, bridge, and sidewalk repair, and general maintenance of structures and systems. An annual provision of \$350,000 for unforeseen projects forms part of the allotment in this category.

6. Housing Renovations. This category includes all maintenance and modernization expenditures on University residences and apartment buildings. Construction of a new residence or apartment building is included in category 1. The expenditures, projected to be \$4.0 million in 2006-07, are funded from Housing revenues. Housing has always set aside adequate maintenance funds and does not have the significant deferred maintenance on its buildings which may be observed in many other University buildings. While most projects are relatively small, some can be quite large and are funded by Housing.

7. Ancillary Projects. This category includes capital expenditures on Ancillaries other than Housing, including Hospitality Services, the Book Store, Parking Services, student fee-funded units, self-funded support units, and self-funded research units. These units pay a charge to the University for the space they occupy. The total revenue of these units in 2004-05 was \$67.5 million.

8. Carrying Costs and Loan Repayments. This category consists of principal repayments and interest on capital projects.

9. Other Expenditures. This category includes \$2.1 million in 2002-03 which was transferred from the Gibbons Reserve Fund to an endowment in support of research in Arts and Humanities and Social Science and the \$7.7 million for the purchase of the Westminster College Property in 2005-06.

The last ten lines of Table 22 are labeled A to K. Line A shows total sources of funding for the capital budget, including loans; B, sources of funds less expenditures; C, the capital reserve at year-end (which changes each year by the amount in line B); and D, capital debt outstanding at year-end. Details on these items are shown in Tables 24 and 30.

Line E shows the replacement value of nonresidential buildings and utilities and infrastructure – the assets eligible for MMI spending -- while line F shows the ratio of the annual MMI expenditure

to the replacement value. For example, in 2002-03, MMI expenditures were \$20.3 million, while the estimated replacement value of nonresidential buildings, utilities, and infrastructure was \$878 million. The ratio of the two is 2.3%, as shown in line F.

Line G of Table 22 shows the annual transfer from the operating budget to the capital budget for Maintenance, Modernization, and Infrastructure (the MMI transfer). As part of the 1995 Strategic Plan, the Board of Governors approved an incremental annual base transfer of \$750,000 from operating to capital in support of maintenance spending for ten years, from 1996-97 to 2005-06. Since there was an existing transfer of \$500,000 in 1995-96, the annual transfer was \$8.0 million in 2005-06. Last year, Western's Board of Governors approved the recommendation that the base transfer of \$750,000 be continued for another ten years after 2005-06 until 2015-16, when the annual transfer will be \$15.5 million. This commitment establishes Western as a leader among Canadian universities in maintaining its facilities and dealing with deferred maintenance.

Line H of Table 22 shows the ratio of the annual MMI transfer to total MMI expenditures; for example, in 2002-03, the transfer was \$5.75 million and MMI expenditures were \$20.3 million, so the ratio in line H is 28.3%. Other sources of funding for MMI expenditures include the annual capital facilities renewal grant from the Province (currently about \$2.5 million); special Provincial grants, such as the \$16.0 million announced in April, 2003 for the renovation of the Medical Sciences Building; additional one-time allocations from the University's operating budget; research funds from such sources as the Canada Foundation for Innovation and the Ontario Ministry of Research and Innovation; fundraising; and borrowing.

Line J contains an estimate of maintenance spending, defined narrowly as spending required to bring aging facilities up to their condition when originally built. In fact, whenever Western undertakes a major maintenance project, there is also modernization of the facility, and whenever we execute a major modernization project, there is generally some maintenance expenditure; it is thus difficult to separate the two. Line I is calculated on the assumption that 2/3 of the expenditures in categories 2, 3, and 5 involve maintenance (the remaining 1/3 involve modernization), while 1/3 of the expenditures in category 4 is for maintenance (the remaining 2/3 involve modernization). While these ratios would vary by project and by year, Physical Plant considers them a reasonable average for the four categories over a number of years.

The value of line J in 2002-03 is \$12.4 million, or (in line K) 1.4% of the replacement value in that year. A standard target in industry for this ratio is 2.0%: if large buildings last an average of 50 years, then on average maintenance spending should be 2.0% of replacement value. When the actual ratio is consistently lower than 2.0%, as has been the case at most Canadian universities, the level of deferred maintenance will grow. Western continues to urge the Province to increase the annual allocation for facilities renewal, which has often been set at \$2.5 million or less during the last decade. Western will also urge the federal government to include universities in future infrastructure programs and to create a fund specifically aimed at helping Canadian universities deal with deferred maintenance.

Table 23 reviews capital projects over \$1 million divided into three groups: projects completed since 2004 (4 projects with a total cost of \$13.7 million); projects currently underway (12 projects, \$204.4

million), and planned future projects (13 projects, \$197.9 million). In each case, the projects are assigned to one of the nine categories. For all the projects, the year and month of the start and end of construction are shown. For planned future projects, the start date is the budget year in which Board approval might be sought.

The projects listed in Table 23 are the result of the long-range space plan outlined in section C of the Operating Budget portion of this document. These projects include new construction that will create the additional space necessary to accommodate graduate enrolment expansion and the associated additional faculty and staff, and major building renovations and utilities and infrastructure projects – reflecting the need to maintain and modernize Western’s aging physical plant. Two projects not included as part of the long-range space plan section are:

Utilities and Infrastructure – As a result of aging infrastructure and the need to increase capacity and reliability of utilities for our campus, a plan has been developed for the gradual upgrading of the existing utilities infrastructure. This includes replacement of older chillers, boilers and distribution systems including steam and condensate lines, sewers, and water lines.

Asset Acquisitions – It has been an established principle in Western’s Campus Master Plan that the university pursue, as appropriate, the purchase of lands contiguous to the University property as the lands come available. Western will continue to seek to protect the Regional Facilities zoning around us and to buy land near our campus when it comes up for sale. The University may also acquire strategic physical assets, as in the purchase of the Siebens-Drake Research Institute building in 2002.

B. Sources of Funding and Capital Expenditures in 2006-07

Table 24 displays sources of funding for budgeted capital expenditures with estimates of comparative data for 2005-06, divided into seven major categories: provincial and municipal government grants; funds from the Canada Foundation for Innovation (CFI) and the Ontario Ministry of Research and Innovation (OMRI) awarded on a competitive basis; funds transferred from Western’s operating budget; investment income on reserves held in the Capital Budget; general fundraising; bank loans; and other sources, including internal recoveries. As compared to a decade ago, the University is more dependent on capital revenues from competitive research sources (e.g. CFI/OMRI), private fundraising, and transfers from the operating budget. The \$36.9 million in SuperBuild funds granted to the University in 2000 were intended by the Province to provide about half of the funding needed for three large new buildings on campus (the Thompson Engineering, North Campus, and Labatt Health Sciences buildings). Thus, beginning in 2003-04, significant borrowing for these buildings was required.

Table 25 shows expenditures in Categories 1, 2, and 3, for 2005-06 (estimates as of February 28, 2006) and 2006-07 (current proposals). Within each category the items are listed according to the size of the proposed expenditure in 2006-07.

Table 26 shows expenditures in categories 4 and 5, while Table 27 shows expenditures in categories 6 and 7. For categories 4 to 6, certain smaller projects are grouped together; the full list of projects is available from the Division of Physical Plant and Capital Planning Services. Tables 28 and 29 show data on Categories 4 to 7 with estimates for 2005-06.

C. Capital Reserves, Loans, and Debt

Table 30 displays Capital Reserves and Loans for April 30 fiscal year-ends.

In 2002/03, the Board of Governors approved a Capital Debt Policy, which includes ceilings on four measures of the total capital debt of the University:

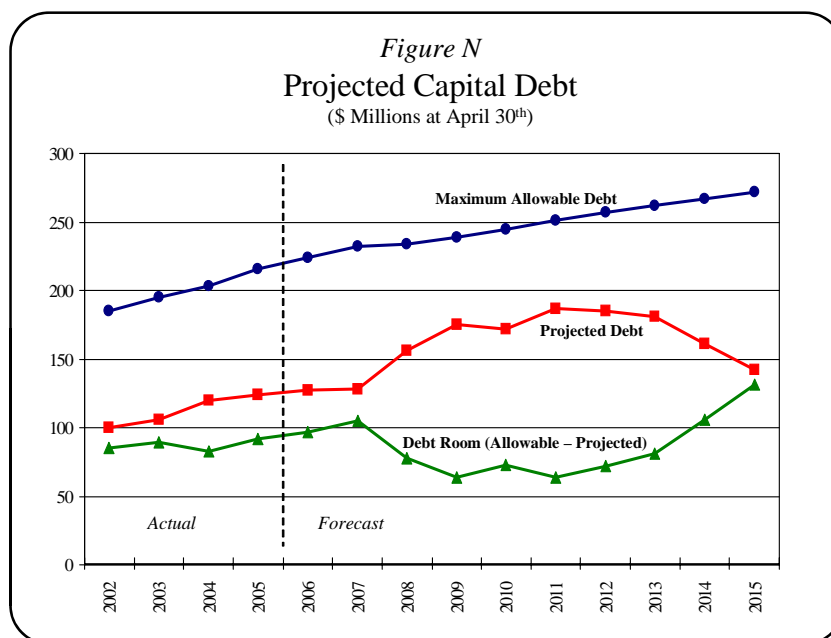
- Debt per FTE student;
- The ratio of debt to total revenues;
- The ratio of debt service costs to total revenues (debt service includes interest and principal payments); and
- The ratio of debt to revenues available to service the debt (these revenues exclude research grants and other restricted funds).

For each of these four measures, the table below shows the ceiling, actual data for the previous two years, and the forecasts for the current year and the next year:

	2006	Actual*		Forecast*	
	<u>Ceiling</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt per FTE Student	\$8,036	\$4,447	\$4,522	\$4,547	\$4,507
Debt / Revenues	35.0%	17.7%	17.4%	17.1%	16.6%
Debt Service / Revenues	4.0%	1.6%	2.4%	3.2%	2.9%
Debt / Available Revenues	45.0%	23.9%	24.6%	24.4%	23.7%

* For years ending on April 30th

The figure below shows the maximum allowable debt based on Debt per FTE student, actual/projected debt, and debt room (the difference between the maximum allowable debt and the projected debt). The ceiling of the Debt per FTE Student measure is the parameter with the lowest debt ceilings. The forecasts extend to 2015 and are based on the proposed long-range space plan described earlier in section C of the Operating Budget portion of this document. Western's total debt – which includes Housing, the Research Park, the UCC, Spencer Hall, and the University's Operating and Capital Funds – is projected to be \$187 million in 2011.



D. Space Efficiencies at Western

Western is committed to the efficient use of space. Every three years since 1977-78, the Provincial Ministry responsible for universities and the Council of Ontario Universities have compiled data on the ratio of actual space in Ontario universities, as compared to the “formula space” which would be generated by a particular set of space standards for classrooms, research, libraries, offices, services, and students.

	Ratio of Actual Space to Formula Space					
	<u>77-78</u>	<u>86-87</u>	<u>95-96</u>	<u>98-99</u>	<u>01-02</u>	<u>04-05</u>
1. Western	106.2%	95.2%	85.8%	81.3%	74.2%	71.1%
2. All Ontario Universities	95.7%	88.4%	86.5%	86.0%	79.6%	73.0%
3. Western’s “relative space efficiency”	-10.5%	-6.8%	+0.7%	+4.7%	+5.4%	+1.9%

We may illustrate the three lines of the table with reference to the data for 2004-05. Line 1 shows that Western had actual space equal to 71.1% of the space which would be required to meet the space standards; the corresponding figure for all Ontario universities was 73.0%. The difference of line 2 minus line 1 is 1.9% – i.e. Western’s use of space relative to the standards was 1.9% more efficient than the average of Ontario universities. Lines 1 and 2 show that all Ontario universities, including Western, have become more efficient in the use of space since 1977-78.

TABLE 22
CAPITAL BUDGET SUMMARY, 2002-03 to 2006-07
(\$000)

Category	Purpose	Actual 2002-03	Actual 2003-04	Actual 2004-05	Projected 2005-06	Budget 2006-07
	New Construction					
1	New Construction (Table 25, line 18)	44,733	45,066	38,963	31,871	54,665
	Maintenance, Modernization, and Infrastructure (MMI)					
2	Major Building Renovations (Table 25, line 28)	6,109	7,977	10,836	11,483	22,562
3	Utilities and Infrastructure Projects (Table 25, line 57)	6,462	3,445	3,310	3,968	5,239
4	Modernization of Instructional and Research Facilities (Tables 26 and 28)	3,490	2,983	5,023	6,308	3,452
5	General Maintenance and Modernization Projects (Tables 26 and 28)	4,272	5,140	4,686	5,125	6,324
	Sub-Total MMI	20,333	19,545	23,855	26,884	37,577
	Other					
6	Housing Renovations (Tables 27 and 29)	1,932	3,463	1,996	2,698	3,976
7	Ancillary Projects (Tables 27 and 29)	854	2,623	2,214	886	920
8	Carrying Costs and Loan Repayments	6,103	2,947	8,824	14,389	11,601
9	Other Expenditures	2,440	1,381	45	7,789	45
	Sub-Total Other	11,329	10,414	13,079	25,762	16,542
	Total Expenditures	76,395	75,025	75,897	84,517	108,784

Line		Actual 2002-03	Actual 2003-04	Actual 2004-05	Projected 2005-06	Budget 2006-07
	Sources of Funding, Reserves, and Loans					
A	Total Sources of Funding, Including Loans (Table 24)	44,340	60,171	105,041	91,134	88,556
B	Sources of Funding less Expenditures	(32,055)	(14,854)	29,144	6,617	(20,228)
C	Capital Reserve, Year End (Table 30)	23,777	8,923	38,067	44,684	24,456
D	Capital Loans/Debt Outstanding, Year End (Table 30)	106,133	120,193	124,216	126,786	127,820
E	Replacement Value of Nonresidential Buildings, Utilities & Infrastructure, \$m	878	964	1,105	1,130	1,155
F	MMI Expenditures/Replacement Value	2.3%	2.0%	2.2%	2.4%	3.3%
G	Annual MMI transfer from Operating to Capital Budget	5,750	6,500	7,250	8,000	8,750
H	MMI transfer/MMI Expenditures	28.3%	33.3%	30.4%	29.8%	23.3%
J	Estimate of Maintenance Expenditure	12,392	12,036	14,229	15,820	23,901
K	Maintenance Expenditure/Replacement Value	1.4%	1.2%	1.3%	1.4%	2.1%

Category 8 does not include carrying costs and loan repayments for Residences & Apartments, UCC, Research Park, and the Ivey School of Business.

Line J consists of 2/3 of Category 2, 3, and 5 and 1/3 of Category 4.

TABLE 23
CAPITAL PROJECTS OVER \$1 MILLION

		Category	Start	End	Cost
					(\$M)
1	Projects Completed since 2004				
2	Law Building Expansion and Renovations	1	Jul 04	Oct 05	
3	Middlesex College/Western Science Centre Renovations	2	Aug 04	Aug 05	
4	Biotron - Addition to North Campus Building	1	May 05	Jan 06	
5	Purchase of Westminster College	9	Jun 05	Jun 05	
6	Total				13.7
7	Projects Underway				
8	Medical Science Building Renovations (Phase I & 2 Complete)	2	Apr 02	Aug 06	
9	West Valley Building (Animal Care Facility)	1	Oct 02	Jun 06	
10	Dr. Don Rix Clinical Skills Learning Building	1	Jan 04	Jun 06	
11	London Hall Residence	1	Oct 04	Aug 06	
12	Three Little Pigs Test Facility	1	Apr 05	May 06	
13	Biotron - New Facility	1	Oct 05	Feb 07	
14	Biological and Geological Sciences Building Renovations	2	Nov 05	Apr 10	
15	The Michael Kirkley Mustang Training Centre - J.W. Little Bldg	1	Feb 06	Aug 06	
16	Chiller and Cooling Tower in Power Plant	3	Mar 06	Jun 06	
17	Dental Clinic Renovations in Dental Science Building (Phase II)	2	May 06	Nov 06	
18	Student Recreational Facility	1	Oct 06	Sep 08	
19	Faculty of Science - Facility Expansion	1	Nov 06	Mar 08	
20	Total				204.4
21	Planned Future Projects				
22	Ivey EMBA Leasehold Improvements (Toronto)	2	Jun 06	Nov 06	
23	Westminster College and Related Renovations	2	Jun 06	Apr 07	
24	Support Services Building	1	Jun 06	Jun 08	
25	Bayfield Hall Renovations	6	Jun 06	Jul 08	
26	Physics and Astronomy Building Renovations	2	Jun 06	Jan 11	
27	Expansion and Renovations at Spencer Hall for Ivey MBA	1	Jul 06	Mar 07	
28	Althouse Faculty of Education Building Renovations	2	Aug 06	Aug 07	
29	Replacement of Bio-Engineering Building	1	Sep 06	May 09	
30	Utilities and Infrastructure Projects	3	May 06	Sep 13	
31	Follow on Renovations to Existing Facilities	2	Jun 08	Jun 10	
32	New Ivey School Building to House the HBA and Phd Programs	1	Aug 10	Aug 12	
33	Existing Ivey Building Renovations	2	Aug 12	Aug 13	
34	Asset Acquisitions	9			
35	Total				197.9

Table 24

CAPITAL BUDGET: SOURCES OF FUNDING
(\$000)

		Projected 2005-06	Budget 2006-07
1	Government Grants		
2	MTCU Annual Capital Grant (Facilities Renewal Program)	2,534	2,534
3	City of London	826	826
4	MTCU SuperBuild Award - Medical Science Building Renovations	2,896	0
5	Sub-Total	6,256	3,360
6	CFI/OMRI Federal/Provincial Funding		
7	Biotron - New Facility	3,090	12,928
8	West Valley Building (Animal Care Facility)	3,917	642
9	Three Little Pigs Test Facility	1,447	395
10	Biotron - Addition to North Campus Building	2,235	58
11	North Campus Building	2,000	0
12	Sub-Total	12,689	14,023
13	Operating Budget		
14	Operating Budget MMI Transfer - Base	8,000	8,750
15	Operating Budget MMI Transfer - Base (Ancillaries)	600	600
16	Operating Budget - One-Time Allocations	12,850	27,813
17	Operating Budget - Operating Reserve - Faculty of Science Facility Expansion	10,000	0
18	Operating Budget - FFICR Transfer	3,000	3,000
19	Operating Budget - CRC Transfer	848	920
20	Operating Budget - Incremental Space for Engineering in TEB	445	445
21	Provost's Academic Support Fund (PASF) - Bio-Engineering Building	1,000	0
22	Medicine Operating Budget - Medical Science Building Renovations	500	500
23	Ivey Operating Budget - Loan Repayments	0	305
24	Dentistry Operating Budget - Dental Clinic Renovations	0	300
25	Library Operating Budget - Library Improvements	0	150
26	Law Operating Budget - Law Building Expansion and Renovations	152	100
27	Engineering Operating Budget - Student Space Upgrades	252	0
28	Miscellaneous Faculty Budgets	173	35
29	Sub-Total	37,820	42,918
30	Interest Earned	500	235

Table 24

CAPITAL BUDGET: SOURCES OF FUNDING
(\$000)

		Projected 2005-06	Budget 2006-07
31	Fundraising		
32	Medical Science Building Renovations	1,500	900
33	The Michael Kirkley Mustang Training Centre - J.W. Little Building	1,100	640
34	Biological and Geological Sciences Building Renovations	0	600
35	Dental Clinics Renovations in Dental Science Building	0	535
36	SuperBuild Projects	100	500
37	Law Building Expansion and Renovations	400	300
38	Physics and Astronomy Building Renovations	0	300
39	Dr. Don Rix Clinical Skills Learning Building	190	190
40	Completed Projects	397	44
41	Sub-Total	3,687	4,009
42	Borrowing (Bank Loans)		
43	London Hall Residence	18,106	8,645
44	Expansion and Renovations at Spencer Hall for Ivey MBA	0	6,640
45	Ivey EMBA Leasehold Improvements (Toronto)	0	823
46	Medical Science Building Renovations	3,531	0
47	Dr. Don Rix Clinical Skills Learning Building	786	0
48	Sub-Total	22,423	16,108
49	Other		
50	Asset Disposal	0	1,500
51	Telephone Switch - Recoveries	500	500
52	USC Contribution - Student Recreational Facility	0	288
53	TRAC Contribution - Student Recreational Facility	0	230
54	Projects Recovered from Units (excluding Housing and Ancillaries)	3,525	489
55	Projects Recovered from Housing	2,698	3,976
56	Projects Recovered from Ancillaries	1,036	920
57	Sub-Total	7,759	7,903
58	Total Sources of Funding	91,134	88,556

Line 16: 2005/06 includes allocation to B&GS Renovations (\$5,000), Westminster College and Related Renovations (\$7,500) and GU Classroom Technology Upgrades (\$350).

Line 16: 2006/07 includes allocation to B&GS Renovations (\$2,500), Support Services Building (\$5,000), Student Recreational Facility (\$10,000), Faculty of Science Expansion (\$5,000), Replacement of Bio-Engineering Building (\$5,000) and GU Classroom Upgrades (\$313).

TABLE 25
CAPITAL EXPENDITURES FOR NEW CONSTRUCTION, MAJOR RENOVATIONS,
AND INFRASTRUCTURE -- 2005-06 and 2006-07
(\$000)

		Projected 2005-06	Budget 2006-07
1	Category 1: New Construction		
2	Biotron - New Facility		
3	Faculty of Science - Facility Expansion		
4	Student Recreational Facility		
5	London Hall Residence		
6	Expansion and Renovations at Spencer Hall for Ivey MBA		
7	Support Services Building		
8	The Michael Kirkley Mustang Training Centre - J.W. Little Building		
9	West Valley Building (Animal Care Facility)		
10	Three Little Pigs Test Facility		
11	Replacement of Bio-Engineering Building		
12	Dr. Don Rix Clinical Skills Learning Building		
13	Arthur and Sonia Labatt Health Sciences Centre		
14	Biotron - Addition to North Campus Building		
15	Law Building Expansion and Renovations		
16	Thompson Engineering Building		
17	North Campus Building		
18	Total, Category 1	31,871	54,665
19	Category 2: Major Building Renovations		
20	Biological and Geological Sciences Building Renovations		
21	Westminster College and Related Renovations		
22	Althouse Faculty of Education Building Renovations		
23	Ivey EMBA Leasehold Improvements (Toronto)		
24	Medical Sciences Building Renovations		
25	Dental Clinic Renovations in Dental Science Building (Phase II)		
26	Physics and Astronomy Building Renovations		
27	Middlesex College / Western Science Centre Renovations		
28	Total, Category 2	11,483	22,562
29	Category 3: Utilities and Infrastructure Projects		
30	PP - Chiller and Cooling Tower		
31	CG - Complete North/West Electrical Loop 27000KV		
32	CG - Utility Conservation Investment		
33	CG - Chilled Water System Upgrades		
34	CG - 5 KV South Substation Expansion		
35	CG - Storm and Sanitary Upgrades		
36	UDR - Upgrade Water Mains		
37	CG - Replace Steam and Condensate Lines, Valves and PRV's		
38	CG - Chilled Water Capacity Upgrade		
39	CG - Co - Generation Study		
40	CG - Replacement and Upgrade of High Pressure Steam Lines		
41	CG - Replacement of Steam Safety Valves		
42	CG - Building and Steam Distribution Systems		
43	PP - Boilers 2-3 Replacement of Antiquated Burners		
44	CG - Chilled Water Valve Replacement - Buildings		
45	CG - Upgrade Compressed Air Lines - Mains		
46	CG - Electrical Distribution Study		
47	SSUB - Southsub Spare Breaker Installation		
48	CG - East/South Electrical Loops 27000KV System		
49	CG - Replacement of Underground Fuel Tanks		
50	Utilities Infrastructure Project - New Boiler and Chiller		
51	CG - Replace 4160V Electrical Distribution Cables		
52	EC - Retrofit of Existing Chiller		
53	CG - Water Conservation Study		
54	CG - Satellite Boiler Burner Upgrades		
55	CG - TSSA Directives		
56	CG - Chiller Water Mains - Replace Buried Valves		
57	Total, Category 3	3,968	5,239

TABLE 26
EXPENDITURES IN 2006-07 FOR INSTRUCTIONAL/RESEARCH
FACILITIES AND GENERAL MAINTENANCE
(\$000)

		Budget 2006-07
1	<i>Category 4: Modernization of Instructional and Research Facilities</i>	
2	CG - GU Classroom Upgrades	563
3	CG - IT Network Backbone Upgrades and Improvements	275
4	P&AB - Wet Research Lab in Room 226	270
5	CG - Library Improvements	252
6	RISB - Business Library Upgrades	200
7	P&AB - Instrument Lab in Room 227	165
8	CG - Installation of Card Access Systems to Buildings	150
9	3M Centre - Create Kinesiology Research Lab	150
10	SDRI - Upgrade Rooms G22 and G25 for Genome Canada	145
11	SSC - Political Science Graduate Student Space	135
12	SSC - History Graduate Student Space	135
13	TC - Upgrades to Rooms 306, 307 and 308	132
14	TC - Upgrade Classrooms 100 and 101	84
15	SEB - Modernize Room 2046 for MME Labs	80
16	MB - Re-Keying of Building	75
17	SEB - Upgrade North Corridor and Main Entrance	70
18	SEB - Modernize Student Project Area Room 1076	60
19	P&AB - Graduate Student Space Room 35	52
20	20 Other Projects	459
21	<i>Total, Category 4</i>	3,452
22	<i>Category 5: General Maintenance and Modernization Projects</i>	
23	GL - Glenmore Bridge Repairs	850
24	CG - Roof Replacement	400
25	CG - Unforeseen Projects	350
26	CG - Extend Services Under University Drive Bridge	300
27	WC - Create Recreational Sports Fields	210
28	UC - Elevator Replacement	200
29	CG - Improve Access for Physically Challenged	180
30	CG - Asbestos Survey	155
31	CG - Building Fire Alarm System Upgrades	150
32	CG - Upgrade Electrical Distribution to Older Buildings	150
33	CG - (Science Complex) Building Fire Alarm Systems Upgrades	150
34	AC - Replacement of Inground Elevator Cylinders	150
35	WC - Renovations to Houses	140
36	UCC - Replacement of Galvanized Water Lines	120
37	CG - Interior Painting	110
38	SLB - Elevator Replacement	100
39	CG - Road Repair and Replacement	100
40	CG - Window Replacement	100
41	LB - Washroom Upgrades Rooms 33, 35, 45 and 47	100
42	TH - Pool Equipment Replacement	100
43	52 Other Projects	2,209
44	<i>Total, Category 5</i>	6,324

TABLE 27
EXPENDITURES IN 2006-07 FOR HOUSING AND ANCILLARIES
(\$000)

		Budget 2006-07
1	Category 6: Housing Renovations	
2	Bayfield Hall Major Renovations	750
3	Replace Water Mains, Platt's Lane Estates	400
4	Replace Roof Gutters, Delaware Hall	270
5	Roof Replacement, Saugeen-Maitland Hall	238
6	Appliance Replacement, Platt's Lane Estates	200
7	Asbestos Study, General	140
8	Contingency for Unforeseen Projects, General	90
9	Roof Replacement, Platt's Lane Estates	90
10	Replace Carpets, Medway Hall	80
11	UCOSH Projects, General	75
12	Appliance Replacement, Glenmore Apartment Complex	75
13	Contingency for Unforeseen Projects, Glenmore Apartment Complex	75
14	Replace Parquet Tile, Glenmore Apartment Complex	60
15	Project Design, Glenmore Apartment Complex	60
16	Replace Motor Control Centre, Saugeen-Maitland Hall	55
17	Upgrade Electrical Distribution Panels, Sydenham Hall	50
18	Paint and Caulk Exterior Windows, Sydenham Hall	50
19	Replace Garbage Lift, Sydenham Hall	50
20	Plumbing Improvements, Saugeen-Maitland Hall	50
21	Replace Heat Detector Sensors, Saugeen-Maitland Hall	50
22	Replace Carpets and Tile Floors, Platt's Lane Estates	50
23	Asbestos Audit, Platt's Lane Estates	50
24	Replace Exterior Apartment Entrance Doors, Platt's Lane Estates	45
25	Plumbing Improvements, Essex Hall	40
26	Replace Plenum Wooden Access Doors, Saugeen-Maitland Hall	40
27	Painting Improvements, Sydenham Hall	35
28	Replace Kitchen Exhaust Duct, Saugeen-Maitland Hall	35
29	Replace Electrical Main Disconnects, Saugeen-Maitland Hall	35
30	Asbestos Audit, Glenmore Apartment Complex	35
31	Replace Lighting in Closets, Sydenham Hall	30
32	Painting Improvements, Delaware Hall	30
33	Paint Stair Towers, Saugeen-Maitland Hall	30
34	Replace Drapes, Glenmore Apartment Complex	30
35	Contingency for Unforeseen Projects, Platt's Lane Estates	30
36	Replace Pumps and Converters, Sydenham Hall	25
37	Replace Drapes, Delaware Hall	25
38	41 Other Projects - Various Residences	503
39	Total, Category 6	3,976
40	Category 7: Ancillary Projects	
41	C-RD - Medway Lot Upgrades	425
42	CG - Gate Access Equipment	320
43	C-RD - Westminster Lot Expansion	150
44	CG - Parking Miscellaneous Repairs	25
45	Total, Category 7	920

TABLE 28
EXPENDITURES IN 2005-06 FOR INSTRUCTIONAL/RESEARCH
FACILITIES AND GENERAL MAINTENANCE
(\$000)

		Projected 2005-06
1	<i>Category 4: Modernization of Instructional and Research Facilities</i>	
2	WSC/SDRI - SHARCNet Renovations	790
3	DSB - Emergency Generator	510
4	SpH - MBA Space Improvements	400
5	CG - GU Classroom Technology Upgrades	367
6	ChB - Chemical Dispensing Facility	355
7	HSB - Faculty of Health Sciences Alterations	300
8	CG - IT Network Backbone Upgrades and Improvements	275
9	ChB - Alterations to Room 040 - Isotope Laboratory	233
10	CG - GU Classroom Upgrades (non-Technology)	230
11	MB - Upgrade 3rd Floor	202
12	UC - VAC - Grad Student Upgrades	200
13	HSB - New Space for Canadian Centre for Activity and Ageing	200
14	SEB - Upgrade Classrooms 2094 and 3109	199
15	CG - Installation of Card Access Systems to Buildings	185
16	SH - Upgrade Space for Women's Studies	127
17	SLB - Back-up Computer Server Room Upgrade	120
18	LB - Upgrade Classrooms LB51 and 52	117
19	TEB - Room 415 Alterations for Fluidized Coking Reactor Lab	105
20	MSB - Install 2 Autoclaves in Room 122	102
21	CG - Library Improvements	98
22	SH - New Graduate Student Study Space	95
23	EC - Upgrade Rooms 1014 and 1011D	94
24	AH - Reupholster 500 Chairs	83
25	TEB - Install Autoclave in Room 313	74
26	SDRI - Upgrades to G22 and G25	70
27	26 Other Projects	777
28	<i>Total, Category 4</i>	6,308
29	<i>Category 5: General Maintenance and Modernization Projects</i>	
30	CG - Roof Replacement	426
31	SpH - Chiller Replacement and Replace Boiler and Water Pipes	402
32	SEB - Renovations to Create Student Space	402
33	SLB - Renovations and Upgrades	287
34	TH - Pool Equipment Replacement and Pool Repairs	208
35	SLB - Replace HVAC System 102	200
36	CG - (Science Complex) Building Fire Alarm Systems Upgrades	200
37	CG - Upgrade Electrical Distribution to Older Buildings	160
38	AC - Replace Galvanized HW Lines	118
39	CG - Interior Painting	110
40	CG - Renewal of Exterior Lighting	105
41	WL - Chilled Water (Fan 101) Pumps and Coils	100
42	CG - Recreational Facilities Study	100
43	63 Other Projects	2,307
44	<i>Total, Category 5</i>	5,125

TABLE 29
EXPENDITURES IN 2005-06 FOR HOUSING AND ANCILLARIES
(\$000)

		Projected 2005-06
1	Category 6: Housing Renovations	
2	Replace Windows, Saugeen-Maitland Hall	399
3	Replacement of Roof Gutters and Drains, Medway Hall	300
4	Replace Water Main, Platt's Lane Estates	200
5	Engineering Study - Contingency, Glenmore Apartment Complex (Bayfield)	150
6	Roof Replacement, Saugeen-Maitland Hall	147
7	Roofing, Platt's Lane Estates	104
8	UCOSH Projects, General	75
9	Single Student Residence - Contingency for Unforeseen Projects, General	75
10	Replacement of Roof Gutters and Drains, Sydenham Hall	74
11	Replace Balcony, Storm and Hall Closet Doors, Glenmore Apartment Complex	68
12	Parquet Tile Replacement Allowance, Glenmore Apartment Complex	60
13	Shower Tile Leak Repairs, Medway Hall	60
14	Install Balancing and Shutoff Valves, Glenmore Apartment Complex (Beaver/Ausable)	56
15	Replace Carpets and Tile Floors, Platt's Lane Estates	50
16	Security Landscaping and Lighting, Platt's Lane Estates	43
17	Reupholster and Replace Suite Furniture, Alumni House	40
18	Replace Electrical Main Disconnects, Saugeen-Maitland Hall	35
19	Restore and Waterproof Sunset Drive Deck, Sydenham Hall	35
20	Replacement of Booster Pumps, Saugeen-Maitland Hall	31
21	Roof Fall Arrest Installation, General	30
22	Replace Drapes, Platt's Lane Estates	30
23	Contingency, Platt's Lane Estates	30
24	Entrance Foyer - Elevator Doors and Painting, Saugeen-Maitland Hall	30
25	Replace Drapes, Glenmore Apartment Complex (General)	30
26	Replace Drapes, Glenmore Apartment Complex (Bayfield)	30
27	Replace Drapes, Delaware Hall	26
28	Replace Bathtubs, Platt's Lane Estates	25
29	Replace Exterior Apartment Entrance Doors, Platt's Lane Estates	25
30	Domestic Hot Water Piping Replacement Study, Saugeen-Maitland Hall	25
31	Retrofit Satellite Boiler, Glenmore Apartment Complex (Bayfield)	25
32	Elevator and Corridor Lighting, Glenmore Apartment Complex	25
33	38 Other Projects - Various Residences	365
34	Total, Category 6	2,698
35	Category 7: Ancillary Projects	
36	C-RD - Huron Flats Parking Lot Resurfacing and Lighting Upgrades	490
37	NSC - New Seating in Nucleus	174
38	UCC - Pitstop Upgrades	100
39	TRAC - Compressor Replacement	40
40	UCC - Centrespot Ceiling and Lighting Upgrades	40
41	UCC - Upgrade Infosource	32
42	UCC - Centrespot Pizza Pizza Upgrade	8
43	SSC - Food Service Outlet	2
44	Total, Category 7	886

TABLE 30
CAPITAL RESERVES AND LOANS/DEBT AT FISCAL YEAR END
(\$000)

		Actual 2002-03	Actual 2003-04	Actual 2004-05	Projected 2005-06	Budget 2006-07
1	A. Capital Reserves					
2	UWO General Capital Fund	8,088	8,044	22,480	10,644	7,455
3	SuperBuild Growth Fund	19,229	(4,359)	(268)	(10,524)	(13,829)
4	Gibbons Property	1,200	1,361	1,436	1,500	1,579
5	Other	(4,740)	3,877	14,419	43,064	29,251
6	Total Capital Reserves	23,777	8,923	38,067	44,684	24,456

		Actual 2002-03	Actual 2003-04	Actual 2004-05	Projected 2005-06	Budget 2006-07
7	B. Capital Loans/Debt					
8	UWO General Capital Fund	3,670	3,000	2,500	2,000	1,500
9	Dental and Medical Facilities	1,055	5,270	0	3,531	0
10	SuperBuild Buildings	0	7,970	17,460	5,000	0
11	Housing	70,993	75,397	78,290	92,391	98,706
12	UCC	6,870	5,470	3,765	1,811	0
13	TD Waterhouse Stadium	0	0	0	0	0
13	Other UWO	2,440	2,730	2,540	2,942	9,003
14	Research Park	14,431	14,431	14,311	14,311	14,311
15	Richard Ivey School of Business Foundation	6,674	5,925	5,350	4,800	4,300
16	Total Capital Loans	106,133	120,193	124,216	126,786	127,820

Line 3 -- the negative figures in 2003-04 and 2004-05 are due to a shortage of fund balance as a result of holdbacks and accrued liabilities which are not borrowed for until payment is due. The negative figures in 2005-06 and 2006-07 are due to a shortage of fund balance as a result of using excess funds from capital projects in Line 5 to offset the need to borrow for SuperBuild projects for a short period of time.

Line 5 includes the Dental and Medical Facilities, Perth Hall Residence, and The Lawrence Centre in the Ivey Business School for 2002-03. For 2003-04, it includes the Biological and Geological Sciences Building Renovations, Dr. Don Rix Clinical Skills Learning Building, Western Child Care Facility, and the Dental and Medical Facilities. For 2004-05, it includes the Biological and Geological Sciences Building Renovations, Dental and Medical Facilities, London Hall Residence, Dr. Don Rix Clinical Skills Learning Building, Middlesex College/Western Science Centre Renovations, and the purchase of Westminster College property as well as the funding associated with Westminster renovations. For 2005-06 and 2006-07, it consists mainly of Biological and Geological Sciences Building Renovations, Westminster College Renovations, Faculty of Science Facility Expansion, Physics and Astronomy Building Renovations, Replacement of Bio-Engineering Building, and the Dental and Medical Facilities. The negative figure in 2002-03 is a shortage of fund balance as a result of holdbacks payable which are not borrowed for until payment is due.

Line 8 includes the 3M Addition, Telephone Switch System, and Weldon Library Renovations.

Line 11 includes Residences and Apartments (including Platt's Lane Estates) and the Sinking Fund for Lambton Hall. The Combined Financial Statements do not include the Lambton Hall Sinking Fund or Alumni Hall loan under Debt (see Combined Financial Statements, Note 7).

Line 13 includes The Lawrence Centre in the Ivey Business School, Western Child Care Facility, Clinical Skills Facility, Law Building Expansion and Renovations, Ivey EMBA Leasehold Improvements (Toronto) and Expansion, and Renovations at Spencer Hall for Ivey MBA.

Table 31

DESCRIPTION OF BUILDING/PROJECT CODES USED IN TABLES 25 through 29

	<i>Code</i>	<i>Description</i>
1	3M	3M Centre
2	AC	Althouse Faculty of Education Building
3	AH	Alumni Hall
4	BEB	Bio-Engineering Building
5	BLWT	Boundary Layer Wind Tunnel
6	B&GS	Biological and Geological Sciences Building
7	C-MSC	Campus Miscellaneous
8	C-RD	Campus Roads
9	CFC	Central Food Commissary
10	CG	Campus General
11	ChB	Chemistry Building
12	DSB	Dental Sciences Building
13	EB	Engineering Building
14	EC	Elborn College
15	ELGO	Elginfield Observatory
16	GLR	Gibbons Lodge Residence
17	GU	General University
18	HSA	Health Sciences Addition
19	HSB	Labatt Health Sciences Building
20	KB	Kresge Building
21	LB	Law Building
22	MB	Music Building
23	MC	Middlesex College
24	MSB	Medical Sciences Building
25	NCB	North Campus Building
26	NCMRD	National Centre for Management Research and Development
27	NSC	Natural Sciences Centre
28	OH&S	Occupational Health and Safety
29	PP	Power Plant
30	P&AB	Physics and Astronomy Building
31	SBA	School of Business Administration Building
32	SDRI	Siebens-Drake Research Institute
33	SEB	Spencer Engineering Building
34	SH	Somerville House
35	SLB	Stevenson-Lawson Building
36	SpH	Spencer Hall
37	SSC	Social Science Centre
38	StaB	Staging Building
39	TDWS	TD Waterhouse Stadium
40	TC	Talbot College
41	TEB	Thompson Engineering Building
42	TH	Thames Hall
43	TL	Taylor Library
44	TRAC	Thompson Recreation and Athletic Centre
45	UC	University College
46	UCC	University Community Centre
47	USC	University Students Council
48	WCCS	Western Centre for Continuing Studies
49	WL	Weldon Library
50	WSC	Western Science Centre