
*The University of Western Ontario***2007-08 Capital Budget**

A. The Evolution of Capital Expenditures

The Capital Budget for 2007-08 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 Operating Budget portion of this document. Table 22 sets out expenditures in the Capital Budget since 2003-04 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 debt 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 \$9.5 million in 2007-08. 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 Resources & Operations. 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 (Resources & Operations).

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, 2006, our buildings and infrastructure had a current replacement value (CRV) of approximately \$1,417 million, as follows:

	<u>CRV \$M</u>	<u>Square Metres</u>	<u>Major Buildings</u>
Major Nonresidential Buildings	1,052	433,515	58
Utilities and Infrastructure	55		
Subtotal, Eligible for MMI	1,107	433,515	58
Housing	260	223,159	14
Other Ancillary Buildings	50	36,433	5
Total	1,417	693,107	77

At the fiscal year-end of April 30, 2006, the University had 433,515 gross square metres in 58 major nonresidential buildings, ranging in size from the Cronyn Observatory (338 square meters) to the Social Sciences Centre (33,757 square metres). Those buildings, and some \$55 million in utilities and infrastructure, are the physical assets generally eligible for MMI expenditures. On that same date, the University had 223,159 square metres of Housing space in ten 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, Child Care 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, including housing, 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.

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). Of the 433,000 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. Utility 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 and chillers, as well as electrical, water, and sewer distribution 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.

It is noted that proposed projects under this category include a number of projects devoted to the renewal of portions of our steam, water and chilled water systems. In addition, major restoration of the chilled water pumping system at \$2.7 million, and replacement of the 4,160 volt electrical

distribution system for SLB, SSC, MC, and ChB at \$1.5 million, is planned for fiscal year 2007-08. Major projects in future years will include continued work on electrical distribution systems and cooling tower and boiler replacements.

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.

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 \$14.7 million in 2007-08, are funded from Housing revenues and debt. Housing has always set aside adequate maintenance funds and does not have the significant deferred maintenance on its buildings as may be observed in many other University buildings.

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 2005-06 was \$70.3 million.

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

9. Other Capital Expenditures. This category includes asset acquisitions such as the \$7.7 million for Westminster College in 2005-06. 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.

The last twelve lines of Table 22 are labeled A to M. Line A shows total sources of funding for the capital budget, including debt; 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 31. Annual changes in the Capital Reserve (line C) are driven by the differences between funding and expenditure (line B). Thus for 2005-06, line

B shows \$(545), the difference between funding of \$90,576 (all figures in \$000) and expenditures of \$91,121. The capital reserve in line C increases or decreases by this same amount of \$(545), from \$38,067 in 2004-05 to \$37,522 in 2005-06. When line B is negative, as in 2003-04 and 2005-06, the capital reserve declines.

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 2005-06, MMI expenditures were \$25.4 million, while the estimated replacement value of nonresidential buildings, utilities, and infrastructure was \$1.1 billion. 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. In 2004, 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 2005-06, the transfer was \$8.0 million and MMI expenditures were \$25.4 million, so the ratio in line H is 31.4%. Other sources of funding for MMI expenditures include the annual capital facilities renewal grant from the Province (currently about \$2.4 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 J is calculated on the assumption that 2/3 of the expenditures in categories 2, 3, and 5 involve maintenance (the remaining 1/3 involves 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 2005-06 is \$14.9 million, or (in line K) 1.3% 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 Western and most Canadian universities over

the last three decades, the level of deferred maintenance will grow. Western continues to urge the Province to increase the annual allocation for facilities renewal, which has generally 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 2005 (8 projects with a total cost of \$117.4 million); projects currently underway (17 projects, \$241.5 million), and planned future projects (7 projects, \$110.2 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 date at which Board approval might be sought.

The projects listed in Table 23 are the result of the long-range space plan outlined in section B 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.

B. Sources of Funding and Capital Expenditures in 2007-08

Table 24 displays sources of funding for budgeted capital expenditures with estimates of comparative data for 2006-07, 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; borrowing; 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, transfers from the operating budget and debt.

Table 25 shows expenditures in Categories 1 and 2, for 2006-07 (estimates as of February 28, 2007) and 2007-08 (current proposals). Table 26 shows expenditures in Category 3. Within each category the items are listed according to the size of the proposed expenditure in 2007-08.

Table 27 shows expenditures in categories 4 and 5, while Table 28 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 29 and 30 show data on Categories 4 to 7 with estimates for 2006-07.

C. Capital Reserves and Debt

Table 31 displays Capital Reserves and Debt for April 30 fiscal year-ends. Capital Reserves are divided into three categories:

- The General Capital Fund, not yet designated for specific purposes
- Designated Capital Fund, which have been assigned to specific projects
- Gibbons Property, the remaining funds from the sales of that property

The University's intention is that when the Gibbons funds are spent, there will be naming opportunities to honor the Gibbons name.

Capital Debt is divided into the following categories:

- **General Capital Fund** – includes debt for projects that are not new construction or major renovations. This currently includes the Telephone Switch System.
- **New Construction** - represents debt on projects that are largely new construction, additions to existing buildings and any other new facilities. This category does not include debt for Housing projects.
- **Major Renovations & Other** – includes debt on non-residential projects that involve major maintenance and renovations to existing space and includes debt on purchases of property.
- **Housing** - debt required for any new construction of, or maintenance and modernization projects on, University residences and apartment buildings.
- **UCC** - includes remaining debt for The University Community Centre Expansion.
- **Research Park** – debt incurred by the Research Park.
- **Richard Ivey School of Business Foundation** - debt held by Richard Ivey School of Business Foundation. This does not include debt for the expansion and renovation project at Spencer Hall for Ivey MBA or the Ivey EMBA Leasehold Improvement Project. The debt for these projects is included in the categories New Construction and the Major Renovations category, respectively, as the University is holding this debt.

In 2002-03, the Board of Governors approved a Capital Debt Policy, which included a limit of \$7,500 in debt per student full-time equivalent (FTE). In 2005-06, the Board policy was modified to increase the \$7,500 each year by the change in the CPI, beginning in 2002. The table below shows the allowed debt per FTE and actual debt per FTE; the figures are for years ending on April 30th.

	Actual		Forecast		
	2005	2006	2007	2008	2009
Allowable debt per FTE	\$7,878	\$8,071	\$8,233	\$8,397	\$8,565
Actual debt per FTE	\$4,520	\$4,328	\$4,229	\$5,923	\$7,785
Debt room per FTE	\$3,358	\$3,743	\$4,004	\$2,474	\$ 780

In 2007, the maximum allowed debt per FTE is \$8,233, and the forecast is \$4,229. In 2006, the credit rating agencies (Moody's, DBRS & Standard & Poors) set a reasonable limit for debt per FTE as \$10,000 CDN. Western's current debt is thus well below the Board limit and the suggested limit of expert rating agencies. The University also compares its debt per student to some other Canadian universities on a regular basis. A recent report was issued by DBRS in December 2006 containing information on twelve universities that have issued debentures. Debt per FTE at the twelve universities ranged from \$5,178 to \$10,762, with an unweighted average of \$8,056, nearly 50% above Western's projected debt per FTE of \$4,229 on April 30, 2007.

Figure P shows three measures of debt per FTE since 2005: the maximum allowable, indexed to the CPI; the actual and projected debt; and the difference between the two, which we call debt room. The minimum debt room per FTE shown is about \$706 per FTE in 2010. With 28,000 FTEs, this corresponds to about \$20 million in debt which could be allocated to projects in future Board decisions. Western's total debt is projected to be \$229 million in 2010.

To finance the capital costs associated with the long range space plan and graduate student expansion, Western is planning to issue a debenture in the summer of 2007. With interest rates hovering near 48-year lows, this 30-year bullet debenture will provide a cost effective source of funds to finance new capital construction.

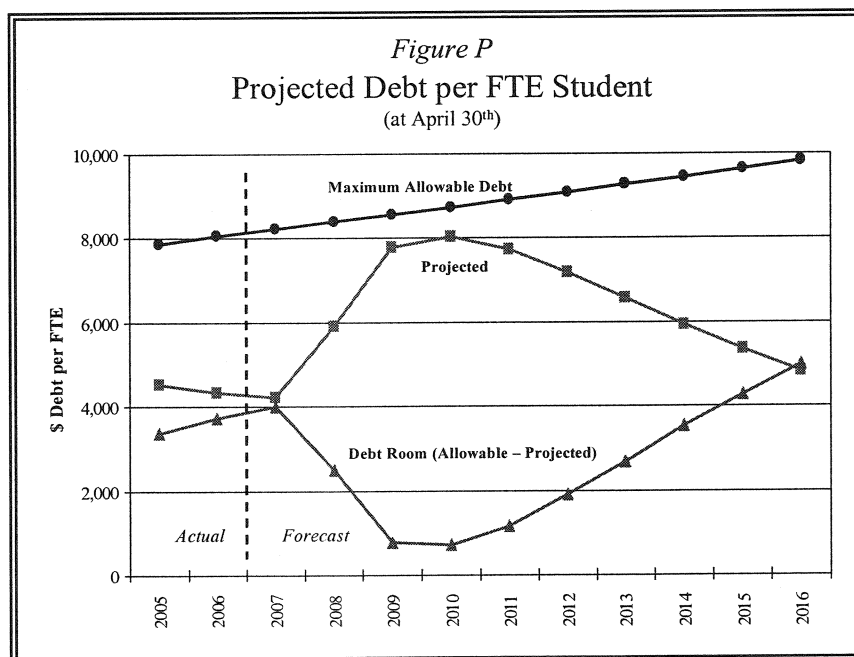
In the recent Provincial Budget, the government announced \$210 million to universities as part of the Postsecondary Education Infrastructure Trust announced in the 2006 federal budget, of which Western will receive \$17.2 million. This funding will support Western's long range space plan and upon receipt will flow to the Capital Debt Model.

D. Space 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, students.

	Ratio of Actual Space to Formula Space					
	77-78	86-87	95-96	98-99	01-02	04-05
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. Figure Q shows the growth of Actual and Formula space since 1977-78 and the growing gap between the two. Space constraints have made it difficult to build and maintain space designed for interaction and collaboration among students, faculty and staff. One of the priorities of the 2006-2013 Long-Range Space Plan set out in the 2006-07 Budget is to build and protect such space, and thereby facilitate interdisciplinary and pan-University initiatives, as well as building a stronger sense of University community.



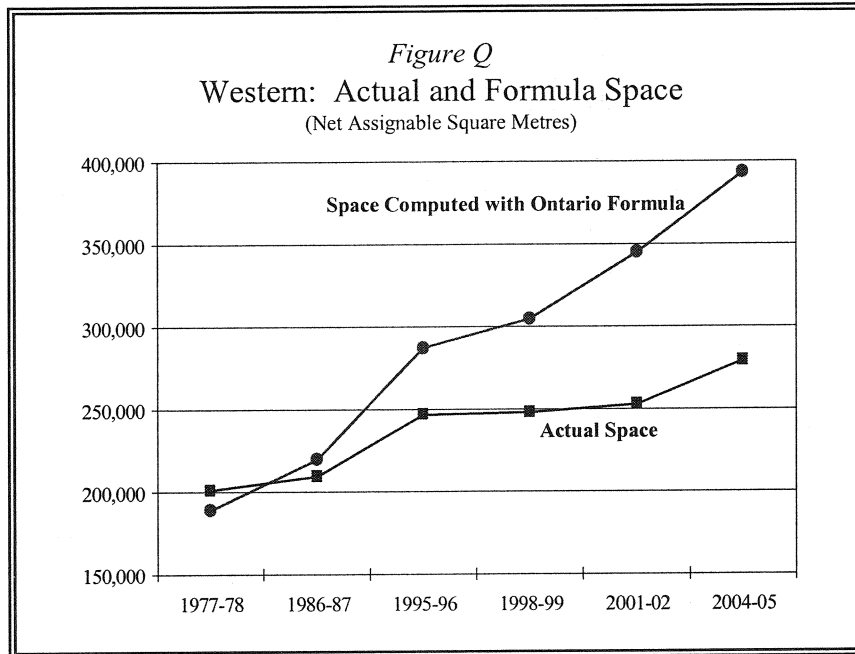


Table 22
CAPITAL BUDGET SUMMARY, 2003-04 TO 2007-08
(\$000)

Category	Purpose	Actual 2003-04	Actual 2004-05	Actual 2005-06	Projected 2006-07	Budget 2007-08
	New Construction					
1	New Construction (Table 25, line 17)	45,066	38,963	33,850	46,556	72,641
	Maintenance, Modernization, and Infrastructure (MMI)					
2	Major Building Renovations (Table 25, line 28)	7,977	10,836	11,654	21,285	22,481
3	Utilities and Infrastructure Projects (Table 26)	3,445	3,310	3,313	5,922	5,860
4	Modernization of Instructional and Research Facilities (Tables 27 and 29)	2,983	5,023	6,124	5,654	5,136
5	General Maintenance and Modernization Projects (Tables 27 and 29)	5,140	4,686	4,347	5,943	4,453
	Sub-Total MMI	19,545	23,855	25,438	38,804	37,930
	Other					
6	Housing Renovations (Tables 28 and 30)	3,463	1,996	2,092	3,631	14,668
7	Ancillary Projects (Tables 28 and 30)	2,623	2,214	890	684	1,981
8	Carrying Costs and Debt Repayments	2,947	8,824	21,134	4,956	1,799
9	Other Capital Expenditures	1,381	45	7,717	45	4,995
	Sub-Total Other	10,414	13,079	31,833	9,316	23,443
	Total Expenditures	75,025	75,897	91,121	94,676	134,014

Line		Actual 2003-04	Actual 2004-05	Actual 2005-06	Projected 2006-07	Budget 2007-08
	Sources of Funding, Reserves, and Debt					
A	Total Sources of Funding, Including Debt (Table 24)	60,171	105,041	90,576	105,317	95,314
B	Sources of Funding less Expenditures	(14,854)	29,144	(545)	10,641	(38,700)
C	Capital Reserve, Year End (Table 31)	8,923	38,067	37,522	48,163	9,463
D	Capital Debt Outstanding, Year End (Table 31)	120,193	124,216	120,901	119,237	166,718
E	Replacement Value of Nonresidential Buildings, Utilities & Infrastructure, \$M	964	1,105	1,107	1,127	1,142
F	MMI Expenditures/Replacement Value	2.0%	2.2%	2.3%	3.4%	3.3%
G	Annual MMI transfer from Operating to Capital Budget	6,500	7,250	8,000	8,750	9,500
H	MMI transfer/MMI Expenditures	33.3%	30.4%	31.4%	22.5%	25.0%
J	Estimate of Maintenance Expenditure	12,036	14,229	14,917	23,985	23,575
K	Maintenance Expenditure/Replacement Value	1.2%	1.3%	1.3%	2.1%	2.1%
L	Number of Major Buildings	76	78	78	77	78
M	Total Gross Square Metres (000s)	633	673	673	693	697

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

Line B is equal to Line A Total Sources of Funding less Total Expenses

The change in Line C from one year to the next is equal to Line B.

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 2005				
2	Medical Science Building Renovations	2	Apr 02	Aug 06	
3	West Valley Building (Animal Care Facility)	1	Oct 02	Jun 06	
4	Dr. Don Rix Clinical Skills Learning Building	1	Jan 04	Jun 06	
5	London Hall Residence	1	Oct 04	Sep 06	
6	Insurance Research Lab for Better Homes	1	Apr 05	May 06	
7	Biotron - New Facility	1	Oct 05	Mar 07	
8	The Michael Kirkley Mustang Training Centre - J.W. Little Building	1	Feb 06	Aug 06	
9	ING Leadership Centre (TSX) Leasehold Improvements (Toronto)	2	Jun 06	Dec 06	
10	Total				117.4
11	Projects Underway				
12	Biological and Geological Sciences Building Renovations	2	Nov 05	Apr 10	
13	Chiller and Cooling Tower in Power Plant	3	Mar 06	Jun 06	
14	Bayfield Hall Renovations	6	May 06	Aug 07	
15	Dental Clinic Renovations in Dental Science Building (Phase II and III)	2	May 06	Jul 07	
16	Westminster College and Related Renovations	2	Jun 06	Apr 08	
17	Support Services Building	1	Jun 06	Jun 08	
18	Physics and Astronomy Building Renovations	2	Jun 06	Jan 11	
19	Ivey Spencer Leadership Centre Expansion and Renovations	1	Jul 06	Apr 07	
20	Althouse Faculty of Education Building Renovations	2	Aug 06	Apr 07	
21	Student Recreational Facility	1	Oct 06	Sep 08	
22	Material Sciences Addition	1	Nov 06	Mar 08	
23	Student Services Building	1	Apr 07	Aug 09	
24	Avian Research Facility	1	Apr 07	Jun 08	
25	UCC Wave Renovations	2	Apr 07	Oct 07	
26	Spencer Engineering Green Building Addition	1	Apr 07	May 09	
27	TD Waterhouse Stadium Field Turf Replacement	7	Apr 07	Sep 07	
28	Asset Acquisition	9	-	-	
29	Total				241.5
30	Planned Future Projects				
31	Install Primary/Secondary Pumping Station	3	May 07	May 08	
32	Electrical Infrastructure	3	May 07	May 08	
33	Utilities and Infrastructure Projects	3	May 07	Sep 13	
34	Follow-on Renovations to Existing Facilities	2	Jun 08	Jun 10	
35	New Ivey School Building to House the HBA and Phd Programs	1	Aug 10	Aug 12	
36	Existing Ivey Building Renovations	2	Aug 12	Aug 13	
37	Asset Acquisitions	9	-	-	
38	Total				110.2

Table 24
CAPITAL BUDGET: SOURCES OF FUNDING
(\$000)

		Projected 2006-07	Budget 2007-08
1	Government Grants		
2	MTCU Annual Capital Grant (Facilities Renewal Program)	2,424	2,424
3	City of London	826	826
4	MTCU Loan Repayment Grant	0	500
5	Urban Works Reserve Fund	0	270
6	MTCU One-Time Capital Grant	17,170	0
7	Sub-Total	20,420	4,020
8	CFI/OMRI Federal/Provincial Funding		
9	Avian Research Facility	0	4,740
10	Insurance Research Lab for Better Homes	230	495
11	Biotron - New Facility	12,877	0
12	West Valley Building (Animal Care Facility)	860	0
13	Biotron - Addition to North Campus Building	64	0
14	SuperBuild Projects	11	0
15	Sub-Total	14,042	5,235
16	Operating Budget		
17	Operating Budget MMI Transfer - Base	8,750	9,500
18	Operating Budget MMI Transfer - Base (Ancillaries)	600	600
19	Operating Budget - One-Time Allocations	27,813	5,875
20	Operating Budget - FFICR Transfer	3,000	3,000
21	Operating Budget - CRC Transfer	904	952
22	Operating Budget - Incremental Space for Engineering in TEB	445	445
23	Operating Reserve - Asset Acquisition	2,222	0
24	Ivey Operating Budget - Ivey Projects and Loan Repayments	487	1,141
25	Medicine Operating Budget - Medical Science Building Renovations	500	500
26	VP Research - Biotron - New Facility	0	230
27	Science Operating Budget - Biotron - New Facility	80	150
28	Dentistry Operating Budget - Dental Clinic Renovations	300	0
29	Law Operating Budget - Law Building Expansion and Renovations	200	0
30	Library Operating Budget - Library Improvements	150	0
31	Miscellaneous Faculty Budgets	88	0
32	Sub-Total	45,539	22,393
33	Interest Earned	1,135	245
34	Fundraising		
35	Medical Science Building Renovations	900	1,100
36	Student Services Building	0	1,000
37	Biological and Geological Sciences Building Renovations	0	800
38	SuperBuild Projects	500	500
39	Law Building Expansion and Renovations	300	300
40	Spencer Engineering Green Building Addition	0	300
41	Physics and Astronomy Building Renovations	0	300
42	Dr. Don Rix Clinical Skills Learning Building	950	190
43	The Michael Kirkley Mustang Training Centre - J.W. Little Building	120	120
44	Dental Clinics Renovations in Dental Science Building	1,386	103
45	Completed Projects	44	44
46	Sub-Total	4,200	4,757

Table 24
CAPITAL BUDGET: SOURCES OF FUNDING
(\$000)

		Projected 2006-07	Budget 2007-08
47	Borrowing		
48	Student Recreational Facility	0	15,302
49	Student Services Building	0	4,500
50	Bayfield Hall Renovations	0	4,375
51	Support Services Building	0	3,925
52	Althouse Faculty of Education Building Renovations	0	3,800
53	Ivey Spencer Leadership Centre Expansion and Renovations	0	3,397
54	Westminster College and Related Renovations	0	2,728
55	Medical Science Building Renovations	0	2,602
56	Asset Acquisition	0	1,878
57	Spencer Engineering Green Building Addition	0	1,530
58	ING Leadership Centre (TSX) Leasehold Improvements (Toronto)	0	271
59	London Hall Residence	9,140	260
60	SuperBuild Projects	0	76
61	Sub-Total	9,140	44,644
62	Other		
63	USC - Renovations to UCC Wave	150	1,050
64	TD Waterhouse Stadium - Turf Replacement	0	1,000
65	Telephone Switch - Recoveries	500	500
66	Asset Disposal	1,461	0
67	TRAC Contribution - Student Recreational Facility	230	0
68	USC Contribution - Student Recreational Facility	200	0
69	Projects Recovered from Units (excluding Housing and Ancillaries)	4,011	370
70	Projects Recovered from Housing	3,631	10,293
71	Projects Recovered from Ancillaries	658	807
72	Sub-Total	10,841	14,020
73	Total Sources of Funding	105,317	95,314

Line 19 for 2006-07 includes allocations to the Student Recreational Facility (\$10,000), Support Services Building (\$5,000), Spencer Engineering Green Building (\$5,000), Material Sciences Addition (\$5,000), B&GS Renovations (\$2,500), and GU Classroom Upgrades (\$313).

Line 19 for 2007-08 includes allocations to the Ivey Spencer Leadership Centre Expansion (\$3,000), Support Services Building (\$1,000), Spencer Engineering Green Building (\$1,000), Furnishings for Westminster College Renovations (\$525), and GU Classroom Upgrades (\$350).

Table 25

**CAPITAL EXPENDITURES FOR NEW CONSTRUCTION AND MAJOR BUILDING RENOVATIONS
2006-07 AND 2007-08
(\$000)**

		Projected 2006-07	Budget 2007-08
1	Category 1: New Construction		
2	Support Services Building		
3	Student Recreational Facility		
4	Material Sciences Addition		
5	Student Services Building		
6	Spencer Engineering Green Building Addition		
7	Avian Research Facility		
8	Insurance Research Lab for Better Homes		
9	Ivey Spencer Leadership Centre Expansion and Renovations		
10	Biotron - New Facility		
11	London Hall Residence		
12	The Michael Kirkley Mustang Training Centre - J.W. Little Building		
13	West Valley Building (Animal Care Facility)		
14	Dr. Don Rix Clinical Skills Learning Building		
15	Arthur and Sonia Labatt Health Sciences Centre		
16	Biotron - Addition to North Campus Building		
17	Total, Category 1	46,556	72,641
18	Category 2: Major Building Renovations		
19	Biological and Geological Sciences Building Renovations		
20	Westminster College and Related Renovations		
21	Althouse Faculty of Education Building Renovations		
22	Support Services Follow-on Renovations		
23	UCC Wave Renovations		
24	Dental Clinic Renovations in Dental Science Building (Phase II & III)		
25	Physics and Astronomy Building Renovations		
26	ING Leadership Centre (TSX) Leasehold Improvements (Toronto)		
27	Medical Sciences Building Renovations		
28	Total, Category 2	21,285	22,481

Table 26
CAPITAL EXPENDITURES FOR UTILITIES AND INFRASTRUCTURE PROJECTS
2006-07 AND 2007-08
(\$000)

		Projected 2006-07	Budget 2007-08
1	Category 3: Utilities and Infrastructure Projects		
2	PP - Install Primary/Secondary Pumping Station	0	2,700
3	CG - Electrical Infrastructure (SLB, SSC, CHB, MC)	0	1,500
4	CG - Utility Conservation Investment	400	400
5	CG - Steamline Insulation and Heat Recovery Initiatives	0	200
6	CG - Water Main Upgrade at University Drive	0	150
7	CG - Chilled Water Capacity Upgrade	100	100
8	CG - Replacement and Upgrade of High Pressure Steam Lines	100	100
9	PP - Replacement of Boiler Controls	0	100
10	UC - Upgrade Water Main from UC to SLB	0	100
11	CG - Chilled Water Valve Replacement - Buildings	39	90
12	CG - Electrical Distribution Study	14	80
13	CG - Installation of Building Steam Meters	0	80
14	PP - Feedwater Pump Replacement	0	60
15	CG - Building and Steam Distribution Systems Upgrades	50	50
16	PP - Replace HP Condensate Line at Thames Hall	0	40
17	CG - Upgrade Compressed Air Lines - Mains	30	30
18	PP - Rebuild Stop Valve and Return Stop Valve	0	30
19	PP - Condensate Transfer Pump Replacement	0	30
20	CG - Replacement of Steam Safety Valves	4	20
21	PP - Chiller and Cooling Tower Replacement	3,077	0
22	CG - Complete North/West Electrical Loop 27000KV	700	0
23	CG - Chilled Water System Upgrades	333	0
24	CG - 5 KV South Substation Expansion	240	0
25	CG - Replace Steam and Condensate Lines, Valves and PRVs	238	0
26	CG - Storm and Sanitary Sewer Upgrades	210	0
27	UDR - Upgrade Water Mains	205	0
28	CG - Energy Conservation	140	0
29	SSUB - Southsub Spare Breaker Installation	30	0
30	WC363 - Security System	12	0
31	Total, Category 3	5,922	5,860

Table 27

**EXPENDITURES IN 2007-08 FOR INSTRUCTIONAL/RESEARCH
FACILITIES AND GENERAL MAINTENANCE
(\$000)**

		Budget 2007-08
1	<i>Category 4: Modernization of Instructional and Research Facilities</i>	
2	DSB - Re-Arrange Lower Ground Floors for Teaching Facility in Dentistry	620
3	WC - Furnishings for Westminster College	525
4	CG - GU Classroom Upgrades	350
5	WL - Create Classrooms in Weldon Library	300
6	P&AB - Wet Research Lab in Room 226	265
7	CG - IT Network Backbone Upgrades and Improvements	250
8	WC - Renovations to Westminster Houses for Psychology	250
9	STAB - Create Space for Faculty and Graduate Students	245
10	SSC - Move Main Geography Office Room 2322	220
11	RISB - Business Library Upgrades	184
12	P&AB - Instrument Lab in Room 227	157
13	CG - Library Improvements	152
14	3M Centre - Healthy Kids and Moms Lab	150
15	EC - Expand Computer Lab Room 555-57	126
16	PSFS - Upgrade Water Treatment and Septic Systems at Environmental Field Station	122
17	SEB - Create Water Education Laboratory in Room 15	105
18	TH - Upgrades to Gymnasium Facilities in Room 3120	100
19	B&GS - Graduate Student Furnishings in Chemistry and Statistics and Act. Sciences	91
20	30 Other Projects	924
21	<i>Total, Category 4</i>	5,136
22	<i>Category 5: General Maintenance and Modernization Projects</i>	
23	CG - Roof Replacement	400
24	CG - Unforeseen Projects	350
25	CG - Installation of Card Access Systems to Buildings	332
26	CG - Road Repair and Replacement	250
27	CG - Improve Access for Physically Challenged	228
28	CG - Building Fire Alarm System Upgrades	200
29	UCC/SSC - Repair of Concrete Walkway	180
30	UC - Elevator 'B' Replacement	177
31	CG - Interior Painting	110
32	CG - Asbestos and Mould Abatement	110
33	CG - Renewal of Exterior Lighting	100
34	CG - Utility Sub-Metering	100
35	CG - Building Controls and Panel Upgrade	100
36	CG - Fixed Extinguishing System Upgrades	100
37	UC - Repairs of Cracks in Concrete	100
38	EC - Replacement of Fan System 102	100
39	SH - Pool Filtration System Replacement	75
40	CG - Window Replacement	70
41	MC - Re-keying of Building	60
42	CG - Repairs to WES Infrastructure	60
43	41 Other Projects	1,251
44	<i>Total, Category 5</i>	4,453

Table 28
EXPENDITURES IN 2007-08 FOR HOUSING AND ANCILLARIES
(\$000)

		Budget 2007-08
1	Category 6: Housing Renovations	
2	Bayfield Hall Major Renovations	11,025
3	Apartment Water Mains, Bathroom and Plumbing Replacement, Platt's Lane Estates	422
4	Replace Fire Alarm Panel, Sydenham Hall	200
5	Plumbing Improvements, Essex Hall	200
6	Townhouse Roof Replacement, Platt's Lane Estates	120
7	Refurbish Stairwells, Glenmore Apartment Complex	115
8	Replace HV Switchgear, Medway Hall	99
9	Replace Garbage Lift, Sydenham Hall	90
10	Replace Heat and Smoke Detector Sensors, Saugeen-Maitland Hall	90
11	Replace Convertors and Pumps, Delaware Hall	85
12	Servery Improvements, Sydenham Hall	80
13	Replace Carpets, Saugeen-Maitland Hall	80
14	Townhouse Furnace Replacement, Platt's Lane Estates	80
15	Replace Transformer 225 kVA, Medway Hall	76
16	UCOSH Projects, General	75
17	Contingency, General	75
18	Replace Air Handling Unit 103, Essex Hall	65
19	Painting Improvements, Medway Hall	60
20	Replace Motor Control Centre, Saugeen-Maitland Hall	60
21	Replace Apartment Building Exterior Doors and Stair Treads, Platt's Lane Estates	60
22	Replace Secondary Distribution Board, Medway Hall	55
23	Repairs to Exterior Steps and Landing, Sydenham Hall	50
24	Roof Replacement, Saugeen-Maitland Hall	50
25	Add Recycling Storage, Saugeen-Maitland Hall	50
26	Security Measures Allowance, General	50
27	Shower Floor Improvements, Saugeen-Maitland Hall	45
28	Replace Motor Control Centre, Medway Hall	44
29	Replace Elevator Sheave Jammers (TSSA Directive), Lambton Hall	41
30	Replace Boiler Refractory and Gas Train Components, Saugeen-Maitland Hall	40
31	Replace Recycling Sheds (Fire Code), Glenmore Apartment Complex	40
32	Carpets and Tile Floors Allowance, Platt's Lane Estates	40
33	Replace Carpets, Sydenham Hall	30
34	Refurbish Fire Exit Doors, Saugeen-Maitland Hall	30
35	Install Flue Gas Analyzer On Boiler, Saugeen-Maitland Hall	30
36	Snack Bar Upgrades, Saugeen-Maitland Hall	30
37	72 Other Projects	886
38	Total, Category 6	14,668
39	Category 7: Ancillary Projects	
40	TDWS - Field Turf Replacement	1,174
41	C-RD - Westminster Lot Expansion	450
42	CG - Gate Access Equipment	240
43	SH - Dishwashing Area Renovation	117
44	Total, Category 7	1,981

Table 29

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

		Projected 2006-07
1	Category 4: Modernization of Instructional and Research Facilities	
2	CG - GU Classroom Upgrades	585
3	DSB - Alterations to Animal Quarters	500
4	MSB - Video Conferencing Facility for Western/Windsor Program	500
5	WL - 2nd, 3rd and 4th Floor Upgrades	382
6	CG - IT Network Backbone Upgrades and Improvements	275
7	TC - Upgrade Classrooms 100 and 101	235
8	DSB - Emergency Generator	202
9	SDRI - Upgrade Rooms G22 and G25 for Genome Canada	183
10	NCB/StaB - FIMS Renovations	181
11	UC - VAC - Graduate Student Upgrades	177
12	TC - Upgrades to Rooms 306, 307 and 308	168
13	CSB - 3rd Floor Furnishings	148
14	SSC - History Graduate Student Space	148
15	SSC - Political Science Graduate Student Space	145
16	GCS - Continuing Studies Classroom Expansion	125
17	LB - Library Upgrades	104
18	SEB - Computer Lab Renovations Rooms 2038 and 2049	102
19	CG - Library Improvements	100
20	HSB - Renovations to Rooms 408 and 409	90
21	42 Other Projects	1,304
22	Total, Category 4	5,654
23	Category 5: General Maintenance and Modernization Projects	
24	GL - Glenmore Bridge Repairs	855
25	CG - Roof Replacement	400
26	EC - Faculty Association Testing Centre	331
27	TH - Pool Lighting Upgrades	316
28	CG - Extend Services Under University Drive Bridge	260
29	CG - Asbestos Survey	250
30	SCI - Building Fire Alarm Systems Upgrades	200
31	TL - Flooring Replacement and Interior Painting	185
32	CG - Upgrade Electrical Distribution to Older Buildings	179
33	SLB - Elevator Replacement	164
34	CG - Building Fire Alarm System Upgrades	140
35	CG - Interior Painting	110
36	WL - Gutter Repairs	108
37	WC - Renovations to Houses	95
38	CG - Window Replacement	85
39	CG - Road Repair and Replacement	76
40	LB - Generator (Standby)	74
41	UC/TC - Faculty Office Upgrades	74
42	CG - Change Caretaker Sinks	70
43	60 Other Projects	1,971
44	Total, Category 5	5,943

Table 30

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

		Projected 2006-07
1	Category 6: Housing Renovations	
2	Replace Water Mains, Platt's Lane Estates	400
3	Bayfield Hall Major Renovations	350
4	Roof Replacement, Saugeen-Maitland Hall	206
5	Replace Roof Gutters, Delaware Hall	188
6	Appliance Replacement, Platt's Lane Estates	163
7	Asbestos Study, General	140
8	Plumbing Improvements, Essex Hall	108
9	Replace Heat Detector Sensors, Saugeen-Maitland Hall	100
10	Roof Replacement, Platt's Lane Estates	99
11	Replace Heating Coils, Platt's Lane Estates	90
12	Fire Alarm Panel - Engineering Design, Sydenham Hall	80
13	Contingency, General	80
14	UCOSH Projects, General	75
15	Contingency, Glenmore Apartment Complex	75
16	Appliance Replacement, Glenmore Apartment Complex	70
17	Hand Dryers for Residences, General	68
18	Replace Exterior Apartment Entrance Doors, Platt's Lane Estates	62
19	Project Design, Glenmore Apartment Complex	60
20	Replace Parquet Tile, Glenmore Apartment Complex	60
21	Replace Motor Control Centre, Saugeen-Maitland Hall	55
22	Replace Exhaust Fans, Saugeen-Maitland Hall	52
23	Replace Garbage Lift, Sydenham Hall	50
24	Replace Carpets and Tile Floors, Platt's Lane Estates	50
25	Asbestos Audit, Platt's Lane Estates	50
26	Replace Lighting in Closets, Sydenham Hall	44
27	Replace Carpets, Medway Hall	44
28	Replace Kitchen Exhaust Duct, Saugeen-Maitland Hall	39
29	Student Projects, Saugeen-Maitland Hall	37
30	Replace Electrical Main Disconnects, Saugeen-Maitland Hall	37
31	Asbestos Audit, Glenmore Apartment Complex	35
32	Contingency, Platt's Lane Estates	30
33	Replace Plenum Wooden Access Doors, Saugeen-Maitland Hall	28
34	Refurbish Front Entrance Door Hardware, Saugeen-Maitland Hall	26
35	Replace Bathtubs, Platt's Lane Estates	25
36	48 Other Projects - Various Residences	555
37	Total, Category 6	3,631
38	Category 7: Ancillary Projects	
39	C-RD - Medway Lot Upgrades	557
40	CG - Gate Access Equipment	80
41	TDWS - Field Turf Replacement	26
42	C-RD - Westminster Lot Expansion	20
43	CG - Parking Miscellaneous Repairs	1
44	Total, Category 7	684

Table 31
CAPITAL RESERVES AND DEBT AT FISCAL YEAR END
(\$000)

		Actual 2003-04	Actual 2004-05	Actual 2005-06	Projected 2006-07	Budget 2007-08
1	A. Capital Reserves					
2	General Capital Fund	8,044	22,480	11,818	10,454	7,625
3	Designated Capital Fund	(482)	14,151	24,202	36,118	158
4	Gibbons Property	1,361	1,436	1,502	1,591	1,680
5	Total Capital Reserves	8,923	38,067	37,522	48,163	9,463

		Actual 2003-04	Actual 2004-05	Actual 2005-06	Projected 2006-07	Budget 2007-08
6	B. Capital Debt					
7	General Capital Fund	3,000	2,500	2,000	1,500	1,000
8	New Construction	10,700	20,000	3,255	1,540	30,270
9	Major Renovations and Other	5,270	0	2,670	0	11,279
10	Housing	75,397	78,290	92,088	97,597	98,569
11	UCC	5,470	3,765	1,810	0	0
12	Research Park	14,431	14,311	14,278	14,300	21,800
13	Richard Ivey School of Business Foundation	5,925	5,350	4,800	4,300	3,800
14	Total Capital Debt	120,193	124,216	120,901	119,237	166,718

Line 2 represents the capital reserve fund mandated by the board and carry forward funds for smaller capital projects.

Line 3 includes fund balances for large capital projects with construction budgets greater than \$1 million.

The negative number in 2003-04 is due to a shortage of fund balance as a result of holdbacks payable and accrued liabilities which are not borrowed for until payment is due.

Table 32

DESCRIPTION OF BUILDING/PROJECT CODES USED IN TABLES 22 through 31

	<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	CSB	Dr. Don Rix Clinicals Skills Facility
13	DSB	Dental Sciences Building
14	EB	Engineering Building
15	EC	Elborn College
16	ELGO	Elginfield Observatory
17	GCS	Galleria - Continuing Studies
18	GLR	Gibbons Lodge Residence
19	GU	General University
20	HSA	Health Sciences Addition
21	HSB	Labatt Health Sciences Building
22	KB	Kresge Building
23	LB	Law Building
24	MB	Music Building
25	MC	Middlesex College
26	MSB	Medical Sciences Building
27	NCB	North Campus Building
28	NCMRD	National Centre for Management Research and Development
29	NSC	Natural Sciences Centre
30	OH&S	Occupational Health and Safety
31	PP	Power Plant
32	P&AB	Physics and Astronomy Building
33	PSFS	Environmental Field Station
34	SBA	School of Business Administration Building
35	SDRI	Siebens-Drake Research Institute
36	SEB	Spencer Engineering Building
37	SH	Somerville House
38	SLB	Stevenson-Lawson Building
39	SpH	Spencer Hall
40	SSC	Social Sciences Centre
41	StaB	Staging Building
42	TDWS	TD Waterhouse Stadium
43	TC	Talbot College
44	TEB	Thompson Engineering Building
45	TH	Thames Hall
46	TL	Taylor Library
47	TRAC	Thompson Recreation and Athletic Centre
48	UC	University College
49	UCC	University Community Centre
50	USC	University Students Council
51	WC	Westminster College
52	WL	Weldon Library
53	WSC	Western Science Centre