Sources of capital funding are as follows:

1. Ontario government capital grants for infrastructure renewal and construction

2. Federal government capital grants from the Canada Foundation for Innovation for construction and facility renewal, as well as equipment grants (CIHR, NSERC and SSHRC) transferred from research funds. The federal budget delivered on March 23, 2016, included a $2B envelope to support research- and innovation-related infrastructure projects (construction and renovation) at Canadian universities.

3. Other sources, such as transfers from the University’s operating budget, loans and fundraising campaigns (gifts)

To ensure the judicious use of debt and good management of the University’s liabilities, the Board of Governors implemented Policy 114 in May 2007, which outlines the University’s position on and measures for managing capital funding and liabilities. This policy establishes a comprehensive administrative structure for managing assets and liabilities as a whole, rather than separately, in compliance with interest-coverage and unrestricted liquidity-to-debt ratios. The Board of Governors approved an updated version of Policy 114 in April 2014.

Each year, the Board’s Finance and Treasury Committee reviews the University’s capital expenditure plans, its borrowing capacity and other sources of financing required to complete capital projects in the Campus Master Plan. Funding for 2016-2017 capital projects will come from the University’s capital fund intended for this purpose and from government grants. This approach will allow the University to comply with the two regulatory ratios, outlined in Policy 114 on liability management.

Capital projects under construction, under consideration or in planning are presented in the tables in the capital fund section. We expect to invest $97.1M on infrastructure in 2016-2017, bringing the total for projects to approximately $165.8M. We are currently planning space optimization and expansion projects for the faculties of Medicine, Health Sciences and Science that will allow them to hire additional professors and researchers and to expand their programs, in keeping with the goals of Destination 2020.

On May 9, 2016, the University submitted a $150M project proposal to the federal government under the $2B envelope earmarked for the postsecondary education sector, announced in the last federal budget. This project is aimed at bringing together the activities of the faculties of Science and Engineering in order to boost their research and innovation capacity. The University intends to contribute approximately $75M to this project, financed by long-term loans within its approved $120M in borrowing capacity.