University of Ottawa  
Capital fund  
Highlights and assumptions  
2015-2016 Budget

Capital funding sources 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 fund

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. An updated version of Policy 114 was approved by the Board of Governors 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 2015-2016 capital projects will come primarily from capital and government grants. This approach will allow the University to comply with the two regulatory ratios outlined in Policy 114 on liability management.

The University has set its borrowing capacity at $120M. This amount is required to finance construction of the new learning centre and to be able to bring the Faculty of Health Sciences together under one roof.

Capital projects under construction, under consideration or in the planning stages are listed in the tables in the capital fund section. We expect to invest $71M on infrastructure in 2015-2016, bringing the total for major projects to $239M. 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 Destination 2020. This spring, we are also conducting a needs assessment in terms of space for the Faculty of Engineering and the Faculty of Law's Common Law and Civil Law sections.