



PROCEDURE FOR POLICY 2.30 – Capital Debt Policy

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ii) Debt Burden:

This ratio measures a key determinant of debt affordability and the proportion of the resources of the University used to support the cost of debt. This ratio measures the percentage of operating revenue dedicated to repaying the University's current and potential debt burden.

The University has established a threshold of 5%.

B) Monitoring Ratios: Additional ratios used by Administration to provide the Board with a more complete understanding of the University's credit and financial profile.

i) Debt per FTE Student

This ratio measures the amount of total capital debt in relation to FTE students.

The amount of debt per student shall be adjusted by the change in the Consumer Price Index (CPI). Such adjustment shall be made on an annual basis as at April 30th following the inception date of this policy (November 2002).

ii) Debt to Revenues Available for Payment

This ratio measures the amount of total capital debt as a percentage of revenues that are available to service debt. Such revenues include ancillary revenue, provincial operating grants, tuition fees and a portion of investment returns, but do not include research grants.