ANNUAL FINANCIAL REPORT

QUEEN'S UNIVERSITY, KINGSTON, ONTARIO, CANADA

APRIL 30, 2002

ANNUAL FINANCIAL REPORT
2001-02

Queen's University at Kingston

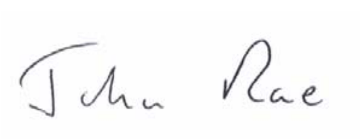
Report to the Queen's Community

Queen's University publishes this annual report of its financial operations as one element of the overall accountability to the broader community we serve. We are pleased to report that, in 2001-02, the operating fund of the University recorded a small surplus, decreasing the accumulated operating deficit (before employee future benefits) to $2.8 million. The market value of the University endowment fund grew by an impressive $33.1 million, raising the University's total endowment fund to $429.5 million. On another positive note, private giving has been on a strong upswing over the past five years and now exceeds $40 million annually. The Campaign for Queen's, now in its final year, has raised $225 million in gifts and pledges. Provincial government operating funding increased by 4% from the previous year, but we continue to be troubled by the fact that the increase does not provide for inflation and almost all new funds from the Provincial government are focused heavily on enrolment increases, often at the expense of quality.

We continue to work to improve the quality of our academic programs, our research, our management and our accountability, and on many fronts we are achieving considerable success. Overall research funding has more than doubled in the past five years as faculty compete successfully for external support of their research. In 2002, Queen's was awarded four of seventeen new Killam Research Fellowships, the most of any university in Canada. Many academic programs and researchers have benefited from a campus revitalized by new facilities and learning technologies – Goodes Hall, the new state of the art home for the School of Business, and Chernoff Hall, the impressive new facility for the Chemistry Department are just two examples of this.

We are also striving to shape the University for a future that is likely to include: lower levels of unrestricted government funding, greater reliance on private giving and partnerships that enhance our teaching and research environment, and global competition for faculty, students and financial support. Our goal is to create at Queen's a learning environment second to none in Canada and among the leaders in North America. To this end, we are striving to diversify and expand our revenue sources, and to create a climate of innovation within which teaching and research will flourish.

On behalf of the Board of Trustees and the more than 3,100 faculty and staff at Queen's, we thank you for your continuing support.



John Rae
Chair, Board of Trustees

William C. Leggett
Principal and Vice-Chancellor

Queen’s Vision

To be the quality leader in Canadian higher learning, developing exceptional students and scholars for citizenship and leadership in a global society.

Queen’s Mission

The University will build on the strength that is Queen’s – students, faculty, staff and alumni – to be among the best of internationally-known universities in Canada recognized for:

- The exceptional quality of undergraduate and graduate students and programs in the arts, sciences and professions;
- The intellectual power and value of research and scholarship by faculty members and students;
- The exemplary service of the University and that of its graduates to the community and the nation and the community of nations.

Queen’s Goals

- *Goal 1*: To attract and retain students with outstanding potential and diverse backgrounds from across Canada and around the world ~ admission will be determined by the potential to contribute as citizens and leaders, not the ability to pay.
- *Goal 2*: To strengthen an environment which stimulates exceptional research and teaching ~ a dynamic relationship between scholarly inquiry and creative teaching is essential to the achievement of the Queen's Mission and Vision.
- *Goal 3*: To provide rigorous, relevant and challenging programs of study ~ Queen's undergraduate and graduate programs will encourage students to expand their personal horizons, and will provide a framework for continued personal and intellectual growth.
- *Goal 4*: To prepare graduates for roles as citizens and leaders of a sustainable global society ~ Queen's must use its unique "broader learning environment" to nurture the life and leadership skills necessary for a global society.

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Executive Summary

Queen's Vision is to be **THE** quality leader in Canadian higher education, graduating students fully prepared to assume roles as leaders and citizens in a global society.

Queen's is proud of its accomplishments in support of this Vision. Over the past decade, Queen's students have consistently ranked first in the country in academic accomplishment, and its faculty are among the most honoured in Canada for their accomplishments in teaching and scholarship. Research activity has more than tripled over this period. Queen's is Canada's recognized leader in technology transfer and the nation's leader in the provision of international study opportunities for its students.

This has been achieved during a decade characterized by severe resource constraints. These constraints stem primarily from the combination of government-imposed limits on tuition fee increases in regulated programs, and the failure of governments to adequately fund cost increases from inflation.

In this year's Annual Financial Report, we provide an overview of the University's financial performance, the most recent set of financial statements, and a discussion and analysis of factors that may impact the University's funding and policy decisions in the coming years. This report also includes useful and timely information related to non-financial "performance indicators", such as the quality of our students compared to other Canadian post-secondary institutions. Finally, the report describes the governance structure of Queen's, and provides background information on our faculty, students, and academic programs.

While we can be proud of the exceptional quality of our students, faculty and staff, and the widely-acknowledged richness of the Queen's learning environment, there is much that remains to be accomplished if we are to be successful in fully realizing our Vision.

Our view of the external forces that will influence our near-term and longer-term future include:

- Provincial government operating grants which, on a per-student basis, will continue to be among the lowest in North America. (Per-student funding in Ontario has declined 28% in real terms in the past decade.)

- Provincial operating grants that, over the next three years, are likely to be tied directly to enrolment growth and performance measures linked to graduation rates and the post-graduation employment rates of students. We anticipate no significant increase in unrestricted government funding.

- Government funding increases which have failed to adequately address the inflationary costs and the quality improvements which are required to ensure that Ontario's universities are able to be nationally and internationally competitive. For Queen's this means continued difficulty in achieving our goals of enhancing the quality of our overall learning environment, by reducing class sizes, improving student services and improving our classroom, laboratory and library facilities.

- Increased demand for access to a Queen's education resulting from the broad recognition of Queen's high standards of quality, the "double cohort", higher participation rates in post-secondary education, and demographic changes that are increasing the proportion of university-aged men and women in the total population. Applications to Queen's for 2002-2003 are up significantly (22%) over last year, and this trend may continue as the impact of the double cohort continues over the next two to three years.

- An increasingly competitive global employment market for faculty over the next decade as significant nation-wide increases in faculty retirements, coupled with enrolment growth, lead to a wave of hiring reminiscent of the 1960s. This tightening of the market for new faculty and increased pressure on our ability to retain existing faculty is already putting strong upward pressure on salaries and will result in major shortages of supply of highly qualified candidates in all disciplines.

- Continued increases in the funding available for the direct costs of research as Canada and the Provinces recognize the importance of, and provide funding for, innovation in both basic and applied research.

- Challenge of ensuring sustained funding for the indirect costs of research activity. One-time funding of $200 million has been provided to Canadian universities to support indirect research costs, and there is optimism that the Federal government will work with the university community to find a means to provide ongoing support that is "predictable, affordable and incremental to existing support".

- Federal and Provincial government research funding that will continue to focus primarily on pure and applied science research, health and technology initiatives, multi-disciplinary projects and private-public sector partnerships. The challenge for Queen's will be to ensure that research endeavours within the humanities, social sciences and fine arts receive the support they require to be internationally successful.

- Increasing reliance on private funding and philanthropy as significant contributors to the total operating budget of the University, and to the quality of the University's educational and research performance.

- New learning technologies and initiatives (such as Integrated Learning in the Faculty of Applied Science, the Clinical Education Centre in the Faculty of Health Sciences, and the B.Com Plus program in the School of Business) which will dramatically alter how students learn, and will have important implications for the design of curriculum and teaching facilities.

These challenges, opportunities and initiatives serve to stimulate, motivate and facilitate positive change. The Vision will be achieved.

Queen's at A Glance 2001-02

History

- Queen's was established by Royal Charter of Queen Victoria in 1841, 26 years before Canadian confederation. Classes were first held in 1842. The earliest degree-granting institution in the united Province of Canada, Queen's has reflected and helped shape Canadian values and policies, educating many of the country's most notable political and cultural figures.

Students

- 15,512 full-time graduate and undergraduate students
- 3,057 part-time graduate and undergraduate students
- First in Canada for average entering grade for undergraduate students
- Highest proportion of students who complete their undergraduate degree
- A leader in Canada for Academic All Canadians (students who combine academic and athletic excellence).
- A leader in Canada for students holding national scholarships and awards.
- 15% of graduating students have participated in international study opportunities, including exchanges with more than 70 institutions in 20 countries.

Staff

- 994 faculty (tenured and tenure track)
- 2,157 support staff

Alumni

- 109,700 in 173 countries

Innovative Programs

- MBA program ranked #1 in Canada by *Canadian Business Magazines*; Executive Development Centre ranked among the best in the world by *Business Week* (US) and *Financial Times* (UK).
- First university in Canada to adopt an "integrated learning model" in engineering education, featuring team-oriented, project-based, multidisciplinary learning.
- Unique clinical education program allowing medical, nursing and rehabilitation therapy students to practice diagnostic and communication skills in a simulated health care setting.
- Canada's first specialized program in biomedical computing, combining computational biology and medical informatics.

Academic Units

- Faculty of Applied Science
- Faculty of Arts and Science (includes Schools of Computing, English, Environmental Studies, Music, and Physical and Health Education)
- School of Business
- Faculty of Education
- School of Graduate Studies and Research (includes Schools of Industrial Relations, Policy Studies, and Urban and Regional Planning)
- Faculty of Health Sciences (includes Schools of Medicine, Nursing and Rehabilitation Therapy)
- Faculty of Law
- Queen's International Study Centre at Herstmonceux
- Queen's Theological College (affiliate)

Research

- \$127 million in sponsored research in 2001-02
- 88% success rate in 2001-02 for Natural Science and Engineering Research Council (NSERC) operating grants with the average grant awarded increasing from \$128,735 to \$141,044.
- First in Canada in technology transfer with over \$100 million invested in spin-off companies from Queen's-based research.

Student Life

- Guaranteed residence room for first year undergraduate students
- Over 200 student clubs and organizations
- 50 varsity teams, Canada's largest varsity sports program
- Oldest student government in Canada (Alma Mater Society) involving more than 10% of the undergraduate student population in volunteer positions.

Indicators of Performance

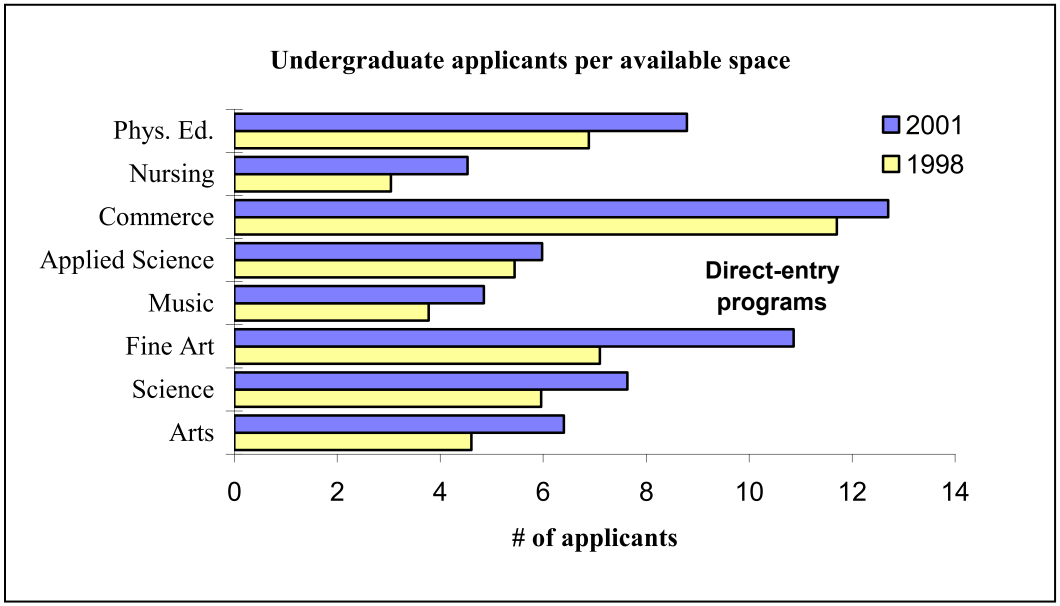
Measuring Excellence

"Our twenty-first century Vision…demands an unyielding commitment to excellence in our laboratories, in the application of information technology, and in the broader learning environment at Queen's…The unparalleled involvement by our students, coupled with excellence in the classroom and laboratory, is what makes Queen's graduates unique. It is also the key to the legendary Queen's spirit."[1]

Queen's University has achieved an extraordinary level of success since its establishment, and the new century holds opportunities to surpass these already high standards. The University's Vision for the new century serves as the foundation for this ascent to new levels of accomplishment. "Queen's will earn its place among the world's best universities. Indeed…no other university in Canada is better positioned to succeed."[1]

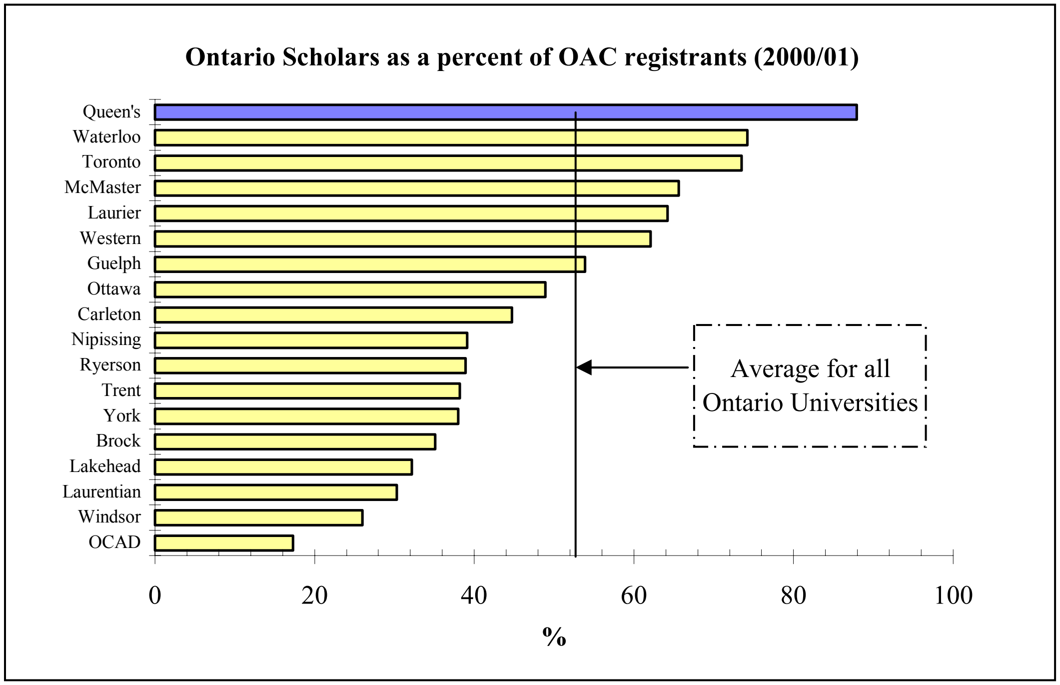
In the material that follows, Queen's performance is illustrated based on a combination of stand-alone indicators and in comparison to other institutions across the country. This set of Canadian institutions, deemed to be 'similar' by virtue of their size and breadth of undergraduate and graduate activity and level of research activity, represents many of the major universities in the country, however, there are still significant differences among them. Total full-time enrolment ranges from 11,193 at Dalhousie to 40,420 at Toronto. Montreal, Toronto and UBC are large urban campuses with significant part-time enrolments. Some universities are recognized by their provincial governments as centres of specialization (Guelph – agriculture, Ottawa – bilingual higher learning) and receive additional funding as a result. Funding levels vary from province to province. Despite these differences, it is important for Queen's to continually review its performance and use the results to further improve the learning environment. *'Update 2000': Measuring Performance* is Queen's fifth performance indicator report since its introduction in 1992. Building on earlier efforts it helps to gauge and reinforce a collective commitment and progress in the direction of future goals.

[1]Principal Leggett's *"Queen's at the Crossroads",* Queen's Alumni Review, September/October 2000.



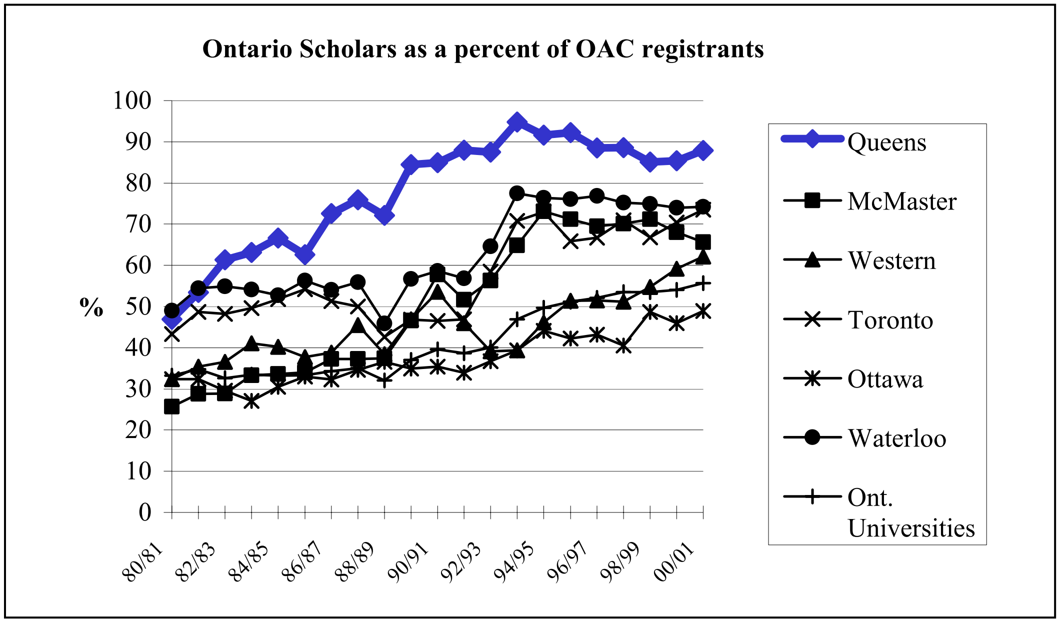
Demand for a Queen's Education

Applications to Queen's direct-entry programs are presented, showing the strong demand for a Queen's education. The ratio of applicants to available places is increasingly competitive, thereby maintaining a high admission standard.



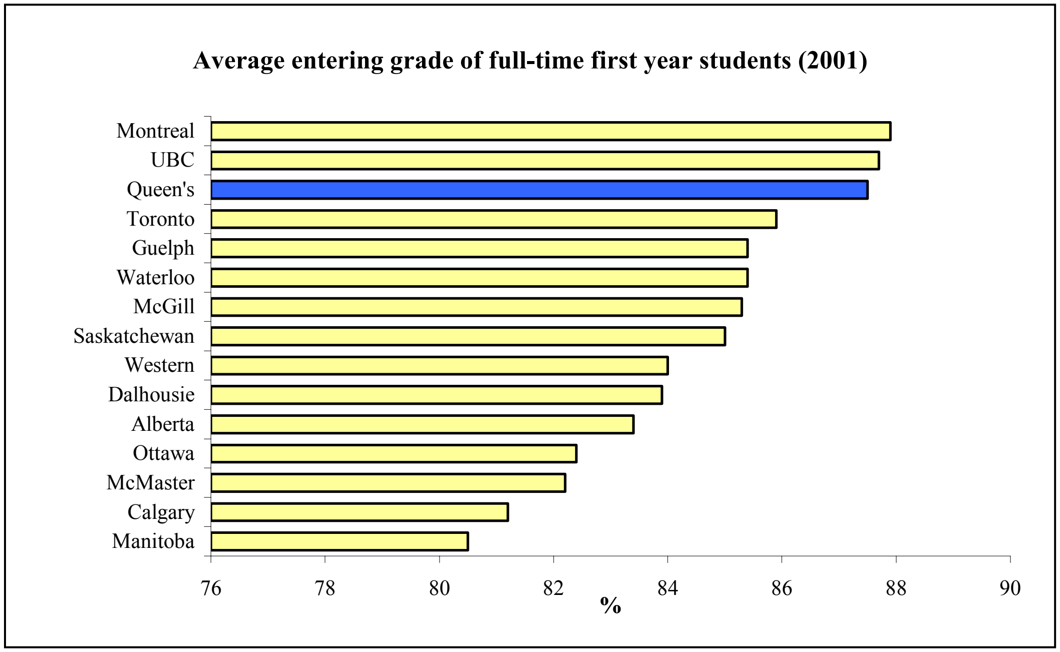
Top Notch Entrants to First Year

The percentage of incoming students from Ontario secondary schools who are designated as Ontario Scholars is impressive. Queen's remains well above the provincial average for all Ontario universities, with close to 88 % of 2000-01 applicants earning this distinction.



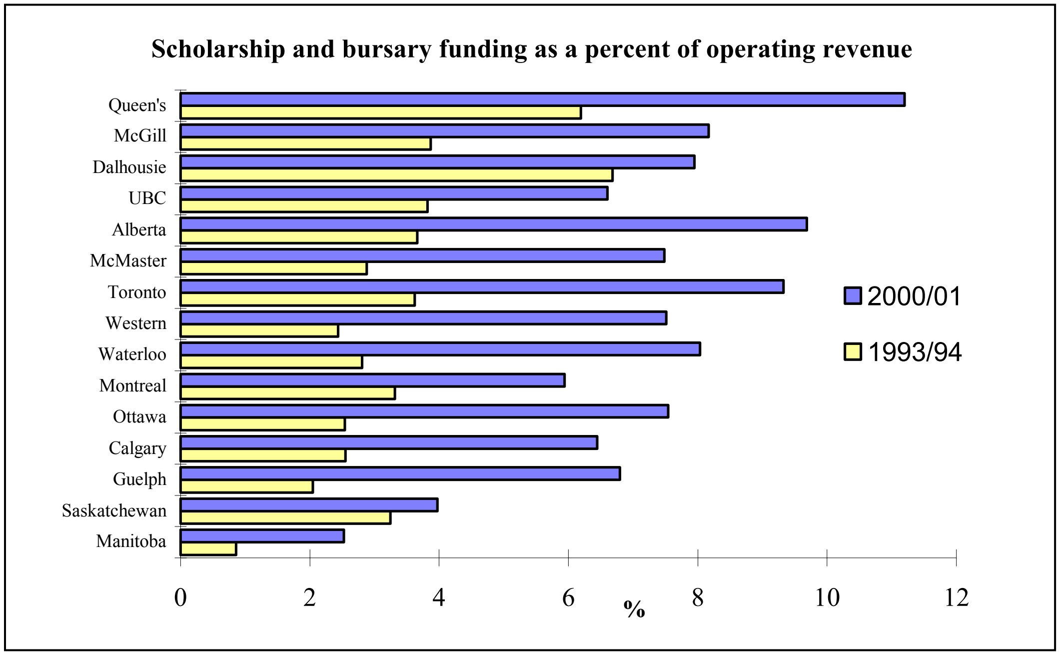
Consistently High Proportion of Ontario Scholars

Historically, Queen's relative position for incoming students designated as Ontario Scholars has continued to remain significantly higher than other Ontario universities.



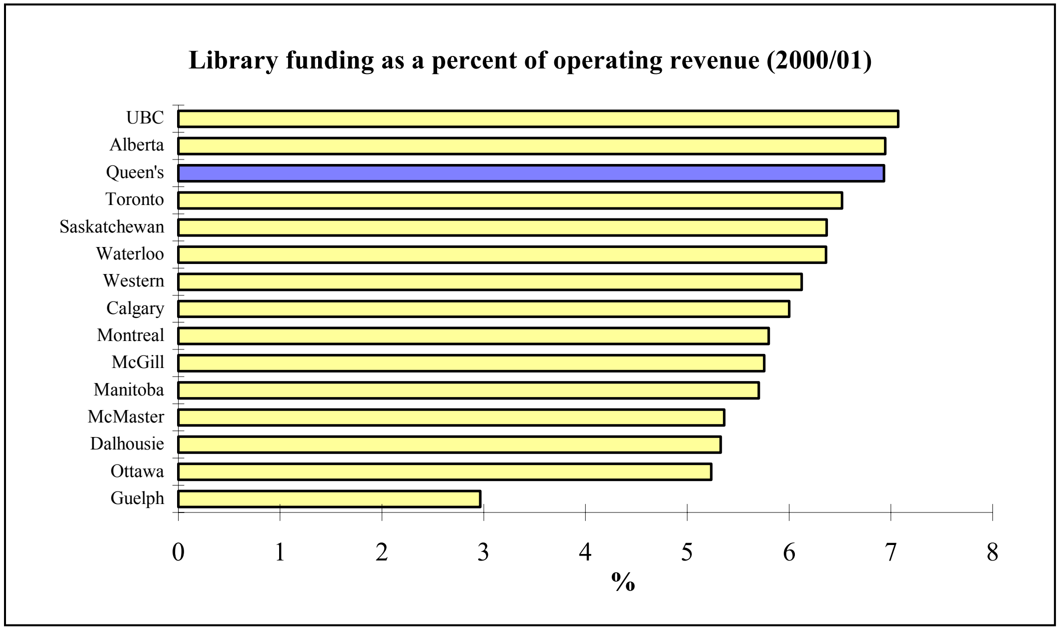
National Average Entering Grads

On a national scale, Queen's level of excellence is in the top three in the country. The average entering grade of Queen's students was almost 88 %.



Scholarships and Student Assistance

Queen's University has a longstanding history of being committed to ensuring that scholarship and bursary funds are available to entering and continuing students at Queen's. In recent years, Queen's has increased this commitment through both fundraising efforts and by contributing more from its operating budget to fund scholarships and bursaries which serve to reward achievement and to help meet the financial needs of students. In response to the current fiscal and economic climate, institutions across the country have appropriately increased the percentage of operating revenues allocated to financial assistance. Queen's continues to increase its support of scholarship and student assistance funding and is now more than ever a solid leader in this area among Canadian universities.



Library Acquisitions

The quality of Queen's learning environment is influenced and shaped by many factors including an emphasis on the availability of a wide range of learning resources and diverse experiential opportunities. Queen's holds a solid ranking in the top three universities in the proportion of operating revenues allocated to library acquisitions.

The Year 2001-02 in Review

New Chairs Approved by Senate/Ratified by the Board of Trustees in 2001-02

- Baillie Family Chair in Conservation Biology, Faculty of Arts and Science
- Bader Chair in Southern Baroque Art, Faculty of Arts and Science
- James H. Day Chair in Allergic Diseases and Allergy Research, Faculty of Health Sciences
- Queen's University Research Chairs 4Program

New Centres Approved by Senate/Ratified by the Board of Trustees in 2001-02

- The Centre of Health Services and Policy Research in the Faculty of Health Sciences
- The High Performance Computing Virtual Laboratory (HPCVL) established as a University Centre

New Schools Approved by Senate/Ratified by the Board of Trustees in 2001-02

- School of Computing established in the Faculty of Arts and Science

Honorary Degree Recipients – 2001-02

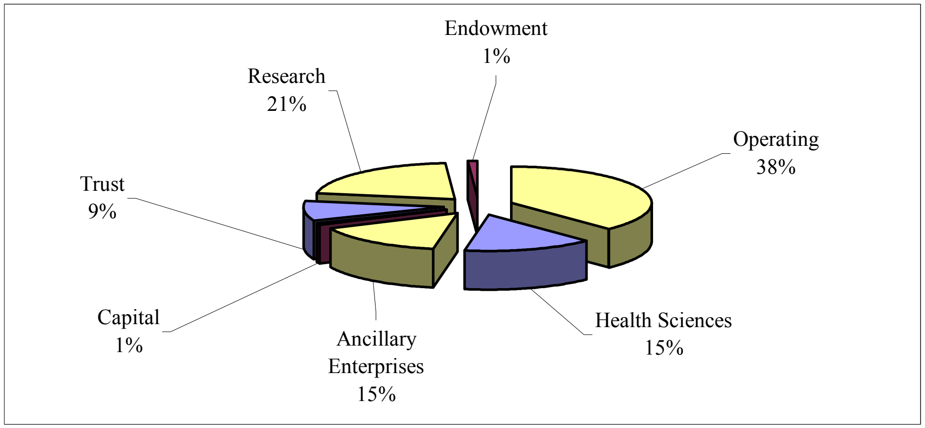
May 2001

- Sir George Alleyne (LLD), Director of the Pan American Sanitary Bureau, Regional Office of the World Health Organization (WHO)
- Catherine Brooks (LLD), Executive Director and co-founder of Anduhyaun Inc.
- Alex Bryans (DD), Professor Emeritus (Pediatrics) and internationally reknowned activist in the Physicians for World Peace movement
- Arthur Carty (DSc), President of the National Research Council of Canada (NRC)
- Donald Carty (LLD), Chairman, President and CEO, AMR Corporation
- Andrew Pipe (LLD), Professor of Family Medicine and Cardiac Surgery, University of Ottawa
- Oliver Sacks (LLD), Clinical Professor of Neurology at Albert Einstein College of Medicine, New York

October 2001

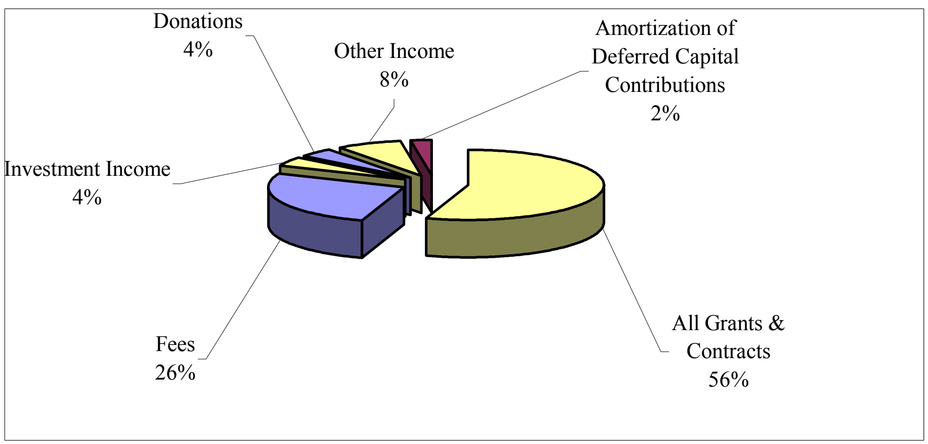
- Louise Binder (LLD), Lawyer and HIV/AIDS advisor and advocate
- Louise Fréchette (LLD), First Deputy Secretary-General, United Nations
- Michael Ignatieff (LLD), Professor of the Practice of Human Rights Policy and Director, Carr Center of Human Rights Policy, Harvard University
- Enid Lee (LLD), Visiting Scholar, New Teacher Center, University of California (Santa Cruz)

Total University Revenue by Fund
$526 Million (2000-01 - $473 Million)



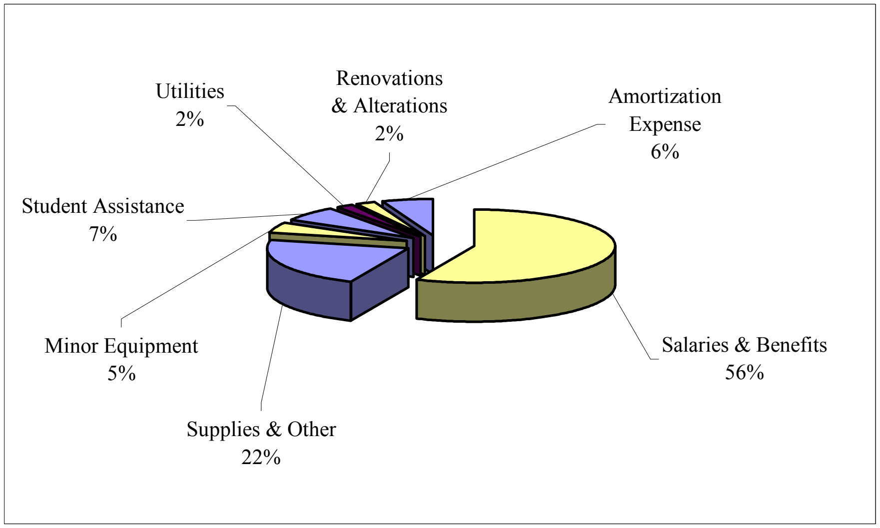
The University's operating fund accounts for 38% of the University's total revenue. The operating fund, totaling $199.1 million, represents the University's discretionary funds and is the focus of financial planning and analysis.

Total University Revenue by Source
$526 Million (2000-01 - $473 Million)



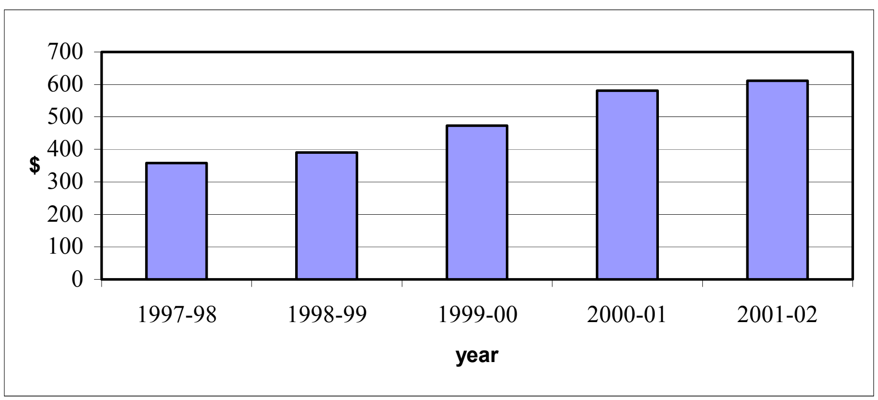
Grants and contracts represent approximately half of the University's total sources of revenue. Included are government operating fund grants totaling $122.4 million.

Total University Expense by Type
$504 Million (2000-01 - $454 Million)



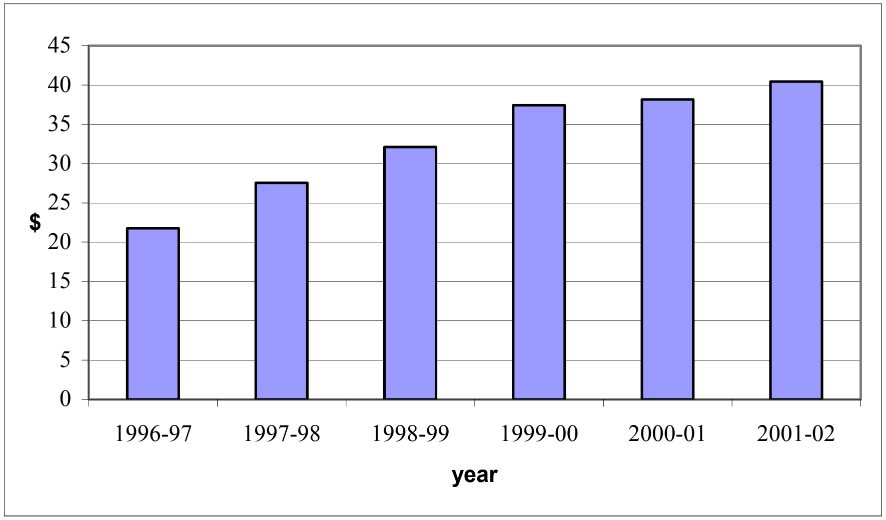
Total expenses increased $50 million over the previous year. Over half of the University's resources are spent on salaries, benefits, and restructuring costs which totaled $286 million during 2001-02, an increase of 8.6% over the previous year.

Market Value of Investments
(in million of dollars – does not include pension assets)



The market value of the University's total investments grew by $30 million (5.2%) in 2001-02 and has more than doubled in the past 6 years. The increase in 2001-02 results from a combination of significant donations and solid investment returns despite weak capital markets.

Private Giving
(in millions of dollars)



Growth in private giving over the past six years shows the success of the University's fundraising efforts. The momentum generated by the *Campaign for Queen's* has been instrumental in creating a positive trend.

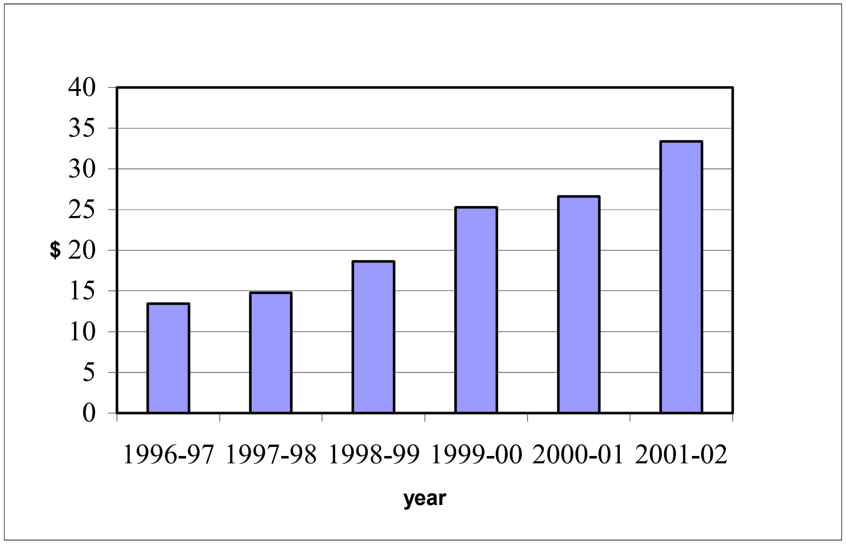
Thanks in part to private giving, the University in 2001-02, was able to:

- substantially complete Goodes Hall, the $25.5 million new home for the Queen's School of Business ($19.1 million in private funds)
- substantially complete Chernoff Hall, the $51.8 million new Chemistry Complex ($11.3 million in private funds)
- establish the Baillie Family Chair in Conservation Biology
- establish the James H. Day Chair in Allergic Diseases and Allergy Research
- increase student assistance support by over $4 million
- commence construction of the Cancer Research Institute

With one year remaining in the public phase of the *Campaign for Queen's*, $225 million has been raised in gifts and pledges. New buildings, increased student assistance funds, new academic positions and revised programs are all in place as a result of the efforts of all those involved.

There are still many important areas of the University in need of support. It is essential that Queen's maintain the momentum generated by the *Campaign* in the coming years as it moves into continuous campaigning. Sustaining a campaign level of activity is critical in order to ensure financial support that will help to advance Queen's reputation for excellence.

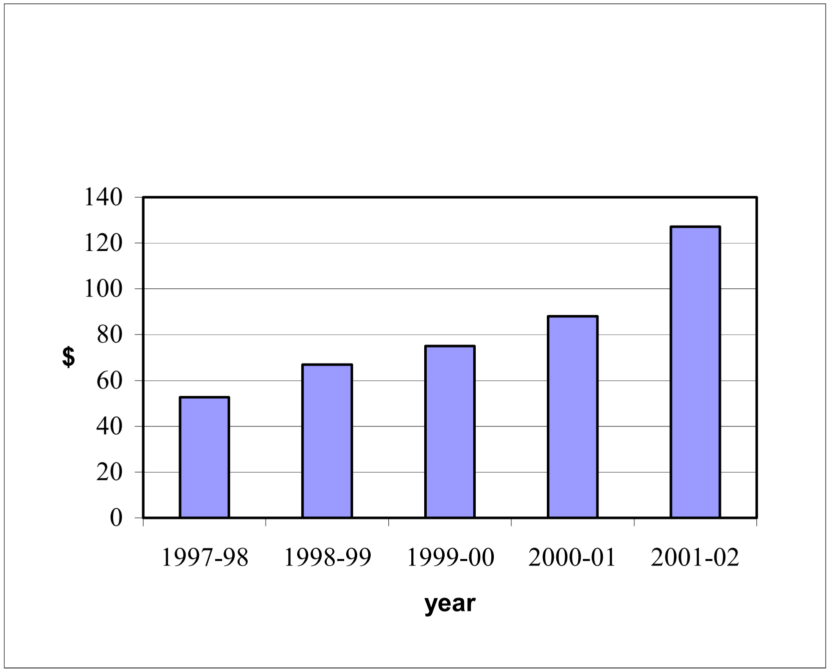
Student Assistance
(in millions of dollars)



Attracting and retaining the best students is a basic priority of the University. Queen's remains committed to its goal of ensuring that all qualified students, regardless of financial means, have access to a Queen's education. In recent years, the University has increased this commitment through both fundraising efforts and by contributing more operating funds to scholarships and bursaries which serve to reward achievement and to help meet the financial needs of students. These initiatives have resulted in student assistance more than doubling from $13.4 million in 1996-97 to $33.4 million in 2001-02.

The market value of the student assistance endowment is $181.4 million, which is 42.2% of the University's total endowment and represents an increase of 154% over the six-year period 1997-2002. Among all Canadian universities, Queen's directs the highest proportion of its operating budget toward scholarships and bursaries.

Research Funding (before deferrals)
(in millions of dollars)



With over $127 million in sponsored research funding and more than 1,500 active research projects, Queen's University is one of Canada's leading research intensive universities. Queen's is home to a dynamic and thriving research environment:

- top 10 ranking among Canadian universities for federal research operating grant funding
- researchers participate in all Provincial Centres of Excellence and all Network Centres of Excellence
- awarded most new Killam Research Fellowships of any Canadian university in 2002 (recognizing excellence in research programs)
- a leading Canadian university in the commercialization of research – almost $20 million in revenue over the past three years

Challenges and Opportunities

The greatest challenge that Queen's has faced over this past year, and will continue to face as we move forward, is to ensure that the quality and breadth of our educational and scholarly accomplishments remain consistent with our Vision and Goals. This becomes increasingly difficult to achieve as unrestricted government funding fails to keep pace with inflationary costs. To succeed, Queen's must continue its drive to become less dependent on provincial operating grants and to achieve greater independence in our programs, its focus and its funding.

To this end, Queen's has been a leader in its support for tuition deregulation and in using these additional revenues to enhance student assistance and improve the quality of its programs and facilities. The new resources made available through deregulation of tuition in Applied Science, Business, Medicine, and Law have allowed these Faculties to reinvest significantly in the quality of their learning environments and programs. The positive impact of these changes has been dramatic.

The government-imposed 2% per year limit on tuition fee increases in undergraduate programs in the Faculties of Arts and Science and Education have hampered the ability of these Faculties and the University to achieve quality improvements similar to those in the deregulated programs. If Queen's is to maintain international standards of excellence as an institution, it must have the freedom to structure all of its programs, and the fees that support them, in ways which are consistent with its Vision and Goals. Queen's has been a leader in lobbying the government to lift the cap on tuition fees and has recently articulated its position in a proposal called *Pathfinder*. The *Pathfinder Program* would improve the quality of student academic experiences, ensure a high level of accessibility and move the university more quickly towards its goal of means-blind admission. In the coming year, the University will continue in its efforts to persuade the government that responsible deregulation of fees will lead to excellence without in any way compromising access and opportunity.

Queen's is committed to ensuring the financial accessibility of its academic programs. Over the past five years, no other expenditure item in the overall operating budget has grown more rapidly than student financial assistance. We remain committed to our goal of ensuring that all qualified students, regardless of financial means, have access to a Queen's education. To this end, Queen's has increased its student aid endowment by more than 140% in the past six years to its current level of $163 million, and we are moving systematically toward the goal of being the first university in Canada to offer truly means-blind admission. The *Pathfinder Program* not only commits 30% of all fee increases to student assistance, but also commits the University to matching these amounts through private fund-raising, thus effectively doubling the set-aside rate to 60%.

Private giving, as well as public sector support, has been instrumental to the growth in student assistance that we have achieved over the past six years. Private support and university-private sector partnerships have also made possible major improvements in the quality of many programs and facilities. New initiatives in Integrated Learning in the Faculty of Applied Science, new buildings in support of our programs in Chemistry and Business, new endowed professorships in Arts, Sciences, Applied Science, Fine Arts, and Health Sciences all have benefited from the generosity of private donors. Annual contributions from private giving are currently at $40 million and will continue to grow each year. Queen's future success as a national and international leader in teaching and scholarship will depend increasingly on its success in this area.

Queen's will also continue to be ranked among Canada's leaders in research and will continue to aggressively pursue external support for initiatives in research and graduate education from government programs such as the Canada Foundation for Innovation, the Ontario Research and Development Challenge Fund, and the Ontario Innovation Trust.

Finally, Queen's is committed to maintaining its widely recognized leadership role in the commercialization of research through PARTEQ, its technology transfer arm. The direct benefits of this venture are becoming increasingly important to the Queen's community and society at large.

To achieve its Vision, Queen's must become more self-reliant, even more focused on quality, more visible in its excellence internationally, and more accountable in terms of its operations and its overall contribution to society. The initiatives required to make this happen are well underway.

Summary of Actual Results for 2001-02

Operating Fund

Operating fund revenue includes government operating grants, tuition fees, and unrestricted investment income, and finances the core activities of the University[2]. The University's operating fund accounts for 38% of the University's total revenue. The operating fund represents the University's discretionary funds and is the focus of financial planning and analysis. For 2001-02, the operating fund reported a small surplus of $59 thousand (before accrued employee future benefits expense).

In 2001-02, total government operating funding increased by $4.9 million (4.0%) over 2000-01. Changes in 2001-02 government funding are summarized as follows:

Fund	Change ($000's omitted)
Base Operating Grants	$ (33)
Accessibility fund	1,019
Performance based funding	962
Research performance fund	342
Targeted program funding	1,368
MedTOP one-time facilities and equipment grant	1,250
Total	$ 4,908

As illustrated above, the current Provincial funding formula does not provide for inflationary increases in costs for unavoidable outlays such as compensation, utilities and library acquisitions. All new funding is in the form of targeted grants for increased enrolment and for achieving certain performance levels in terms of student graduation and employment rates. The University faces annual increases in unavoidable costs of 4%-4.5% while base funding increases are 0%. In addition, the Provincial Government has imposed a tuition fee cap of 2% on approximately 70% of Queen's undergraduate enrolment. The effect of these government funding policies means the University must absorb a significant portion of the inflationary increases by imposing internal budget reductions.

[2]Ancillary enterprises, continuing education programs and executive education are expected to cover their full costs from revenues and are not financed out of the operating budget.

- The Accessibility Envelope funds enrolment growth in first-entry undergraduate, second-entry graduate and professional programs. Each university which met the growth criteria received a share of the $25.8 million fund. This grant was announced in May 2001 after the 2001-02 budget had been set.

- The Performance Fund allocations are based on achievement against three key performance indicators: degree completion rate, and employment rates six months and twenty-four months after graduation. A benchmark is established for each of the three indicators. Institutions at or above their benchmark are allocated funding in proportion to their performance against the benchmark. Institutions below their benchmark will not receive funding. Queen's exceeded the established benchmark in all three categories and received $2.3 million of the $23.2 million fund.

- The Research Performance Fund is intended to help defray the costs of infrastructure supporting research. Queen's share of the $30 million fund was $1.5 million.

- Targeted program funding is for enrolment growth in some professional programs (Engineering, Medicine and Education). The Ministry of Training, Colleges and Universities continues to direct funds for enrolment growth in selected programs to help deal with the impending shortage of graduates in these professions. In 2001-02, the University received a total of $3.8 million - $2.6 million was targeted for enrolment growth in Applied Science (engineering), $0.4 million for Medicine and $0.8 million for Education. The University expects to receive almost $5.0 million in targeted program funding in 2002-03.

- The MedTOP one-time grant in 2001-02 was provided for infrastructure, facilities and equipment for growth in enrolment in the Medicine program. The grant is for one-time funding and is not intended to continue past this year.

Total operating revenue increased by $7.7 million. Fees exceeded budget by $0.6 million as actual full-time enrolment exceeded the University's target by 115 students. The incremental revenue from fees was set aside for student assistance and to address unfunded costs associated with rapid enrolment growth. Operating expenses were generally in line with the budget plan. The operating fund recorded a small surplus of $59 thousand (before employee future benefits expense), decreasing the accumulated operating deficit (before employee future benefits expense) to $2.8 million.

Health Sciences

The Alternative Funding Plan (AFP) is an agreement between the Ontario Ministry of Health and the University, Clinical Teachers' Association and three teaching hospitals. The current agreement runs to December 31, 2004. The University, Clinical Teachers Association and the three teaching hospitals have created the Southeastern Ontario Academic Medical Organization (SEAMO) to govern the AFP. The Faculty of Health Sciences receives $61.5 million under the Alternative Funding Plan (AFP) to support their mission of clinical service, education and research. The School of Medicine at Queen's University is the first and only medical school in Canada to be funded on this basis. In addition, the Faculty of Health Sciences receives an allocation from University operations ($18 million) to fund medical students and students in the Basic Health Sciences (not funded by the AFP). Salaries include $42.5 million of clinical department payments to physicians from the Ontario Hospital Insurance Plan (OHIP) pool; prior to the introduction of the AFP, these payments would have been made directly to the physician as fee for service remittances from OHIP.

Ancillary Enterprises

Ancillaries are the University's business enterprises (see Appendix 2). These units provide goods and services to the University community and are expected to operate on a breakeven basis after covering their full operating costs. Full costs include a payment to the University for the cost of administrative services. Revenue from ancillary enterprises amounted to $79.5 million in 2001-02. Residences and Food Services, Apartment and Housing, Continuing Education, Parking, and the Computer Store all achieved breakeven targets. The International Study Centre experienced an operating loss of $573 thousand. This loss was eliminated with a one time allocation of $750 thousand resulting in a net excess of revenue over expenses of $177 thousand. During 2001-02, the Bader family provided a very generous gift which will support operations of the ISC for the fiscal years 2002-03 to 2007-08 as the University refocuses its strategy. The loss experienced by the Donald Gordon Centre (Conference) is in line with their budget. The long-range forecast for the Donald Gordon Centre predicts a positive net cash flow in 2003-04. PARTEQ, the University's technology transfer corporation, reported an excess of revenue over expense of $395 thousand in 2001-02 after providing for a $1.7 million royalty payment to Queen's University. PARTEQ is expected to continue its strong performance for the foreseeable future. Queen's Centre for Enterprise Development (QCED Inc.) began operations on June 1, 2001. The company was formed for the purposes of building on the knowledge base of Queen's School of Business to develop and deliver knowledge to small and medium sized enterprises to foster success in this sector. QCED's approved business plan for 2001-02 provided for a loss of $190 thousand, QCED realized a loss of $92 thousand in 2001-02. QCED is expected to become profitable in 2004-05.

Trust and Endowment

Trust revenue comes primarily from endowment income and restricted donations. Expenses include student assistance, faculty salaries (endowed chairs), equipment, and library resources.

The University's student assistance endowment grew by $9.8 million in 2001-02, through successful *Campaign* fundraising. The student assistance endowment produces annual income of almost $8 million. The endowment for Faculties and Departments grew by $14.7 million this past year as a result of fundraising efforts to endow faculty chairs and support library operations through endowment. The University's total endowment funds are currently $429.5 million, a gain of $33.1 million over 2000-01.

The endowment fund had a return of 7.5% during 2001-02. This yield compares very favourably with the benchmark return of negative 2.2% for the same period.

Capital

Work continued on Chernoff Hall (the new $51.8 million Chemistry Complex) and Goodes Hall (the new $25.5 million School of Business building at Victoria School). Both projects are funded in part by the Government of Ontario's SuperBuild Fund and are on-budget and on-time for completion in late summer 2002. In January, 2002, work began on the $16.35 million Cancer Research Institute, which is scheduled for completion in early 2003. In late April, 2002, construction began on the $3.75 million second phase of the renovations to Macdonald Hall (Faculty of Law); this work is planned to be completed in fall 2002. Also in 2001-02, final approval from the Board of Trustees was given to four additional capital/major renovation projects, including Beamish-Munro Hall (the $24.8 million Integrated Learning Centre for Applied Science). Construction on Beamish-Munro Hall is expected to begin during summer 2002; this project also received funding from the SuperBuild Fund. Approval was also given for two new residences ($47.5 million total) and a $9.2 million renovation to Leonard Hall cafeteria (all with work scheduled to start in May 2002 for a late-summer 2003 completion). Advanced planning is underway for renovations to Gordon Hall and Annex ($15 million) with an expected completion date in 2003-04. A new Queen's Centre facility, which would include student life, athletic facilities and a field house, is in the early planning stages. (See Appendix 5 – Snapshots of New Capital/Major Construction).

The Province has been very committed to providing universities with one-time funding for new construction and capital improvements in anticipation of the double cohort. However, the addition of new buildings on campus will put added pressure on the operating fund in terms of proper and adequate funding for the operating cost of space associated with these new buildings. The operating costs of space include heat, light, water, cleaning, maintenance, adaptation, mail service, communication, security, taxes, and providing for replacement of essential building systems over the life of the building.

Research

Queen's is one of Canada's leading research intensive universities. Research funding increased to $127 million (before deferrals), representing a year over year increase of 45% ($39 million) and five year increase of 142% ($75 million). In addition to our strong track record with NSERC, SSHRC and CIHR, this year's increase is also attributable to the success of Queen's and its faculty members in attracting new awards from the Canada Foundation for Innovation (CFI), the Ontario Research and Development Challenge Fund (ORDCF) and the Ontario Innovation Trust (OIT). In addition, the Clinical Trials Group experienced significant increases in funding from both corporations ($7.1 million) and foundations ($1.5 million). The increase in research expenses is consistent with the increase in research funding. As expected, the most significant expense increases occurred in equipment purchases ($13.6 million), research compensation ($7.7 million) and infrastructure improvements ($3.1 million).

PARTEQ, Queen's technology transfer agent, acts as a bridge between the University and the marketplace, helping to bring the benefits of scientific discovery to the public, while generating income for the inventor and the University. There is currently over $200 million invested in spin-off companies from Queen's based research. The licensing of patents has generated $17.9 million in revenue over the past 5 years.

Research is funded by grants from, and contracts with, external funding agencies and industry (see Table 1). These funds are not included in the University's budget process.

Table 1
Research Funding (before deferrals)
($000's omitted)

	2002	*2001*	*2000*
Federal			
SSHRC	$ 2,310	$ 2,422	$ 2,003
NSERC	16,044	18,035	16,449
CIHR	10,985	8,126	6,640
CFI	14,652	6,539	1,855
Other	8,024	7,302	8,339
Less 75% SNO	(2,492)	(2,385)	(2,360)
	49,523	40,039	32,926
ORDCF, OIT, PREA	22,832	9,182	4,350
Other Ontario Ministries	5,291	1,862	2,041
Corporate	22,674	15,548	14,201
Foundations	21,299	17,439	17,693
Other	5,532	3,901	3,799
Total	**$ 127,151**	**$ 87,971**	**$ 75,010**

Legend: SSHRC - Social Sciences and Humanities Research Council of Canada
NSERC - Natural Sciences and Engineering Research Council of Canada
CIHR - Canadian Institutes of Health Research
CFI - Canada Foundation for Innovation
SNO - Sudbury Neutrino Observatory
ORDCF - Ontario Research and Development Challenge Fund
OIT - Ontario Innovation Trust
PREA - Premier's Research Excellence Awards

Factors Affecting Future Revenue and Expenses

The University's future revenues and expenses continue to be most significantly affected by the following set of factors:

Provincial and Federal Government funding
Enrolment
Tuition
Compensation
Fundraising
Investments
Research
Capital Projects
Campus Infrastructure
Utilities
Internal Control Environment

Provincial Government Funding

Provincial Government funding and policy decisions have a significant impact on the University's operating funding. Operating grants provided by the Province make up approximately 52% of the University's operating revenue (this is down from a high of 73% in 1992-93). The current Provincial funding formula does not provide for inflationary increases in costs for unavoidable outlays such as utilities, library acquisitions, and compensation increases.

In May 2001, the Provincial Government announced a multi-year commitment to "fully fund" the enrolment growth jointly projected by the Ontario universities and the government. However, actual system enrolment growth in 2001-02 was approximately 8,000 students[3] higher than projected, and as a result the $25.8 million growth fund was not sufficient to fund these additional students at full funding levels. In June 2002, the provincial government reconfirmed its commitment to fully fund the excess enrolment growth.

The Province has been very committed to providing universities with one-time funding for new construction and capital improvements in anticipation of the double cohort[4]. The SuperBuild fund provided partial funding for Chernoff Hall (the new Chemistry building) and Goodes Hall (the new School of Business building), both of which will open for fall 2002. The SuperBuild-supported Beamish-Munro Hall, the new Integrated Learning Centre for the Faculty of Applied Science, will break ground in the summer of 2002 and is scheduled for completion in 2003-04.

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[3] Source: Council of Ontario Universities
[4] Ontario Secondary School reform will see the elimination of the fifth year of secondary school (know as Ontario Academic Credits, formerly grade 13) in 2003-04, resulting in a double graduating class of students applying for post-secondary education. This graduating group of students is known as the "double cohort".

In response to the funding situation, Queen's University prepared a proposal for consideration by the Government of Ontario called A *Pathfinder Program for Ontario Universities*[5] . Presented to the Government in 2001, the *Pathfinder Program* envisioned Queen's undertaking a pioneering initiative to significantly improve the quality of academic experiences for students. Queen's goal in the *Pathfinder Program* was to provide our students with the same opportunities enjoyed by students attending the best public universities in North America. To achieve this goal, the *Pathfinder* proposal requested that Queen's be able to establish tuition levels locally for all programs currently subject to regulation. For its part, Queen's committed to ensuring accessibility through a groundbreaking new model of public/university/private sector support for student financial assistance. Despite considerable interest on the part of the Government, the *Pathfinder* proposal was not approved "at this time". The University continues to pursue the merits of the *Pathfinder* model with the Government.

Federal Government Funding for Indirect Costs of Research

The growing costs of sustaining vibrant research programs have stretched the University's operating budget considerably. For every dollar of research money that Queen's receives, an additional \$0.40 - \$0.50 is needed to support the indirect costs of that research. The December 2001 Federal budget announced that one-time funding totaling \$200 million would be available to support the indirect costs of Federally-sponsored research in Canada's universities and hospitals. This generous support for indirect costs of research is very much needed and appreciated. The support comes as a result of successful lobbying efforts of Canadian universities and the Association of Universities and Colleges of Canada. Queen's share, announced in March 2002, is \$6.2 million. This new funding has been incorporated into the University's operating budget plans for 2002-03. This funding represents an investment of approximately 22% of the Federal tri-council research grants coming to the University and will be used to support the indirect costs associated with that research. Although the December 2001 announcement was for one-time funding only, the Federal Government has "committed to working with the university community on ways to provide ongoing support for indirect costs that is predictable, affordable and incremental to existing support". A long-term commitment (ideally, base funding at 40% - 50% of direct grants) is essential to ensure that Queen's and other Canadian universities can carry out their vital research agendas and retain the best and brightest faculty.

Enrolment

Enrolment growth continues to be a significant issue for Ontario universities as they prepare for the double cohort of Ontario high school graduates and the predicted increase in demand for post-secondary education. First-year undergraduate applications for Ontario universities already show an increase of 16% for 2002-03. At Queen's, to date, 26,000 applications have been received for 3,100 first-year undergraduate spaces for 2002-03. Total applications to Queen's are up 22 % (from 21,899 to 26,626) over last year, and undergraduate applications from students from Ontario high schools have increased 30% (from 15,278 to 19,870) over last year.

[5] A complete copy of the *Pathfinder* proposal is available on the Queen's website at http://advancement.queensu.ca/adv_communications/Queen_s_Today/q_pathfinder.pdf

The University's Enrolment Plan has been revised from last year, and recommends increasing year one intake in Arts and Science, Applied Science and Nursing from the targets established in 2001. Full-time intake targets for 2003-04 (approximately a 16% increase over September 2001) reflect Queen's commitment to accommodate a share of the double cohort. Graduate enrolment is also planned to increase although specific targets will be determined as government funding commitments become clearer.

Tuition

Tuition fees for domestic undergraduate students studying in programs in the Faculty of Arts & Science, Nursing, Rehabilitation Therapy, Education and the first year of the Commerce Program are regulated by the Provincial Government. Approximately 70% of Queen's undergraduate students are enrolled in regulated programs. For 2002-03, fees for regulated programs will increase by 2%, the maximum allowable increase in accordance with government policy. The Provincially-mandated restriction on tuition fee increases of 2% per year (non-compounded) will be in place until 2004-05. Deregulated programs are Applied Science, Business (excluding year one of Commerce), Law, Medicine and Graduate programs. Fees increases for deregulated programs are set by the University and will increase as follows: 7% to 20% in 2002-03, 8% to 15% in 2003-04 and 7% to 19% in 2004-05. Graduate student fees have been frozen at 1999-00 levels. Provincial policy requires that 30% of tuition fee rate increases be allocated to student assistance. Queen's internal policy contributes an additional 12% of fees from growth to student assistance.

Compensation

The single largest expenditure affecting the University is compensation. The Queen's University Faculty Association (QUFA) and the University settled on across-the-board increases of 2.7% for 2002-03 and 2.5% for 2003-04. The Queen's University Staff Association (QUSA), the Canadian Union of Public Employees (CUPE) Local 1302 and the Kingston Heating and Maintenance Workers Union, CUPE Local 229, all reached agreements to extend their collective agreements for an additional year, from July 1, 2002 to June 30, 2003. The collective agreement for the Kingston Technician's Union, CUPE Local 254, expires on June 30, 2002 and negotiations will commence during the summer for a new collective agreement. Employment benefit costs for the University will increase by $1.5 million (8.5%) in 2002-03. Contributing factors include increases directly related to compensation (e.g. pension), significant premium increases in purchased insured benefits, a Canada Pension Plan rate increase, and the extension of benefits to more employees.

The pressure on salaries is unlikely to decrease in the foreseeable future as the North American employment market for faculty continues to be competitive. Over the next ten years, the combined effect of replacing retiring faculty and hiring additional faculty to cope with enrolment growth will require Ontario universities to hire approximately 10,000 faculty members[6].

The effects of this demand are already being felt at Queen's, especially in the professional programs. Entry-level salaries have increased by as much as 50% over six years in some programs and most candidates have several offers. Even in disciplines which have traditionally been considered low demand, new faculty are attracting entry-level salaries 15% higher than just a few years ago. The tightening market for new faculty will not only have a bearing on costs, but also on the

[6] Source: PricewaterhouseCoopers and Council of Ontario Universities

University's ability to deliver certain programs. Without additional hiring, the student-to-faculty ratio will continue to increase; over the past decade the student-to-faculty ratio has increased by 14%[7].

Fundraising

Table 2
Gifts Received
($000's omitted)

	2002	*2001*	*2000*
Major Gifts	$20,912	$18,732	$21,969
Annual Appeal	5,053	4,623	3,498
Bequests	11,075	12,728	3,246
Gifts in Kind	3,389	2,093	8,731
Total	$40,429	$38,176	$37,444

The *Campaign for Queen's* has focused on raising money for new capital construction and the endowment for student assistance, faculty chairs and library acquisitions. With one year remaining, the Campaign has raised $225 million against a target of $200 million.

The University has built professional relationship management capacity aimed at maintaining a high level of private giving after the *Campaign* has ended. The main facets of this approach include: maintaining a permanent professional fundraising organization, development of an internal commitment through a Faculty-based fundraising design, and recruitment of a strong volunteer leadership contingent. As funding pressures increase, so will the University's reliance on private giving. The now sustainable infrastructure will stand the University in good stead to continue to raise funds on an ongoing basis.

Advancement Funding Model

With the *Campaign for Queen's* in its final stages, the University has established a mechanism to move from a periodic campaign, the *Campaign for Queen's*, to sustained, continuous campaigning. A new funding formula for the Office of Advancement was approved by the Board of Trustees in March 2002. The funding model proposes revenue targets and budget forecasts that are well within industry standards[8].

[7]Source: Queen's University ROAB 2002-03 Appendix F, Table 6a.
[8] The document can be found at HTTP://WWW.NOTES.QUEENSU.CA/FINANCE.NSF - follow Documents link.

Investments

The University has two long-term investment funds: the Pooled Endowment Fund (PEF) and the Pooled Investment Fund (PIF). The University's investments are overseen by the Investment Committee of the Board of Trustees. This Committee sets investment policies and monitors investment performance.

The objective of the PEF is to ensure the University's endowment grows with inflation while providing sufficient income for the purpose set out by endowment donors. The University's dividend policy, established in 1996 by the Investment Committee, sets the payout rate at 5% of the three-year average of the market value of the PEF. This permits the income available for student assistance and endowed chairs to grow with the market value of the PEF. The PIF is comprised of the investment of monies in reserve and other unspent balances. Generally, the income from the PIF is credited to the operating fund.

With an endowment of approximately $429 million, Queen's has the fifth-largest endowment of universities in Canada. Over the past five years, the PEF has grown rapidly as a result of excellent investment returns and a high level of donations to endowment. Over the 5-year period ending March 31, 2002, the endowment had an annualized return of 12.2%, well in excess of the benchmark return for the same period.

Research

Sponsored research activity at Queen's has increased significantly over the past five years and is expected to continue growing. In December 2001, the Federal Government announced increased funding for the Natural Sciences and Engineering Research Council (NSERC) and for the Social Sciences and Humanities Research Council (SSHRC). In May 2002, the Provincial government announced increased funding for the Ontario Research and Development Challenge Fund, Ontario Innovation Trust and the Ontario Centres of Excellence program. The increase in research activity is extremely beneficial to the advancement of the University's mission, however, even funded research carries with it additional costs to the institution. The most critical area related to the cost of research for the University is that of the "indirect costs of the research" which include costs for physical facilities (e.g. heat, light and custodial services), library services, computing infrastructure, and administrative costs (e.g. animal care, ethics compliance, human resources, environmental health and safety, financial services).

Both the Provincial and Federal Governments are now providing financial support for this very important initiative. Ensuring sustained funding for the indirect costs of research activity is key to the success of Queen's vibrant research programs.

Capital Projects

The University will continue to be engaged in a very large volume of new construction and major renovation activity over the next few years. At present, approximately $200 million worth of major capital projects are underway on campus. In part, this activity has been driven by the Provincial Government's creation in May 1999 of the $660 million SuperBuild Fund to assist colleges and universities in providing the physical infrastructure to cope with enrolment growth in the next decade. To be eligible for SuperBuild funds, new construction had to provide capacity for increased enrolment, matching funds from private sector, and a focus on the institution's strategic direction. Queen's was granted its entire request and received $50.8 million.

In addition to the SuperBuild projects, the University is currently engaged in active work or planning for a number of other projects involving new construction and/or substantial renovation. The major work underway is outlined in Table 3:

Table 3
New Capital/Major Renovation Projects
($000's omitted; funding details provided for SuperBuild projects)

Project	Description	Project Budget	Estimated Completion
Chernoff Hall	Faculty of Arts and Science, new Chemistry complex	$57,000 [9]	Summer 2002
Goodes Hall	School of Business, new building	$25,500 [10]	Summer 2002
Beamish-Munro Hall	Faculty of Applied Science, new Integrated Learning Centre	$24,800 [11]	2003-04
Cancer Research Institute	Faculty of Health Sciences, new building to combine the National Cancer Institute of Canada Clinical Trials Group, Queen's Cancer Research Laboratories, and the Radiation Oncology Unit	$16,350	Winter 2003
Macdonald Hall	Faculty of Law, renovated facilities (includes enhanced accessibility, moot court and computing facilities)	$3,750	Fall 2002
New Residences	Dean of Student Affairs, two new facilities (548 beds in total)	$47,500	Summer 2003
Leonard Cafeteria	Dean of Student Affairs, renovation and expansion	$9,200	Summer 2003
Gordon Hall/Annex	School of Graduate Studies, University Registrar etc.; renovated facilities	$15,000 [12]	2003-04
Total		$199,100	
Queen's Centre	Will likely combine space for recreational and varsity athletics, student life activities and other uses; in early planning stages	Unknown at this time	Unknown at this time

[9] $27 million SuperBuild funding provided for the project; project budget includes $5.2 million for demolition of Frost Wing and relocation of various student services.
[10] $6 million SuperBuild funding provided for the project.
[11] $12 million SuperBuild funding provided for the project.
[12] $11.4 million SuperBuild funding provided for the project.

Campus Infrastructure

Queen’s and other Canadian universities face substantial costs to modernize campus infrastructure over the next ten years. Queen’s deferred maintenance backlog is currently estimated at $100 million. This amount is not expensed in the financial statements. In December 2000, a multi-year funding plan was approved which provides funds for annual upgrades, adaptation, and prevention maintenance. Queen’s is gradually building a budget to deal with this issue. Combined with other monies in the operating budget and the Provincial Government facilities renewal grant, it is anticipated that by 2005, the University will have $6 million per year to deal with deferred maintenance. The current funding plan will allow the University to make significant inroads to the deferred maintenance backlog and to cover the most important priorities before they become emergencies.

Utilities

The opening of the electricity market in Ontario has added a degree of uncertainty with regard to electricity costs. Ontario universities as a group have purchased electricity for 2002-03 at a set rate in an effort to manage uncertainty and market fluctuations. The University also faces uncertainty with respect to volatile pricing of gas and heating oil. This exposure is managed through future purchases for a significant portion of the University’s annual oil and gas needs.

Internal Control Environment

A quality internal control environment is an essential element in the delivery of the Vision and Mission of the University and is key in mitigating and managing financial and business risk exposures.

Queen's internal control environment includes a comprehensive approach to risk assessment and management. It includes understanding risks, establishing internal awareness, implementing appropriate systems to manage risks, the management and mitigation of risk exposures through indemnifications and the use of insurance and monitoring progress against objectives. To assist with the management of these financial and business risks, Queen’s benefits from:

- a comprehensive system of internal academic reviews;
- a well established internal audit function that is highly regarded internally for the quality of its recommendations on efficiency and effectiveness in spending matters;
- an active and on-going involvement of its external auditor, KPMG, who is very familiar with the institution and with financial reporting, control and risk exposure matters particularly for non-profit organizations;
- a considerable focus of both administration and the Audit Committee of the Board of Trustees on the linkages between the financial reporting for, and the business of, the enterprise;
- on-going discussion of the quality of accounting policies; and
- an Environment Committee of the Board of Trustees that oversees the administration and handling of environmental health and safety exposures.

Consolidated Financial Statements 2001-02

Highlights of 2001-02 Operating Fund Revenue and Expenses

Year ended April 30, 2002 ($000's omitted) (unaudited)

		2001-02			2000-01
		Budget	*Actual*	*Difference*	*Actual*
REVENUE	Government grants and contracts	$ 103,690	$ 103,958	$ 268	$ 101,348
	Fees	84,821	85,466	645	80,981
	Investment income	2,103	2,334	231	2,655
	Donations	2,129	2,310	181	2,085
	Other income	5,006	5,013	7	4,336
		197,749	199,081	1,332	191,405
EXPENSES	Salaries and benefits	134,934	134,693	(241)	130,876
	Supplies and miscellaneous expenses	13,288	14,087	799	15,115
	Minor equipment and furnishings	4,880	5,583	703	6,383
	Student assistance	18,310	18,636	326	17,070
	Utilities	7,539	7,387	(152)	6,674
	Renovations and alterations	4,384	4,176	(208)	3,769
	Library acquisitions	7,946	8,231	285	6,831
	Restructuring costs	6,177	6,177	0	3,974
	Amortization expense	291	291	0	250
		197,749	199,261	1,512	190,942
	Net change in fund balance before transfers	0	(180)	(180)	463
	Net transfers from (to) appropriated surplus		239	239	(385)
	Annual operating surplus, before employee future benefits expense		59	59	78
	Accumulated operating deficit, start of year, before employee future benefits expense		(2,829)		(2,907)
	Accumulated operating deficit, end of year, before employee future benefits expense		$ (2,770)		$ (2,829)

The format of the operating budget approved by the Board of Trustees in May 2001 has been modified in this statement to conform to the format of operating revenues and expenses in Appendix 1 of the Annual Financial Report. This format conforms to that of the Consolidated Statement of Revenue and Expense on page 33.

This highlight summary does not reflect the reporting of employee future benefits expense described in Note 16 to the Consolidated Financial Statements. The accrual method of accounting for the cost of employee future benefits increases the annual expense and the University’s annual deficit by $1,898 (2001 – $1,778) for a total annual expense of $3,066 (2001 – $2,925) and total annual deficit of $1,839 (2001 – $1,700). The total accumulated deficit of $36,021 (2001 – $34,182) reflects the accrued liability of $33,251 (2001 – $31,353) for employee future benefits.

Page 29 discusses the various funds that are summarized in Appendix 1 on page 53.

OPERATING FUND

The University realized a surplus of $59 thousand (before the employee future benefits expense of $1.9 million) in 2001-02 decreasing the accumulated operating deficit to $2.77 million. Total operating revenue exceeded budget by $1.3 million. Fees exceeded budget by $0.6 million as actual full-time enrolment exceeded the University's target by 115 students. The incremental revenue from fees was set aside for student assistance and to address unfunded costs associated with rapid enrolment growth. Operating expenses were generally in line with the budget plan.

ANCILLARY ENTERPRISES

Ancillary enterprises generated $79.5 million of revenue in 2001-02. Residences and Food Services, Apartment and Housing, the Computer Store, Parking, and Continuing Education represent 84% of this revenue and are budgeted to operate on a breakeven basis. The first year of operations for Queen's Centre for Enterprise Development (QCED) ended with a $92 thousand loss versus the planned deficit of $190 thousand. The $0.3 million loss experienced by the Donald Gordon Centre (Conference) is in line with their budget. The long-range forecast for the Donald Gordon Centre predicts a positive cash flow in 2003-04. The ISC experienced an operating loss of $570 thousand. This loss was eliminated with a one-time allocation of $750 thousand resulting in a net excess of revenue over expenses of $177 thousand. PARTEQ ended the year with an excess of revenue over expenses of $0.4 million after providing for a $1.7 million royalty to Queen's.

RESEARCH

Research funding (before deferrals) increased again to $127 million from $88 million last year (1997-98 funding was $52.6 million). The increase was due to the success of Queen's faculty members in attracting awards from the Canada Foundation for Innovation (CFI), the Ontario Research and Development Challenge Fund (ORDCF) and the Ontario Innovation Trust (OIT).

ENDOWMENT

Endowment grew by $24.8 million with $16.7 million in contributions and $8.1 million in investment income. The endowment fund has more than doubled over the past six years. The endowment fund had an investment return of 7.5% during 2001-02 against a benchmark return of negative 2.2%.

CAPITAL

Work continued on Chernoff Hall (the new $51.8 million Chemistry Complex) and Goodes Hall (the new $25.5 million School of Business building). Both projects are scheduled for completion in late summer of 2002. During 2001-02, work began on the $16.3 million Cancer Research Institute and the $3.75 million renovation to Macdonald Hall (Faculty of Law). Also during 2001-02 final approval from the Board of Trustees was given to four additional capital/major renovation projects, including Beamish-Munro Hall (the $24.8 million Integrated Learning Centre for Applied Science), two new residences ($47.5 million total) and $9.2 million renovation to Leonard Hall cafeteria. Advanced planning is underway for renovations to Gordon Hall and Annex ($15 million). A new Queen's Centre facility, which would include student life, athletic facilities and a field house, is in the early planning stages.

CONCLUSION

Queen's has a strong balance sheet with a growing endowment and relatively little debt despite a number of financial challenges and concerns. Overall, Queen's remains a strong and financially stable institution. This is critical to the University's ability to fulfill its mission "to be among the best of internationally known universities in Canada recognized for:

- the exceptional quality of undergraduate and graduate students and programs in the arts, sciences and professions;
- the intellectual power and value of research and scholarship by faculty members and students;
- the exemplary service of the University and that of its graduates to the community and the nation and the community of nations."

Statement of Administrative Responsibility
Year ended April 30, 2002

The administration of the University is responsible for the preparation of the consolidated financial statements, the notes and all other financial information contained in this annual report.

The administration has prepared the consolidated financial statements in accordance with accounting principles generally accepted for Canadian universities and in accordance with guidelines developed by the Canadian Association of University Business Officers and the Canadian Institute of Chartered Accountants. In order to achieve the objective of fair presentation in all material respects, the use of reasonable estimates and judgments were employed. The administration believes the consolidated financial statements present fairly the University's financial position as at April 30, 2002 and the results of its operations for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of consolidated financial statements.

William M. Mercer Limited has been retained by the University in order to provide an estimate of the University's employee future benefit liability. Administration has provided the valuation actuary with the information necessary for the completion of the University's report and retains ultimate responsibility for the determination and estimation of the employee future benefit liability reported.

The Board of Trustees is responsible for ensuring that administration fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board of Trustees carries out its responsibility for review of the Annual Financial Report inclusive of the Consolidated Financial Statements principally through the Audit Committee. The majority of the members of the Audit Committee are not officers or employees of the University. The Audit Committee meets with the administration, as well as the internal and the external auditors, to discuss the results of audit examinations and financial reporting matters and to satisfy itself that each party is properly discharging its responsibilities. The external and internal auditors have full access to the Audit Committee with and without the presence of the administration.

The consolidated financial statements for the year ended April 30, 2002 have been reported on by KPMG LLP, Chartered Accountants, the auditors appointed by the Board of Trustees. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the consolidated financial statements.

Principal and Vice-Chancellor
June 28, 2002

Vice-Principal (Operations and Finance)

Auditors' Report

KPMG LLP
Chartered Accountants
863 Princess Street Suite 400
PO Box 1600 Stn Main
Kingston ON K7L 5C8
Canada

Telephone (613) 549-1550
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To the Board of Trustees

We have audited the consolidated statement of financial position of Queen's University at Kingston as at April 30, 2002 and the consolidated statements of revenue and expense, changes in net assets and cash flows for the year then ended. These consolidated financial statements are the responsibility of the University's administration. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by administration, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Kingston, Canada
June 28, 2002

Queen's University at Kingston
Consolidated Statement of Financial Position
Year Ended April 30, 2002, with comparative figures for 2001
($000's omitted)

		2002	*2001*
ASSETS	Cash	$ 10,977	$ 0
	Accounts receivable	24,559	20,999
	Prepaid expenses	5,912	6,237
		41,448	27,236
	Investments		
	(market value 2002 – $611,039; 2001 – $580,851)	537,798	514,767
	Deferred expenses (note 3)	5,270	6,683
	Capital assets (notes 4 and 5)	332,943	286,035
		917,459	834,721
LIABILITIES AND NET ASSETS	Bank indebtedness	0	8,465
	Accounts payable and accrued liabilities	83,898	73,576
	Deferred revenue (note 6)	133,394	139,213
	Deferred capital contributions (note 7)	203,345	156,809
	Long-term debt (note 8)	29,975	31,636
		450,612	409,699
	Net Assets		
	Investment in capital assets (note 9)	91,245	94,187
	Endowments (note 10)	367,702	342,908
	Internally restricted (note 11)	79,784	63,349
	Unrestricted	(71,884)	(75,422)
		466,847	425,022
		$ 917,459	$ 834,721

See accompanying notes to consolidated financial statements.
Contingent liabilities (notes 13 and 19)
Commitments (note 5)

Approved by the Board of Trustees

John Rae

Trustee

Trustee

Queen's University at Kingston
Consolidated Statement of Revenue and Expense
Year Ended April 30, 2002, with comparative figures for 2001
($000's omitted)

		2002	*2001*
REVENUE	Grants and contracts	$ 289,877	$ 248,743
	Fees	138,188	133,122
	Investment income	21,801	30,077
	Donations	22,074	15,283
	Ancillary sales of service and products	25,185	23,787
	Other income	15,792	12,187
	Amortization of deferred capital contributions	13,007	9,746
		525,924	472,945
EXPENSE	Salaries	246,659	228,749
	Benefits	29,974	27,317
	Employee future benefits (note 16)	3,066	2,925
	Supplies	56,961	50,729
	Minor equipment and furnishings	23,077	16,034
	Externally contracted services	16,168	15,584
	Student assistance	33,369	26,588
	Travel	13,512	11,826
	Utilities	10,521	10,091
	Renovations and alterations	10,355	10,094
	Interest on long-term debt	2,315	2,218
	Restructuring costs	6,259	4,376
	Amortization expense	30,005	26,218
	Other expenses	21,299	21,042
		503,540	453,791
	Excess of revenue over expense	$ 22,384	$ 19,154

See accompanying notes to consolidated financial statements.

Queen's University at Kingston
Consolidated Statement of Changes in Net Assets
Year ended April 30, 2002, with comparative figures for 2001
($000's omitted)

	Investment in Capital Assets	*Endowments*	*Internally Restricted*	*Unrestricted*	*Total 2002*	*Total 2001*
Net assets, beginning of year	$ 94,187	$ 342,908	$ 63,349	$ (75,422)	$ 425,022	$ 377,009
Excess of revenue over expense (note 9)	(16,998)			39,382	22,384	19,154
Change in internally restricted net assets			16,435	(16,435)	0	0
Net change in investment in capital assets (note 9)	13,934			(13,934)	0	0
Contributions for assets not subject to amortization (note 9)	122				122	0
Investment income credited directly to endowment (note 10)		4,754			4,754	10,655
Internally endowed contributions (note 10)		5,475		(5,475)	0	0
Endowment contributions (note 10)		14,565			14,565	18,204
Net assets, end of year	$ 91,245	$ 367,702	$ 79,784	$ (71,884)	$ 466,847	$ 425,022

See accompanying notes to consolidated financial statements.

Queen's University at Kingston
Consolidated Statement of Cash Flows
Year ended April 30, 2002, with comparative figures for 2001
($000's omitted)

	2002	*2001*
Operating Activities:		
Excess of revenue over expense	$ 22,384	$ 19,154
Add non-cash items:		
Amortization of capital assets	30,005	26,218
Amortization of deferred capital contributions	(13,007)	(9,746)
Decrease in deferred maintenance project expenses	1,413	1,300
Net change in non-cash working capital (note 12)	1,268	17,251
Cash provided by operating activities	42,063	54,177
Investing and Financing Activities:		
Net change in investments	(23,031)	(86,395)
Purchase of capital assets	(77,104)	(37,896)
Disposal of capital assets	191	552
Issue of long-term debt	0	1,885
Repayment of long-term debt	(1,661)	(2,541)
Contributions received for capital purposes	59,665	21,665
Contributions on disposal of capital assets	0	(230)
Endowment fund contributions and investment income reported as direct increase in net assets	19,319	28,859
Cash used in investing and financing activities	(22,621)	(74,101)
Net increase (decrease) in cash	19,442	(19,924)
(Bank indebtedness) cash, beginning of year	(8,465)	11,459
Cash (bank indebtedness), end of year	$ 10,977	$ (8,465)

See accompanying notes to consolidated financial statements.

The University considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

NOTE 1 AUTHORITY

Queen's University at Kingston operates under the authority of the Royal Charter of 184l and subsequent federal and provincial statutes. The mission of the University includes post secondary and graduate education, research and community service. The University is a registered charity and is therefore, under section 149 of the Income Tax Act, exempt from payment of income tax.

Queen’s University at Kingston controls PARTEQ Research and Development Innovations, the International Study Centre, the Crown Foundation at Queen’s University at Kingston, the U.S. Foundation for Queen’s University at Kingston, and QCED Inc. Accordingly, these financial statements consolidate the accounts of these organizations.

PARTEQ Research and Development Innovations is incorporated by letters patent as a corporation without share capital under the Ontario Corporations Act. Its principal business activities, conducted on a not-for-profit basis, include the acquisition, development and commercialization of new technologies. PARTEQ Research and Development Innovations is exempt from income tax under section 149 of the Income Tax Act.

The International Study Centre was established in 1993 to enhance Queen’s University at Kingston’s role in international education and research through the establishment of a meeting place for students, scholars, and professionals from around the world. The International Study Centre operates in East Sussex, England and is incorporated under the laws of the United Kingdom as a Company Limited by Guarantee. It is registered as a charity with the United Kingdom Charity Commissioners and is therefore exempt from tax to the extent that income or gains are applied exclusively to charitable purposes.

The Crown Foundation at Queen's University at Kingston was established by Regulation 731/93 under the University Foundations Act, 1992 and is an agent of Her Majesty in right of Ontario. The Foundation was established to solicit, receive, manage and distribute money and other property to support education and research at Queen's University at Kingston. The Foundation is exempt from income tax under section 149 of the Income Tax Act.

The U.S. Foundation for Queen's University at Kingston was incorporated under the applicable provisions of the District of Columbia Non-Profit Corporation Act in 1995. The U.S. Foundation works to promote, encourage and foster an appreciation by the American public of the work conducted by Queen's University at Kingston deemed to be of interest to the American public. It does this by financing in whole or in part various programs, projects and facilities of Queen's University at Kingston necessary for the accomplishment of its charitable and educational mission. The U.S. Foundation for Queen's University at Kingston is exempt from income tax under section 501(c)(3) of the United States Internal Revenue Code.

NOTE 1
Continued

Queen’s Centre for Enterprise Development Inc. (QCED Inc.) was incorporated under the Canada Business Corporation Act on February 2, 2001 and began operations on June 1, 2001. QCED Inc. is a wholly owned subsidiary of the University. QCED Inc. is an entrepreneurial centre that is working in collaboration with emerging technology-bases organizations to ensure their survival and growth. The Centre is aimed at being the leading source of knowledge and service to innovative and high growth firms in Canada. QCED Inc. also supports academic research activities within Queen’s University and within this sector.

Sudbury Neutrino Observatory Trust was created on December 2, 1997 as a joint venture of the University and three other Canadian universities, to perform research in sub-atomic physics. The University's proportionate share (25%) of the Trust's assets, liabilities and operations have been included in these consolidated financial statements.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

(a) General

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

(b) Investments

Investments are recorded at cost less an allowance for possible losses.

(c) Capital assets

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair market value at the date of contribution. Amortization is provided on a straight line basis over the estimated useful life of the asset as follows:

Asset	*Useful Life*
Buildings	40 years
Equipment and furnishings	5 years
Library acquisitions	5 years
Equipment under capital lease	Term of lease

The 2002 financial statements include 20 years of library acquisitions and related amortization.

The cost and related amortization of library acquisitions remain in the accounts until the items are removed from the library.

(d) Construction in progress

Costs of construction in progress are capitalized. Amortization is not commenced until project completion.

NOTE 2
Continued

(e) Works of art

Queen's University at Kingston maintains a collection of fine art that includes European art, historical and modern Canadian art, contemporary American and Canadian art, Inuit art, and African sculpture. The collection is subject to an organizational policy that requires proceeds from the sale of any items in the collection be used to acquire other items to be added to the collection.

Contributions of collection items are recorded as revenue and expense, at fair market value, at the date of contribution. Artwork purchases are expensed as acquired. The collection contains 13,552 objects and was insured for $31,000 at April 30, 2002. During the year ended April 30, 2002, the University acquired 85 pieces of artwork. Of these, 71 pieces were donated with a total appraised value of $2,481 and 14 pieces were purchased at a cost of $194.

(f) Recognition of revenue and other contributions

The University follows the deferral method of accounting for contributions, which include donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the year in which related expenses are recognized. Contributions of capital assets are recorded at fair market value at the date of the contribution and deferred and amortized to operations on the same basis as the related capital asset. Endowment contributions and related restricted investment income are recognized on the accrual basis as direct increases in net assets in the year in which they are received. Student fees are recognized as revenue in the year courses and seminars are held. Sales and services revenue is recognized at point of sale or when the service has been provided.

(g) Employee benefit plans

The University accrues its obligations for employee benefit plans. The employee future benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and administration’s best estimate of salary escalation, retirement ages of employees and escalation in covered health care expense outlays.

($000's omitted)

NOTE 2
Continued

(h) Pledges

Pledges are recorded as revenue on a cash basis and accordingly are not set up as assets in the consolidated financial statements. The total amount of pledges outstanding is approximately $41,521 at April 30, 2002, and is expected to be received as follows:

	2002
2002-03	$ 10,175
2003-04	10,350
2004-05	6,733
Subsequent years	14,263
Outstanding pledges as at April 30, 2002	$ 41,521

(i) Purchase commitments

Purchase commitments of operating funds and ancillary enterprises are provided for by transfers to internally restricted net assets.

(j) Contributed services

Volunteers, including volunteer efforts from the staff of the University, contribute an indeterminable number of hours per year to assist the University in carrying out its service delivery activities. The cost that would otherwise be involved with these contributed services are not recognized in these consolidated financial statements.

(k) Measurement estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires administration to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(l) Agency obligations

The University acts as an agent which holds resources and makes disbursements on behalf of various unrelated individuals or groups. The University has no discretion over such agency transactions. Resources received in connection with such agency transactions are reported as liabilities, not revenue, and subsequent distributions are reported as decreases to these liabilities.

($000's omitted)

NOTE 3 DEFERRED EXPENSES

Deferred expenses are major expenditures incurred in prior years which will be funded in future years. The deferred maintenance project which commenced in 1991 was concluded in 1993 at a total expenditure of $18,000. This cost will be amortized against operating funds through to fiscal year 2004-05.

NOTE 4 CAPITAL ASSETS

Capital assets consist of the following:

	Cost	*Accumulated Amortization*	*Net Book Value 2002*	*Net Book Value 2001*
Land	$ 24,772	$ 0	$ 24,772	$ 24,625
Buildings	347,368	(155,730)	191,638	198,064
Equipment and furnishings	73,729	(42,519)	31,210	27,043
Equipment under capital lease	909	(553)	356	659
Library acquisitions	101,568	(85,410)	16,158	15,169
Construction in progress	68,809	0	68,809	20,475
	$ 617,155	$ (284,212)	$ 332,943	$ 286,035

The increase in net book value of capital assets is due to the following:

	2002	*2001*
Balance, beginning of year	$ 286,035	$ 274,909
Purchase of capital assets funded by deferred capital contributions	59,543	21,665
Purchase of capital assets financed internally	9,061	10,943
Purchase of capital assets financed by long-term debt	0	1,885
Purchase of capital assets financed by short-term liabilities	8,378	3,403
Capital assets donated to the university	122	0
Disposals of capital assets:		
Cost	(328)	(6,628)
Accumulated amortization	137	6,076
Amortization of capital assets	(30,005)	(26,218)
Balance, end of year	$ 332,943	$ 286,035

($000's omitted)

NOTE 5 **COST TO COMPLETE CONSTRUCTION IN PROGRESS**

As at April 30, 2002 the estimated cost to complete construction in progress for the extension of plant facilities is approximately $112,566 (2001 – $60,586). These costs will be financed by gifts, grants, ancillary income, and plant funds as outlined below.

Details of the costs to complete construction in progress are as follows:

	2002	*2001*
Chemistry Complex (Chernoff Hall)	$ 9,352	$ 37,835
School of Business at Victoria School (Goodes Hall)	7,847	22,073
Integrated Learning Centre (Beamish-Munro Hall)	24,144	160
Macdonald Hall Renovation	3,481	0
Cancer Research Institute	14,250	0
New Residences and Leonard Hall Cafeteria Renovation	53,340	0
Other	152	518
	$ 112,566	$ 60,586

The approved budgeted total costs for the above listed projects amounts to $184,100. The funding for these projects is expected to be provided by the following sources:

	2002
Ancillary Fees	$ 56,700
Donations	50,446
SuperBuild	45,000
Other Grants	9,002
Faculty Resources	6,429
University Commitment	16,523
	$ 184,100

($000's omitted)

NOTE 6 **DEFERRED REVENUE**

Deferred revenue is monies received in the current and prior years for services to be provided in a future year. Details of the year-end balance are as follows:

	2002	*2001*
Research funds	$ 51,082	$ 35,031
Trust funds	22,826	15,035
Plant funds	32,977	70,034
Student fees	7,730	5,926
Gift annuities	9,487	9,001
Federal grant for indirect costs of research	6,156	0
Other	3,136	4,186
	$ 133,394	$ 139,213

Research funds are the unexpended portion of research grants and contracts received during the year.

Trust funds are the unexpended portion of donations and income from restricted endowments.

Plant funds are the unexpended portion of funds restricted for future capital projects.

Student fees represent fees paid prior to April 30 for courses and special programs offered after that date.

Under the gift annuity program, a donor may gift an amount to the University and receive a tax preferred life annuity in return. The annuity capital reverts to the University on the death of the donor. The deferred revenue portion represents the lump sum contributed without adjustment for the time value of money.

NOTE 7 **DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations. The changes in the deferred capital contributions balance are as follows:

	2002	*2001*
Balance, beginning of year	$ 156,809	$ 145,120
Less amortization of deferred capital contributions	(13,007)	(9,746)
Capital contributions for land credited directly to net assets	(122)	0
Add contributions received for capital purposes	59,665	21,665
Less contributions on disposal of capital assets	0	(230)
Balance, end of year	$ 203,345	$ 156,809

($000's omitted)

NOTE 8 **LONG-TERM DEBT AND OBLIGATION UNDER CAPITAL LEASE**

As at April 30, 2002 the University has principal outstanding of $29,975 (2001 – $31,636) on long-term debt and an obligation under a capital lease. Principal and interest repayments on long-term debt are recovered annually from ancillary enterprises. Principal and interest repayments on the capital lease are recovered annually from the operating fund.

(a) The details of the long-term debt secured by specific assets are as follows:

	Maturity in Fiscal Year Ending	*Interest Rate*	*Annual Payment (Principal and Interest)*	*Principal Outstanding*
Canada Mortgage and Housing Corporation	2015	5.12%	$ 9	$ 87
Canada Mortgage and Housing Corporation	2017	5.38%	263	2,617
Canada Mortgage and Housing Corporation	2020	6.38%	111	1,159
Ontario Housing Corporation	2009	10.31%	178	1,731
Bank of Montreal	2019	7.15%	1,257	12,134
Bank of Montreal	2004	7.88%	559	663
Bank of Montreal	2009	5.41%	409	5,118
Canadian Imperial Bank of Commerce	2015	7.95%	341	3,444
Royal Bank	2007	8.31%	205	1,850
SMS Canada	2011	0.00%	101	828
			$ 3,433	$ 29,631

(b) The detail of the capital lease is as follows:

	Maturity in Fiscal Year Ending	*Interest Rate*	*Annual Payment (Principal and Interest)*	*Principal Outstanding*
IBM:				
Computer Equipment	2004	8.26%	$ 333	$ 344
Total long-term debt and obligation under capital lease			$ 3,766	$ 29,975

($000's omitted)

NOTE 8
Continued

(c) Long-term obligation under capital lease

The University reports certain equipment which it holds under a capital lease as capital assets, and the related obligation for future payments under the lease as long-term debt.

(d) Long-term debt repayments

Anticipated requirements to meet the principal portion of long-term repayments over the next five years are as follows:

Fiscal Year	*Principal Portion*
2003	$ 1,785
2004	$ 1,171
2005	$ 1,071
2006	$ 1,142
2007	$ 1,768

(e) Interest rate swaps

The University has entered into interest rate swap agreements with the Bank of Montreal and the Canadian Imperial Bank of Commerce whereby the University has fixed an interest rate on long-term loans. These loans are reflected as long-term debt in note 8(a) to these financial statements. Swap payments are reflected as interest expense and accounted for on an accrual basis. The notional principal underlying these swap agreements amounted to $21,359 at April 30, 2002 (2001 – $22,421).

($000's omitted)

NOTE 9 **INVESTMENT IN CAPITAL ASSETS**

The investment in capital assets consists of the following:

	2002	*2001*
Capital assets	$ 332,943	$ 286,035
Less amounts financed by:		
Accounts payable	(8,378)	(3,403)
Capital lease	(344)	(635)
Mortgages payable	(29,631)	(31,001)
Deferred capital contribution	(203,345)	(156,809)
Balance, end of year	$ 91,245	$ 94,187

The change in investment in capital assets is calculated as follows:

	2002	*2001*
Excess of expenses over revenue:		
Amortization of deferred contributions related to capital assets	$ 13,007	$ 9,746
Amortization of capital assets	(30,005)	(26,218)
	(16,998)	(16,472)
Net change in investment in capital assets:		
Purchase of capital assets	77,104	37,896
Amounts funded by:		
Accounts payable	(8,378)	(3,403)
Mortgages and lease payable	0	(1,885)
Deferred contributions	(59,665)	(21,665)
Repayment of debt:		
Accounts payable	3,403	1,083
Lease payable	291	250
Mortgages	1,370	2,291
Disposal of capital assets	(191)	(322)
	13,934	14,245
Contributions for assets not subject to amortization	122	0
Change in investment in capital assets	$ (2,942)	$ (2,227)

($000's omitted)

NOTE 10 **ENDOWMENTS**

Contributions restricted for endowment consist of restricted donations received by the University and donations internally restricted by the Board of Trustees, in the exercise of its discretion. The endowment principal is required to be maintained intact. The investment income generated from endowments must be used in accordance with the various purposes established by donors or the Board of Trustees. The University ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

Investment income on endowments that is available for spending at the discretion of the University or is available for spending as conditions have been met, has been recorded in the statement of revenue and expense. University policy has been established with the objective of protecting the real value of the endowments by limiting the amounts of income available for spending and requiring the re-investment of a certain amount of the earned income.

	Externally Endowed	*Internally Endowed*	*Total Endowment*
Endowments, beginning of year	$ 222,963	$ 119,945	$ 342,908
Contributions	14,565	2,173	16,738
Net investment returns	4,754	3,302	8,056
Endowments, end of year	$ 242,282	$ 125,420	$ 367,702

Details of year-end balances are as follows:

Book Value	*Balance Beginning of Year*	*Contributions*	*Allocation of Net Investment Returns*	*Balance End of Year*
Faculty, departmental, and other specific purpose	$ 107,670	$ 13,702	$ 961	$ 122,333
General endowment	67,918	(343)	372	67,947
Student assistance	153,168	3,308	6,461	162,937
Research	14,152	71	262	14,485
	$ 342,908	$ 16,738	$ 8,056	$ 367,702

($000's omitted)

NOTE 11 **INTERNALLY RESTRICTED NET ASSETS**

Details of year-end balances are as follows:

	2002	*2001*
Operating fund:		
Purchase commitments	$ 583	$ 687
Capital projects	9,015	4,740
Carryforward of unexpended budget allocations to faculties, libraries and administrative units	25,274	22,085
Major repairs and renovations	26	104
Uninsured property losses	250	500
The John Deutsch University Centre Development Fund	14	14
	35,162	28,130
Ancillary enterprises:		
Major repairs and renovations	7,942	5,842
	7,942	5,842
Restricted fund:		
Unspent departmental donations and other income	22,002	16,649
Unspent research funds	14,678	12,728
	36,680	29,377
	$ 79,784	$ 63,349

Funds are internally restricted to cover the cost of purchase orders outstanding at year-end.

Capital projects represent internal funds committed to complete property under development.

In order to encourage judicious expenditure of funds, the University's policy permits faculties, libraries, and administrative units to carry forward unexpended budget allocations and unrestricted donations to the succeeding year.

Operating funds and ancillary enterprises establish annual budget allocations to fund periodic major repairs and alterations.

Funds are internally restricted to protect the University from losses not covered by insurance.

($000's omitted)

NOTE 11 *Continued*

The John Deutsch University Centre Development Fund is funded by excess student contributions to the operations of the Centre. This fund may be spent on projects recommended by student government and approved by University administration.

Departments are permitted to carry forward donations and like income restricted to general departmental purposes and research.

NOTE 12

NET CHANGE IN NON-CASH WORKING CAPITAL

The net change in non-cash working capital balances related to operations consists of the following:

	2002	*2001*
Net change in non-cash working capital:		
Accounts receivable	$ (3,560)	$ (1,850)
Prepaid expenses	325	396
Accounts payable and accrued liabilities	10,322	5,256
Deferred revenue	(5,819)	13,449
	$ 1,268	$ 17,251

NOTE 13

CANADIAN UNIVERSITY RECIPROCAL INSURANCE EXCHANGE

The University is a member of the Canadian University Reciprocal Insurance Exchange (CURIE). CURIE insures general liability, university property and errors and omissions. Annual premiums paid by the University are determined by the CURIE Board, on the advice of the actuary. There is a provision under the agreement for assessments to all member universities if these premiums are not sufficient to cover losses. Depending on experience, there may be a partial distribution of surplus in some years. The University's premiums reflect Queen's own loss experience. High loss ratios would increase the University's premiums but there are limits placed on such increases.

NOTE 14

FINANCING OF MACKINTOSH-CORRY HALL

Mackintosh-Corry Hall (total cost of $6,517) is currently being financed from University funds to the extent of approximately $3,194. To date, financial support by the Ministry of Training, Colleges and Universities has been received in the amount of $3,323. Although approval in principle was received before construction was commenced, the Ministry has stated its position that final commitment for total funding of this project has not been made, but that it may qualify for consideration if and when uncommitted funds are available.

($000's omitted)

NOTE 15 PENSION PLAN

The employees of the University are covered by a contributory pension plan, which is a money purchase plan with a defined benefit minimum. A large majority of plan members retire under the money purchase part of the plan; the defined benefit obligations are very small. The assets of the plan are held by an independent custodian and are not recorded in the accounts of the University.

The most recent valuation of the plan as at August 31, 2001, shows contributions from the University as follows: (1) Money Purchase Plan – 6.41% of pensionable payroll; (2) Minimum Guarantee – 0.74% of pensionable payroll. The University's annual contribution to the Minimum Guarantee portion of the plan is met from the plan's surplus as required under the Income Tax Act. In addition, the increase in the University's money purchase contributions resulting from a plan change effective September 1, 1997 is also being paid from surplus.

This actuarial valuation determined that the plan had no unfunded liabilities at August 31, 2001. Liabilities for the defined benefit portion of the plan are based on an interest discount assumption of 6.5% and a salary escalation of 4.5% per year.

The next valuation of the plan is expected to be as of August 31, 2003.

NOTE 16 EMPLOYEE FUTURE BENEFITS EXPENSE

The University provides medical, dental and life insurance benefits to eligible employees. Benefits are entirely funded by University contributions made on a pay-as-you-go basis. An independent actuarial study of the employee future benefits has been undertaken. The most recent valuation of the employee future benefits was completed as at December 31, 1999. The next valuation of the plan is expected to be as of December 31, 2002.

At April 30, 2002, the University's accrued benefit obligation relating to the employee future benefits plan is $33,251 (2001 – $31,353). The significant actuarial assumptions adopted in estimating the University's accrued benefit obligation are as follows:

	Employee Future Benefits Plan
Interest discount assumption	5.75% to 6.25%
Salary escalation	0.00% to 4.50%
Dental benefits escalation	4.50%
Medical benefits escalation	4.50% to 9.00%

Included in the consolidated statement of revenue and expense is an annual expense in the amount of $3,066 (2001 – $2,925) regarding employee future benefits. During the year, the University contributed $1,168 (2001 – $1,147) to cover disbursements incurred during the year for employee future benefits.

($000's omitted)

NOTE 17 **FINANCIAL INSTRUMENTS**

(a) Fair values

The carrying values of cash, accounts receivable, bank indebtedness, accounts payable, and accrued liabilities approximate their fair market value due to the relatively short periods to maturity of the instruments.

The fair market value of other financial assets and liabilities included in the consolidated balance sheet are as follows:

	2002		*2001*	
	Carrying Value	*Fair Market Value*	*Carrying Value*	*Fair Market Value*
Investments	$ 537,798	$ 611,039	$ 514,767	$ 580,851
Long-term debt	$ 29,975	$ 32,380	$ 31,636	$ 34,341

(b) Interest rate exposure

At April 30, 2002, the University was exposed to interest rate risk as follows:

	Interest Rate Fixed Until Fiscal Year Ending	*Principal Balance at Maturity*	*Amortization Through Fiscal Year Ending*
Bank of Montreal	2009	$ 4,102	2024
Canadian Imperial Bank of Commerce	2015	$ 1,564	2020
Royal Bank	2007	$ 1,450	2017

NOTE 18 **MINISTRY OF TRAINING, COLLEGES AND UNIVERSITIES FUNDING**

The operations of the University are funded primarily (52%) by the Province of Ontario in accordance with budget arrangements established by the Ministry of Training, Colleges and Universities. These financial statements reflect funding arrangements approved by the Ministry with respect to the year ended April 30, 2002.

NOTE 19 **LITIGATION**

The nature of the University's activities are such that there may be litigation pending or in prospect at any time. With respect to claims at April 30, 2002, administration believes that the University has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, administration believes that such claims are not expected to have a material effect on the University's financial position. No provision has been accrued in these financial statements in respect of the above litigation.

($000's omitted)

NOTE 20 ONTARIO STUDENT OPPORTUNITY TRUST FUND

Externally restricted endowments include monies provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund matching program to award student aid as a result of raising an equal amount of endowed donations.

The University has recorded the following amounts under the program:

	2002	*2001*
Endowment capital	$ 68,198	$ 68,198
Expendable Funds:		
Opening balance	$ 3,662	$ 2,875
Investment income	3,642	3,505
Bursaries awarded	(2,857)	(2,718)
Expendable funds available for awards	$ 4,447	$ 3,662
Number of bursaries awarded	916	939

NOTE 21 RELATED ENTITIES

This section addresses disclosure requirements regarding the University's relationships with related entities. The relationship can be one of economic interest, significant influence, joint control or control.

(a) Investment in Parking Commission

Queen's University has entered into a long-term agreement, as equal partner with Kingston General Hospital, for the operations of the Parking Commission. The University's capital investment in the partnership is $486 (2001 – $548), representing total advances less repayments thereon to date. This capital investment is repaid from the Parking Commission over a twenty-five year period ending December 31, 2007. The investment bears interest at 9.4% compounded semi-annually. This interest income of $62 (2001 – $57) is reported in the capital fund. The University's share of the Parking Commission's excess of revenue over expense is $351 (2001 – $322) reported in the operating fund. Should the agreement be terminated without the consent of the Hospital, the University shall pay to the Hospital the balance of the Hospital's capital investment.

NOTE 21
Continued

(b) McGill-Queen's University Press

Queen's University has significant influence in McGill-Queen's University Press. McGill-Queen's University Press was incorporated by letters patent as a corporation without share capital under Part II of the Canada Corporations Act. The objective of the Press is to stimulate scholarship, research and debate through the publication of materials for scholars and the community at large. The Press is exempt from income tax under section 149 of the Income Tax Act. The University is responsible for a 50% share of any deficit accumulated by McGill-Queen's University Press. The University provides an annual contribution of $182 to fund operating costs of McGill-Queen's University Press. During the year, Queen's University committed to provide additional financing of $500 to McGill-Queen's University Press.

NOTE 22

COMPARATIVE FIGURES

Certain comparative figures have been restated in order to conform to the financial statement presentation adopted for the current year.

APPENDIX 1

Statement of Changes in Fund Balances for the Year Ended April 30, 2002
with comparative figures for 2001
($000's omitted)
(unaudited)

	OPERATING FUND	HEALTH SCIENCES	ANCILLARY ENTERPRISES	CAPITAL FUND	SUBTOTAL	TRUST FUND	RESEARCH FUND	ENDOWMENT FUND	INVESTMENT IN CAPITAL ASSETS	INTERNALLY RESTRICTED	TOTAL 2002	TOTAL 2001
REVENUE												
Grants and Contracts	103,958	78,505	468	(9,838)	173,093	10,580	104,955	1,249	0	0	289,877	248,743
Fees	85,466	326	52,396	0	138,188	0	0	0	0	0	138,188	133,122
Investment Income	2,334	7	(167)	670	2,844	13,780	1,875	3,302	0	0	21,801	30,077
Donations	2,310	20	7	791	3,128	15,449	2,723	774	0	0	22,074	15,283
Other Income	5,013	300	26,840	125	32,278	7,297	1,252	150	0	0	40,977	35,974
Amortization of Deferred Capital Contribution	0	0	0	13,007	13,007	0	0	0	0	0	13,007	9,746
Total Revenue	199,081	79,158	79,544	4,755	362,538	47,106	110,805	5,475	0	0	525,924	472,945
EXPENSE												
Salaries and Benefits	133,525	70,923	14,883	0	219,331	15,145	42,157	0	0	0	276,633	256,066
Employee Future Benefits, cash basis	1,168	0	0	0	1,168	0	0	0	0	0	1,168	1,147
Employee Future Benefits, accrual basis	1,898	0	0	0	1,898	0	0	0	0	0	1,898	1,778
Supplies and Miscellaneous Expenses	14,046	3,156	47,631	(1,834)	62,999	10,977	33,964	0	0	0	107,940	99,181
Minor Equipment and Furnishings	5,583	652	2,248	(17,653)	(9,170)	4,402	27,845	0	0	0	23,077	16,034
Student Assistance	18,636	22	223	0	18,881	13,774	714	0	0	0	33,369	26,588
Utilities	7,387	7	3,028	0	10,422	99	0	0	0	0	10,521	10,091
Renovations and Alterations	4,176	230	2,465	(1,551)	5,320	959	4,076	0	0	0	10,355	10,094
Library Acquisitions	8,231	8	3	(8,644)	(402)	303	99	0	0	0	0	0
Restructuring Costs	6,177	16	0	0	6,193	66	0	0	0	0	6,259	4,376
Amortization Expense	291	0	340	29,374	30,005	0	0	0	0	0	30,005	26,218
Interest on Long-Term Debt	41	0	2,794	(520)	2,315	0	0	0	0	0	2,315	2,218
Total Expense	201,159	75,014	73,615	(828)	348,960	45,725	108,855	0	0	0	503,540	453,791
Excess of Revenue over Expense (Expense over Revenue)	(2,078)	4,144	5,929	5,583	13,578	1,381	1,950	5,475	0	0	22,384	19,154
Endowment Contribution	0	0	0	0	0	0	0	19,319	0	0	19,319	28,859
Allocation from Net Investment in Capital Assets	0	0	0	3,064	3,064	0	0	0	(3,064)	0	0	0
Contributions for Assets Not Subject to Amortization	0	0	0	0	0	0	0	0	122	0	122	0
Transfer from (to) Appropriations	239	(2,996)	(5,569)	(4,778)	(13,104)	(1,381)	(1,950)	0	0	16,435	0	0
Net Change in Fund Balance	(1,839)	1,148	360	3,869	3,538	0	0	24,794	(2,942)	16,435	41,825	48,013
Fund Balance, beginning of year	(34,182)	(700)	(14,207)	(26,333)	(75,422)	0	0	342,908	94,187	63,349	425,022	377,009
Fund Balance, end of year	**(36,021)**	**448**	**(13,847)**	**(22,464)**	**(71,884)**	**0**	**0**	**367,702**	**91,245**	**79,784**	**466,847**	**425,022**

APPENDIX 2
QUEEN'S UNIVERSITY ANCILLARY ENTERPRISES
Revenue and Expense for the Year Ended April 30, 2002
with comparative figures for 2001
($000's omitted)
(unaudited)

	APT & HOUSING	DONALD GORDON CENTRE	COMPUTER STORE	PARKING	RESIDENCE AND FOOD SERVICES	CONTINUING EDUCATION	ISC	PARTEQ	QCED	OTHER	TOTAL 2002	TOTAL 2001
REVENUE	4,381	3,121	4,397	1,629	28,895	27,433	3,913	4,888	815	72	79,544	76,960
EXPENSE												
Salaries and Benefits	677	0	258	301	4,485	4,514	2,618	818	344	868	14,883	13,230
Minor Equipment and Furnishings	38	45	3	109	1,011	635	180	0	0	227	2,248	3,134
Utilities	569	141	0	43	2,040	0	235	0	0	0	3,028	3,295
Principal and Interest	329	1,000	0	117	3,090	0	0	0	0	0	4,536	4,464
Taxes	583	13	0	6	31	0	0	0	0	0	633	655
External Contracts	21	1,099	0	50	10,902	49	478	0	128	0	12,727	12,092
Renovations and Alterations	104	308	0	85	1,938	0	21	0	0	9	2,465	5,134
Supplies and Miscellaneous Expenses	1,607	804	4,136	512	3,914	18,362	691	3,675	435	(1,041)	33,095	31,995
Total Expense	3,928	3,410	4,397	1,223	27,411	23,560	4,223	4,493	907	63	73,615	73,999
Excess of Revenue over Expense (Expense over Revenue)	453	(289)	0	406	1,484	3,873	(310)	395	(92)	9	5,929	2,961
Transfer (to) from Appropriations	(284)	0	0	(406)	(1,484)	(3,873)	487	0	0	(9)	(5,569)	(3,954)
Net Change	169	(289)	0	0	0	0	177	395	(92)	0	360	(993)
Surplus/(Deficit), beginning of year	1,764	(4,615)	0	699	(231)	0	(8,639)	(2,785)	0	(400)	(14,207)	(13,214)
Surplus/(Deficit), end of year	**1,933**	**(4,904)**	**0**	**699**	**(231)**	**0**	**(8,462)**	**(2,390)**	**(92)**	**(400)**	**(13,847)**	**(14,207)**

APPENDIX 3

Statement of Unrestricted Net Assets for the Year Ended April 30, 2002 with comparative figures for 2001 ($000's omitted) (unaudited)

	2002	2001
Operating fund:		
Accumulated surplus, before employee future benefits expense	$ 730	$ 671
Accrued liability for vacation pay	(3,500)	(3,500)
Accrued liability for employee future benefits	(33,251)	(31,353)
	(36,021)	(34,182)
Health Sciences	448	(700)
Ancillary enterprises	(13,847)	(14,207)
Capital projects:		
Herstmonceux	(8,893)	(9,143)
Biosciences	(4,583)	(7,931)
Clergy Street properties	(1,651)	(1,748)
Other	(7,337)	(7,511)
	(22,464)	(26,333)
Total	$ (71,884)	$ (75,422)

Unrestricted net assets represent the accumulated (deficit)/surplus of the operating fund, Faculty of Health Sciences, ancillary enterprises and capital projects which the University decided to fund through internal "borrowings". The capital projects reported as Herstmonceux ($8,893) and Biosciences ($4,583) are being recovered by a combination of annual allocations from the operating fund and the collection of outstanding pledges. The $1,651 capital project reported as "Clergy Street properties" and the $7,337 capital projects reported as "Other" are primarily Residence and Apartment and Housing projects that are being recovered annually by principal and interest repayments from ancillary enterprises.

APPENDIX 4

Explanations of Terms Used in the Financial Statements
(unaudited)

Amortization Expense: Most capital assets (except land) have limited useful lives and amortization is a means of allocating a capital asset's useful life cycle over the period the University expects to benefit from the use of the capital asset. The useful lives of capital assets adopted by the University are outlined in Note 2(c) of the financial statements.

Amortization of Deferred Capital Contributions represents the amortization of donations/grants received in current or prior years to purchase capital assets. These contributions are not considered revenue when received, but are deferred. They are recognized as revenue on the same basis that the amortization expense of the related capital assets is reported in the statement of revenue and expense.

Capital Assets consist of land, buildings, equipment, library acquisitions, construction in progress and related accumulated depreciation. Previously, capital assets consisted of the undepreciated cost of land, buildings and construction in progress.

Deferred Capital Contributions represent gifts and grants received over a number of years restricted to the purchase of capital assets. These contributions are not considered revenue when received, but are deferred. They are recognized as revenue on the same basis that the amortization expense of the related capital assets is reported in the statement of revenue and expense. Restricted contributions for the purchase of capital assets that will not be amortized (i.e. land) are shown as a direct increase in net assets (investment in capital assets).

Internally Restricted Net Assets (previously called Appropriated Surplus) are reserves for future expenditures. These net assets are substantially departmental carry forwards and funds committed to capital projects. In previous years, unspent departmental trust and research funds were reported as deferred revenue whether they were externally or internally-restricted. Under the new reporting requirements, unrestricted trust and research funds that the University allows departments to carry forward must now be reported as internally restricted net assets. (See Note 11 of the audited financial statements for the composition of internally restricted net assets.)

Investment in Capital Assets represents the net book value (cost minus accumulated depreciation) of capital assets that were internally funded, normally from operating and ancillary operations.

Restrictions: CICA 4400.02(b) states "Restrictions are stipulations imposed that specify how resources must be used. External restrictions are imposed from outside the organization, usually by the contributor of the resources. Internal restrictions are imposed in a formal manner by the organization itself, usually by resolution of the board of directors. Restrictions on contributions may only be externally imposed. Net assets or fund balances may be internally or externally restricted. Internally restricted net assets or fund balances are often referred to as reserves or appropriations."

Unrestricted Net Assets represent the accumulated deficits of the operating fund, Faculty of Health Sciences, ancillary enterprises and capital assets funded through internal "borrowings".

APPENDIX 5
Snapshots of New Capital/Major Construction

Chernoff Hall (new Chemistry Complex)

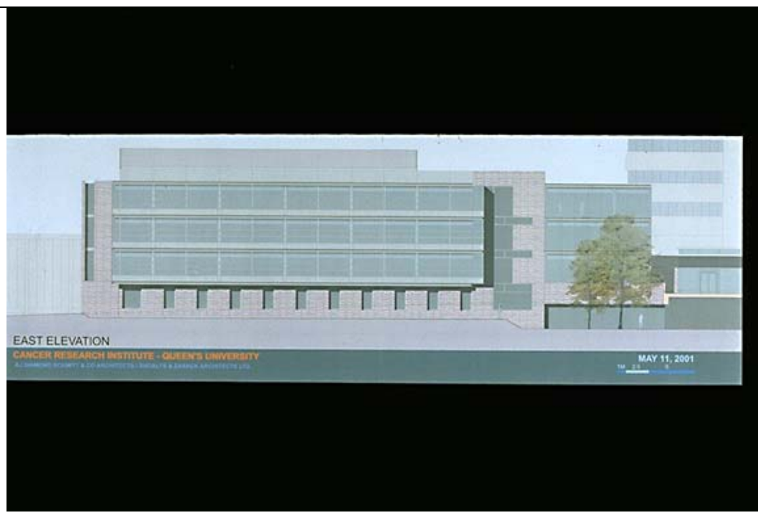
Project Cost: $51.8 million ($27 million provided by SuperBuild)
Features: 177 fume hoods, 250 seat theatre, underground NMR facility, teaching and research laboratories
Architect: Brisbin Brook Beynon
General Contractor: M. Sullivan & Son Limited
Status: On-time, on-budget for summer 2002 completion

Goodes Hall (new School of Business at Victoria School)

Project Cost: $25.5 million ($6 million provided by SuperBuild)
Features: lecture theatres, classrooms, breakout rooms, computer labs
Architect: The Ventin Group (Toronto) Ltd.
General Contractor: Bondfield Construction Company Limited
Status: On-time, on-budget for summer 2002 completion

Beamish-Munro Hall (new Integrated Learning Centre for the Faculty of Applied Science)

Project Cost: $24.8 million ($12 million provided by SuperBuild)
Architect: Bregman + Hamann Architects
General Contractor: Not Yet Awarded
Status: On-time, on-budget for summer 2002 start; completion in 2003-04



Cancer Research Institute

Project Cost: $16.35 million
Features: Research laboratory space for National Cancer Institute of Canada Clinical Trials Group, Queen's Cancer Research Laboratories, and the Radiation Oncology Unit
Architect: AJ Diamond, Donald Schmitt and Company/Shoalts and Zaback Architects Ltd.
General Contractor: M. Sullivan & Son Limited
Status: On-time, on-budget for winter 2003 completion

Macdonald Hall Renovation (Faculty of Law)

Project Cost: $3.75 million
Features: new accessible front entrance and atrium, moot court and computing facilities
Architect: Carruthers Shaw & Partners Limited
General Contractor: David J. Cupido Construction Ltd
Status: On-time, on-budget for fall 2002 completion

VIEW SOUTH AT ENTRANCE COURTYARD

New Residences (two facilities)

Project Cost: $47.5 million
Features: 548 beds (total), study, courtyard and lounge facilities
Architect: A.J. Diamond, Donald Schmitt and Company/Shoalts and Zaback Architects Ltd
General Contractor: AECON Ltd.
Status: On-time, on-budget for fall 2003 completion

Leonard Hall Cafeteria

Project Cost: $9.2 million
General Contractor: R.E. Hein Construction

Gordon Hall/Gordon Annex Renovation

Project Cost: $15 million ($11.4 million provided by SuperBuild)
Features: Academic and Administrative Space including: School of Graduate Studies and Research, and consolidated Office of the University Registrar
Architect: Griffiths Rankin Cook Architects
General Contractor: Not yet awarded
Status: On-time, on-budget for 2003-04 completion

APPENDIX 6

Governance of Queen's University

THE GOVERNANCE OF QUEEN'S UNIVERSITY

Board of Trustees

- Oversees the management of University finances and property, frames statutes
- Is responsible for the appointment of the Principal, staff and officers of the University
- Established by Royal Charter, 1841

Task Forces

Standing Committees

- Advancement
- Audit
- Campus Planning and Development
- Environment
- Finance (Board members only)
- Investment
- Nominating (Board members only)
- Pension

University Council

- Discusses any matter relating to the well-being and prosperity of the University
- Oversees the election of the Chancellor and the Rector
- Established by Ontario statute, 1874

Executive Committee

Senate

- Determines all matters of an academic character which affect the University as a whole
- Participates in planning the development of the University
- Established by Royal Charter, 1841

Committees in which the Senate has an interest

Standing Committees

- Academic Development
- Academic Procedures
- Advisory Research
- Agenda
- Appointment, Promotion, Tenure and Leave
- Ban Righ (Residences) Board
- Budget Review
- Educational Equity
- Creative Arts and Public Lectures
- Honorary Degrees
- Information Technology
- Internal Academic Review
- Library
- Nominating
- Non-Academic Discipline
- Operations Review
- Orientation Activities Review Board
- Scholarships and Student Aid

Subcommittees

Faculty Boards

- Arts and Science
- Applied Science
- Health Sciences
- Law
- Education
- Business
- Graduate Studies and Research

Boards of Directors of Research Centres and Institutes

Outside Advisory Councils

Committees

Departments

Committees

Governance

- The *Board of Trustees* is responsible for overall operations of the University, including financial matters.
- The *Senate* determines all academic matters, helps to plan development, and has final responsibility for student discipline.
- The *University Council*, which ensures graduates continue to participate in the life of the University, both selects and acts as an advisory body to the Chancellor.

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July 2002

Board of Trustees 2001-02

The Senate of Queen's University 2001-02

Ex Officio
Principal and Vice-Chancellor - William C. Leggett (Chair)
Principal of the Theological College - Jean Stairs
Vice-Principal (Academic) - Suzanne Fortier
Vice-Principal (Research) - Kerry Rowe
Dean, Faculty of Applied Science - Thomas Harris
Dean, Faculty of Arts and Science - Robert Silverman
Dean, Faculty of Education - Rosa Bruno- Jofré
Dean, Faculty of Health Sciences - David Walker
Dean, Faculty of Law - Alison Harvison Young
Dean, School of Business - Margot Northey
Dean, School of Graduate Studies - Ulrich Scheck
Dean of Student Affairs - Robert Crawford
University Librarian - Paul Wiens
President, Queen's University Faculty Association - Barbara Kisilevsky
President, Alma Mater Society - Scott Courtice
President, Society of Graduate and Professional Students - Paul Lomic/
Rebecca Jaremko-Bronwich

Elected
The Faculty of Applied Science
Panagiotis Katsabanis (Mining Engineering)
Chrissie Knitter (B.Sc.(Eng.)'04)
Bernard Kueper (Civil Engineering)
Kim McAuley (Chemical Engineering)
Patrick Oosthuizen (Mechanical Engineering) (Vice-Chair)
Karen Rudie (Electrical and Computer Engineering)
Alyssa Tomkins (B.A.(Hons.)/B.Sc.(Eng.)'02)

The Faculty of Arts and Science
Sarrah Beemer (B.A.(Hons.)'03)
Oleg Bogoyavlenskij (Mathematics and Statistics)
Andrew Bond (B.A.(Hons.)/B.Com.'02)
Annette Burfoot (Sociology)
James Carson (History)
Robert Dalrymple (Geological Sciences & Geological Engineering)
Patrick Kennedy (B.A.(Hons.)'02)
Jane Knox (Psychology)
Roberta Lamb (School of Music)
Henry Laycock (Philosophy)
Gerald Morris (Biology)
Laura Murray (English)
Charles Pentland (Political Studies)
John Pierce (English)
Andrew Pilliar (B.Sc.(Hons.)'02)
Marsha Singh (Physics)
Ralph Whitney (Chemistry)

The Faculty of Education
Jeffery Benner (B.Sc.(Hons.)/B.Ed.'02)
Steve Elliott
John Freeman
Magda Lewis

The Faculty of Health Science
L. E. (Gene) Dagnone (Emergency Medicine)
Alastair Ferguson (Physiology)
Linda Hiraki (M.D.'03)
Sarah Hughes (B.Sc.(PT)'03)/Laura Clark (B.Sc.(PT)'04)
Cheryl King-Van Vlack (Rehabilitation Therapy)
Marianne Lamb (School of Nursing)
Sabrina Wong (B.N.Sc.'03)

The Senate of Queen's University 2001-02

The Faculty of Law
Stanley Corbett
Geoff Ritchie (LL.B. '02)
Mark Weisberg

The School of Business
William Cooper
Simon Kalechstein (B.Com. '02)
William Morgan (B.Com. '03)
Sandy Staples
Danny Szpiro

The School of Graduate Studies and Research
Steven Blostein (Division III)
Roger Browse (Division IV)
Roxanne Harde (Ph.D. '02)
J. Barry Riddell (Division V)
Krysia Spirydowicz (Division II)
Myron R. Szewczuk (Division I)

The Queen's Theological College
Elizabeth Carter (M.Div.'04)
John Young

Queen's University Staff
Sandra Crocker (Research Services)
Ainslie Thomson (Library)

Observers
QUSA President – Spring Forsberg
Rector – Dan Sahl
Undergraduate Student Trustee – Chris Henderson

Secretary – Georgina Moore
Associate Secretary - Margaret (Peggy) Watkin

Student Government 2001-02

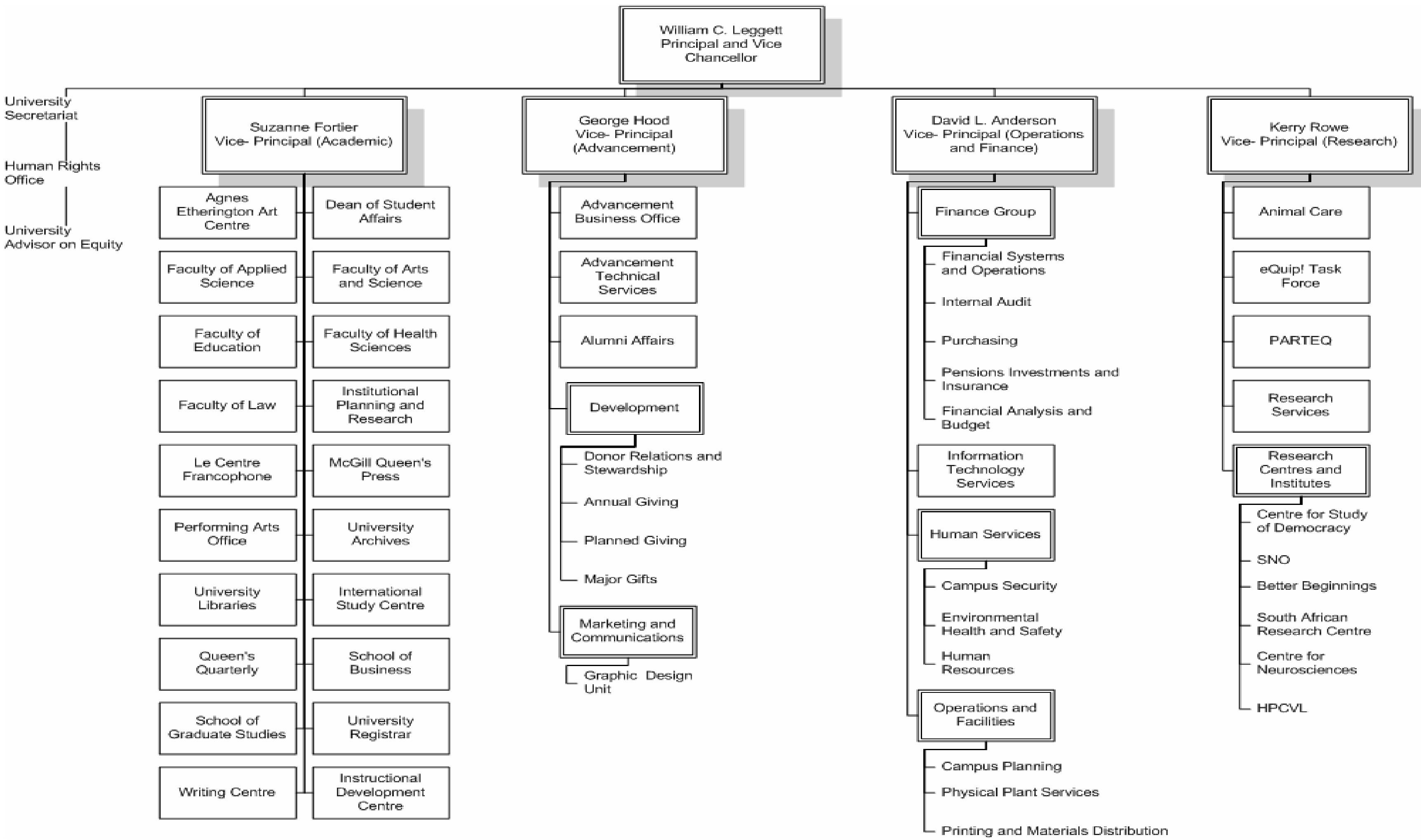
Rector
Dan Sahl

Alma Mater Society (AMS) Executive
President - Scott Courtice
Vice-President (Operations) - Jory Platt
Vice-President (University Affairs) - Emma Jackson

Society of Graduate and Professional Students (SGPS) Executive
President - Paul Lomic/ Rebecca Jaremko Bromwich
Vice-President (Graduate) - Ying Lee

Vice-President (Professional) - Waikwa Wanyoike
Vice-President (External) - Kathleen Charlton
Vice-President (Operations) - Mike Eklund

ORGANIZATIONAL CHART OF QUEEN'S UNIVERSITY



Senior Officers of Queen's University 2001-02

Chancellor
The Honorable Peter Lougheed[13]

Principal and Vice-Chancellor
Dr. William C. Leggett

Vice-Principals
Dr. Suzanne Fortier (Academic)
Mr. George Hood (Advancement)
Dr. David L. Anderson (Operations and Finance)
Dr. Kerry Rowe (Research)

Associate Vice-Principals
Dr. John Dixon (Academic)
Mr. Ray Satterthwaite (Advancement)
Ms Sheila Devine (Faculty Relations)
Mr. Richard Weatherdon (Human Services)
Mr. Tom Morrow (Operations and Facilities)
Dr. Bruce Hutchinson (Research)

Deans
Dr. Thomas Harris (Faculty of Applied Science)
Dr. Robert Silverman (Faculty of Arts and Science)
Dr. Margot Northey (School of Business)[14]
Dr. Rosa Bruno-Jofré (Faculty of Education)
Dr. Ulrich Scheck (School of Graduate Studies)
Dr. David Walker (Faculty of Health Sciences)
Ms Alison Harvison Young (Faculty of Law)
Dr. Robert Crawford (Student Affairs)

[13]Mr. Charles Baillie elected Chancellor in May, 2002
[14] Dr. Lewis Johnson appointed Acting Dean, July 1, 2002

Secretary to the Board of Trustees and Senate
Ms Georgina Moore

Senior Directors
Ms Janet Brook (Agnes Etherington Art Centre)
Ms Catherine MacNeill (Alumni Affairs)
Ms Jeanne Ma (Campus Planning)
Ms Louise Fish (Campus Security)
Ms Judith Brown (Development – Donor Relations and Stewardship)
Mr. Wade-Chace Hall (Development – Annual Giving)
Mr. Ed Pearce (Development – Planned Giving)
Mr. Ray Satterthwaite (Development – Faculty Development/Major Gifts)
Mr. Dan Langham (Environmental Health and Safety)
Ms Glenda Kaye (Financial Analysis and Budget)
Mr. Ken Low (Financial Systems and Operations)
Ms Irène Bujara, (Human Rights)
Mr. Tom Morrow (Information Technology Services – Acting)
Mr. Chris Conway (Institutional Research and Planning)
Dr. Chris Knapper (Instructional Development Centre)
Ms Shirley Higginson (Internal Audit)
Dr. Patrick O'Neill (International Study Centre)
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Mr. Bill Forbes (Pensions, Investments and Insurance)
Mr. Mike Stefano (Purchasing)
Ms Mary-Margaret Dauphinee (University Advisory on Equity)
Mr. Don Richan (University Archivist)
Mr. Paul Weins (University Librarian)
Ms Jo-Anne Brady (University Registrar)

Bankers
Bank of Montreal
Auditor
KPMG LLP
Solicitors
Cunningham, Swan, Carty, Little & Bonham LLP

APPENDIX 7

Public Sector Salary Disclosure
(unaudited)

Queen's University at Kingston
Public Sector Salary Disclosure
2001
(unaudited)

The Public Sector Salary Disclosure Act, 1995 passed by the Ontario Legislature on February 1, 1996 requires the University to publish the salaries of all employees of Queen's University earning $100,000 or more including taxable benefits. The following is the list for 2001.

Name	*Position*	*2001 Employee Earnings*	*2001 Employee Benefits*
Adell, Bernard	Professor, Faculty of Law	$ 119,025	$ 520
Akenson, Donald	Editor, McGill-Queen's Press and Professor, History	110,524	520
Akl, Selim	Professor, Computing and Information Science	102,352	520
Alexandrowicz, George	Professor, Faculty of Law	102,148	520
Anastassiades, Tassos	Professor, Rheumatology	108,726	520
Anderson, David	Vice-Principal (Operations and Finance)	170,206	520
Anderson, Ronald	Professor, Mechanical Engineering	118,605	520
Anger, Thomas	Associate Dean (Administration), School of Business	116,778	520
Arboleda-Florez, Julio	Department Head and Professor, Psychiatry	110,000	664
Arnold, Stephen	Professor, School of Business	101,700	520
Arquint, Monique	Assistant Professor, Pathology	124,917	429
Aston, Peter	Department Head and Professor, Microbiology and Immunology	107,888	678
Baird, Michael	Professor, Chemistry	111,361	520
Banting, Keith	Director and Professor, School of Policy Studies	126,518	520
Barling, Julian	Associate Dean and Professor, School of Business	120,169	520
Beach, Charles	Professor, Economics	110,510	283
Beamish, Rob	Associate Dean, Faculty of Arts and Science and Associate Professor, Sociology	107,989	520
Beatty, Carol	Director, School of Industrial Relations and Associate Professor, School of Business	118,003	520
Birk, Michael	Professor, Mechanical Engineering	117,951	520
Bly, Peter	Professor, Spanish and Italian	102,783	520
Boadway, Robin	Professor, Economics	134,326	520
Boag, Peter	Department Head and Professor, Biology	103,088	520
Boyd, Douglas	Professor, Mechanical Engineering	108,165	520
Brady, Jo-Anne	University Registrar, Office of the University Registrar	114,983	300
Brien, James	Acting Director (Research), School of Medicine and Professor, Pharmacology and Toxicology	107,217	520
Brown, Robert	Department Head and Professor, Chemistry	137,137	520
Bruno- Jofré, Rosa	Dean and Professor, Faculty of Education	118,589	307

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Name	*Position*	*2001 Employee Earnings*	*2001 Employee Benefits*
Campbell, Harold	Associate Dean, Faculty of Arts and Science and Professor, Mathematics and Statistics	$ 107,938	$ 520
Campbell, Ivan	Professor, Civil Engineering	105,520	520
Carmichael, Lorne	Professor, Economics	108,151	520
Carter, Donald	Professor, Faculty of Law	126,445	520
Cartledge, John	Acting Head and Professor, Electrical and Computer Engineering	133,776	520
Castel, Boris	Editor, Queen’s Quarterly and Professor, Physics	108,897	520
Chapler, Christopher	Associate Dean (Academic Affairs), School of Medicine and Professor, Physiology	144,221	520
Christianson, Paul	Chairman and Professor, History	107,802	280
Clark, Alan	Professor, Geological Sciences and Geological Engineering	106,679	520
Clark, Albert	Department Head and Professor, Biochemistry	146,859	542
Cole, Susan	Canadian Research Chair Holder (Tier 1), Faculty of Health Science and Professor, Pathology	115,795	520
Condra, Michael	Director, Health, Counselling and Disability Services	109,255	281
Conway, Chris	Director, Institutional Research and Planning	107,625	520
Corbett, Stanley	Instructor, Faculty of Law	102,332	200
Cordy, James	Professor, Computing and Information Science	101,080	478
Courchene, Thomas	Professor, Economics and Financial Policy and Professor, School of Business	135,719	520
Crawford, Robert	Dean, Student Affairs and Professor, Computing and Information Science	145,722	520
Cuddy, Lola	Professor, Psychology	100,659	520
Cunningham, Peggy	Director, MBA for Commerce and Associate Professor, School of Business	155,695	297
Daub, Mervin	Professor, School of Business	101,020	520
Davis, Peter	Professor, Biochemistry	104,228	520
Deeley, Roger	Joseph Stauffer Chair/Director of Cancer Research and Professor, Pathology	176,016	520
Delva, Nicholas	Associate Professor, Psychiatry	129,294	520
Denniston-Stewart, Roxy	Associate Dean, Student Affairs	102,066	520
Devine, Sheila	Associate Vice-Principal (Faculty Relations)	121,900	325
Dixon, John	Associate Vice-Principal (Academic) and Professor, Geological Sciences and Geological Engineering	133,715	520

Name	*Position*	*2001 Employee Earnings*	*2001 Employee Benefits*
Donald, Merlin	Professor, Psychology	$ 100,429	$ 520
Duncan, James	Associate Dean, Faculty of Arts and Science (Research) and Professor, Physics	105,787	520
Edgar, David	Chief (Finance and Administration), Faculty of Health Sciences	100,221	520
Eisenhauer, Elizabeth	Professor, Oncology	155,721	520
Elce, John	Professor, Biochemistry	103,046	520
Erdahl, Robert	Department Head and Professor, Mathematics and Statistics	104,112	520
Ferguson, Alastair	Department Head and Professor, Physiology	113,200	520
Fisher, Alfred	Professor, School of Music	109,560	520
Flynn, Geoffrey	Co-ordinator (Inter-Institutional Liaison), School of Medicine and Professor, Biochemistry	168,476	520
Forbes, William	Director, Pensions, Investments and Insurance	111,685	520
Forkert, Gek	Professor, Anatomy and Cell Biology	101,683	520
Fortier, Suzanne	Vice-Principal (Academic) and Professor, Chemistry	190,467	493
Fox, Michael	Acting Department Head and Professor, Philosophy	112,762	520
Frost, Barrie	Professor, Psychology	108,928	520
Gallagher, Daniel	Professor, School of Business	127,500	520
Gallupe, Brent	Professor, School of Business	107,397	520
Glasgow, Janice	Head and Professor, Computing and Information Science	112,758	520
Grandmaison, Edward	Professor, Chemical Engineering	105,194	273
Gregory, Allan	Professor, Economics	108,033	520
Gunn, John	Professor, Political Studies	132,766	520
Haglund, David	Director, Centre for International Relations and Professor, Political Studies	114,163	520
Hamacher, Carl	Professor, Electrical and Computer Engineering	124,278	520
Hamilton, Roberta	Department Head and Professor, Sociology	101,235	315
Harris, Thomas	Dean, Faculty of Applied Science and Professor, Chemical Engineering	143,105	366
Hartwick, John	Professor, Economics	103,619	520
Harvison-Young, Alison	Dean and Professor, Faculty of Law	130,300	520
Helmstaedt, Herwart	Department Head and Professor, Geological Sciences and Geological Engineering	118,872	520
Henriksen, Richard	Professor, Physics	101,806	520

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Name	*Position*	*2001 Employee Earnings*	*2001 Employee Benefits*
Hodgetts, Geoffrey	Director, Bosnia Project and Family Medicine Program and Associate Professor, Family Medicine	$ 172,000	$ 0
Holden, Jeanette	Professor, Psychiatry	100,619	520
Holmes, John	Head and Professor, Geography	112,939	520
Hood, George**	Vice-Principal (Advancement)	251,662	520
Hutchinson, Bruce	Associate Vice-Principal (Research)	131,626	520
Jain, Praveen	Canada Research Chair Holder (Tier 1) and Professor, Electrical and Computer Engineering	122,160	520
James, Noel	Professor, Geological Sciences and Geological Engineering	112,491	520
Jhamandas, Khem	Professor, Pharmacology and Toxicology	105,359	520
Joneja, Madan	Professor, Anatomy and Cell Biology	117,103	520
Jones, Glenville	Professor, Biochemistry	105,410	716
Kisilevsky, Robert	Professor, Pathology	188,139	520
Knapper, Christopher	Director, Instructional Development Centre and Professor, Psychology	124,302	520
Kumar, Pradeep	Professor, School of Industrial Relations	102,578	520
Kyser, T. Kurtis	Queen's National Scholar, Geological Science and Geological Engineering	109,441	
Lahey, Kathleen	Queen's National Scholar, Faculty of Law	106,993	522
Lamb, Marianne	Associate Dean (Health Sciences), Director and Professor, School of Nursing	110,307	286
Layzell, David	Professor, Biology	111,180	280
Lazar, Harvey	Director, Institute of Intergovernmental Relations	122,580	520
Lederman, Susan	Professor, Psychology	103,647	520
Leggett, William	Principal, Vice-Chancellor and Professor, Biology	250,500	1,417
Leiss, William	Professor, School of Policy Studies	129,065	335
Leslie, James	Professor, Physics	104,835	520
Leung, Hok-Lin	Director and Professor, School of Urban and Regional Planning	102,694	520
Levison, Michael	Professor, Computing and Information Science	109,572	520
Lloyd-Ellis, Huw	Associate Professor, Economics	108,047	520
Ludwin, Samuel	Professor, Pathology	187,600	520
MacLean, Alistair	Department Head and Professor, Psychology	114,861	619
Magnusson, Denis	Professor, Faculty of Law	105,029	601
Mandell, Charlene	Director, Correctional Law Project	103,560	0

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Name	*Position*	*2001 Employee Earnings*	*2001 Employee Benefits*
Marshall, John	Chief of Staff, Kingston General Hospital and Associate Professor, Community Health	$ 120,609	$ 247
McKeen, James	Professor, School of Business	101,503	0
McKinnon, Stephen	Professor, Mining Engineering	100,364	520
McLane, Peter	Professor, Electrical and Computer Engineering	118,286	0
McLatchie, William	Special Advisor to the Principal and Professor, Physics	140,444	520
McTavish, David	Professor, Art	107,797	520
Milne, Frank	Bank of Montreal Chair (School of Business) and Professor, Economics	161,083	520
Monkman, Leslie	Professor, English	131,415	520
Moore, Eric	Professor, Geography	117,628	520
Moore, Thomas	Associate Dean (Academic), Faculty of Applied Science and Associate Professor, Mechanical Engineering	104,301	501
Morris, Gerald	Professor, Biology	105,998	520
Morrow, Thomas	Associate Vice-Principal (Operations and Facilities)	141,338	520
Mowat, David	Director of Health Transition Issues, Community Health and Epidemiology	150,935	520
Mullan, David	Professor, Faculty of Law	114,672	298
Munoz, Douglas	Director (Neurosciences Program), School of Medicine and Professor, Physiology	115,084	520
Munro, Iain	Associate Professor, Faculty of Education	106,407	520
Munt, Peter	Associate Dean (Health Institutions and Regional Liaison), School of Medicine and Professor, Respiratory and Critical Care	142,349	520
Nakatsu, Kanji	Department Head and Professor, Pharmacology and Toxicology	117,143	520
Neave, Edwin	Bank of Montreal Chair and Professor, School of Business	133,000	0
Nesheim, Michael	Professor, Biochemistry	100,300	520
Newcomb, William	Associate Professor, Biology	100,054	228
Nightingale, Donald	Professor, School of Business	105,098	520
Northey, Margot	Dean, School of Business	166,606	0
Olney, Sandra	Associate Dean (Health Sciences), Director and Professor, School of Rehabilitation Therapy	105,743	520

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Name	*Position*	*2001 Employee Earnings*	*2001 Employee Benefits*
Oosthuizen, Patrick	Professor, Mechanical Engineering	$ 107,708	$ 520
Overall, Christine	Associate Dean, Faculty of Arts and Science and Professor, Philosophy	114,503	520
Parulekar, Wendy	Assistant Professor, Oncology	124,020	0
Pater, Joseph	Director, Clinical Trials Group (NCIC) and Professor, Oncology	161,659	520
Pentland, Charles	Acting Head and Professor, Political Studies	104,990	547
Perlin, George	Director, Centre for the Study of Democracy and Professor, Political Studies	101,173	617
Peters, Ray	Research Director, Better Beginnings, Better Futures and Research Co-ordinator and Professor, Psychology	103,246	520
Pike, Robert	Professor, Sociology	105,559	520
Poole, Keith	Professor, Microbiology and Immunology	102,280	513
Prado, Carlos	Professor, Philosophy	104,055	666
Pross, Hugh	Professor, Microbiology and Immunology	111,172	520
Racz, William	Faculty Secretary, School of Medicine and Professor, Pharmacology and Toxicology	105,587	520
Rapson, Dilys	Assistant Professor, Pathology	119,500	520
Reeve, William	Professor, German	106,553	520
Reid, Robert	Professor, Obstetrics and Gynaecology	100,187	520
Richardson, Peter	Professor, School of Business	101,552	520
Richardson, Alan	Professor, School of Business	108,916	520
Rowe, Kerry	Vice-Principal (Research) and Professor, Civil Engineering	161,200	520
Russell, Thomas	Professor, Faculty of Education	128,649	520
Sacco, Vincent	Professor, Sociology	104,643	520
Satterthwaite, Raymond	Associate Vice-Principal (Advancement) and Director of Development	121,347	478
Scheck, Ulrich	Dean, School of Graduate Studies and Professor, German	103,473	0
Sen, Paresh	Professor, Electrical and Computer Engineering	119,457	520
Seres, Richard	Director, Marketing and Communications	103,934	744
Seymour, Lesley	Co-Director (Investigational New Drug Program), Oncology	148,709	386
Shearer, Teri	Assistant Professor, School of Business	110,782	520

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Name	*Position*	*2001 Employee Earnings*	*2001 Employee Benefits*
Shortt, Samuel	Director (Centre for Health Services and Policy Research), Faculty of Health Sciences and Professor, Queen's Health Policy	$ 128,680	$ 520
Smith, Howard	Associate Professor, Faculty of Education	100,512	0
Smith, Gregor	Douglas D. Purvis (Economics Policy) and Professor, Economics	119,992	520
Smol, John	Canada Research Chair Holder (Tier 1) and Professor, Biology	112,822	293
Snider, Laureen	Associate Head and Professor, Sociology	106,534	281
Snieckus, Victor	Bader Chair (Organic Chemistry), Chemistry	120,170	520
Snowdon, Kenneth*	Director, Institutional Research and Planning	143,423	520
Stott, Malcolm	Professor, Physics	113,605	520
Stuart, Donald	Professor, Faculty of Law	113,141	520
Suo, Wulin	Assistant Professor, School of Business	112,749	520
Surgenor, Brian	Department Head and Professor, Mechanical Engineering	108,351	281
Szarek, Walter	Professor, Chemistry	110,212	0
Szpiro, Daniel	Director, Executive MBA Programs and Professor, School of Business	100,098	594
Taylor, Peter	Scholarship Chair (Operations Committee), Faculty of Applied Science and Professor, Mathematics and Statistics	108,382	520
Taylor, Donald	Professor, Physics	102,857	520
Taylor, Sandra	Associate Professor, Hematology	110,595	0
Thayer, Thomas	Special Advisor to the Vice-Principal (Operations and Finance)	119,450	520
Tombak, Mihkel	Professor, School of Business	117,240	520
Tuler, Floyd	Executive Director, Centre for Automotive Materials and Manufacturing	159,900	520
Turcke, David	Department Head and Professor, Civil Engineering	107,782	520
Upitis, Rena	Queen's National Scholar, Faculty of Education	120,410	520
VanLoon, Gary	Professor, Chemistry	101,449	520
Walker, David	Dean, Faculty of Health Sciences and Professor, Emergency Medicine	275,242	2,223
Wang, Rugu	Sir John A. Macdonald Chair and Professor, Economics	110,402	0

Name	*Position*	*2001 Employee Earnings*	*2001 Employee Benefits*
Weatherdon, Richard	Associate Vice-Principal (Human Services)	$ 130,849	$ 564
Weber, Caroline	Director General (Evaluation and Data Development) Industrial Relations Centre and Associate Professor, School of Industrial Relations	101,792	230
Wiens, Paul	University Librarian, Queen's University Libraries	122,332	784
Williams, Thomas	Professor, Faculty of Education	148,033	387
Wilson, Robert	Professor, Faculty of Education	101,000	529
Wilson, Ruth	Professor, Family Medicine	104,238	520
Zureik, Elia	Professor, Sociology	104,582	520

2001 Employee Earnings include all regular, overload, stipends and acting pay paid during the period January 1, 2001 to December 31, 2001.

2001 Employee Benefits include amounts calculated for reporting to Revenue Canada relating to Term-Life Insurance and Interest Free Micro-Computer and Home Relocation Loans.

* Seconded to Council of Ontario Universities

**2001 Employee Earnings reflects one-time payment paid during the period January 1, 2001 to December 31, 2001.