Queen's University at Kingston
Consolidated Financial Statements
Year Ended April 30, 2009
Financial Highlights

Queen's University, established in 1841, has a long history of fiscal prudence and enjoys strong Bond rating agency ratings. The world economic crisis, and in particular the volatile capital markets, had an impact on the financial results for the fiscal year ended April 30, 2009, as shown in the highlights below.

	2009	2008	% change
	(millions of dollars)		
Income Statement			
Revenue	**723.7**	779.9	(7.2)%
Expenses	**800.1**	779.2	2.7%
Net Income before unrealised gain (loss) on derivatives	**$ (76.4)**	$ 0.7	
Unrealised gain/(loss) on derivatives	**11.5**	(10.4)	(210.6)%
Net loss	**$ (64.9)**	$ (9.7)	569.1%
Balance Sheet			
Assets	**1,348.7**	1,508.5	(10.6)%
Liabilities	**701.3**	703.7	(0.3)%
Net Assets	**$ 647.4**	$ 804.8	(19.6)%
Net Assets is comprised of:			
Investment in capital assets	**260.0**	193.7	34.2%
Endowments	**466.2**	569.4	(18.1)%
Internally restricted	**180.1**	192.7	(6.5)%
Unrestricted	**(258.9)**	(151)	71.5%
	$ 647.4	$ 804.8	(19.6)%

Revenue and Expenses:
As detailed on the Consolidated Statement of Operations, the significant reason for the 7.2% decline in consolidated revenues is the investment income loss of $17.8 million compared to a gain of $48.9 million in 2008. The total investment loss for the year was $99.2 million as a direct result of the turmoil in the financial markets. As required under Generally Accepted Accounting Principles, the loss attributable to externally restricted endowments of $83.1 million has been charged directly to Net Assets, (Endowments).

Government grants and contracts are relatively unchanged from the prior year.

Fees have increased 11% to $132.7 million as a result of fee increases within the Provincial tuition fee framework as well as undergraduate and graduate enrolment growth.

Donation revenue has decreased 76.8% to $7.4 million. Over 50% of the decline ($16.6 million) is a result of donated artwork in 2008, which is also expensed in the same year with no impact on net income.

Ancillary income has increased 9% to $106.8 million primarily as a result of increases in Residence fees and growth in non-credit professional course fee revenue.

Consolidated expenditures have increased by 2.6% in total over 2008. Salaries and benefits have increased 7.5% due to contractual compensation and benefit increases as well as additional staffing in research activities, the cost of which is offset by research funding. Clinical member fees have increased 9% and are fully supported by increases in Provincial funding under the Alternative Funding Plan.

Queen’s has continued to invest in student assistance with a 10% increase in expenditures over 2008. In fact, student assistance expenditures have increased $18 million or 45% since the 2005-06 fiscal year.

The reduction in some of the other expenditures such as supplies and minor equipment and furnishings is primarily due to reductions in research expenditures in addition to a reduction of $16.6 million in donated artwork.

Balance Sheet:
The 10.6% reduction in assets is largely a result of the 27% decline in the fair market value of the University’s investment portfolio as well as a reduction of cash on hand. This decline is partially offset by an increase in capital assets reflecting the investments in the Tindall Field underground parking and the Queen’s Centre.

Liabilities have remained at approximately the same level of 2008. Deferred revenue has declined largely due to the elimination of the 2008 unrealized gains on the externally restricted endowments. The increase in long-term debt is primarily due to $28.5 million in advances received under a Financing Agreement to fund the Tindall Field parking garage. The advances were converted to a fixed rate five-year debenture in July 2009.

Net assets reflect the University’s net worth. The reduction in net assets is a result of the 18% reduction in endowments and the net loss for the year. The unrestricted deficit is largely due to approved internal financing of capital construction.

The key challenges the University will manage over the next few years are:

- The uncertainty around funding with a new Provincial funding framework, which includes the tuition fee framework;
- The vulnerability of investment returns and the impact on endowments and the operations that those endowments support;
- The reliance on donations to support key operations in the current economic climate;
- Salary and benefit cost pressures and the impact of the economic downturn on pension obligations;
- Cash and debt management with the current and planned major capital projects.

William Bryck
Vice-Principal (Operations and Finance)

STATEMENT OF ADMINISTRATIVE RESPONSIBILITY

Year ended April 30, 2009

The administration of the University is responsible for the preparation of the consolidated financial statements, the notes to the consolidated financial statements.

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, 2009 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.

Mercer Human Resource Consulting Limited has been retained by the University in order to provide an estimate of the University's pension and other employee future benefit liabilities. 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 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, 2009 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.

Daniel R. Woolf

Principal and Vice-Chancellor
September 18, 2009

[signature]

Vice-Principal (Operations and Finance)

AUDITORS' REPORT

To the Board of Trustees

We have audited the consolidated statement of financial position of Queen's University at Kingston as at April 30, 2009 and the consolidated statements of operations, 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, 2009 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, Licensed Public Accountants
Kingston, Canada
September 18, 2009

Queen's University at Kingston

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended April 30, 2009, with comparative figures for 2008 ($000's omitted)

	2009	2008
ASSETS		
Cash	$ 6,500	$ 31,176
Accounts receivable	44,773	50,475
Loans receivable	4,244	5,375
Prepaid expenses	6,577	10,079
Derivative assets (note 16)	15,350	5,237
Investments (note 3)	627,114	864,565
Capital assets (notes 4 and 5)	644,151	541,637
	1,348,709	1,508,544
LIABILITIES AND NET ASSETS		
Accounts payable and accrued liabilities	91,949	81,396
Deferred revenue, contributions and related investment revenue (note 6)	167,279	214,067
Derivative liabilities (note 16)	-	1,394
Non-pension employee future benefits liability (note 15)	56,626	55,348
Deferred capital contributions (note 7)	269,947	262,660
Long-term debt (note 8)	115,499	88,826
	701,300	703,691
Net Assets		
Investment in capital assets (note 9)	259,963	193,670
Endowments (note 10)	466,277	569,409
Internally restricted (note 11)	180,096	192,742
Unrestricted	(258,927)	(150,968)
	647,409	804,853
	$ 1,348,709	$ 1,508,544

See accompanying notes to consolidated financial statements.

Contingent liabilities (notes 13 and 18)
Commitments (notes 5 and 19)

Approved by the Board of Trustees

William L. Young
Trustee

Karyn Brooks
Trustee

Queen's University at Kingston
CONSOLIDATED STATEMENT OF OPERATIONS
Year ended April 30, 2009, with comparative figures for 2008 ($000's omitted)

	2009	2008
REVENUE		
Grants and contracts	$ 443,455	$ 433,579
Fees	132,668	119,246
Investment (losses) income (note 3 (b))	(17,815)	48,949
Donations	7,452	32,156
Ancillary sales of service and products	106,812	97,561
Other	27,587	26,492
Amortization of deferred capital contributions	23,590	21,978
	723,749	779,961
EXPENSE		
Salaries	333,669	312,307
Clinical members fees	82,661	75,881
Benefits	35,353	29,725
Pension (note 14)	25,950	24,212
Employee future benefits (note 15)	2,774	6,857
Supplies	75,683	93,773
Artwork, minor equipment and furnishings	8,587	35,475
Externally contracted services	32,914	26,981
Student assistance	57,331	52,107
Travel	21,805	18,699
Utilities	20,208	16,002
Renovations and alterations	13,514	8,815
Interest on long-term debt	6,858	5,168
Amortization of capital assets	49,204	44,505
Other expenses	33,628	28,754
	800,139	779,261
	(76,390)	700
Unrealized gain/(loss) on derivatives (note 16 (e))	11,507	(10,369)
Deficiency of revenue over expenses	$ (64,883)	$ (9,669)

Queen's University at Kingston

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Year ended April 30, 2009, with comparative figures for 2008 ($000's omitted)

	Investment in Capital Assets	Endowment	Internally Restricted	Unrestricted	Total 2009	Total 2008
Net assets, beginning of year	$ 193,670	$ 569,409	$ 192,742	$ (150,968)	$ 804,853	$ 821,495
Deficiency of revenue over expense (note 9)	$ (25,614)	-	-	$ (39,269)	$ (64,883)	$ (9,669)
Change in internally restricted net assets	-	-	(12,646)	12,646	-	-
Net change in investment in capital assets (note 9)	91,907	-	-	(91,907)	-	-
Investment gain (loss) charged directly to endowments (note 10)	-	(83,119)	-	-	(83,119)	9,445
Investment income credited directly to endowments (note 10)	-	1,732	-	-	1,732	288
Internally endowed contributions (note 10)	-	(27,373)	-	27,373	-	-
Endowment contributions (note 10)	-	13,230	-	-	13,230	16,960
Unrealized (losses) on available for sale financial assets (note 10)	-	(7,602)	-	(17,065)	(24,667)	(33,212)
Unrealized gains/(losses) on loans and receivables	-	-	-	263	263	(454)
Net assets, end of year	$ 259,963	$ 466,277	$ 180,096	$ (258,927)	$ 647,409	$ 804,853

Queen's University at Kingston

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended April 30, 2009, with comparative figures for 2008 ($000's omitted)

	2009	2008
OPERATING ACTIVITIES:		
Deficiency of revenue over expense	$ (64,883)	$ (9,669)
Add non-cash items:		
Amortization of deferred capital contributions	(23,590)	(21,978)
Amortization of capital assets	49,204	44,505
Increase in employee future benefits liability	1,278	5,331
Net change in non-cash working capital (note 12)	(27,031)	92,851
Cash (used for) provided by operating activities	(65,022)	111,040
INVESTING ACTIVITIES:		
Net change in loans receivable	1,131	(2,683)
Net change in derivative assets	(10,113)	(5,237)
Net change in investments	237,451	(110,014)
Purchase of capital assets	(151,718)	(108,271)
Net change in derivative liabilities	(1,394)	1,394
Contributions and investment income reported as direct (decrease)/increase in net assets	(92,561)	78,251
Cash used for investing activities	(17,204)	(146,560)
FINANCING ACTIVITIES:		
Issue of long-term debt	28,415	-
Repayment of long-term debt	(1,742)	(262)
Net change in contributions received for capital purposes	30,877	20,296
Cash provided by financing activities	57,550	20,034
Net decrease in cash	(24,676)	(15,486)
Cash, beginning of year	31,176	46,662
Cash, end of year	$ 6,500	$ 31,176

See accompanying notes to consolidated financial statements.

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. PARTEQ Research and Development Innovations, the not-for-profit technology transfer office of Queen’s University at Kingston, works with researchers and the business and venture capital communities, helping to bring the benefits of scientific discovery to the public while returning proceeds to inventors and the University. 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.

Queen’s Centre for Enterprise Development (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. 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 Inc. also supports academic research activities within Queen’s University at Kingston 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 has 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 that are derivative financial instruments are classified as held-for-trading and are recorded at fair value. Unrealized gains and losses on these held-for-trading investments are recorded in the consolidated statement of operations.

All other investments are designated as available-for-sale and are recorded at fair value. Unrealized gains and losses on these available-for-sale investments are recorded in deferred revenue to the extent there are external restrictions on the related investments or in the consolidated statement of changes in net assets where they are unrestricted.

Fair value is determined at quoted market prices. The calculation of fair value is based upon market conditions at a specific point in time and may not be reflective of future fair values.

Sales and purchases of investments are recorded on the settlement date. Transaction costs related to the acquisition of investments are expensed as incurred and recorded against the realized investment income.

Investment income related to endowment contributions is recognized as revenue when the restriction is met. Realized investment income that is externally restricted is deferred and when the restriction has been met is recognized as revenue. All other realized investment income is recorded in the consolidated statement of operations in the year it is earned. Unrealized gains and losses on available-for-sale investments are included in net assets or deferred as appropriate, until the gains and losses are realized. Unrealized gains and losses on held-for-trading investments are included in the consolidated statement of operations or deferred, depending on the nature of any external restrictions imposed on the related investment income.

(c) Derivative financial instruments

The University is party to certain derivative financial instruments, principally an interest rate swap contract and foreign exchange contracts, to manage interest rate and currency exposures for economic hedging and risk management purposes. Derivatives are recorded on the consolidated statement of financial position as assets and liabilities and are measured at fair value. Changes in the fair value of interest rate swap contracts and foreign exchange contracts are recorded in the consolidated statement of operations.

Year ended April 30, 2009 ($000's omitted)

NOTE 2 (continued)

d) 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
Cogeneration facility	20 years
Equipment and furnishings	5 years
Library acquisitions	5 years
Leasehold improvements	Term of lease

The 2009 financial statements include 20 years of library acquisitions and related amortization.

(e) Construction in process

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

(f) 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 14,304 objects and was insured with a market value of $101,163 at April 30, 2009. The collection is fully insured through a fine arts policy. During the year ended April 30, 2009, the University acquired 63 pieces of artwork. Of these, 54 pieces were donated with a total appraised value of $1,215, and 9 pieces were purchased at a cost of $135.

g) Revenue recognition

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.

Externally restricted contributions for 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 are recognized 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 are recognized at point of sale or when the service has been provided.

Year ended April 30, 2009 ($000's omitted)

NOTE 2 (continued)

(h) Employee benefit plans

The University sponsors a pension plan for its employees and provides other employee future benefits such as medical, dental and life insurance to eligible active and retired employees. The annual cost and the accrued liability of pension benefits and other employee future benefits earned are determined by independent actuarial valuations using the projected benefit method pro-rated on services rendered, administration’s best estimate of salary escalation, retirement ages of employees, and escalation in covered health care expense outlays. Differences arising from plan amendments, changes in assumptions and actuarial gains and losses are amortized over the expected average remaining service life of employees.

(i) 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 $33,339 at April 30, 2009, and is expected to be received as follows:

2009-10	$ 14,781
2010-11	6,355
2011-12	5,422
Subsequent years	6,781
Outstanding pledges as at April 30, 2009	$ 33,339

(j) Purchase commitments

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

(k) 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 is not recognized in these consolidated financial statements.

(l) Accounting 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 revenue and expense during the year. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary they are recognized in the financial statements in the period in which they become known.

(m) 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.

Year ended April 30, 2009 ($000's omitted)

NOTE 3
INVESTMENTS

(a) The University's investments are primarily managed by three funds – the short-term fund, the pooled endowment fund, and the pooled investment fund.

Investment details by fund are as follows:

	Cost		Fair Value	
	2009	2008	2009	2008
Short-term	$ 19,674	$ 50,129	$ 19,706	$ 50,142
Pooled Endowment fund	479,439	543,274	466,085	624,755
Pooled Investment fund	133,888	167,339	130,309	180,556
Other	5,089	4,567	11,014	9,112
	$ 638,090	$ 765,309	$ 627,114	$ 864,565

Investments are exposed to foreign currency risk, interest rate volatility, and market and credit risks. The University manages the risk through policies and procedures governing asset mix among equity and fixed income and requiring diversification within categories and setting limits on the size of exposure to individual investments.

(b) Investment income recorded in the consolidated statement of operations and changes in unrestricted net assets is calculated as follows:

	2009	2008
Investment (loss)/gain	$ (99,202)	$ 58,682
Investment loss/(gain) credited directly to endowments	83,119	(9,445)
Recapitalized investment income recorded directly to endowments	(1,732)	(288)
	$ (17,815)	$ 48,949

Year ended April 30, 2009 ($000's omitted)

NOTE 4
CAPITAL ASSETS

Capital assets consist of the following:

	Cost	Accumulated Amortization	Net Book Value 2009	Net Book Value 2008
Land	$ 27,582	$ -	$ 27,582	$ 27,582
Buildings	620,815	(240,168)	380,647	339,778
Leasehold improvements	3,540	(1,664)	1,876	1,441
Equipment and furnishings	141,061	(88,511)	52,550	41,029
Cogeneration facility	14,550	(1,907)	12,643	13,127
Library acquisitions	149,952	(128,980)	20,972	20,821
Construction in process	147,881	-	147,881	97,859
	$ 1,105,381	$ (461,230)	$ 644,151	$ 541,637

Cost and accumulated amortization as of April 30, 2008 were $972,579 and $430,942 respectively.

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

	2009	2008
Balance, beginning of year	$ 541,637	$ 477,871
Purchase of capital assets funded by deferred capital contributions	36,381	24,995
Purchase of capital assets financed internally	77,147	70,516
Purchase of capital assets financed by long-term debt	28,414	-
Purchase of capital assets financed by short-term liabilities	9,776	12,760
Disposals of capital assets:		
Cost	(18,647)	(19,743)
Accumulated amortization	18,647	19,743
Amortization of capital assets	(49,204)	(44,505)
Balance, end of year	$ 644,151	$ 541,637

Year ended April 30, 2009 ($000's omitted)

NOTE 5
COMMITMENTS TO COMPLETE CONTRACTED CONSTRUCTION IN PROCESS

As at April 30, 2009, the estimated cost to complete construction in process for the extension of facilities is approximately $79,068 (2008 - $139,095). These costs will be financed by a combination of gifts, grants, ancillary income, long-term debt and allocations from operations.

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

	2009
The Queen’s Centre	$ 74,230
Richardson Hall renovation	396
Tindall Field and parking structure	1,814
University Avenue rehabilitation	83
Cogeneration Facility	403
Other assets	2,142
	$ 79,068

NOTE 6
DEFERRED REVENUE, CONTRIBUTIONS AND RELATED INVESTMENT INCOME

	2009	2008
Research funds	$ 68,222	$ 80,574
Student fees	14,271	15,781
Other	12,275	1,921
Trust funds	26,274	21,690
Capital funds	37,357	28,764
Gift annuities	8,879	9,148
Unrealized gains on externally restricted endowments	-	56,189
	$ 167,279	$ 214,067

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

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

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

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

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.

Year ended April 30, 2009 ($000's omitted)

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:

	2009	2008
Balance, beginning of year	$ 262,660	$ 264,342
Less amortization of deferred capital contributions	(23,590)	(21,978)
Net change in contributions received for capital purposes	30,877	20,296
Balance, end of year	$ 269,947	$ 262,660

NOTE 8
LONG-TERM DEBT

As at April 30, 2009, the University has principal outstanding of $115,499 (2008 – $88,826) on long-term debt. Principal and interest repayments on long-term debt are recovered annually from operating and ancillary enterprises.

(a) Details of the long-term debt are as follows:

	2009					2008
	Maturity in Fiscal Year Ending	Interest Rate	Annual Payment Principal	Annual Payment Interest	Principal Outstanding	
Mortgages						
Canada Mortgage and Housing Corporation	2017	5.38%	$ 169	$ 93	$ 1,600	$ 1,770
Ontario Housing Corporation		-	1,731	178	-	1,731
SMS Canada	2011	0.00%	101	-	117	218
			2,001	271	1,717	3,719
Series A senior unsecured debenture	2033	6.10%	-	5,490	85,366	85,107
Ontario Infrastructure Projects Corporation	2010	1.25%	-	-	28,416	-
			$ 2,001	$ 5,761	$ 115,499	$ 88,826

Mortgages are secured by specific assets.

On November 19, 2002, the University issued Series A senior unsecured debenture in the aggregate principal amount of $90 million at a price of $997.95 per $1,000 principal amount for proceeds of $89.8 million. The debenture bears interest at 6.10%, which is payable semi-annually on May 19 and November 19 with the principal amount to be repaid on November 19, 2032. The proceeds of the issue are as follows:

Purpose	Amount
New Residences and Leonard Hall Cafeteria expansion	$ 55,700
Chernoff Hall (Chemistry Complex)	11,000
Retire existing long-term debt	20,000
Temporary financing of other capital projects	3,116
	$ 89,816

Year ended April 30, 2009 ($000's omitted)

NOTE 8 (continued)

On December 2, 2008, the University entered into an initial Financing Agreement with Ontario Infrastructure Projects Corporation ("OIPC") for up to $34,700 relating to the Tindall Field project. The Financing Agreement provided for floating rate (one month Bankers Acceptance rate plus 20 basis points) construction period advances. As of April 30, 2009, total advances from OIPC to the University were $28,500, with a carrying value of $28,416. The average floating interest rate to April 30, 2009 was 1.25%. As of July 2, 2009, the advances were converted into a $30,000, 5-year amortizing debenture at a fixed rate of 3.16%, resulting in an additional $1,500 in cash being received by the University subsequent to year-end.

(b) Long-term debt repayments

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

Fiscal Year	Principal Portion
2010	$ 28,779
2011	$ 204
2012	$ 198
2013	$ 208
2014	$ 221

(c) Fair value of long-term debt

	2009		2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Mortgages	$ 1,717	$ 1,783	$ 3,719	$ 3,919
Debenture	85,366	98,414	85,107	106,526
Ontario Infrastructure Projects Corporation	28,416	28,416	-	-
	$ 115,499	$ 128,613	$ 88,826	$ 110,445

Year ended April 30, 2009 ($000's omitted)

NOTE 9
INVESTMENT IN CAPITAL ASSETS

The investment in capital assets consists of the following:

	2009	2008
Capital assets	$ 644,151	$ 541,637
Less amounts financed by:		
Accounts payable	(9,776)	(12,760)
Long-term debt	(120,133)	(93,719)
Deferred capital contributions	(254,279)	(241,488)
Balance, end of year	$ 259,963	$ 193,670

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

	2009	2008
Excess of expenses over revenue:		
Amortization of deferred capital contributions	$ 23,590	$ 21,978
Amortization of capital assets	(49,204)	(44,505)
	(25,614)	(22,527)
Net change in investment in capital assets:		
Purchase of capital assets	151,718	108,271
Amounts funded by:		
Accounts payable	(9,776)	(12,760)
Long-term debt	(28,415)	-
Deferred capital contributions	(36,381)	(24,995)
Repayment of debt:		
Accounts payable	12,760	1,594
Long-term debt	2,001	262
	91,907	72,372
Change in investment in capital assets	$ 66,293	$ 49,845

Year ended April 30, 2009 ($000's omitted)

NOTE 10
ENDOWMENTS

Contributions restricted for endowments consist of restricted donations received by the University and contributions 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, which is comprised of interest, dividend and realized gains and losses, 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 consolidated statement of operations. University policy has been established with the objective of protecting the real value of the endowments by limiting the amount of income available for spending and requiring the re-investment of a certain amount of the earned income.

Details of year-end balances are as follows:

	Externally Endowed	Internally Endowed	Total Endowments
Endowments, beginning of year	$ 379,313	$ 190,096	$ 569,409
Net contributions	13,230	1,054	14,284
Recapitalized investment income	1,732	808	2,540
Net investment loss	(83,119)	(29,235)	(112,354)
Unrealized investment loss	-	(7,602)	(7,602)
Endowments, end of year	$ 311,156	$ 155,121	$ 466,277

	Carrying Value: Faculty, Departmental, and Other				
Book value	Faculty, Departmental and Other	General Endowments	Student Assistance	Research	Total
Balance beginning of year	$ 214,049	$ 84,922	$ 252,219	$ 18,219	$ 569,409
Net contribution	8,058	182	6,020	24	14,284
Recapitalized investment income	1,058	(376)	1,858	-	2,540
Allocation of Net Investment loss	(42,188)	(17,575)	(48,923)	(3,668)	(112,354)
Unrealized investment loss	(2,855)	(1,189)	(3,310)	(248)	(7,602)
Balance end of year	$ 178,122	$ 65,964	$ 207,864	$ 14,327	$ 466,277

Year ended April 30, 2009 ($000's omitted)

NOTE 11
INTERNALLY RESTRICTED

Details of year-end balances are as follows:

	2009	2008
Operating:		
Purchase commitments	$ 4,362	$ 1,916
Carry forward of unexpended budget allocations to faculties, libraries and administrative units	32,950	34,055
Employee future benefits and pension	8,000	8,000
Uninsured property losses	980	900
	46,292	44,871
Health Sciences:		
Purchase commitments	52	239
Carry forward of unexpended budget allocations to faculty	33,801	20,948
	33,853	21,187
Ancillary enterprises:		
Major repairs and renovations	12,003	12,413
	12,003	12,413
Capital reserve:		
Capital projects	27,754	30,904
	27,754	30,904
Restricted fund:		
Unspent departmental donations	30,478	52,043
Unspent research funds	29,716	31,324
	60,194	83,367
	$ 180,096	$ 192,742

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

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 years.

Operating, Health Sciences 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.

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

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

Year ended April 30, 2009 ($000's omitted)

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:

	2009	2008
Net change in non-cash working capital:		
Accounts receivable	$ 5,702	$ (8,644)
Prepaid expenses	3,502	(3,893)
Accounts payable and accrued liabilities	10,553	22,546
Deferred revenue, contributions and related investment income	(46,788)	82,842
	$ (27,031)	$ 92,851

NOTE 13
INSURANCE

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. As at December 31, 2008, the latest financial statements available, CURIE had a surplus of $17.7 million (2008 - $16.8 million), of which the University's pro rata share is approximately 3.37 % (2008 – 3.37%) on an ongoing basis.

Additional insurance for automobiles, artwork, miscellaneous property, and major construction projects is purchased through commercial insurers to provide coverage for losses not insured by CURIE.

Year ended April 30, 2009 ($000's omitted)

NOTE 14
PENSION PLAN

The active employees of the University are covered by a contributory pension plan which is a money purchase plan with a defined benefit minimum. At retirement, plan members can elect to take a pension payable from the fund that secures the benefit payments promised by the University sponsored pension plan. Following retirement, this pension payout is indexed based on excess interest over 6%, and pensions are guaranteed not to reduce.

The assets of the plan are managed by a number of external investment managers, are held by an independent custodian, and are completely separate and apart from the assets of the University.

a) Unfunded Pension Liability

The most recent Actuarial Valuation of the plan, as at August 31, 2008, shows required contributions from the University as follows:

	August 31, 2008 Valuation	February 28, 2007 Valuation
	% of Pensionable Payroll	
Money Purchase	6.49%	6.49%
Defined Benefit (Minimum Guarentee)	1.80%	1.53%
Special Payments for Going Concern Shortfall	1.98%	1.91%
Special Payments for Solvency Deficiency	0.25%	-

A summary of the financial status of the plan as at August 31, 2008 is as follows:

Accrued benefit obligation	$ 1,411,714
Fair value of plan assets	1,367,123
Plan deficit	$ 44,591

The significant actuarial assumptions adopted in measuring the University's accrued pension obligation are as follows:

	August 31, 2008 Valuation	February 28, 2007 Valuation
Discount rate	6.3%	6.1%
Expected log-term rate of return on plan assets	6.3%	6.1%
Rate of compensation increase	4.5%	4.5%
Non-reduction reserve	2.5%	2.5%
Mortality	Customized table reflecting plan experience	
Asset valuation methodology	Smoothing of plan assets relating to defined benefit liabilities	Smoothing of plan assets only for active member defined benefit liabilities

Year ended April 30, 2009 ($000's omitted)

NOTE 14 (continued)

The actuarial valuation determined that the plan had a $44,591 unfunded liability ($40,507 unfunded liability at February 28, 2007) to be repaid over a period not to exceed 15 years as required under the Pension Benefits Act of Ontario. Amortization of the unfunded liability requires special payments of $5,610 per year (2.23% of pensionable payroll) for 5 years, and $4,985 per year (1.98% of pensionable payroll) for the following 10 years.

As noted in the Report on the Actuarial Valuation, subsequent to the date of the valuation, the plan has suffered significant investment losses (reflecting the global downturn in equity markets). The effect of such losses are not reflected in the valuation and to the extent there is not a recovery in asset values, the impact will be reflected in subsequent actuarial valuation reports.

The next actuarial valuation of the pension plan will be on or prior to August 31, 2011.

b) Pension Expense

The University contributed $25,950 (2008 - $24,212) to the pension plan during the year and this outlay is included in the consolidated statement of operations as an annual expense.

At April 30, 2009, the University has made special payments of $14,415 (2008 - $8,733) towards the $44,591 unfunded liability. The special payments for the fiscal year ended April 30, 2009 amounted to $5,682, and are included in the University contributions noted above.

Employees contributed $12,849 (2008 - $12,089) to the pension plan during 2009, which is not reflected as a University expense.

NOTE 15
NON-PENSION EMPLOYEE FUTURE BENEFITS LIABILITY

The non-pension Post Retirement and Post Employment Benefit Plans are defined benefit plans that provide medical, dental and life insurance benefits to employees. The plans are funded on a cash basis by contributions from the University and from plan members. An independent actuarial valuation of the accrued benefit liability for these plans was prepared as at April 30, 2009.

At April 30, 2009, the University’s accrued benefit liability relating to the employee future benefits plan is $56,626 (2008 – $55,348).

	2009	2008
Accrued benefit obligation	$ 36,833	$ 54,125
Unamortized net actuarial gain	19,793	1,223
Employee future benefits liability	$ 56,626	$ 55,348

Included in the consolidated statement of operations is an annual expense in the amount of $2,774 (2008 – $6,857) regarding non-pension employee future benefits. The annual expense includes the current service cost of employee benefits for the year and the increase in the unfunded accrued benefit obligation. During 2009, the University contributed $1,496 (2008 – $1,526) to cover pay-as-you-go disbursements incurred during the year for these employee future benefits.

Year ended April 30, 2009 ($000's omitted)

NOTE 15 (continued)

The significant actuarial assumptions adopted in estimating the University's accrued benefit obligation are as follows (weighted-average assumptions):

	2009	2008
Discount rate	6.20% to 8.30%	5.40% to 6.20%
Rate of compensation increase	4.50%	4.50%
Medical cost increases:		
Drug	8.00%	4.50% to 7.5%
Other medical	4.50%	4.50%
Dental	4.50%	4.50% to 6.30%
Health care trend rate	4.50% to 7.35%	4.50% to 6.90%

NOTE 16
FINANCIAL INSTRUMENTS

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

The carrying value of loans receivable is fair value as they are designated available-for-sale. The fair value of derivative assets and liabilities is noted below. The fair value of investments is noted in note 3(a). The fair value of long-term debt is noted in note 8(c).

b) Derivative financial instruments
The primary risk exposures for investments are foreign currency, interest rate volatility, and market and credit risk. The University, through the work of its Investment Committee, has formal policies and procedures in place governing asset mix among equity, fixed income and alternative investments, requiring diversification within categories, and setting limits on the size of exposure to individual investments and counterparties. In addition, derivative instruments are used in the management of these risks. All derivative financial instruments are classified as held-for-trading and therefore all unrealized gains and losses are recorded on the consolidated statement of operations.

Payments and receipts under interest rate swap contracts are recognized as adjustments to interest expense on long-term debt. Gains and losses on forward foreign exchange contracts are recognized when they mature. The carrying amounts of derivative financial instruments, which are comprised of accrued gains and losses not yet realized, are not included in the consolidated financial statements.

The University has entered into forward foreign exchange contracts to minimize exchange rate fluctuations and to mitigate any uncertainty for future financial results.

c) Interest rate swap
The University entered into an interest rate swap agreement in order to manage interest rate exposure. The contract has the effect of converting the fixed rate of interest on $30 million of the Series A senior unsecured debenture debt to a floating rate.

Year ended April 30, 2009 ($000's omitted)

NOTE 16 (continued)

At April 30, 2009 the University was exposed to interest rate risk as follows:

	Interest Rate Until Fiscal Year Ending	Principal Balance	2009 Fair Value	2008 Fair Value
Royal Bank (floating rate)	2033	$30,000	$9,102	$5,237

d) Foreign exchange contracts

The notional and fair values of the foreign currency contracts are as follows:

	2009		2008	
	Notional Value	Fair Value	Notional Value	Fair Value
US Dollar	$ 132,549	$ 7,735	$ 122,646	$ (1,287)
UK Pound Sterling	27,842	(1,857)	37,783	(514)
Other	26,771	370	51,477	407
	$ 187,162	$ 6,248	$ 211,906	$ (1,394)

e) Unrealized gain/(loss) on derivatives

	Interest Rate Swap	Foreign Exchange Contracts	Total 2009	Total 2008
Fair value, beginning of year	$ 5,237	$ (1,394)	$ 3,843	$ 14,212
Unrealized gain/(loss) on derivatives	3,865	7,642	11,507	(10,369)
Fair value, end of year	$ 9,102	$ 6,248	$ 15,350	$ 3,843

NOTE 17
MINISTRY OF TRAINING, COLLEGES AND UNIVERSITIES FUNDING

The University receives an operating grant from 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, 2009.

NOTE 18
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, 2009, administration believes that the University has valid defenses and that appropriate insurance coverage is in place wherever it is possible to do so. 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.

NOTE 19
COMMITMENTS

The University has issued letters of credit of $819 primarily for capital construction and has guaranteed an operating line of credit of $1,000 for PARTEQ.

NOTE 20
ONTARIO STUDENT OPPORTUNITY TRUST FUND (OSOTF) AND ONTARIO TRUST FOR STUDENT SUPPORT (OTSS)

Under terms of agreement with the Ministry of Training, Colleges and Universities, separate note disclosure or separate audited year-end reports are required to comply with reporting requirements.

Externally restricted endowments (see note 10) include monies provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund and Ontario Trust for Student Support matching programs to award student aid as a result of raising an equal amount of endowed donations.

Year ended April 30, 2009 ($000's omitted)

NOTE 20 (continued)
ONTARIO STUDENT OPPORTUNITY TRUST FUND (OSOTF) AND ONTARIO TRUST FOR STUDENT SUPPORT (OTSS)

The University has recorded the following amounts under phase 1 of the program:
(for the year ended April 30)

	2009	2008
Endowment Funds:		
Opening balance	$ 71,326	$ 71,588
Capitalized funds expended in the year	(214)	(262)
Endowment fund balance at end of year	$ 71,112	$ 71,326
Expendable Funds:		
Opening balance	$ 428	$ 428
Investment income	4,067	3,846
Bursaries awarded	(4,281)	(4,108)
Capitalized funds expended in the year	214	262
Expendable funds available for awards	$ 428	$ 428
Number of bursaries awarded	1,065	1,036

The market value of the OSOTF phase 1 endowment as at April 30, 2009 was $67,339 (2008 - $92,286).

Year ended April 30, 2009 ($000's omitted)

NOTE 20 (continued)
ONTARIO STUDENT OPPORTUNITY TRUST FUND (OSOTF) AND ONTARIO TRUST FOR STUDENT SUPPORT (OTSS)

The University has recorded the following amounts under phase 2 of the program:
(for the year ended March 31)

	OSOTF II	OTSS	2009 Total	2008 Total
Endowment Funds:				
Opening balance	$ 11,835	$ 12,712	$ 24,547	$ 22,425
Donations received	-	1,432	1,432	1,735
Government matching received	-	1,535	1,535	1,893
Government matching receivable	-	-	-	(1,668)
Other	-	340	340	-
Expendable funds capitalized in the year	130	120	250	162
Endowment capital	$ 11,965	$ 16,139	$ 28,104	$ 24,547
Expendable Funds:				
Opening balance	$ 109	$ 6	$ 115	$ 37
Donations received	-	12	12	-
Investment income	642	592	1,234	923
Bursaries awarded	(450)	(415)	(865)	(683)
Expendable funds capitalized in the year	(130)	(120)	(250)	(162)
Expendable funds available for awards	$ 171	$ 75	$ 246	$ 115
Number of bursaries awarded	168	156	324	261

The market value of the OSOTF phase 2 endowment as at March 31, 2009 was $22,604 (2008 - $27,990).

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 is an equal partner with Kingston General Hospital for the operations of the Parking Commission. The University’s capital investment in the partnership was repaid by the Parking Commission over a twenty-five year period ending December 31, 2007. The University’s share of the Parking Commission’s excess of revenue over expense is $701 (2008 – $610) reported in the operating fund.

NOTE 21 (continued)

(b) Investment in Cogeneration Facility
Queen's University has entered into a joint venture with Kingston General Hospital (KGH) for the construction and operation of a cogeneration facility governed by a Management Board consisting of representatives of Queen's and KGH. The purpose of the facility is to produce electricity and steam. The University's proportionate share of the joint venture is 60% and Kingston General Hospital's proportionate share is 40%. The University's capital investment in the joint venture is $14,550 (2008 - $14,306). This capital investment is repaid from the operating fund over a twenty-five year period ending April 30, 2031. The University's share of the cogeneration facility's excess of revenue over expense is $27 (2008 – $26), reported in the operating fund.

(c) 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. Queen's share of the accumulated deficit as at May 31, 2008 was $1,094, (2007 - $1,170). The University provided an annual contribution of $422 (2008 - $400) to fund operating costs of McGill-Queen's University Press.

NOTE 22
ADOPTION OF NEW ACCOUNTING STANDARDS

(a) Capital Disclosures:

Effective May 1, 2008, the University adopted the CICA Handbook Section 1535, *Capital Disclosures* which establishes standards for disclosing information about and entity's capital and how it's managed. Adoption of these requirements had no effect on the financial statements for the year ended April 30, 2009.

(b) In December 2006, the CICA issued new accounting standards: Handbook Section 3862, *Financial Instruments – Disclosures*; Handbook Section 3863, *Financial Instruments – Presentation*. These standards were expected to be effective for the University's financial statements for the year ended April 30, 2009. However, in December 2008, the CICA eliminated the requirement for not-for-profit entities to adopt these standards. The University has continued to disclose and present financial instruments under Handbook Section 3861, *Financial Instruments – Disclosure and Presentation* for the year ended April 30, 2009.

NOTE 23
FUTURE ACCOUNTING STANDARDS

In September 2008, the CICA issued the following amendments and new accounting standards that will come into affect for the University's fiscal year beginning May 1, 2009:

Amendments to Accounting Standards that Apply Only to Not-For-Profit Organizations

The CICA issued amendments to the existing accounting standards applicable to not-for-profit organizations. The amendments affect the financial statement presentation and disclosure requirements for not-for-profit organizations.

Year ended April 30, 2009 ($000's omitted)

NOTE 23 (continued)

The University is currently assessing the impact of these amendments and the new accounting standards on its financial statements.

Disclosure of Allocated Expenses by Not-For-Profit Organizations

The CICA issued Section 4470, *Disclosure of Allocated Expenses by Not-For-Profit Organizations.* This new section establishes disclosure requirements for not-for-profit organizations that report expenses by function and allocate expenses to a number of functions to which expenses relate. These not-for-profit organizations will be required to disclose additional information regarding their accounting policies adopted for the allocation of expenses among functions, the nature of these expenses, the basis on which the allocations are being made, and the value of the allocations.

The University does not report expenses by function. Therefore no impact is expected on its financial statements.

NOTE 24
SUBSEQUENT EVENTS

a) Long-Term Debt:

The University entered into a second Financing Agreement with Ontario Infrastructure Projects Corporation (“OIPC”), dated April 21, 2009, for up to $145,300 for the Queen’s Centre project, however, OIPC has restricted all users of their advance program to a maximum outstanding advance of $75,000 at any point in time.

The first advance under this agreement was for $35,000 on May 15, 2009 and a second advance was drawn for $25,000 on June 15, 2009, for a total of $60,000. The floating interest rate under these advances was Bankers Acceptances (B.A) plus 20 basis points, increased to B.A plus 25 basis points effective August 2009. The University intends to convert these advances to a long-term debt instrument.

b) Investments:

Subsequent to the year-end, there has been an upswing in the markets, from which Queen’s investment portfolio has benefited. At August 31, 2009 the market values of the Pooled Investment Fund and Pooled Endowment Fund were as follows:

Pooled Investment Fund	$143,145
Pooled Endowment Fund	$543,040

NOTE 25
COMPARATIVE FIGURES

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