



Lakehead
UNIVERSITY

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Lakehead University
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Thunder Bay, Ontario
Canada P7B 5E1

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Heritage Place, 1 Colborne St. West
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Canada L3V 7X5

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Lakehead

UNIVERSITY

Annual Report

2006-2007



Realizing Potential



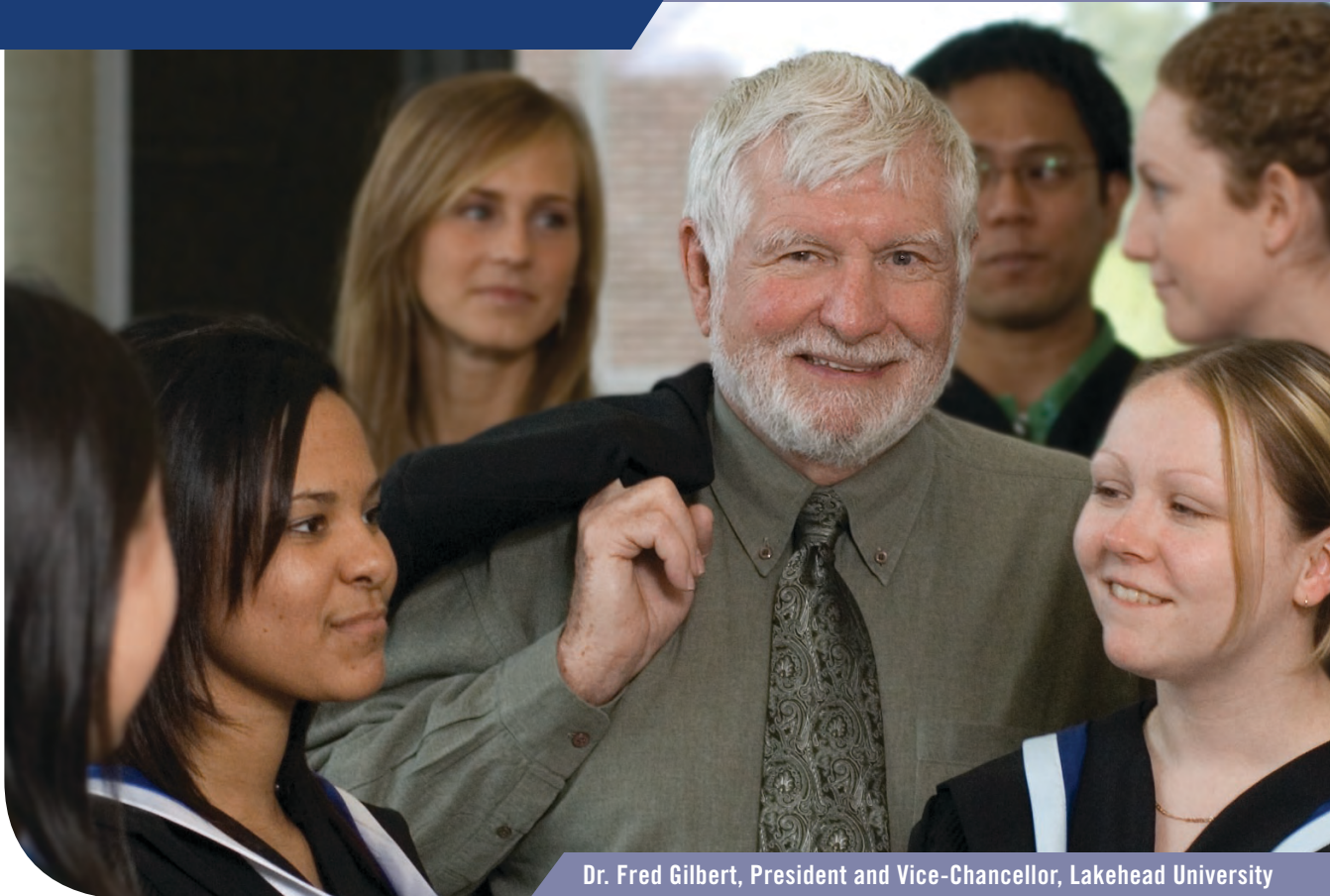
MISSION

Lakehead University is committed to excellence and innovation in undergraduate and graduate teaching, service, research, and other scholarly activity. As part of this commitment, Lakehead University is dedicated to a student-centred learning environment. Lakehead University values its people and the diversity of their ideas, contributions, and achievements. Lakehead is dedicated to working with Aboriginal peoples in furthering their educational aspirations. Building on its past accomplishments and recognizing its role in Northwestern Ontario, Lakehead University reaches out regionally, nationally, and internationally.

Lakehead University is committed to educating students who are recognized for leadership and independent critical thinking and who are aware of social and environmental responsibilities.



Lakehead University values its people and the diversity of their ideas, contributions, and achievements.



Dr. Fred Gilbert, President and Vice-Chancellor, Lakehead University

PRESIDENT'S MESSAGE



In May 2007, Lakehead University celebrated its largest graduating class ever as many of our Double Cohort students completed their degree requirements. These graduands donned their Convocation attire, collected their parchments, and moved on as graduates to the next phases of their lives.

For some this meant graduate or professional study. For others it meant the start of careers in the workforce. In all cases, our graduates' aspirations and achievements are in part a reflection of how well we have succeeded in preparing them for their future. Lakehead University is steadfastly pursuing its goal of educating undergraduate and graduate students who are recognized for leadership and independent critical thinking, and who are aware of social and environmental responsibilities.

In this year's Annual Report we share with you the thoughts and experiences of eight students who are realizing their potential. As well, we highlight specific achievements of our academic community, including: the successful launch of the Orillia campus; the designation of Lakehead University as "Research University of the Year" in Canada, in the undergraduate category; and the Academic and Strategic Research Plans that will help ensure that Lakehead achieves the objectives outlined in its Strategic Plan (2005-2010).

Realizing Potential is something we do well at Lakehead University. It is a phrase that describes the value-added qualities that we bring to education, and it is a process we have all experienced here — whether we are students, faculty, staff, alumni, or friends of the institution.



I am grateful to everyone who generously supports Lakehead University in its endeavors. The 2006-2007 Annual Report provides another marker as we continue to move forward in our pursuit of excellence and innovation.

Frederick F. Gilbert, PhD
President and Vice-Chancellor
Lakehead University

Becky Hardie



VALUE-ADDED EDUCATION



Becky Hardie didn't get really serious about academics until her third year when she took a course in Canadian literature from Dr. Gillian Siddall.

"The course required us to see beyond what we might call the Canadian 'canon' of literature, and consider literature written by minorities," says Becky. "It was then I decided to take responsibility for my own learning and understanding. When I stopped worrying about grades, I began to care a whole lot more about what I was doing."

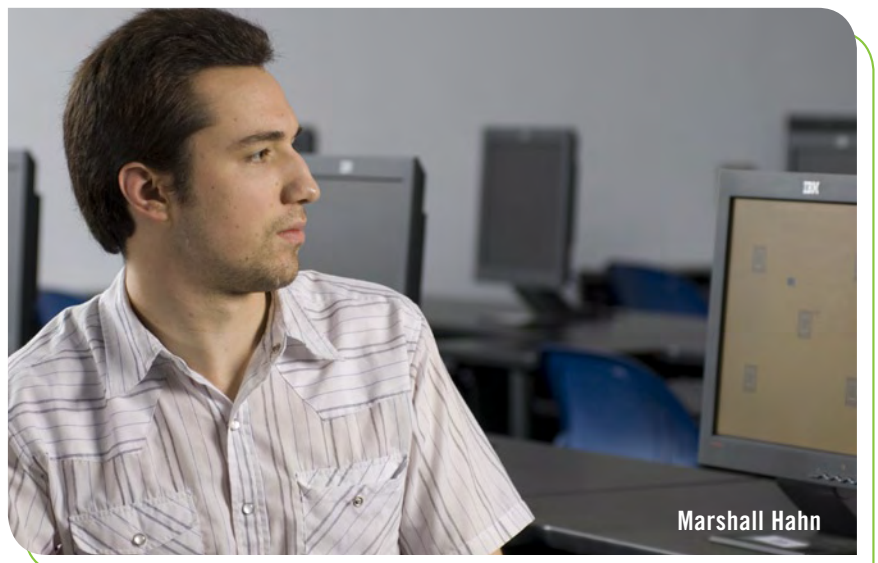
While she was at Lakehead, Becky served on the Lakehead University Student Union, the Senate, and the Board of Governors. Today she has four degrees from Lakehead and is well on her way to achieving her goal of becoming a university professor. She is currently enrolled in a PhD program at the University of Manitoba where she is teaching courses in women's studies and English, and giving conference presentations in Canada and the United States.

Becky's experience at Lakehead is typical of many of our students. She came from Southern Ontario, settled in to residence life, and immersed herself in campus activities. Her story embodies the whole notion of Lakehead's value-added education — an "average" student comes to campus, discovers her passion, and graduates with the knowledge, confidence, and motivation to be successful in her chosen field.

Meeting High Expectations

Thunder Bay-born Marshall Hahn is another student who will attest to Lakehead's value-added education.

An exceptional computer science student, Marshall was enrolled in the Honours Bachelor of Science (Computer Science) Co-operative program, which enabled him to complete a four-month Internship with Research In Motion (RIM) in Waterloo, Ontario. During his time at Lakehead, Marshall was at the



Marshall Hahn

top of his class and graduated in May 2007 with a 93.6% average, winning a President's Award, a Dean of Science and Environmental Studies Medal, and the Governor General's Silver Medal. While still an undergraduate student, he co-authored four publications with faculty members — two published in the *Journal of Computer Science* and two in the *International Journal of Computer Science and Network Security*. As well, he received three Natural Sciences and Engineering Research Council of Canada (NSERC) Awards, which allowed him to work on research projects during the summer with Drs. Jinan Fiaidhi and Sabah Mohammed.

Both professors were thoroughly impressed with Marshall's creativity in developing lightweight multimedia learning objects for the Semantic Web. "The beauty of Lakehead University is that with its smaller classes, students are able to dialogue with their professors and be exposed to the frontiers of research," says Sabah Mohammed. "Gifted students can accomplish so much more at Lakehead than when they leave, the doors of opportunity open easily." Marshall applied to the graduate program in computer science at the University of Waterloo and was accepted — with a full scholarship — within one week.

Challenging the Status Quo

Lakehead University offers unique learning opportunities for Aboriginal students.

Carrienne Agawa, an Ojibwe woman from Whitefish River First Nation near Manitoulin Island, is interested in storytelling through the arts, colonization and its impact on indigenous knowledge, and incorporating indigenous knowledge into the curriculum.

She is working as a graduate assistant with Dr. Judy Iseke-Barnes, Canada Research Chair in Indigenous Education, as well as being a part-time native counselor for the Thunder Bay Catholic District School Board, and a part-time instructor for the Oshki-Pimache-O-Win Education and Training Institute. On top of this she is a single mother of two children and a breast cancer survivor!

Carrienne has high praise for Lakehead's faculty and staff. "I enjoy working with people who value what I know and who are open to moving into areas that challenge the status quo," she says. "I feel supported and welcome in the program. If it were not for the understanding and encouragement from staff and faculty, I would have given up and headed home."

Developing Independence and Leadership

Russell Dudley is from Hanover, Ontario. He chose Lakehead on the recommendation of a high school teacher who is a proud Lakehead University alumnus. "My teacher told me about the high standards of the Faculty of Business Administration and sold me on the challenge of completing a degree in commerce. At that time I was 17 and it seemed like an epic undertaking," says Russell.

While studying at Lakehead, Russell served on the Board of Governors as a student representative, gave seminars on credit management in his capacity as Vice-President Marketing of ACE — Lakehead (Advancing Canadian Entrepreneurship), and was employed as a marketing consultant with Lakehead's Small Business Consulting Services. He also conducted research on the use of organic food products in Thunder Bay and competed in Canada's Inter-Collegiate Business Competition.

"Getting a university degree doesn't mean you are entitled to employment. While in Thunder Bay, I became motivated to get as much extra-curricular experience as possible. I developed a fierce work ethic and took an interest in everything — in and outside the classroom. I guess you could say I am a true Thunderwolf. I'm driven and ambitious, and I wouldn't have it any other way."

Russell is now enrolled in the Master of Science in Management program at Lakehead University.



Carrienne Agawa



Russell Dudley

Rozalina Dimitrova



Student-centred Teaching and Learning

Rozalina Dimitrova came to Lakehead in 2005 as a mature student with a Bachelor's degree in Civil Engineering and a Master's degree in Hydrotechnical Engineering from the University of Architecture and Civil Engineering in Sofia, Bulgaria.

She came to work with experts in environmental engineering, including: Dr. Lionel Catalan, Canada Research Chair in Industrial Waste Management and Site Remediation; Dr. Dimiter Alexandrov, Associate Professor in Electrical Engineering; and Dr. Aicheng Chen, Canada Research Chair in Material and Environmental Chemistry. She carried out her research in a well equipped laboratory established with funds supplied by the Canada Foundation for Innovation.

Not only were the faculty extremely knowledgeable in their fields, says Rozalina, they were especially kind and generous in helping her and her husband get settled. "They helped us find an apartment and they gave us a lot of advice about living in Canada," she says.

When her daughter Monica was born, Rozalina was able to continue her studies partly from home, accessing books and research articles online through the Chancellor Paterson Library. She spent many hours, both day and night, discussing her research over the telephone with her professors.

"Students like Rozalina give to the Master's program as much as they receive," says Lionel Catalan. "She was able to do her research at the interface of three fields — environmental engineering, electrochemistry, and advanced semiconductors. This opens the door to exciting collaborative and innovative research among faculty members who are specialists in their fields, and it leads to exciting research results."

Because of her performance at Lakehead, Rozalina was awarded an NSERC Postgraduate Scholarship to support her doctoral studies. She is currently enrolled in the PhD program in Civil and Environmental Engineering at The University of Western Ontario.

Combining Academics with Athletics

Jeff Cameron chose Lakehead because of its outstanding Nordic skiing program; the idea of a career in forest conservation evolved naturally out of his love for the great outdoors.

Jeff completed an Honours Bachelor of Science in Forestry degree while competing with the Thunderwolves Men's Varsity Cross Country Skiing Team and contributing to its stellar performance record as Ontario University Athletics (OUA) Champions in 2001, 2005, 2006, and 2007, and the Canadian Interuniversity Sports (CIS) National Champions in 2001, 2005, and 2006. As well, he competed at the World University Games in Tarvisio, Italy, in 2003.

In his final year, Jeff collected five gold medals from the OUA and the title Most Valuable Player and one CIS bronze medal. In addition, he was named Lakehead University's 2007 Male Athlete of the Year.

"Lakehead's professors are amazing," says Jeff. "They went out of their way to be supportive and to give me direction, especially Dr. Ulf Runesson, Associate Professor of Forestry and the Forest Environment, and recipient of Lakehead's 2007 Distinguished Instructor Award. Ulf counselled me throughout the transition from the Forest Conservation degree program to the Professional Forestry degree program, which is where my ambitions took me."

In the spring of 2007, as Jeff travelled to Alberta to work on an eight-month contract in silviculture with Millar Western Forest Products Ltd., he was already planning to come back to Thunder Bay to ski in the winter of 2008.



Jeff Cameron



Ella Goodman



Ibitoru Miadonye

Meeting the Needs of Northerners

Ella Goodman is someone who knows where she will practice her profession — in the North!

She is a member of the charter class of the Northern Ontario School of Medicine, has two degrees from Lakehead (a Bachelor of Science in Nursing and a Master of Public Health), and a list of scholarships and awards as long as your arm. Her goal is to stay in the North to give back to her community.

“Being immersed in northern, rural, and remote communities during my medical studies has given me an idea of what northern people endure,” she says. “I have also gained a greater understanding of the barriers to health care that many northern communities face, such as geography, poor road conditions, lack of human resources, culturally inappropriate care, and the high cost of nutritious food.”

Ella has a particular interest in diabetes. For her thesis in the Master of Public Health program, she conducted research on the attitudes, beliefs, and knowledge that one regional First Nation community had about type 2 diabetes. From this research, she hopes the community will be able to develop a targeted prevention program to reduce the prevalence of diabetes and its complications.

“I have a real interest in public health and prevention of disease,” says Ella. “Before we can even think of prevention strategies we need to be aware of what attitudes and beliefs exist about a certain illness so that we can reflect these values in prevention programs.”

Community Service Learning

Ibitoru Miadonye discovered the Honours Bachelor of Social Work program purely by chance after attending an information session during Program Day. “I knew right away I was meant to be in social work,” she says. “My career goal, which I would like to call my life goal, is helping people — people in absolute despair. I want to work with people who don’t know how to go about creating and implementing positive changes.”

Ibitoru was born in Nigeria and came to Canada when she was 12. At Lakehead, she worked with Drs. Connie Nelson and Doug West, Co-Directors of the Food Security Research Network, a community service learning initiative.

All of the students in her fourth-year research course worked with volunteers and other non-profit organizations to evaluate the social impacts of a community garden project in Thunder Bay’s Ogden-Simpson Street area. Their goal was to find out what effect community gardening has had on the people who live in the neighborhood and how it has changed their sense of belonging, well-being, and safety. She also coordinated Lakehead’s first annual Food Security Research Forum held on campus in March 2007.

Drs. David Tranter and Connie Nelson are her favorite professors — David because of his sense of humor and Connie because her course on diversity challenged Ibitoru’s way of thinking. “Connie thinks I have great potential, and I know I have great potential,” says Ibitoru. “People usually do not see that in me right away, so I love that Connie sees it.”



2006-2007 YEAR IN REVIEW

Double Cohort Graduates



Lakehead University celebrated its largest graduating class in 2007. Three Convocation ceremonies were held in May and three honorary degrees were awarded: a Doctor of Letters to Goyce Kakegamic, artist, educator, and former Deputy Grand Chief of the Nishnawbe Aski Nation; a Doctor of Laws to Richard (Dick) Pound, an influential member of the International Olympic Committee; and a Doctor of Science to Dr. David Strangway, former President and CEO of the Canada Foundation for Innovation. Lawyer Richard Buset was made a Fellow of Lakehead University. The Alumni Honour Award was presented to Gwen Dubois-Wing, Chief Executive Officer of the North West Local Health Integration Network (LHIN), and the Young Alumni Award was presented to James Dennison, Vice-President, Risk Management & Portfolio Analysis, with CIBC Mellon Trust Company and CIBC Mellon Global Securities Services Company.

Research University of the Year

Research Infosource Inc., in 2006, designated Lakehead as "Research University of the Year" in the undergraduate category. Overall, Lakehead moved from 38th place to 29th among the Top 50 Research Universities in Canada, and was ranked 1st overall in research income growth, and 1st in its category in research intensity. Research Infosource provides business intelligence and analysis on science, technology, research and development, and innovation.

Marking and Making History

Lakehead celebrated the grand opening of the Orillia Campus by inviting the 120 members of the charter class, along with their family and friends, to an outdoor celebration on September 8, 2006. Throughout the academic year, Lakehead engaged the community of Orillia in a number of events including a Thunderwolves Hockey game, a Meet-the-Faculty Lecture Series, and the sealing of a Memory Box to be opened in 40 years.

Canada Research Chairs

Two new Canada Research Chairs were announced this year: Dr. Aicheng Chen, Chair in Material and Environmental Chemistry, and Dr. Judy Iseke-Barnes, Chair in Indigenous Education. Dr. Lionel Catalan, Chair in Industrial Waste Management and Site Remediation, and Dr. Gary Genosko, Chair in Technoculture Studies, were renewed in 2006-2007 for five-year terms.



Graduate and undergraduate students David Brookes, Greg Kepka, Laura Power, and Andrea Haner in the Applied Microbiology Laboratory

Lakehead Celebrates

In October, Lakehead hosted its annual fundraising event "Lakehead Celebrates" in The Hangar featuring Canadian playwright, actor, and humorist Ian Ross and the Flamenco Caravan, a local band that blends flamenco guitar, rhythm, and song. The evening gave participants an opportunity to enjoy fine food and entertainment with friends while raising funds for Lakehead bursaries and scholarships.

YaleShmale Awareness Campaign

A controversial Awareness Campaign positioning Lakehead University as a smart choice for students attracted worldwide attention from the media and helped to contribute to a 14% increase in first-choice applications from Ontario high schools for the 2007-2008 academic year. The YaleShmale Awareness Campaign received a bronze award in the 2007 Prix d'Excellence awards program organized by the Canadian Council for the Advancement of Education (CCAIE). In 2006, Lakehead University received two CCAIE awards — a gold award for its 2004-2005 Annual Report and a silver award for its 40 Northern Lights volunteer recognition program.

"Grey Wolves" Triumph Again

For the second consecutive year, a team comprising faculty, staff, and other members of the Lakehead University community won the University of Guelph Faculty-Staff Invitational Hockey Tournament. Now in its 30th year of competition, this Tournament has been attended by the "Grey Wolves" since 2000.

Gateway to Education

Lakehead received \$400,000 from the Ministry of Training, Colleges and Universities to implement the Science and Arts Gateway to Education (SAGE) program to support access and achievement at Lakehead University, especially for first generation and Aboriginal students. Based on research conducted in the fall of 2006, we know that 58% of Lakehead's student population is composed of first generation learners where neither parent has completed a university degree. Approximately 10% of Lakehead students are Aboriginal, including First Nations, Métis, Non-Status, and Inuit people.

New Program in Aboriginal Education

Lakehead established a four-year Honours Bachelor of Education in Aboriginal Education program to start in September 2008. It is the first degree program of its kind in Ontario and the first to focus on critical foundations in Aboriginal education and Aboriginal pedagogy. The program will prepare people of Aboriginal ancestry to become teachers with particular expertise to meet the needs of Aboriginal learners.

Excellence in Teaching, Research, and Service

Dr. Ulf Runesson, Associate Professor of Forestry and the Forest Environment, received Lakehead's Distinguished Instructor Award, and Dr. Ronald Harpelle, Professor of History, received Lakehead's Distinguished Researcher Award. The Award to Staff for Outstanding Performance and/or Contributions was presented to Carlos Zerpa, a Technologist in the School of Kinesiology.

Contribution to Teaching Awards were given to Dr. Seth Agbo, Faculty of Education; Dr. Sabah Mohammed, Department of Computer Science; Dr. Marie-Noëlle Rinné, Department of Languages; Dr. Batia Stolar, Department of English; Dr. Mehdi Zahaf, Faculty of Business Administration; and Prof. Michael Zettek, Faculty of Education.

Contribution to Research Awards were given to Dr. Lori Chambers, Department of Women's Studies, and Dr. Alexander Serenko, Faculty of Business Administration.

Lakehead University School of Law

A proposal to establish a new Ontario school of law that would focus on Aboriginal law and access to justice in northern and rural communities is being considered by the legal community and the Ministry of Training, Colleges and Universities. The proposed Lakehead University School of Law would have an innovative curriculum focusing on treaty and non-treaty legal interpretations as well as the provision of legal services in rural or small town situations where sole practice is often the norm. The school would address issues of declining participation in sole and small firm practice, and would increase access to education in law for northern Ontario students. A Senate ad hoc committee has finalized the curriculum and admissions requirements which will allow a decision by the Law Society of Upper Canada to be forthcoming by the end of 2007. If the response is supportive the School could admit its first class in 2009.



Dr. Ulf Runesson

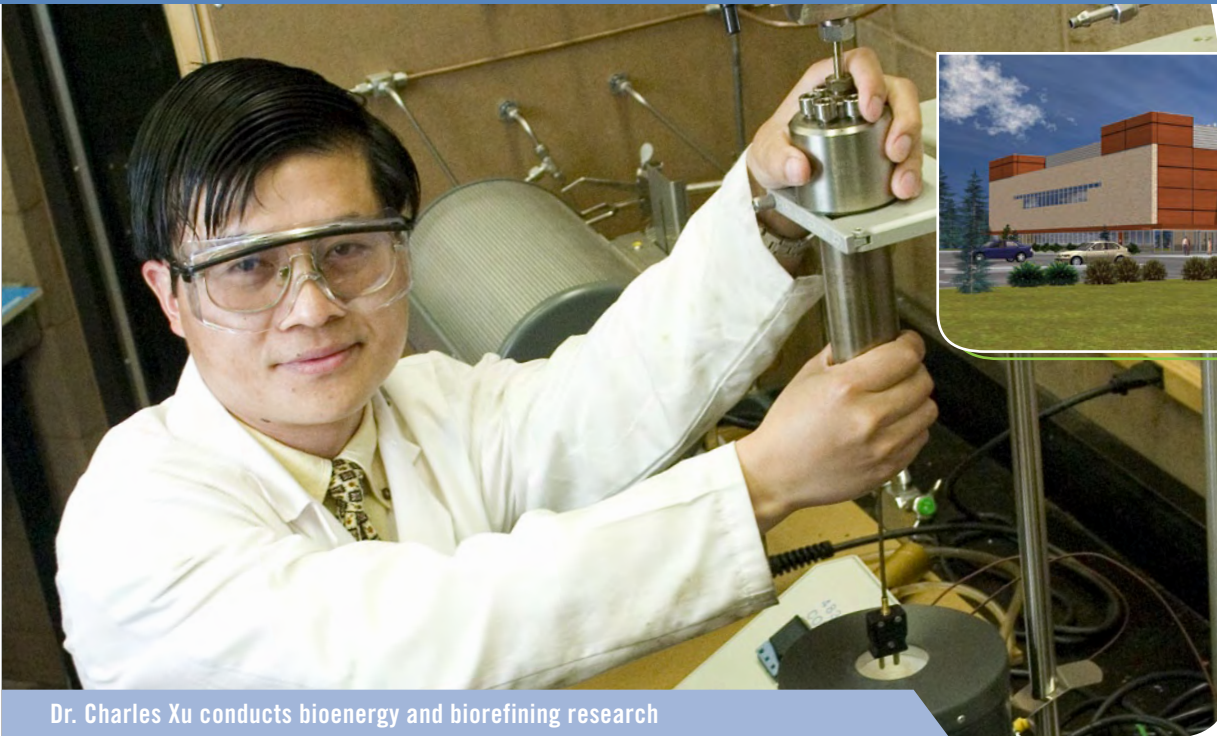


Dr. Ronald Harpelle



Carlos Zerpa





Dr. Charles Xu conducts bioenergy and biorefining research

STRATEGIC DIRECTIONS

NORD-21



Lakehead has embarked on an ambitious program to create an international centre of research and innovation that builds upon one of its current research strengths. Northern Ontario Resources Development for the 21st Century (NORD-21) will ensure Lakehead researchers from a variety of disciplines (including Lakehead's new Ontario Research Chairs in Biorefining Technologies) converge and are integrated to increase research capacity in the region to produce innovative solutions, products, and technologies based on the sustainable use of natural resources.

The research programs of NORD-21 will focus on developing value-added products based on the natural resources of the boreal forest (i.e. wood products, biorefining technologies, bioenergy, and biochemicals and materials) and developing new knowledge and technologies to sustain our environment (e.g. environmental remediation, monitoring of air and water quality, and treatment of industrial waste). Furthermore, the centre will work with the natural resources sector to accelerate knowledge transformation and commercialization, and assist northern Ontario's transition from a resource-based economy to a new knowledge-based bio-economy.

Academic and Strategic Research Plans

The University's governing bodies accepted new Academic and Strategic Research Plans that provide mechanisms for implementation of Lakehead University's Strategic Plan (2005-2010). The Academic Plan defines clear guidelines and objectives for decision making to ensure that the University community has a shared understanding of the University's mission, and that the vision and mission of the University are fully realized. The Strategic Research Plan sets out a clear path for achieving Lakehead's goal to rank among the top 25 research-intensive universities in Canada in the next five to ten years. The University will do this by maintaining and enhancing research capacity in existing areas of research strength that are prominent at, or unique to, Lakehead University, while allowing for the development of new emerging areas of concentration.

Commitment to Sustainability

Lakehead established a broad-based sustainability committee and is moving forward on many different initiatives. Among them is a commitment for the proposed buildings on the Orillia campus to incorporate the latest in green technology in design and construction, and to increase partnerships with local food suppliers and farmers for the provision of locally grown food within campus food service operations. Recycling programs are in place for a variety of products, such as paper, batteries, and electronic waste, and Styrofoam products in the cafeteria have been replaced with china and biodegradable containers. Lakehead is a signatory to the Talloires Declaration: University Presidents for a Sustainable Future.

Energy Savings Initiative

Work continues on Phase 2 of Lakehead's Energy Conservation Project, a \$23.3-million campus renewal program initiated with Johnson Controls in 2004, which has reduced the overall use of energy per square metre (including heat, light, and power) by over 40%, and reduced Lakehead's greenhouse gas emissions by roughly 4,600 tonnes annually. Considering Lakehead University serves over 7,600 students, the reduction in greenhouse gas accounts for 60% of the students' cumulative target for the One-Tonne Challenge. As a result, Lakehead was acknowledged by the Ontario Power Authority (OPA) for its leadership in January 2007 and presented with a certificate of recognition for energy conservation by Peter Love, Ontario's Chief Energy Conservation Officer.

Partnership with Google

In the fall of 2006, Lakehead aligned with Google to be the site of the first large-scale deployment of Google Apps for Education in Canada. The three-year arrangement with Google gives the University enhanced service for email, calendaring, and instant messaging, one of the quickest delivery times available, and a very stable system based on Google's record of performance. The service comes with no direct service cost to Lakehead as the first Canadian university to use Gmail. This means that throughout the three-year agreement, Lakehead will be saving an estimated \$3 million in capital costs and \$250,000 per year in maintenance costs, based on the current volume of users, which numbers approximately 38,000 students, faculty, staff, and alumni.

Biorefining Research Initiative

The Ontario Ministry of Research and Innovation is providing \$6 million for two endowed Research Chairs to lead a Biorefining Research Initiative (BRI) at Lakehead which will eventually become a research institute, pending Senate and Board approval. BRI is expected to become a world-class centre of excellence dedicated to developing transformative technologies and products from biomass. Biorefining processes transform low-value biomass feedstocks into higher-value products.

Fundraising Campaigns

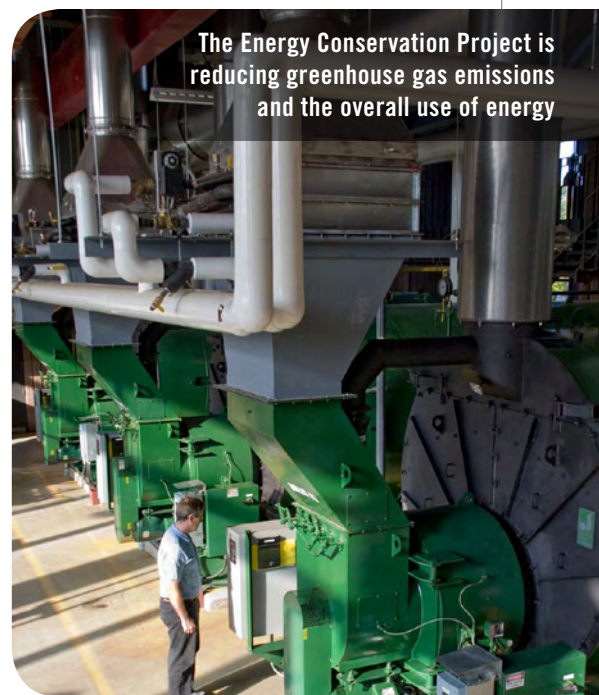
Lakehead announced it will raise \$6 million over the next three years to fund scholarships for students at the graduate and undergraduate levels. As well, Lakehead is planning a fundraising campaign to assist in the development of a permanent campus in Orillia.

CIS Hockey Championships

Lakehead University was successful in its bid to host the Canadian Interuniversity Sports (CIS) Men's National Hockey Championships in March of 2009 and 2010. The games will be held in Thunder Bay with the support of the presenting sponsor TBayTel, along with the support of many other community organizations that have been crucial to the success of Thunderwolves Hockey.

Global Partnerships

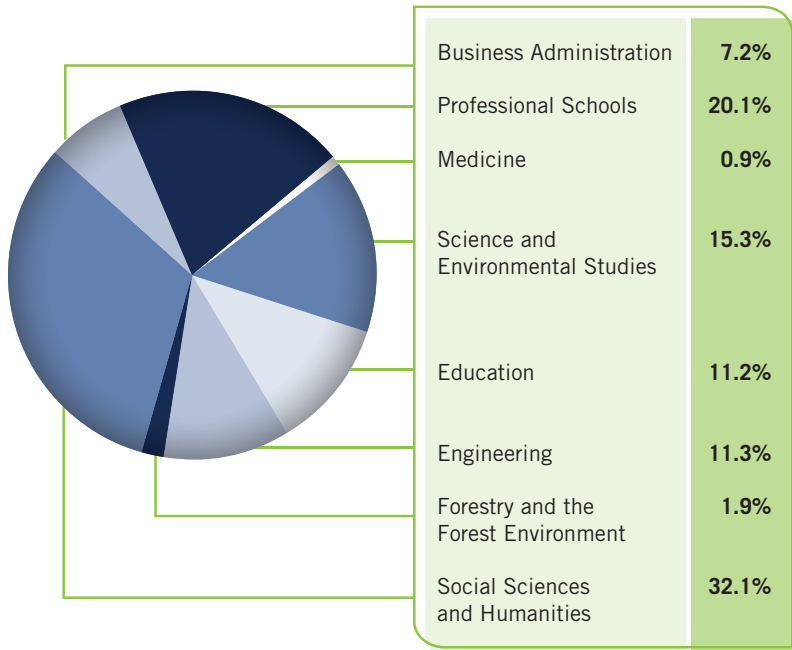
Lakehead signed a Memorandum of Understanding with Guangdong University of Foreign Studies, China, in October 2006, to promote academic cooperation between the Faculty of Business Administration and Guangdong's School of Management. In March 2007, an agreement with Changzhou Institute of Technology, China, was signed which outlines procedures for collaboration of program delivery between the Department of Mathematical Sciences at Lakehead and the Faculty of Mathematics at Changzhou Institute of Technology. In April 2007, a Memorandum of Understanding to explore the possibilities of research linkages and faculty collaborations was signed between Lakehead University and Maharshi Dayanand University in Rhotak, Haryana, India. New agreements are currently being considered for student and faculty exchanges with University of Pau (France), Southern Cross University (Australia), University of Otago (New Zealand), and Guangdong University of Foreign Studies (China).



Facts & Figures

Full-Time Undergraduate Enrolment

2006-2007 by Faculty



Enrolment

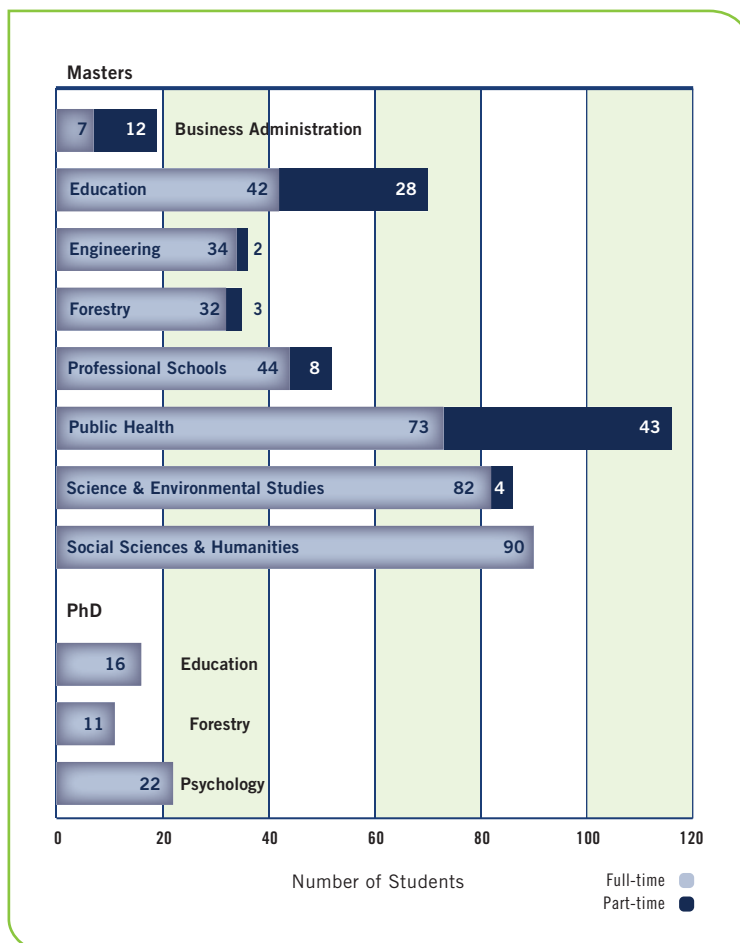
2006-2007

Thunder Bay Campus*	7,529
Full-time undergraduate	5,537
Part-time undergraduate	1,439
Full-time graduate	453
Part-time graduate	100
Orillia Campus	115
Full-time undergraduate	103
Part-time undergraduate	12
Total Enrolment	7,644

*includes Faculty of Medicine (NOSM)

Graduate Enrolment

2006-2007



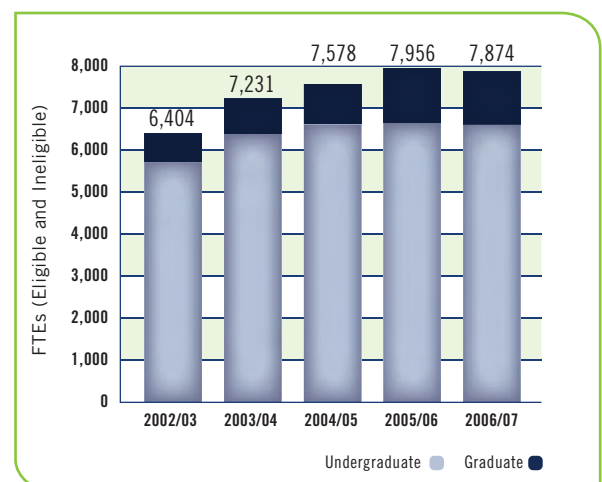
Degrees, Diplomas & Certificates Awarded

2006 Calendar Year

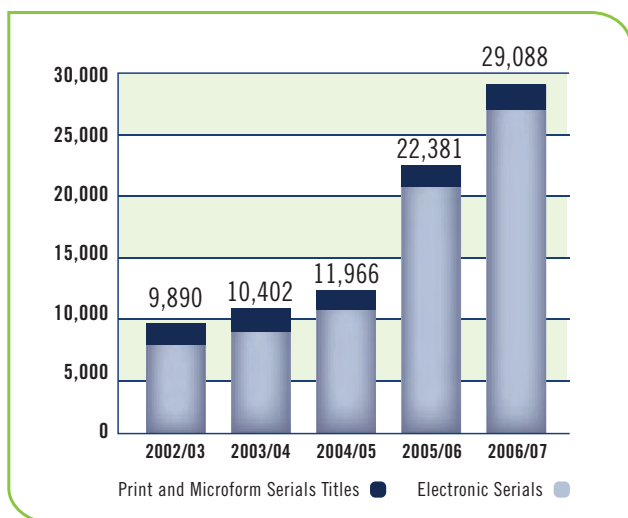
Certificates	81
Diplomas	61
Bachelors	2,014
Masters	145
Doctorates	5
Total	2,306

Full-Time Equivalent Enrolment (FTE)

Graduate and Undergraduate

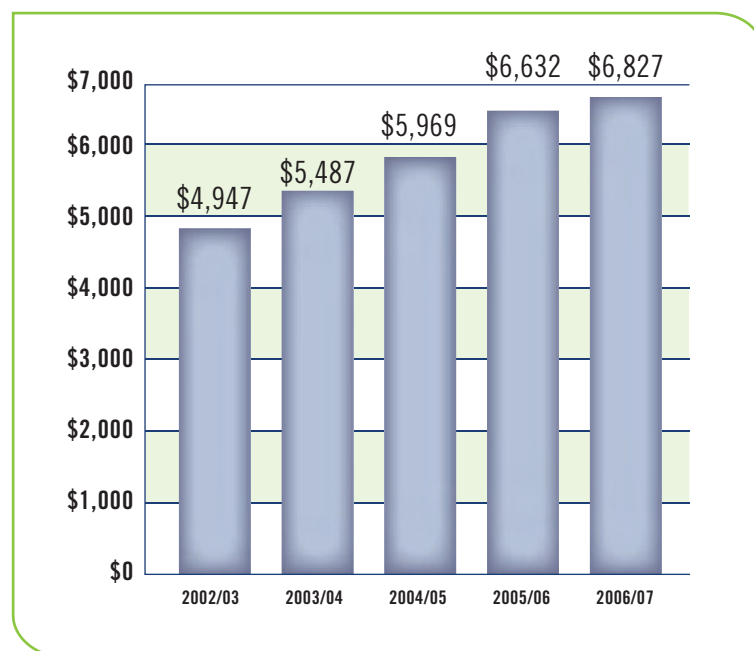


Access to Library Serial Titles



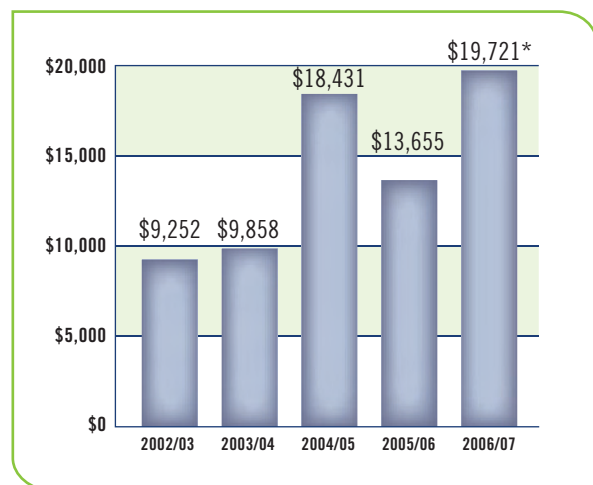
Scholarships, Bursaries, & Awards

in thousands of dollars



Research Grants & Contracts**

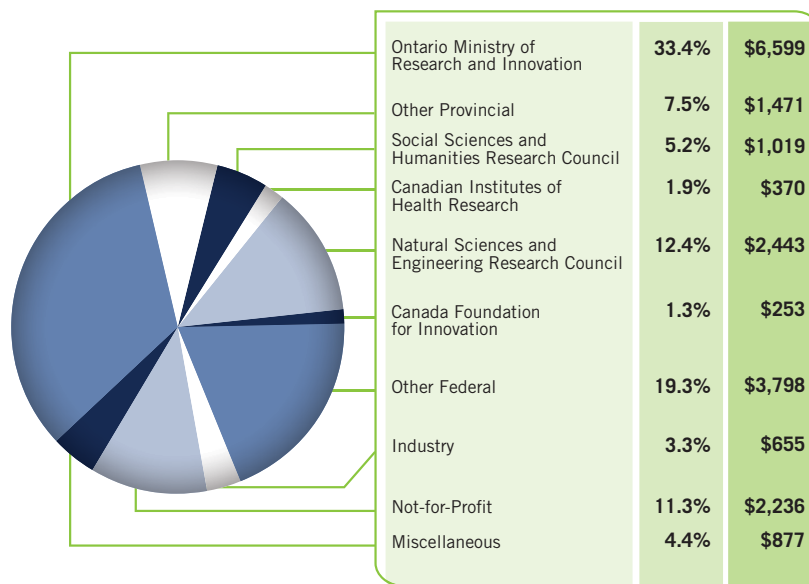
in thousands of dollars



*preliminary

Sources of Research Funding**

2006-2007 in thousands of dollars



** Reference: Financial Report of Ontario Universities 2006-2007

Leadership

Chancellor

Dr. Lorne Everett

Board of Governors 2006-2007

Chair

Don Campbell

Members

Colin Anderson

Dr. Ken Brown

Harvey Cardwell

Kevin Cleghorn

Andy Crooks

Kurt Dahl

Dr. Qing-Lai Dang

George Davies

Dr. Mike DeGagné

James Dennison

Jackie Dojack

Kirk Dudtschak

Ann Dumyn

Ron Dysievick

Charles Fox

Dr. Frederick Gilbert

Carl Goodwin

David Heroux

Krystin Kempton

Gil Labine

John Lagadin (term ended Nov. 22, 2006)

Ron Marostica

Brian McKinnon

Dr. Moira McPherson

Jeff Moore

Eamonn Percy

Tim Pile

Doug Robson

Robert Tuchenhagen (term ended Nov. 30, 2006)

Dennis Wallace

Administration

President and Vice-Chancellor

Dr. Frederick Gilbert

Vice-President (Academic) and Provost

Dr. Laurie Hayes

Vice-President (Administration and Finance)

Michael Pawlowski

Vice-President (Research)

Dr. Rui Wang

Associate Vice-President (Research)

Dr. Umed Panu

Vice-Provost (Student Affairs)

Gwenellen Wojda (Acting)

Vice-Provost (Aboriginal Initiatives)

Beverly Sabourin

Orillia Campus Dean

Dr. Kim Fedderson (effective Dec. 2007)

Dean of Business Administration

Dr. Bahram Dadgostar

Dean of Education

Dr. John O'Meara (Acting)

Dean of Engineering

Dr. Henri Saliba

Dean of Forestry and the Forest Environment

Dr. Reino Pulkki

Dean of Graduate Studies

Dr. Gary Boire

Dean of Medicine (Northern Ontario School of Medicine)

Dr. Roger Strasser

Dean of Professional Schools

Dr. Ian Newhouse

Dean of Science and Environmental Studies

TBA

Dean of Social Sciences and Humanities

Dr. Thomas Dunk

University Librarian

Anne Deighton

Controller

Rita Blais

Registrar

Anna Foshay

Director of Admissions and Recruitment

John Smith

Director of Athletics

Thomas Warden

Director of Communications

Eleanor Abaya

Director of Continuing Education and Distributed Learning

Gwenellen Wojda

Director of Human Resources

Ray Raslack

Director of Institutional Analysis/ Government Relations

Kerrie-Lee Clarke

Director of Physical Plant

James Podd

Director of Risk Management and Access to Information

Dr. Millo Shaw

Director of Technology Services Centre

Bernie Blake (Acting)

Director of University Advancement

Bonnie Moore

Executive Director, University Services

Grant Walsh

Research Centres, Institutes, Programs, and Facilities

Centre for Education and Research on Aging and Health (CERAH)

Dr. Mary Lou Kelley, Director

Centre for Northern Forest Ecosystem Research (CNFER), Ontario Ministry of Natural Resources

Ed Iwachewski, Manager

Centre for Northern Studies

Dr. Harvey Lemelin, Committee Chair (effective January 2008)

Centre for Parks, Recreation and Tourism Research

Dr. Norm McIntyre, Acting Director

Centre for Rural and Northern Health Research (CRaNHR)

Dr. Bruce Minore, Research Director

Centre of Excellence for Children and Adolescents with Special Needs

Dr. Rui Wang, Interim National Director

ICR Discoveries (Institute of Cancer Research)

Dr. Rui Wang, Vice-President (Research), Lakehead University

Interdisciplinary Program on Safe Driving

Dr. Michel Bédard, Acting Director

Lakehead Social History Institute

Michel Beaulieu, Co-Director

Lakehead University Centre for Health Care Ethics (CHCE)

Dr. Jaro Kotalik, Director

Lakehead University Biotechnology Research Program

Dr. Heidi Schraft, Director

Lakehead University Centre of Analytical Services (LUCAS)

Al Mackenzie, Director

Aquatic Toxicology Research Centre (ATRC)

Dr. Peter Lee, Academic Director

Forest Soils Laboratory (FSL)

Dr. Nancy Luckai and Dr. Lense Meyer, Co-Directors

Lakehead University Environmental Laboratory (LUEL)

Dr. Peter Lee, Director of Analytical Research Services

Lakehead University Genetic Services (LUGS)

Dr. Carney Matheson, Director

Lakehead University Instrumentation Laboratory (LUIL)

Al Mackenzie, Director

Lakehead University Mineralogical and Experimental Laboratory (LUMINX)

Dr. Andrew Conly, Director

Lakehead University Nutrient Ecology Laboratory (LUNE)

Dr. Ellie Prepas, Director

Lakehead University Wood Science Testing Laboratory (LUWSTL)

Dr. Mathew Leitch, Director

LEVTEK

Carl Goodwin, Manager

Dr. Lionel Catalan, Academic Director

Paleo-DNA Laboratory (PDNA)

Al Mackenzie, Director

Resource Centre for Occupational Health and Safety (RCOHS)

Ina Chomyshyn, Director



BDO Dunwoody LLP
Chartered Accountants
and Advisors

**To the Chair and Members of
The Board of Governors of Lakehead University**

We have audited the financial statements of Lakehead University as at and for the year ended April 30, 2007 comprising the following:

- Balance Sheet
- Statement of Revenue and Expenses
- Statement of Changes in Net Assets
- Statement of Cash Flows

These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP (*signed*)

Chartered Accountants, Licensed Public Accountants

Thunder Bay, Ontario
August 16, 2007

BALANCE SHEET

April 30 (in thousands of dollars)	2007	2006
Assets		
Cash	\$ 29,988	\$ 32,920
Accounts receivable (Note 3)	6,360	5,553
Inventories and prepaid expenses	2,833	769
Long-term investments (Note 4)	80,461	62,168
Deferred charge (Note 5)	4,507	4,624
Capital assets (Note 6)	105,221	107,029
	\$ 229,370	\$213,063
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued charges (Note 7)	\$ 11,796	\$ 10,541
Faculty early retirement program costs (Note 8)	1,907	3,214
Deferred revenue (Note 9)	15,441	16,036
Deferred capital contributions (Note 10)	41,015	45,383
Long-term debt (Note 11)	104,614	105,520
	174,773	180,694
Net assets		
Internally restricted (Note 12)	23,050	13,098
Investment in capital assets (Note 13)	2,934	3,392
Endowments (Note 14)	30,636	20,367
Unrestricted	(2,023)	(4,488)
	54,597	32,369
	\$ 229,370	\$ 213,063

On behalf of the Board of Governors:

"D.P. Campbell" (signed)

"F. F. Gilbert" (signed)

Chair

President

The accompanying notes are an integral part of these financial statements.

LAKEHEAD UNIVERSITY
STATEMENT OF REVENUE AND EXPENSES

For the year ended April 30 (in thousands of dollars)	2007	2006
Revenue		
Government grants for general operations	\$ 54,514	\$ 51,453
Government and other grants for restricted purposes	9,763	10,707
Student fees	35,854	34,049
Sales of goods and services	14,924	14,058
Investment income	7,881	3,412
Donations	1,862	1,389
Contract research	3,072	3,049
Sundry	1,804	1,653
Amortization of deferred capital contributions	6,309	7,581
	135,983	127,351
Expenses		
Salaries and benefits	71,137	66,044
Operational supplies and expenses	4,862	4,465
Cost of sales and services	6,468	5,912
Amortization of capital assets and deferred charges	14,015	13,702
Building and equipment maintenance	4,556	5,540
Municipal taxes	465	490
Scholarships, bursaries and awards	6,827	6,632
Utilities	3,658	3,742
Travel	2,789	2,472
Other	3,568	4,085
Interest	5,666	4,221
	124,011	117,305
Excess of revenue over expenses for the year	\$ 11,972	\$ 10,046

LAKEHEAD UNIVERSITY
STATEMENT OF CHANGES IN NET ASSETS

For the year ended April 30 (in thousands of dollars)					2007	2006
	Internally Restricted	Investment in Capital Assets	Endowments	Unrestricted	Total	Total
	(Note 12)	(Note 13)	(Note 14)			
Balance, beginning of year	\$ 13,098	\$ 3,392	\$ 20,367	\$ (4,488)	\$ 32,369	\$ 17,457
Excess of revenue over expenses for the year	-	-	-	11,972	11,972	10,046
Change in internally restricted net assets	9,952	-	-	(9,952)	-	-
Change in investment in capital assets	-	(458)	-	458	-	-
Transfer to endowments	-	-	13	(13)	-	-
Endowment contributions	-	-	9,301	-	9,301	4,690
Capital preservation of endowments	-	-	955	-	955	176
Balance, end of year	\$ 23,050	\$ 2,934	\$ 30,636	\$ (2,023)	\$ 54,597	\$ 32,369

The accompanying notes are an integral part of these financial statements.

LAKEHEAD UNIVERSITY
STATEMENT OF CASH FLOWS

For the year ended April 30 (in thousands of dollars)	2007	2006
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 11,972	\$ 10,046
Items not involving cash		
Amortization of capital assets	13,898	13,643
Amortization of deferred charge	117	59
Amortization of deferred capital contributions	(6,309)	(7,581)
	19,678	16,167
Net change in non-cash working capital balances related to operations (Note 20)	(1,616)	2,191
Cash provided by operating activities	18,062	18,358
Financing activities		
Increase in faculty early retirement program	16	19
Faculty early retirement program payments	(1,323)	(1,484)
Long term debt principal repayments	(1,141)	(47,629)
Demand loan repayment	-	(600)
Issue of long term debt	235	100,000
Increase in deferred charge	-	(4,683)
(Decrease) increase in deferred revenue	(595)	3,040
Increase in deferred capital contributions	1,941	5,015
	(867)	53,678
Investing activities		
Endowment contributions	9,301	4,690
Capital preservation of endowments	955	176
Purchase of capital assets	(12,090)	(16,556)
Change in long term investments, net	(18,293)	(40,343)
	(20,127)	(52,033)
	(20,994)	1,645
(Decrease) Increase in cash for the year	(2,932)	20,003
Cash, beginning of year	32,920	12,917
Cash, end of year	\$ 29,988	\$ 32,920

The accompanying notes are an integral part of these financial statements.

LAKEHEAD UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

April 30, 2007 (in thousands of dollars)

1. Authority and Purpose

Lakehead University was incorporated as a university when the Lakehead University Act was given Royal Assent by the Lieutenant Governor of Ontario in 1965. Lakehead University serves a dual role in that it provides Northwestern Ontario with regional access to higher education while being committed to academic excellence on the provincial, national and international scenes.

These financial statements reflect the assets, liabilities, net assets, revenue, expenses and other transactions of all of the operations controlled by the University. Accordingly, these financial statements include the academic, administrative and other operating expenditures funded by fees, grants and other general revenue, restricted purpose endowment funds, and the ancillary operations, such as residences, food services, bookstore and parking.

The University also has an economic beneficial interest in the Lakehead University pension plan, the activities of which are not consolidated into these financial statements (Note 17). The Lakehead University Pension Investment Fund is audited separately.

The Northern Ontario School of Medicine is incorporated under the Ontario Business Corporations Act and is a not for profit organization. The School of Medicine was created in order to provide medical education in Northern Ontario. The University, along with Laurentian University, the only voting members of the School, has significant relationships with the School but the University has no claim to the net operating assets of the School and the University is not liable for any direct or contingent liabilities of the School. Accordingly, the operations of the School are not included in these financial statements.

The University is a not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

April 30, 2007 (in thousands of dollars)

2. Summary of Significant Accounting Policies

The financial statements of the University have been prepared in accordance with accounting principles generally accepted in Canada within the framework of the accounting policies summarized below:

a) Investments

Investments include funds invested directly by the University and pooled funds which are held in trust and managed by external fund managers.

The securities invested directly by the University are carried at the lower of cost and market value determined on an aggregate basis.

The portion of the portfolio held in pooled funds is carried at market value and the increase or decrease within the current year is included in investment income or in endowments (Note 4).

b) Inventories

Inventories, which consist of goods held for resale, are recorded at the lower of cost and net realizable value. Cost is generally determined on a first in, first out basis.

c) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are amortized on a straight-line basis over their estimated useful lives, which are:

Site development	-	10 years
Buildings	-	20 and 40 years
Leasehold improvements	-	3 years
Furniture and equipment	-	5 years
Library books	-	5 years

Interest incurred on funds borrowed during construction is capitalized as a cost of the project.

d) 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. Unrestricted donations are recorded on a cash basis since pledges are not legally enforceable claims. Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the year in which the related expenses are recognized. Endowment contributions are recognized as direct increases in net assets in the year in which they are received. Student fees are recognized as revenue when courses and seminars are held. Sales and services revenue is recognized at point of sale or when the service has been provided.

e) Contributed Materials and Services

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

f) Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from management's best estimates as additional information becomes available in the future.

g) Financial Instruments

The University's financial instruments consist of cash, accounts receivable, long term investments, demand loans, accounts payable and long term debt. Unless otherwise noted, it is management's opinion that the University is not exposed to significant interest, currency or credit risks arising from those financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

LAKEHEAD UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

April 30, 2007 (in thousands of dollars)

3. Accounts Receivable

Accounts receivable consist of the following:

	2007	2006
Tuition and residence fees	\$ 497	\$ 466
Interest and sundry accounts	2,851	2,571
Sponsored research monies	2,887	2,397
Capital grants from government	125	119
	\$ 6,360	\$ 5,553

4. Long-Term Investments

Long-term investments consist of the following:

	2007	2006
Pooled funds	\$ 72,966	\$ 55,041
Marketable securities	7,495	7,127
	\$ 80,461	\$ 62,168

The pooled funds consist of units held in balanced funds in trust and managed by professional external fund managers. The market value of the University's investment in these funds as at April 30, 2007 was \$72,966 (2006 - \$55,041). The increase in the investment during the fiscal year of \$17,925 includes receipts of \$11,054 and investment income of \$6,871. Included in the pooled funds are internally restricted amounts created from excess borrowings of the Series A unsecured debenture described in Note 11.8. The market value as at April 30, 2007 is \$38,323 representing an initial investment of \$32,912 and investment income of \$5,411 (Note 12); \$2,240 of the investment income has been allocated to the University operations for 2006/2007. Also included in the pooled funds is \$2,147 (2006 - \$627) of a debt repayment sinking fund for project loans being amortized over their initial terms.

Marketable securities consist of investments in government and corporate bonds of \$7,482 (2006 - \$7,123), life insurance policies of \$12 (2006 - \$3), and shares of \$1 (2006 - \$1). The market value of the marketable securities as at April 30, 2007 was \$8,712 (2006 - \$8,436). The bonds mature between 2007 and 2035 with annual yields ranging from 4.2% to 8.5%.

The University has purchased Government of Canada and Ontario stripped coupon bonds at a cost of \$597 with average effective annual yields of approximately 10.4% maturing during 2008 and 2009 for a total value of \$3,603. These proceeds will be used to repay a mortgage on residence townhouses described in Note 11.2. Interest accrued from the original purchase date to April 30, 2007 amounting to \$2,289 has been added to the asset value resulting in a sinking fund balance of \$2,886 (2006 - \$2,616).

5. Deferred Charge

The deferred charge represents refinancing costs incurred in connection with the \$100 million Series A unsecured debenture issue and is being amortized over the term of the debt (40 years). Amortization cost recognized in fiscal 2007 is \$117 (2006 - \$59).

6. Capital Assets

	2007			2006		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	\$ 1,747	\$ -	\$ 1,747	\$ 1,283	\$ -	\$ 1,283
Site development	7,524	5,403	2,121	5,167	5,167	-
Buildings	152,421	67,716	84,705	143,196	63,387	79,809
Furniture and equipment	98,014	85,949	12,065	94,172	78,739	15,433
Leasehold improvements	1,487	495	992	-	-	-
Library books	34,955	31,364	3,591	32,791	29,737	3,054
Construction in progress	-	-	-	7,450	-	7,450
	\$ 296,148	\$ 190,927	\$ 105,221	\$ 284,059	\$ 177,030	\$ 107,029

LAKEHEAD UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

April 30, 2007 (in thousands of dollars)

7. Accounts Payable and Accrued Charges

The accounts payable and accrued charges consist of the following:

	2007	2006
Trade accounts	\$ 6,825	\$ 5,728
Payroll liabilities	1,208	1,277
Vacation pay liability	2,229	1,884
Capital projects	1,534	1,652
	\$ 11,796	\$ 10,541

8. Faculty Early Retirement Program Costs

The University offered a voluntary early retirement program to qualifying University faculty. The estimated accrued liability represents the cost of contractual payments and benefits owed to participating faculty members. These retirement costs will be paid out approximately as follows:

	2007	2006
2007	\$ -	\$ 1,307
2008	893	893
2009	536	536
2010	304	304
2011	141	141
2012	33	33
	\$ 1,907	\$ 3,214

9. Deferred Revenue

Deferred revenue represents unspent externally restricted monies received in the current and prior years for services to be provided in a future year as follows:

	2007	2006
Research	\$ 9,750	\$ 8,324
Other restricted purposes	5,691	7,712
	\$ 15,441	\$ 16,036

10. Deferred Capital Contributions

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of revenue and expenses and is calculated on the same basis as the amortization expense related to the acquired capital assets. The changes in the deferred capital contributions balance are as follows:

	2007	2006
Balance, beginning of year	\$ 45,383	\$ 47,949
Add: contributions received for capital asset purchases	1,941	5,015
Less: amortization of deferred capital contributions	(6,309)	(7,581)
Balance, end of year	\$ 41,015	\$ 45,383

LAKEHEAD UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

April 30, 2007 (in thousands of dollars)

11. Long-Term Debt

	2007	2006
11.1 Canada Mortgage and Housing Corporation - Residence Addition	\$ -	\$ 9
11.2 Ontario Housing Corporation - 6 Residence Townhouses Mortgage payable, interest payable semi-annually at 9.26% per annum. The principal is due and payable in full on December 1, 2009. A sinking fund has been established to repay the principal upon maturity. A total of \$597 has been invested in stripped coupon bonds and together with accrued interest of \$2,289, the value of the sinking funds as of April 30, 2007 is \$2,886 (2006 - \$2,616) (Note 4).	3,600	3,600
11.3 Ontario Housing Corporation Long-Term Lease Obligation - 480 Bed Student Residence The University leases a residence under an agreement with the Ontario Student Housing Corporation. The University is responsible for managing, operating and maintaining the residence. Further, the University has agreed to reimburse the Corporation over a fifty-year period ending December 1, 2019, for principal and interest, through semi-annual installment payments of \$78 including interest at 6.80%. Upon satisfaction of this obligation, title to the building will vest in the University. Since this agreement is, in substance, a purchase of the building by the University, being financed by the Ontario Student Housing Corporation, the cost of the building is included in capital assets.	1,329	1,401
11.4 The Sisters of St. Joseph - Avila Centre Mortgage payable, principal and interest repaid at 6.00% per annum payable over fifteen years through varying annual installments (2007 - \$249; 2006 - \$234) ending May 21, 2008.	261	480
11.5 Sun Life Financial - 874 Tungsten St. Mortgage payable, principal and interest repaid at 6.42% per annum, payable through monthly installments of \$4, maturing July 2009.	293	325
11.6 Promissory Note - 874 Tungsten St. Promissory note, secured by second mortgage non-interest bearing, monthly principal payments of \$1 maturing March 2010.	35	47
11.7 Promissory Note - Northwestern Ontario Innovation Centre Inc. Promissory note, non-interest bearing, annual principal payments of \$23 maturing November 2015.	212	-
11.8 Debenture Payable On November 15, 2005, the University issued Series A unsecured debenture in the aggregated principal amount of \$100,000. The debenture bears interest at 5.301%. Principal and interest are payable semi-annually on May 15 and November 15 in installments of \$3,023 ending November 15, 2045. The proceeds of the issue were used to repay the debt to the Royal Bank of Canada including termination costs, to finance Phase 2 of the Heating, Refrigeration, and Air Conditioning Retrofit and to establish a University "Endowment" in the amount of \$32,912 (Note 4). Included in the pooled funds (Note 4) is \$2,147 (2006 - \$627) of a debt repayment sinking fund for project loans being amortized over their initial terms.	98,884	99,658
	\$ 104,614	\$ 105,520

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

Date	Amount
2008	\$ 1,206
2009	1,021
2010	4,849
2011	1,067
2012	1,123
Thereafter	95,348
	<u>\$ 104,614</u>

The University has available an operating line of credit of \$3,000, with interest at the bank's prime lending rate (5.75% per annum at year-end). The University's credit facilities also include a Standby letter of Guarantee in favour of the City of Thunder Bay in the amount of \$605.

LAKEHEAD UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

April 30, 2007 (in thousands of dollars)

12. Internally Restricted Net Assets

Internally restricted net assets are funds committed for specific purposes as follows:

	2007	2006
Operating Fund		
Repairs and replacements	\$ 3,340	\$ 3,131
Self-insurance	250	250
Unexpended budgets and departmental incomes	4,170	3,685
Future year's budget	4,260	-
Ancillary Enterprises		
Retail operations	160	338
Food services	62	154
Residence reserve for repairs and replacements	229	223
Other ancillary	112	95
Restricted Funds		
University general trust fund	4,310	2,943
Interest earned on investment from excess borrowings (Note 4)	3,171	1,018
Unexpended capital funds	221	174
Research funds	618	460
Bond sinking fund	2,147	627
	\$ 23,050	\$ 13,098

At April 30, 2007, unrestricted year end grants of \$4,260, which were unbudgeted and unallocated, are included in internally restricted net assets as "Future year's budget".

13. Investment in Capital Assets

The investment in capital assets consists of the following:

	2007	2006
Capital assets, net book value	\$ 105,221	\$ 107,029
Less amounts financed by:		
Long term debt (net of residence and bond sinking funds)	(62,109)	(59,051)
Deferred capital contributions	(40,178)	(44,586)
	\$ 2,934	\$ 3,392

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

	2007	2006
Repayment of long-term debt	\$ 832	\$ 1,152
Increase in residence and bond sinking fund	270	873
Purchase of capital assets internally financed	6,029	3,577
	7,131	5,602
Amortization expense	13,898	13,643
Less: Amount of amortization expense related to capital assets purchased with restricted contributions	(6,309)	(7,581)
	7,589	6,062
Net (decrease)	\$ (458)	\$ (460)

LAKEHEAD UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

April 30, 2007 (in thousands of dollars)

14. Endowments

Endowments consist of externally restricted donations received by the University. 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. 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.

The value of the investment portfolio for endowed funds included in the total investments disclosed in Note 4 is equal to \$30,636 (2006 - \$20,367).

15. Ontario Student Trust Funds

Externally restricted endowments of \$30,636 (2006 - \$20,367) include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund (OSOTF) Phase I and Phase II and the Ontario Trust for Student Support (OTSS) matching programs to award student aid as a result of raising an equal amount of endowed donations.

OSOTF (Phase I)

	2007	2006
OSOTF endowment balance , beginning of year	\$ 6,776	\$ 6,747
Capitalized interest	167	29
OSOTF endowment balance , end of year	\$ 6,943	\$ 6,776
Expendable funds , beginning of year	\$ 578	\$ 335
Realized investment income	790	479
Bursaries awarded	(298)	(236)
Expendable funds , end of year	\$ 1,070	\$ 578
Number of bursaries awarded	422	380
Market Value of Endowment	\$ 8,759	\$ 8,126

OSOTF (Phase II)

	2007	2006
OSOTF endowment balance , beginning of year	\$ 1,563	\$ 1,539
Transfers to OTSS program	-	(6)
Capitalized interest	52	30
OSOTF endowment balance , end of year	\$ 1,615	\$ 1,563
Expendable funds , beginning of year	\$ 15	\$ 1
Realized investment income	181	68
Bursaries awarded	(57)	(54)
Expendable funds , end of year	\$ 139	\$ 15
Number of bursaries awarded	36	89
Market Value of Endowment	\$ 1,844	\$ 1,689

OTSS

The Ontario Trust for Student Support (OTSS) program requires separate reporting of the balances as at March 31 and the details of the changes in the balances.

The following is the schedule of donations received for the period from April 1, 2006 to March 31, 2007 (April 1, 2005 to March 31, 2006).

	2007	2006
Donations eligible for matching	\$ 890	\$ 919
Donations not yet eligible for matching	75	44
Total cash donations	\$ 965	\$ 963

April 30, 2007 (in thousands of dollars)

15. Ontario Student Trust Funds (cont'd)

The following is the schedule of changes in endowment fund balance for the period April 1, 2006 to March 31, 2007 (April 1, 2005 to March 31, 2006).

	2007	2006
Endowment balance, beginning of year	\$ 1,888	\$ -
Cash donations received	965	957
Transfers from OSOTF program	-	6
Matching funds received / receivable	890	919
Preservation of capital	-	6
Endowment balance, end of year	<u>\$ 3,743</u>	<u>\$ 1,888</u>

The following is the schedule of changes in expendable funds available for awards for the period April 1, 2006 to March 31, 2007 (April 1, 2005 to March 31, 2006).

	2007	2006
Expendable funds, beginning of year	\$ -	\$ -
Realized investment income	234	1
Bursaries awarded	(32)	(1)
Expendable funds, end of year	<u>\$ 202</u>	<u>\$ -</u>
Number of bursaries awarded	<u>16</u>	<u>1</u>

16. Property and Liability Insurance

The University participates in a reciprocal exchange of insurance risks in association with forty-five other Canadian universities. This self-insurance cooperative involves a contractual agreement to share the property insurance and liability risks of member universities.

The projected cost of settled claims will be funded through members' premiums based on actuarial projections. It is anticipated that a surplus will be created over time as a cushion against unexpected losses. In addition, the reciprocal has obtained substantial reinsurance with commercial insurers to cover major claims in excess of \$2,500 per occurrence for property losses and in excess of \$5,000 per occurrence for liability losses.

In the event that premiums are not sufficient to cover claim settlements, the member universities would be subject to an assessment in proportion to their participation.

17. Pension Plan

The University has two separate pension plans.

17.1 Pension Plan for Professional Staff

The Pension Plan for Professional Staff is a contributory defined contribution pension plan. Faculty members and librarians contribute 6.5% of their earnings through payroll deductions. The University contributes 8.05% effective January 1, 2005 (7.8% prior to January 1, 2005). Non-faculty members contribute 8.05%, and the University matches these contributions.

The Plan provides for a defined benefit guarantee for service prior to January 1, 1997 and removes the minimum pension based on a formula for future pensions commencing in 1997. The Plan's surplus will be increased by an amount equivalent to the Pension Guarantee Account remaining after provision for estimated pensions based upon the defined benefit guarantee. No part of this guarantee account and surplus is recognized in the financial statements as the amount may not be withdrawn by Lakehead University, nor may it be used to match contributions to the fund.

Information about the defined benefit guarantee portion of this pension plan at April 30, 2007 is as follows based on an actuarial valuation prepared on a going concern basis at December 31, 2006.

Pension plan assets	\$ 202,637
Pension plan liabilities	199,671
Estimated pension plan surplus	<u>\$ 2,966</u>

The significant actuarial assumptions adopted in calculating the above amount include a discount rate of 6%, a general salary increase of 3.5% per annum, and mortality tables of UP94@15.

The actuarial valuation prepared at December 31, 2006 discloses that there is no longer a solvency deficiency as defined in the Pension Benefit's Act (1987). Beginning in 2007, the additional annual contributions of \$612, which were being made to fund the solvency deficiency revealed at the previous valuation, are no longer required. The University may elect to apply the balance in the Pension Solvency Account (\$1,248 at December 31, 2006) to offset its regular contributions to the plan.

April 30, 2007 (in thousands of dollars)

17. Pension Plan (cont'd)

17.2 Lakehead University Employee Pension Plan

The Lakehead University Employee Pension Plan is a contributory defined contribution pension plan. Under the Plan, employees contribute in a range from 7.15% to 7.90% of their earnings. The University matches the regular pension contributions made by members of the Plan.

University Pension Plan contributions, together with investment income earned on the contributions, are applied on retirement to provide pensions as defined in the Plan. In addition to their regular contributions, members may voluntarily contribute additional contributions to provide increased benefits. Both employee and employer contributions are paid into the integrated Canada Pension and University Pension Plans.

The employee benefits expense for the year includes pension expense of \$2,399 (2006 - \$2,248) and faculty early retirement benefits of \$18 (2006 - \$21).

18. Contingent Liabilities

- a) At April 30, 2007, the University was guarantor of nine (2006 - ten) housing loans for faculty and staff in the amount of \$109 (2006 - \$143).
- b) The nature of the University's activities is such that there is usually litigation pending or in prospect at any one time. With respect to claims at April 30, 2007, the University believes it has valid defenses and appropriate insurance coverage in place. In the unlikely event any claims are successful such claims are not expected to have a material effect on the University's financial position.

19. Commitments

The following are the future minimum annual operating lease payments due over the next five years:

Date	Amount
2008	\$ 469
2009	287
2010	227
2011	227
2012	135

20. Statement of Cash Flows

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

	2007	2006
Accounts receivable	\$ (807)	\$ 1,590
Inventory and prepaid expenses	(2,064)	1
Accounts payable and accrued charges	1,255	600
	\$ (1,616)	\$ 2,191

21. Related Party Transactions

During the year, the University undertook the following transactions with Northern Ontario School of Medicine:

	2007	2006
Recoveries and charges for goods and services	\$ 1,331	\$ 806

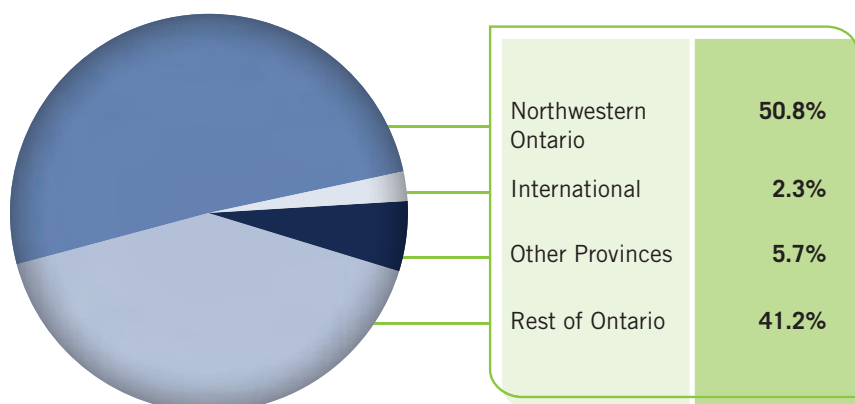
These transactions were in the normal course of operations and were measured at the exchange value, which is the amount of consideration established and agreed by the parties to the transaction and approximates the arm's length equivalent value.

Lakehead Facts

Established:	July 1, 1965
Total Enrolment:	7,644 including 6,093 full-time graduate and undergraduate students
Full-time Faculty:	290
Employees:	2,250 including approximately 700 full-time positions
Alumni:	41,388
Faculties:	Business Administration Education Engineering Forestry and the Forest Environment Graduate Studies Medicine (Northern Ontario School of Medicine, West Campus) Professional Schools Science and Environmental Studies Social Sciences and Humanities
Economic Impact of Lakehead University:	\$251.0M on the City of Thunder Bay in fiscal 2005-2006

Geographic Origin of Students

2006-2007



Residence Accommodation

Number of Beds 2006-2007: 1,223

Contact Information

Lakehead University Annual Report 2006-2007 is posted online: www.lakeheadu.ca/report/

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