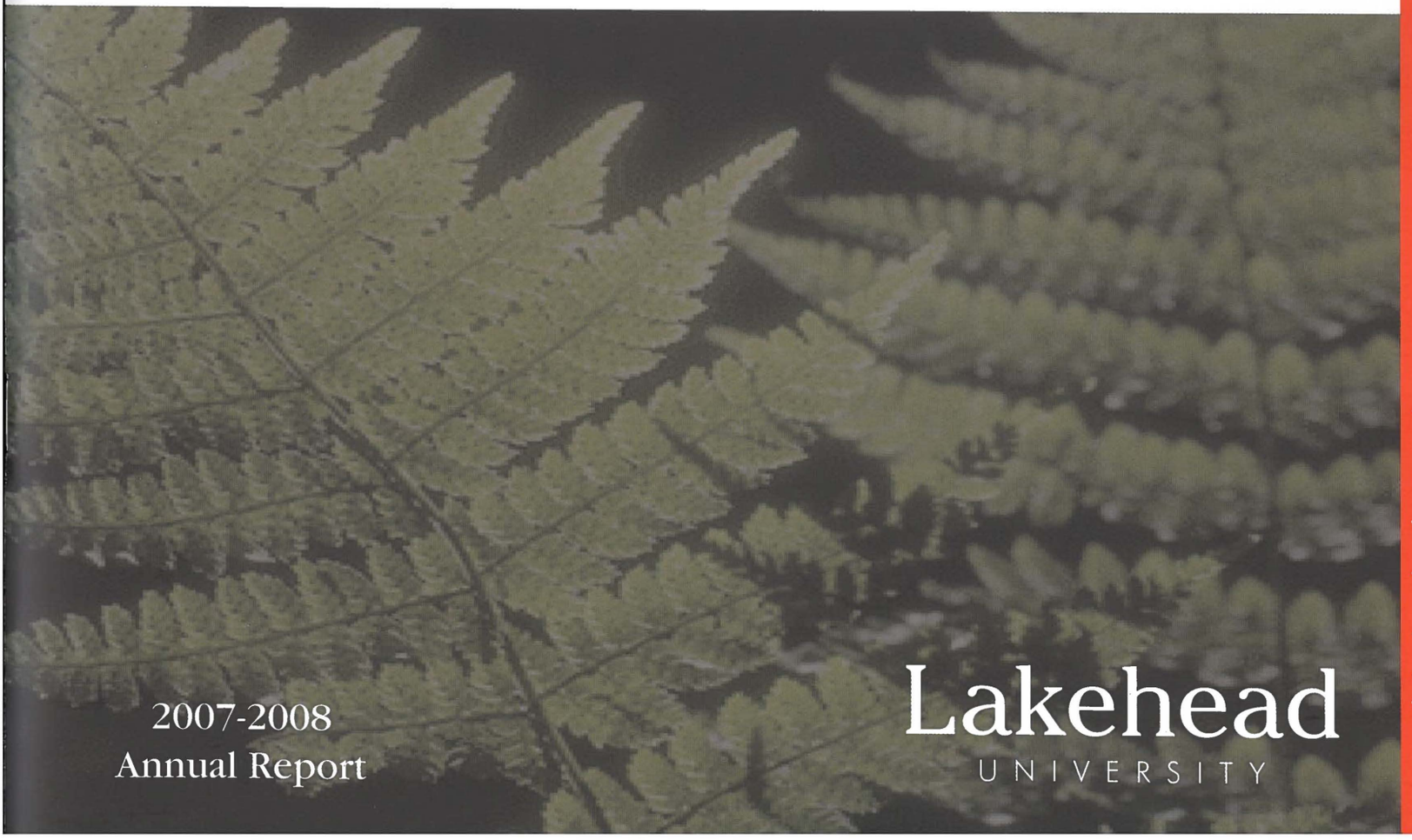
"education
is not the *filling of a vessel*
but the
lighting of a **flame**"

– *Socrates*



2007-2008
Annual Report

Lakehead
UNIVERSITY

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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.

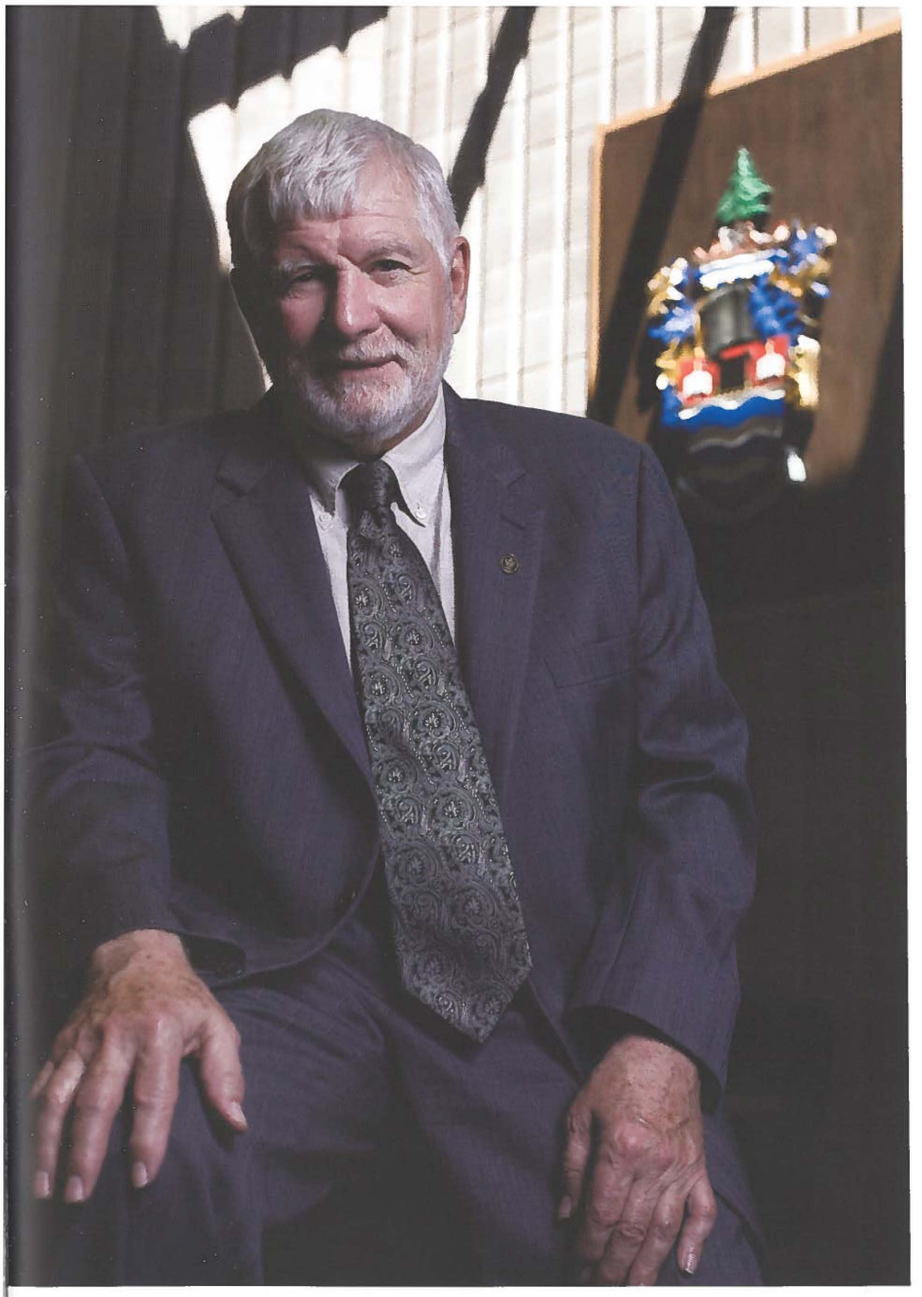
Lakehead University is committed to educating students who are recognized for leadership and independent critical thinking and who are aware of social and environmental responsibilities.











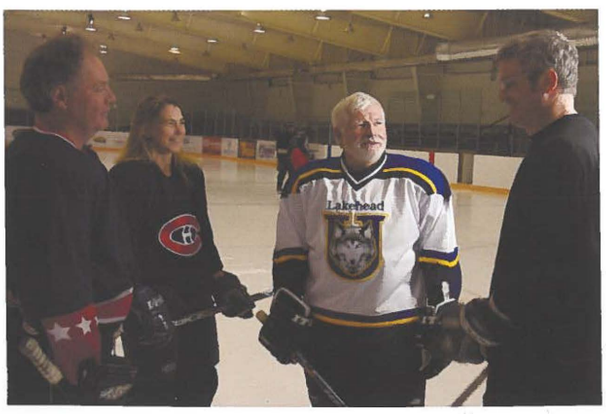
Frederick F. Gilbert, PhD
President and Vice-Chancellor
Lakehead University

president's message

Lakehead University is progressing well on its journey to become one of the top 25 research universities in Canada. With increased funding for research plus new and expanded graduate programs, the capacity to reach that goal is in hand. Much of the guidance on this journey has been provided by a comprehensive Strategic Research Plan which underscores the partnership and collaboration between researchers and graduate students. Lakehead was "Research University of the Year" in 2006 (Research Infosource), a testament to the productivity of our faculty and the value of their research activities.

Graduate students now constitute about 10% of the student body, with a dramatic increase in numbers since 2004, and they have been instrumental in the success of research at Lakehead. The University has 5 PhD and 26 Master programs with several more on the way.

In this year's Annual Report you will meet some of the faculty and graduate students who are helping to lead Lakehead's advance on the research front. The fulfillment of this component of the University's tripartite role in teaching, service, and research has been especially gratifying, confirming that Lakehead University is coming of age and having an increasingly important role in the innovation agendas of both the province and the country. It also means that the contribution that the University makes to the economic and social well-being of Northwestern Ontario is enhanced. I hope you enjoy reading about it.



President Fred Gilbert on the ice with members of Lakehead University "Grey Wolves" Hockey Team (l-r): Robert Paterson, Donna Newhouse, and Tom Warden

research and *graduate studies*

What new knowledge will help make Canada a world leader for current and future generations? As the co-creators of new knowledge, graduate students may reflect on this question as they work toward becoming independent scholars.



Scott Wiebe, PhD candidate in Forest Sciences

Graduate students at Lakehead University study in an environment that encourages discovery and supports success. In 2007-2008, four new Lakehead University Research Chairs were created to enable some of its most accomplished full-time faculty members to concentrate on research and student mentoring. Two of these Chairs are within the social sciences and humanities (Dr. Lori Chambers, Women's Studies, and Dr. Todd Dufresne, Philosophy) and two are within the natural sciences and engineering (Dr. Stephen Kinrade, Chemistry, and Dr. Baoqiang Liao, Chemical Engineering). Another two will be announced in 2009-2010.

These four Lakehead University Research Chairs, along with Lakehead's seven Canada Research Chairs, are building on a record of research excellence and achievement and helping Lakehead to develop unique graduate programs.

All researchers at Lakehead are supported by advanced communications technologies for teaching and learning, an excellent library, and 12 University research centres/programs that provide important links to various communities of interest. Graduate students benefit from a vibrant and diverse academic setting, and ample opportunity for one-on-one mentoring with internationally renowned scholars.

In the last four years, Lakehead has established a Faculty of Graduate Studies that is supported by an office that now has six full-time staff including the Dean. The Office is dedicated to overseeing the application, admission, and financing of graduate students.

In 2005-2006 the Office of the Vice-President (Research) and the Faculty of Graduate Studies joined forces to recognize and reward graduate student publications through the creation of the High Output and Publication Excellence (HOPE) Awards, presented to three graduate students each year who are first authors of a peer-reviewed publication.

Lakehead's Research Plan lists seven strategic research areas of advantage and strength: (1) Aboriginal Studies; (2) Advanced Technology Systems; (3) Biotechnology and Material Science; (4) Culture and Society; (5) Environmental and Resource-based Development, Education, and Policy; (6) Health Research Across the Life Span; and (7) Northern Studies.

Biotechnology and Material Science

In Lakehead's Bioenvironmental Engineering Laboratory, Lakehead University Research Chair (Chemical Engineering) Dr. Baoqiang Liao is engaged in finding a low-cost, environmentally sustainable, long-term solution to handling pulp and paper mill wastewater and sludge using anaerobic membrane bioreactor technologies. He is working with four graduate students who will receive multidisciplinary training in engineering, chemistry, and microbiology.

Dr. Stephen Kinrade, Lakehead University Research Chair (Chemistry), is conducting research into the chemical mechanisms underlying silicon biofunctionality. He is working with the Molecular Medicine Research Centre (MMRC) to conduct radioisotopic analysis of silicon uptake, translocation, and binding in various biosystems. The MMRC is a collaborative project with Lakehead University, Sunnybrook Research Institute at Sunnybrook Health Sciences Centre (Toronto), and Thunder Bay Regional Health Sciences Centre and includes the active involvement of private partners led by Philips Medical Systems.

Lakehead's new PhD program in Biotechnology, which admitted its first students in 2008, is an interdisciplinary program involving researchers in many Faculties at Lakehead University. It builds on existing undergraduate and graduate programs in Forest Sciences, Applied Bio-Molecular Science, Environmental



Miranda Maki (right), PhD candidate in Biotechnology, with Lab Technician Bruce Rosa (left) and Dr. Kam Leung



Studies, Water Resource Science, Biology, Chemistry, and Environmental Engineering, and complements the PhD program in Forest Sciences. As well, it relates to exciting new research enterprises such as the Biorefining Research Initiative, which is expected to become a world-class centre of excellence dedicated to developing transformative technologies and products from forest biomass.

Health Research Across the Life Span

The Department of Psychology has one of the largest graduate programs on campus, including a Master in Clinical Psychology, a Master in Experimental Psychology, and a PhD in Clinical Psychology. Thanks to the leadership of Dr. Josephine Tan, then Director of Clinical Training (Psychology), the PhD program was accredited in its tenth anniversary year (2007-2008) by the Canadian Psychological Association. Lakehead University, working in partnership with Trent University and the University of Toronto, was successful in securing $1M in multi-institutional collaborative funding from the Canada Foundation for Innovation for the development of the Centre for Biological Timing and Cognition (CBTC) in Thunder Bay, which positions the Department of Psychology for steady academic and research growth. The CBTC will be used as a laboratory and graduate training facility to carry out neuroscientific and clinical research on the biological, social, and environmental factors that influence perception, cognition, and mental health.

Another graduate program within the newly created Faculty of Health and Behavioural Sciences is the Master of Public Health program, with 150 students at present. Currently there are two fields — Health Studies and a Specialization in Nursing — and Lakehead is planning a third MPH field focusing on the educational needs of Nurse Practitioners. This graduate program leverages the talent that already exists at Lakehead within a variety of disciplines including Medicine, Psychology, Gerontology, Kinesiology, Nursing, Social Work, and Health Services and Policy Research.

Advanced Technology Systems

Advanced Technology Systems, comprising integrated hardware, software, and communication links, are an essential part of our economy. At Lakehead there are many faculty members and students in the Faculty of Engineering and the Departments of Computer Science and Physics who are working on projects in this field funded by the Natural Sciences and Engineering Research Council of Canada (NSERC).

Dr. Rachid Benlamri (Software Engineering) received a new Discovery Grant from NSERC this year to fund a program that will contribute toward solving some of the challenging problems in cognitive mobile learning by making use of the progress in semantic web theory, e-learning standardization, and mobile computing. "The research work focuses on the theoretical and technological aspects of designing mobile learning services that deliver context-aware learning resources from various locations and devices," says Benlamri. "The ability to grasp the exact knowledge required to accomplish a specific task, in a limited allotted time, is a key factor for organizations to remain economically competitive in the new knowledge society."

In addition to Master programs in Control Engineering, Environmental Engineering, Physics, and Mathematical Sciences, a new Master program in Electrical and Computer Engineering will begin in September 2008.



Software engineering graduate student Xiaoyun Zhang (right) with Dr. Rachid Benlamri



Dr. Som Ale (left) and Biology graduate student Jody MacEachern (centre) prepare for a field trip with Dr. Douglas Morris

Thanks to Canada Foundation for Innovation (CFI) grants, Lakehead's Automatic Control Laboratory and new Broadband Communications Networks Laboratory are state-of-the-art facilities open to both graduate and undergraduate students. Lakehead has advanced communications technology for teaching and learning and is a member of SHARCNET, Ontario's high-performance computing network.

Environmental and Resource-Based Development, Education, and Policy

Lakehead researchers are increasing capacity in the region to produce innovative solutions, products, and technologies based on the sustainable use of natural resources. Their work encompasses everything from developing new wood products, biorefining technologies, bioenergy and biochemicals, and materials and methods for new ways of environmental remediation, to the monitoring of air and water quality, and treatment of industrial waste.

Lakehead's PhD program in Forest Sciences draws on the academic expertise housed within the Faculty of Forestry and the Forest Environment, the School of Social Work, the Faculty of Engineering, the School of Outdoor Recreation, Parks, and Tourism, and the Faculty of Science and Environmental Studies. Graduate students are engaged in a wide range of multidisciplinary research projects ranging from sustainable forest management and watershed ecology to wildlife habitat management and conservation.

Researchers in the Faculty of Forestry and the Forest Environment, the Faculty of Science and Environmental Studies, and the Faculty of Engineering, for example, are engaged in several projects associated with the Atikokan Bioenergy Research Initiative. In addition, Lakehead, with the support of FedNor, FPInnovations-Forintek, the Ministry of Natural Resources, and the Ministry of Northern Development and Mines, is providing critical leadership in the wood products industry, helping local communities create value-added manufacturing appropriate to the forest, financial, and human resources available in Northern Ontario communities.

There has been a growing interest in Environmental Studies at Lakehead as witnessed by the popularity of the Master of Environmental Studies in Nature-Based Recreation and Tourism. This is an interdisciplinary degree program that has its roots in social sciences such as leisure studies, human geography, and sociology.

Northern Studies

Last year, a new interdisciplinary Master of Environmental Studies in Northern Environments and Cultures was launched. It is the first graduate program of its kind in Ontario to concentrate on the "near-north." Program content is being drawn from the physical disciplines of geomorphology, climatology, biogeography, and soil science, as well as the socio-economic and cultural streams of human geography and anthropology.



Dr. Douglas Morris, Lakehead University Research Chair in Northern Studies (Biology) and Post-doctoral Fellow Dr. Som Ale, head a team of Biology graduate students studying food webs and climate change in Nunavut and the Yukon Territories. The research is part of a three-year multinational collaboration (Arctic WOLVES – Wildlife Observatories Linking Vulnerable EcoSystems) with remote field camps spread throughout the circumpolar north. The Canadian component of Arctic WOLVES, headquartered at Laval University, represents one of Canada's key International Polar Year (IPY) activities and has received nearly $3M in research funding through NSERC and IPY Canada.

Dr. Chris Southcott (Sociology) is the Principal Investigator with the Social Economy Research Network for Northern Canada, a collaborative project funded by the Social Sciences and Humanities Research Council of Canada (SSHRC) with Yukon College, Aurora College, and Nunavut Arctic College. In addition, Southcott is working on a circumpolar comparative study of factors leading to migration decisions of Arctic indigenous residents.

Professors in the School of Outdoor Recreation, Parks, and Tourism are working extensively with graduate students on several research programs that relate to the social economy of Canada's far north. Dr. Margaret Johnston is examining the impact of the 2007 Canada Winter Games held in Whitehorse, Yukon. She is working with Dr. Harvey Lemelin on a project with members of the Lutsel K'e community in the Northwest Territories to see how this Aboriginal community, situated on the shores of Great Slave Lake and within one of Canada's newest national parks, can achieve its economic, social, and environmental goals.

Aboriginal Studies

Lakehead is recognized as a leader in Aboriginal issues among Canadian universities and has a high percentage of Aboriginal students. The recent recruitment of Dr. Judy Iseke-Barnes, Canada Research Chair in Indigenous Education, Beverly Sabourin, Vice-Provost (Aboriginal Initiatives), and Dr. Ethel Gardner, Chair of the Department of Aboriginal Education, confirms Lakehead's commitment to having Aboriginal representation in all aspects of University governance and program and research development.

One of Lakehead's research strengths is in community-initiated collaboration with Aboriginal organizations. An excellent example is the partnership between the Grand Council of Treaty #3 and members of Lakehead's Faculty of Education to develop a comprehensive, collaborative, and strategic plan for the retention and revitalization of the Anishinaabe language. In Anthropology, Dr. Scott Hamilton is collaborating with various northern Ontario Aboriginal communities as they grapple with the complex issues surrounding natural resource development and preservation of Aboriginal cultural heritage. In part, this involves integrating two ways of envisioning human relationships with the environment — one reflecting Aboriginal traditional knowledge, and the other deriving from western science.

Recently, Lakehead was successful in securing funds from the Ministry of Training, Colleges and Universities to launch *The Nanibijou Project: A Transition Program for Aboriginal Graduate Students*. This project is designed to "teach teachers" how best to mentor their Aboriginal graduate students. It will offer modules devoted to such topics as thesis/dissertation development and will examine the possibility of developing a transition model for Aboriginal students who wish to pursue advanced degrees at the Master or Doctoral level.

Culture and Society

Lakehead's application for a PhD program in Sociology was approved based on the excellence of its faculty and the quality of its Master programs.

Dr. Lori Chambers, Lakehead University Research Chair (Women's Studies), is engaged in an interdisciplinary research program focused on gender, law, and equity. Her recent book *Misconceptions: Unmarried Motherhood and the Ontario Children of Unmarried Parents Act, 1921-1969* was written with the help of nine undergraduate researchers as well as a Post-doctoral fellow, Dr. Rachel Ariss, who is now a faculty member in the Department of Sociology.

Dr. Todd Dufresne, Lakehead University Research Chair (Philosophy), received the 2007 Lakehead University Distinguished Researcher Award. An expert on the work of Sigmund Freud and psychoanalysis, Dufresne is working on several book projects and furthering his research on culture and creativity as drivers of economic development. Part of his scholarly activity involves developing an organization that will link Lakehead scholars from across disciplines with members of the local community including lawyers, urban planners, and artists.

The former Dean of Graduate Studies, Dr. Gary Boire, believes the high degree of collegiality at Lakehead University, coupled with an excellent supervisor-student ratio, leads to an unique graduate research culture. "We have a culture characterized by a mentoring environment wherein the publication of first-rate student research is the norm rather than the exception," he says. ■



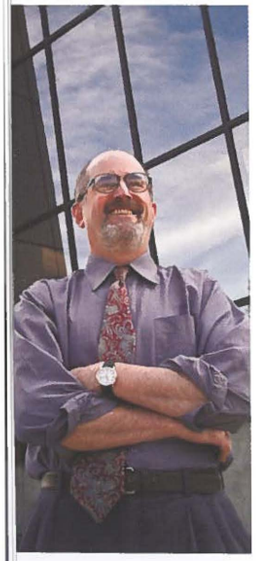
Chair of the Department of Aboriginal Education Dr. Ethel Gardner (right) works on a presentation with Education graduate student Charlotte Neckoway (centre) and Dr. Lolehawk Laura Buker

year in review

Convocation 2008

Two Convocation ceremonies were held in Thunder Bay in May and two honorary degrees were awarded: a Doctor of Science to Dr. Joseph MacInnes, physician, deep-sea explorer, and author; and a Doctor of Fine Arts to Gordon Pinsent, actor, writer, and director. Silvio Di Gregorio, business executive and community builder, and Stephen Hessian, pulp and paper industry leader, were made Fellows of Lakehead University. Alumni Honour Awards were presented to Glenn Miller, real estate developer, Dr. Elizabeth Murray, life scientist, and Duncan Weller, artist and writer. A Young Alumni Award was presented to Catherine Bird, adult education entrepreneur.

In June, the first ever Convocation ceremony in Orillia was held to honor graduates of the one-year Business Administration and Social Work programs. A Civitas Award was presented to Sue Mulcahy, former city councillor and Chair of the Simcoe College Foundation, for her tireless work over the years to establish a university in Orillia.



Allan MacKenzie

Excellence in Teaching, Research, and Community Service

In 2007-2008, Dr. Philip Fralick (Geology) received Lakehead's Distinguished Instructor Award, and Dr. Todd Dufresne (Philosophy) received Lakehead's Distinguished Researcher Award. The Lakehead University Award to Staff for Outstanding Performance and/or Contributions was presented to Allan MacKenzie, Director, Analytical Research Services.

Lakehead University Contribution to Teaching Awards were given to Dr. Adam Van Tuyl (Mathematical Sciences), Dr. Bruce Strang (History), Dr. Randle Nelsen (Sociology), Dr. Lisa Korteweg (Education), Dr. Timothy Hardie (Business Administration), and Dr. Jason Blahuta (Philosophy). Lakehead University Contribution to Research Awards were given to Dr. Lori Chambers (Women's Studies) and Dr. Alexander Serenko (Business Administration).



Dr. Todd Dufresne (centre) in discussion with students Stephen Trochimchuk (left) and Dane Newbold

Athletics

Chris Whitley and Anna Crawford were named Lakehead University's Male and Female Athletes of the Year. Whitley, a goaltender, was named Lakehead's Most Valuable Player for Men's Hockey and finished the regular Ontario University Athletics (OUA) season undefeated. Crawford was named Lakehead's Most Valuable Female Skier. She helped the Women's Nordic Skiing team capture its fifth consecutive Canadian Colleges and Universities National Championship title, and finished the season with five gold medals and an OUA Special Award as Overall Champion in Women's Nordic Skiing.

Brock McPherson, Jordan Smith, and Chris Whitley of the Men's Hockey team were ranked OUA First Team All Stars as were Kiraan Posey of Men's Basketball, Mitch Fryia of Men's Wrestling, and Nicole Plummer of Women's Wrestling. Six athletes were named Canadian Interuniversity Sports (CIS) First Team All Canadians: Mitch Fryia and Huy Nguyen of Men's Wrestling, Chris Whitley and Jordan Smith of Men's Hockey, Jenna Enge of Women's Curling, and Anna Crawford of Women's Nordic Skiing.

Lisa Patterson, Coach of Men's and Women's Nordic Skiing, received the Sport Alliance of Ontario Female Coach of the Year for 2007 and the Fox 40 OUA Female Coach of the Year for 2007-2008. Lou Pero, Coach of Women's Basketball, received the Jean-Marie De Koninck CIS Coaching Excellence Award.

Student and Faculty Achievements

- Lakehead University students enjoyed a high success rate in applications for funding from NSERC and SSHRC at the Master and Doctoral levels. This year Lakehead had an NSERC quota of 12 applications, 10 of which were successful, including 6 at the Master and 4 at the Doctoral levels. Lakehead also submitted 1 application in NSERC's Aboriginal student category and was successful.

  For SSHRC, Lakehead had a quota of 12 applications at the Master level, all of which were successful. At the Doctoral level, 4 out of 6 applicants were successful, including 1 who received the prestigious Canada Graduate Scholarship.



Denis Ayotte



Professor Ann Clarke



Anna Crawford

- Business Administration student Megan Ott was chosen one of the ten 2007 Futures Fund Scholars, receiving an award for demonstrating exemplary leadership in academic pursuits and extracurricular initiatives.

- Mike Jarvela placed second in the Level Two accounting and finance-related contest of the Certified General Accountants of Ontario (CGA Ontario) One-Hour Accounting Contest, receiving a cash award and a scholarship to the CGA program.

- Twenty-four music students came together in Lakehead's newly formed Opera Studio ensemble under the direction of Dr. Dean Jobin-Bevans to perform Henry Purcell's *Dido and Aeneas*.

- Forestry student Denis Ayotte won first place at both the university and provincial levels of the Ontario Wood *WORKS!* 2007 Student Wood Product Design Competition for his innovative and multi-functional leaf table.

- Drs. Seth Agbo (Education), Inderjit Nirdosh (Chemical Engineering), and Tom Potter (Outdoor Recreation, Parks, and Tourism), received the Ontario Ministry of Training, Colleges and Universities' Leadership in Faculty Teaching (LIFT) Awards to recognize excellent teaching by college and university faculty across Ontario.

- Professor Ann Clarke (Visual Arts) was elected a member of the Royal Canadian Academy of Arts. Clarke has had over 30 solo exhibitions in Canada and has shown her work in more than 90 group shows in Britain, Canada, and the United States.

- Dr. Peter Hollings (Geology) received the 2008 William Harvey Gross Award, bestowed annually by the Geological Association of Canada to a geoscientist younger than 40 years of age who has made a significant contribution to the field of economic geology in a Canadian context.

- Dr. Lynn Martin (Master of Public Health Program) received a 2007 Career Scientist Award from the Ministry of Health and Long-Term Care for her research dealing with needs, service use, quality of services, and outcomes of care across the continuum of mental health services. In 2008, she was recognized by the City of Thunder Bay as a Citizen of Exceptional Achievement.

- Dr. Aris Carastathis (Music) received funds from the Norman Burgess Memorial Fund of the Canadian Music Centre to collaborate with musician Catherine Jillings to compose a new musical work for viola and guitar, which will have its premiere in Toronto in October 2009.

- Geology student Marc Rinne received the 2007 Léopold Gélinas Medal from the Geological Association of Canada for the best Bachelor of Science thesis written by a Canadian or submitted to a Canadian university.

Community Events

Lakehead along with community partners hosted many academic and social events throughout the year including:

- Lakehead University Student Union's (LUSU) *Through Our Eyes*, an Elders' conference hosted by the Aboriginal Awareness Centre held in conjunction with Aboriginal Awareness Week 2008

- The *Sixth Annual TD Canada Trust Northwestern Ontario High School Mathematics Competition*, stimulating the mathematical talents of young people going on to careers in teaching, information sciences, engineering, medicine, skilled trades, commerce, banking and business, and genetics

- *The Chronicle-Journal Regional Spelling Bee*, hosted by CanWest CanSpell, The Chronicle-Journal, and Lakehead University, providing schools from Kenora to Hornepayne, and students aged 15 and under, with the opportunity to participate in a National Spelling Bee competition

- *Lakehead Celebrates*, the annual fall fundraising event in support of scholarships and bursaries, which recognized the success of community partnerships with the Molecular Medicine Research Centre, North of Superior Tourism Association, and the Atikokan Bioenergy Project

- The 40th annual *Forestry Symposium* on community-based forestry in Ontario, and the third annual *Biotechnology Symposium* in conjunction with National Biotechnology Week

- The annual *Thunder Bay Symphony Orchestra (TBSO) Reception* celebrating the collaboration between Lakehead's student vocal ensemble and the TBSO Chorus

- *Climate Change: Solving it Together*, a conference hosted by Environment North, the Food Security Research Network, and the Lakehead University Student Union. ■

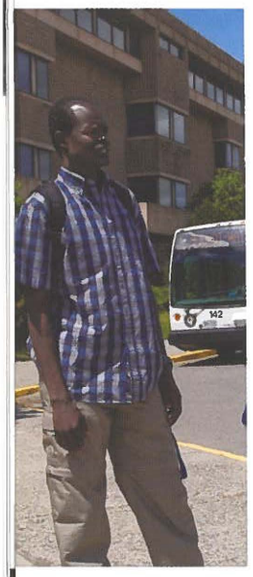


Dr. Glenna Knutson (centre) with graduate students in the Master of Public Health program Ursula Danner (left) and Kristen Jessiman

strategic *directions*

Strategic Planning
Strategic planning for 2010-2013 will begin in fall 2008 under the direction of the President.

Student Union sponsors WUSC Student
Since 1999, Lakehead University students have been directing $1 of their annual student activity fees to sponsor a refugee through the World University Service of Canada (WUSC) program. This year, Lakehead welcomed John Panchol, a student from Sudan, enrolled in Lakehead's General Science program. Also this year, the students voted to double their annual contribution, which will enable Lakehead University to sponsor a WUSC student every two to three years.



John Panchol

Campus Sustainability
The Facility Renewal Project, begun in 2004 and completed this year, has resulted in significant reductions in Lakehead's energy use, energy cost, and greenhouse gas emissions. The $23.3M capital project has realized savings to date of $4.1M with an electrical usage reduction of 23% per year and a gas usage reduction of 43% per year. As a result, Lakehead has eliminated the release of 7,031 tonnes of greenhouse gas emissions per year.

Lakehead University Student Union (LUSU) has a mandatory bus pass which for a cost of $70 per person entitles all students in Thunder Bay to unlimited bus travel from September to April. Since the U-Passes were first issued in the fall of 2007, transit ridership by Lakehead students has increased by 46%.

In addition, Lakehead is reducing its environmental footprint through a variety of initiatives coordinated by the Lakehead University Sustainability Committee.

Research & Innovation Week 2008
Lakehead University's Research & Innovation Week took place at the Thunder Bay campus in February 2008. The event featured a graduate student conference and poster presentation as well as guest speakers, panel discussions, debates, and a pre-event interactive display at Thunder Bay's largest retail centre. In his keynote address, Dr. Eliot Phillipson, President and CEO of the Canada Foundation for Innovation, congratulated Lakehead for having developed a productive 10-year relationship with the national funding organization.

Growth and Renewal
After extensive public consultation and a LUSU referendum, a decision was made to rehabilitate the pool and other aspects of the C.J. Sanders Fieldhouse with money raised from fundraising, user fees, and an increase in the student athletics fee. The University is acquiring Port Arthur Collegiate Institute from the Lakehead District School Board to increase much-needed space. Construction was completed on a new $1.8M Engineering and Forestry Laboratory at the Thunder Bay Campus.

Lakehead University Orillia Campus
Lakehead finalized plans to open a permanent campus in the fall of 2010 on 85 acres of agricultural land donated by the City of Orillia. The first structure, approximately 7,900 square metres in size, will be built to meet Leadership in Energy and Environmental Design (LEED) platinum certification standards, with construction starting in 2009.

The capital campaign for the new campus is being launched in 2008-2009. In addition to the serviced land, valued at $5M, the City of Orillia has donated $5M for campus development. John Singer, Vice-President (University Advancement), and Lee Pigeau, Capital Campaign Manager, will spearhead the initiative and they will be working with Orillia Campus Dean, Dr. Kim Fedderson, and a team of campaign volunteers. 2007-2008 marked Lakehead's second year of operation in Orillia with enrolment growing to more than 300 students.

Alumni Outreach
During the year, a variety of special events for alumni was held: a reception in Calgary hosted by Lakehead Board of Governors member Andy Crooks, a reception and dinner in Toronto hosted by Bruce Brymer, two Alumni Pub Nights in Toronto hosted by the Alumni Association of Lakehead University Toronto Chapter, and receptions in Hong Kong and Singapore hosted by the Past President of the Alumni Association, Vonnie Cheng, and the former Dean of Graduate Studies, Dr. Gary Boire. In addition, the Office of Alumni Relations raised approximately $17,000 for student financial aid through its annual Lakehead Alumni Scholarship Classic golf tournament. It also partnered with the



Dr. Lori Chambers (centre top) meets with Women's Studies graduate students and teaching assistants Rawnda Abraham (left), Chris Vanderwees (right), and Heather Hillsburg



Dr. Eliot Phillipson



Dr. Wensheng Qin



Dr. Josephine Tan (left) with graduate students in Psychology (clockwise from top): Stewart Madon, Kylie Prystanski, Andrew Trerice, and Lisa Miller

Department of Athletics in hosting Alumni Weekend and the 2007 inductions to the Lakehead University Sports Wall of Fame.

Thunder Bay Regional Research Institute

Lakehead University is a partner in the Thunder Bay Regional Research Institute whose flagship program, the Molecular Medicine Research Centre, was launched in December 2007. It positions the Thunder Bay Regional Health Sciences Centre as a leader in patient care through research.

Biorefining Research Initiative (BRI)

Progress was made toward the establishment of a new research institute at Lakehead with the hiring of Dr. Wensheng Qin as an Ontario Research Chair in Biorefining Research and the initiation of a search for the second Ontario Research Chair who will serve as scientific director. In 2007-2008, Lakehead received $1M from the Northern Ontario Heritage Fund to support the establishment of the BRI. In addition, the Minister of Research and Innovation, John Wilkinson, announced that the Government of Ontario had allocated $25M to create a Thunder Bay Centre for Research and Innovation in the Bio-Economy (CRIBE).

SHARCNET

Lakehead University was one of five universities in Ontario to be allocated a Shared Hierarchical Academic Research Computing Network (SHARCNET) Research Chair in 2007-2008. The Chair will be working in the area of biorefining and molecular medicine, and is expected to enhance research using high-performance computing. In addition, the Chair will promote interdisciplinary studies and interactions among departments at Lakehead and with other universities.

Interprofessional Initiatives in the Health Care Sector

The Northern Ontario School of Medicine (NOSM) finalized its fourth year curriculum and is undergoing final accreditation in the fall of 2008. The School is continuing to develop educational programs that prepare graduates to meet the needs of their patients and the wider community, particularly in rural and northern settings. This year, in partnership with Lakehead University, NOSM received over $650,000 from HealthForceOntario for two projects that foster and build interprofessional initiatives.

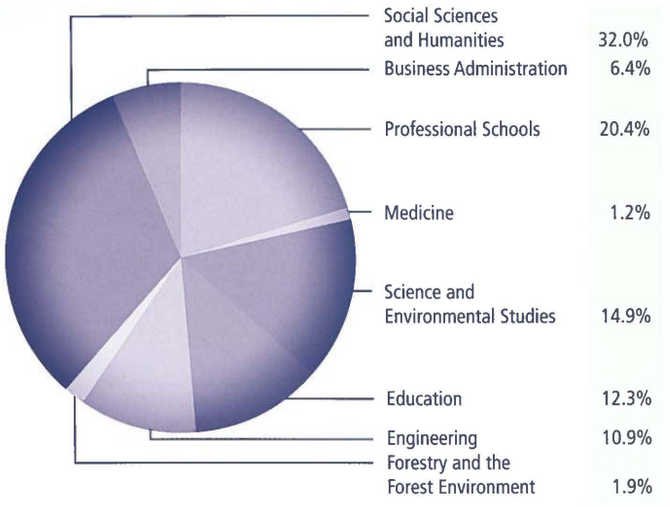
One project will establish a Northern Interprofessional Centre for Health Education to support northern, rural, remote, and Aboriginal health needs. This will be done by building on the current Continuing Health Professional Education initiatives of NOSM and Interprofessional Education offerings of Lakehead University and its partners.

Do Something Awareness Campaign

Lakehead launched an awareness campaign in the fall of 2007 to continue raising brand awareness, recognition, and engagement, and direct prospects to the University website. The Do Something awareness campaign positioned Lakehead University as a socially responsible institution offering relevant programs. The campaign received a Gold Award in the 2008 Prix d'Excellence awards program organized by the Canadian Council for the Advancement of Education. ■

facts and *figures*

Full-Time Undergraduate Enrolment
2007-2008 by Faculty



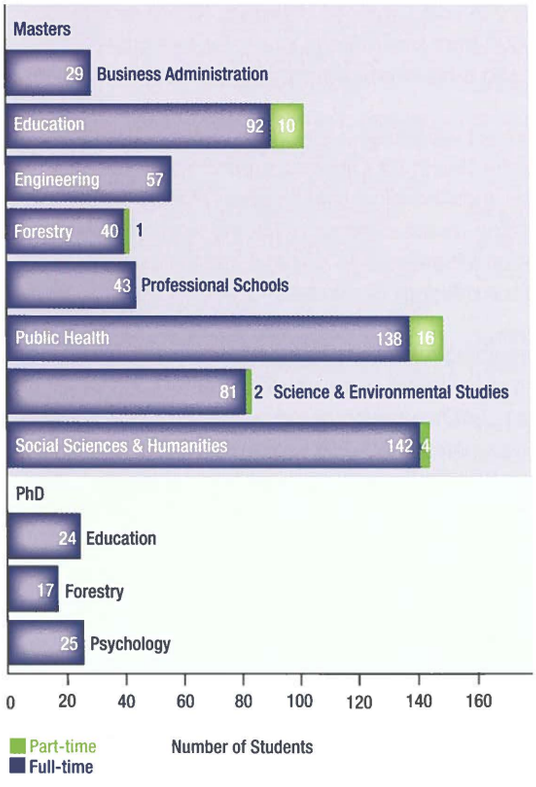
Enrolment
2007-2008

Thunder Bay Campus	7,608
Full-time undergraduate	5,505
Part-time undergraduate	1,382
Full-time graduate	688
Part-time graduate	33
Orillia Campus	301
Full-time undergraduate	269
Part-time undergraduate	32
Total Enrolment	7,909

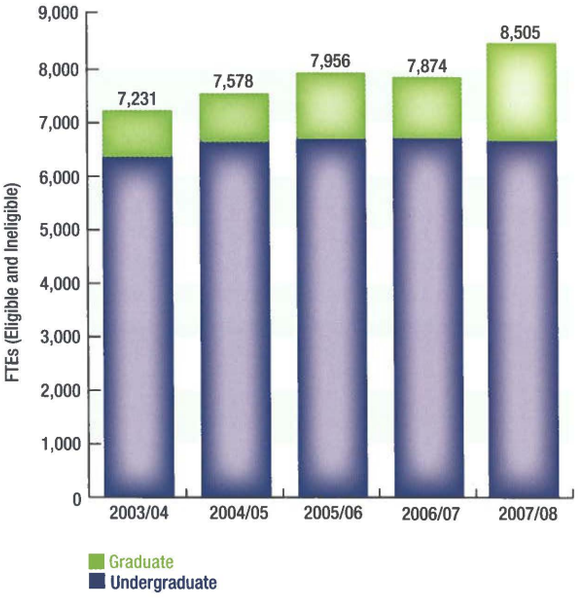
Degrees, Diplomas & Certificates Awarded
2007 Calendar Year

Certificates	52
Diplomas	62
Bachelors	2,169
Masters	166
Doctorates	3
Total	2,452

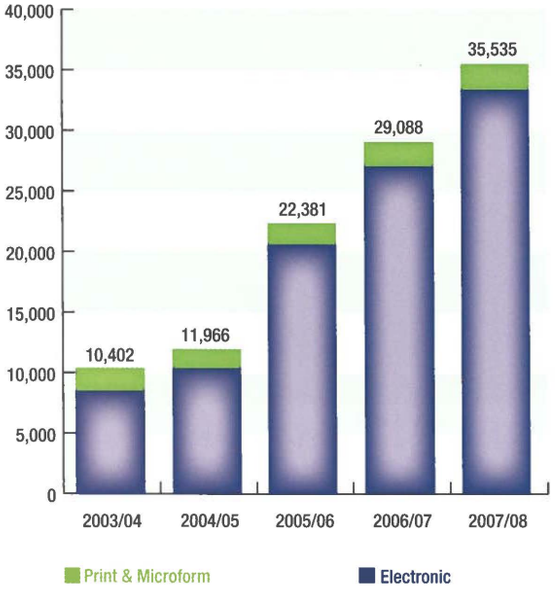
Graduate Enrolment
2007-2008



Full-Time Equivalent Enrolment (FTEs)

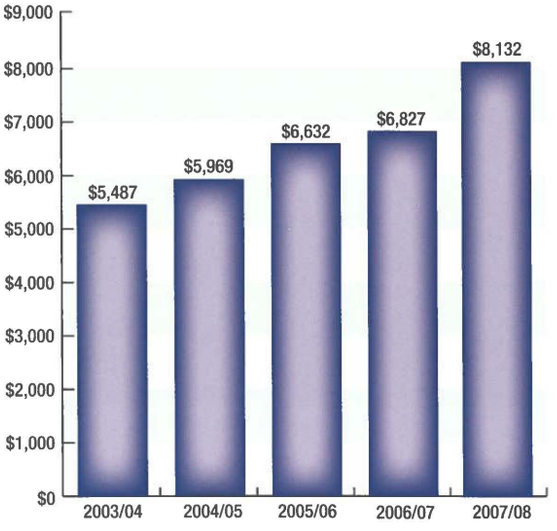


Access to Library Serial Titles



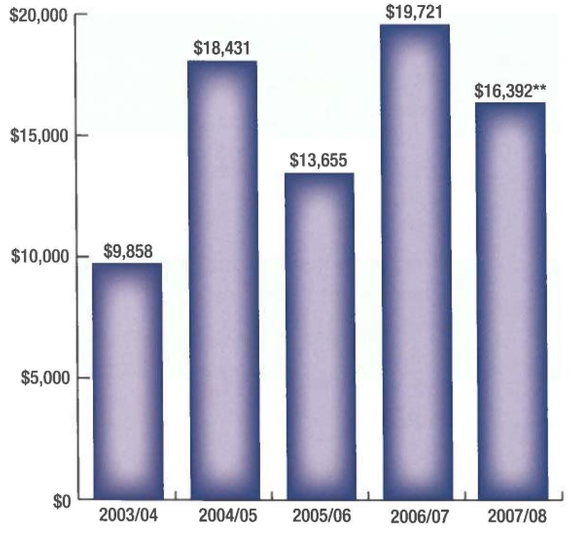
Scholarships, Bursaries, & Awards

in thousands of dollars



Research Grants & Contracts*

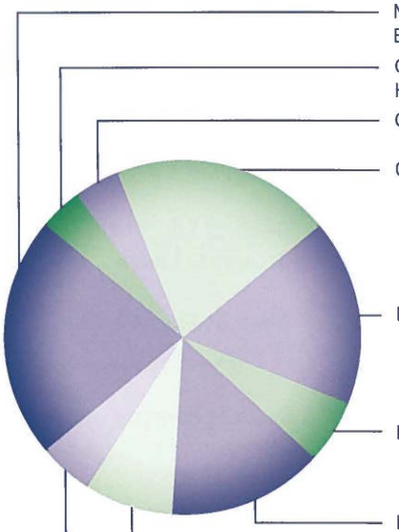
in thousands of dollars



*Reference: Financial Report of Ontario Universities 2007-2008
**Preliminary

Sources of Research Funding 2007-2008*

in thousands of dollars



Natural Sciences and Engineering Research Council	22%	$3,493
Canadian Institutes of Health Research	4%	$715
Canada Research Chairs	4%	$700
Other Federal	20%	$3,284
Provincial	17%	$2,816
Industry	6%	$1,043
Not-for-Profit	14%	$2,306
Miscellaneous	8%	$1,254
Social Sciences and Humanities Research Council	5%	$781

leadership

Chancellor
Dr. Lorne Everett

Board of Governors 2007-2008
Chair
Don Campbell

Members
Alex Boulet
Colin Bruce
Harvey Cardwell
Kevin Cleghorn
Andy Crooks
Kurt Dahl
Dr. Qing-Lai Dang
James Dennison
Jackie Dojack
Kirk Dudtschak
Ann Dumyn
Judy Flett
Dr. Frederick Gilbert
Len Hoey
David Heroux
Peter Holt-Hindle
Krystin Kempton
Gil Labine
Dr. Judith Leggatt
Ron Marostica
Brian McKinnon
Dr. Moira McPherson
Maria Phipps
Eamonn Percy
Tim Pile
Doug Robson
Lynne Sevean
Bruce Waite

Administration

President and Vice-Chancellor
Dr. Frederick Gilbert

Vice-President (Academic) and Provost
Dr. Laurie Hayes

Associate Vice-President (Academic)
Dr. Moira McPherson

Vice-President (Administration and Finance)
Michael Pawlowski

Vice-President (Research)
Dr. Rui Wang

Associate Vice-President (Research)
Dr. Umed Panu

Vice-President (University Advancement)
John Singer

Vice-Provost (Student Affairs)
Marian Ryks-Szelekovszky

Vice-Provost (Aboriginal Initiatives)
Beverly Sabourin

Orillia Campus Dean
Dr. Kim Fedderson

Dean of Business Administration
Dr. Bahram Dadgostar

Dean of Education
Dr. John O'Meara

Dean of Engineering
Dr. Henri Saliba

Dean of Forestry and the Forest Environment
Dr. Reino Pulkki

Dean of Graduate Studies
Dr. Jane Crossman (Acting)

Dean of Health and Behavioural Sciences
Dr. David Tranter (Acting)

Dean of Medicine (Northern Ontario School of Medicine)
Dr. Roger Strasser

Dean of Science and Environmental Studies
Dr. Andrew Dean

Dean of Social Sciences and Humanities
Dr. Gillian Siddall (Acting)

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
Gwen Wojda

Director of Human Resources
Ray Raslack

Director of Institutional Analysis/ Government Relations
Kerrie-Lee Clarke

Director of Physical Plant
Hugh Briggs

Director of Risk Management and Access to Information
Dr. Millo Shaw

Director of Technology Services Centre
Bernie Blake

Executive Director, University Services
Grant Walsh



Lakehead University Board of Governors, 2007-2008
Missing: Alex Boulet, Dr. Qing-Lai Dang, James Dennison, Ann Dumyn, Len Hoey, Krystin Kempton, Eamonn Percy

Research Centres, Institutes, Programs, and Facilities

Advanced Institute for Globalization and Culture (AIG & C)
Drs. Todd Dufresne and Ronald Harpelle, Co-Directors

Biorefining Research Initiative (BRI)
Dr. Robert Dekker, Director

Centre for Education and Research on Aging and Health (CERAH)
Dr. Mary Lou Kelley, Director

Centre for Northern Studies
Dr. Harvey Lemelin, Chair of Northern Studies Committee

Centre for Tourism and Community Development Research
Dr. Norman McIntyre

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, National Director

Interdisciplinary Program for Research on Safe Driving
Dr. Michel Bédard, Director

Lakehead Social History Institute
Dr. Michel Beaulieu and Beth Boegh, Co-Directors

Lakehead University Biotechnology Research Program
Dr. Heidi Schraft, Director

Lakehead University Centre for Health Care Ethics (CHCE)
Dr. Jaro Kotalik, Director

Lakehead University Centre for Analytical Services (LUCAS)
Allan MacKenzie, Director

- **Aquatic Toxicology Research Centre (ATRC)**
  Dr. Peter Lee, Director
- **FoReST (Forest Resources and Soils Testing) Laboratory**
  Drs. Nancy Luckai and Lense Meyer, Co-Directors
- **Lakehead University Environmental Laboratory (LUEL)**
  Dr. Peter Lee, Director
- **Lakehead University Genetic Services (LUGS)**
  Dr. Carney Matheson, Director
- **Lakehead University Instrumentation Laboratory (LUIL)**
  Allan MacKenzie, Manager
- **Lakehead University Material Characterization Services (LUMCS)**
  Co-Directors: Drs. Stephen Kinrade, Robert Mahwinney, and Aicheng Chen
- **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 Facility (LUWSTF)**
  Dr. Mathew Leitch, Director
- **LEVTEK**
  Gary Rathje, Manager
- **Paleo-DNA Laboratory (PDL)**
  Allan MacKenzie, Director
- **Resource Centre for Occupational Health and Safety (RCOHS)**
  Ina Chomyshyn, Director

auditors' report



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, 2008 comprising of 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, 2008 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

Thunder Bay, Ontario
August 12, 2008

balance sheet

April 30 (in thousands of dollars)	2008	2007
Assets		
Cash	$ 31,609	$ 29,988
Accounts receivable (Note 3)	6,364	6,360
Inventories and prepaid expenses	749	2,833
Long-term investments (Note 4)	84,279	80,461
Deferred charge (Note 5)	4,390	4,507
Capital assets (Note 6)	97,941	105,221
	$ 225,332	$229,370
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued charges (Note 7)	$ 9,560	$ 11,796
Faculty early retirement program costs (Note 8)	979	1,907
Deferred revenue (Note 9)	17,583	15,441
Deferred capital contributions (Note 10)	35,859	41,015
Long-term debt (Note 11)	103,410	104,614
	167,391	174,773
Net assets		
Internally restricted (Note 12)	24,996	23,050
Investment in capital assets (Note 13)	1,416	2,934
Endowments (Note 14)	32,119	30,636
Unrestricted	(590)	(2,023)
	57,941	54,597
	$ 225,332	$229,370

On behalf of the Board of Governors:

"D.P. Campbell" *(signed)*

Chair

"F.F. Gilbert" *(signed)*

President

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

statement of revenue and expenses

For the year ended April 30 (in thousands of dollars)	2008	2007
Revenue		
Government grants for general operations	$ 56,592	$ 54,514
Government and other grants for restricted purposes	14,301	9,763
Student fees	37,618	35,854
Sales of goods and services	14,903	14,924
Investment income	1,086	7,881
Donations	959	1,862
Contract research	1,568	3,072
Sundry	2,117	1,804
Amortization of deferred capital contributions	6,326	6,309
	135,470	135,983
Expenses		
Salaries and benefits	77,231	71,137
Operational supplies and expenses	5,825	4,862
Cost of sales and services	6,427	6,468
Amortization of capital assets	14,211	13,898
Amortization of deferred charges	117	117
Building and equipment maintenance	6,270	4,556
Municipal taxes	527	465
Scholarships, bursaries and awards	8,132	6,827
Utilities	3,498	3,658
Travel	2,724	2,789
Other	3,905	3,568
Interest on long term debt	5,743	5,666
	134,610	124,011
Excess of revenue over expenses for the year	$ 860	$ 11,972

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

statement of changes in net assets

For the year ended April 30 (in thousands of dollars)	Internally Restricted	Investment in Capital Assets	Endowments	Unrestricted	2008 Total	2007 Total
	(Note 12)	(Note 13)	(Note 14)			
Balance, beginning of year	$ 23,050	$ 2,934	$ 30,636	$ (2,023)	$ 54,597	$ 32,369
Change in accounting policies (Note 2a)	1,013	-	-	-	1,013	-
Net assets, beginning of year, as restated	24,063	2,934	30,636	(2,023)	55,610	-
Excess of revenue over expenses for the year	-	-	-	860	860	11,972
Change in internally restricted net assets	933	-	-	(933)	-	-
Change in investment in capital assets	-	(1,518)	-	1,518	-	-
Transfer to endowments	-	-	12	(12)	-	-
Endowment contributions	-	-	1,247	-	1,247	9,301
Capital preservation of endowments	-	-	224	-	224	955
Balance, end of year	$ 24,996	$ 1,416	$ 32,119	$ (590)	$ 57,941	$ 54,597

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

statement of cash flows

For the year ended April 30 (in thousands of dollars)	2008	2007
Cash flows from operating activities		
Excess of revenue over expenses for the year	$ 860	$ 11,972
Items not involving cash		
Amortization of capital assets	14,211	13,898
Amortization of deferred charge	117	117
Amortization of deferred capital contributions	(6,326)	(6,309)
Change in accounting policies, long term investments (Note 2a)	1,013	-
	9,875	19,678
Net change in non-cash working capital balances related to operations (Note 20)	(156)	(1,616)
Cash provided by operating activities	9,719	18,062
Financing activities		
Increase in faculty early retirement program	-	16
Faculty early retirement program payments	(928)	(1,323)
Long term debt principal repayments	(1,204)	(1,141)
Proceeds from long term debt	-	235
Increase (decrease) in deferred revenue	2,142	(595)
Deferred capital contributions received	1,170	1,941
	1,180	(867)
Investing activities		
Endowment contributions	1,247	9,301
Capital preservation of endowments	224	955
Purchase of capital assets	(6,931)	(12,090)
Change in long term investments, net	(3,818)	(18,293)
	(9,278)	(20,127)
	(8,098)	(20,994)
Increase (decrease) in cash for the year	1,621	(2,932)
Cash, beginning of year	29,988	32,920
Cash, end of year	$ 31,609	$ 29,988

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

notes to the financial statements

April 30, 2008 (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).

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) Change in Accounting Policies

On May 1, 2007 the University adopted four new accounting standards that were issued by the Canadian Institute of Chartered Accountants ("CICA"). These standards were: Comprehensive Income (handbook "Section 1530"), Financial Instruments – Recognition and Measurement (handbook "Section 3855"), Financial Instruments – Disclosure and Presentation (handbook "Section 3861"), and Hedges (handbook "Section 3865"). As a result of the change, as at May 1, 2007 investments were increased by $1,013 and restricted net assets were increased by $1,013. In accordance with the transitional requirements, the comparative amounts have not been restated.

b) Investments

Investments are carried at fair value except for the marketable securities consisting of stripped coupon bonds. The calculation of estimated fair value is based upon market conditions at a specific point in time and may not be reflective of future fair values. Changes in fair values from one year to the next are reflected in the statement of operations in investment income or in endowments.

The value of investments recorded in the financial statements is determined as follows:

1. Investments in pooled funds are valued at their reported net asset value per unit.
2. Publicly traded bonds are determined based on the latest bid prices.
3. Private investment interests, which consist of common shares in a Private Canadian Controlled Company, life insurance policies and other shares, are valued at cost. The university believes the carrying value of these financial instruments is a reasonable estimate of fair value.

c) 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.

d) 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.

notes to the financial statements

April 30, 2008 (in thousands of dollars)

2. Summary of Significant Accounting Policies (cont'd)

e) 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.

f) 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.

g) 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.

h) Financial Instruments

Financial instruments consist of cash, accounts receivable, long-term investments, accounts payable and accrued charges 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 its financial instruments and the carrying amounts approximate fair values.

The University recognizes and measures financial assets and financial liabilities on the balance sheet when they become a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a settlement date basis. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on whether the financial instrument has been classified as "held for trading", "loans and receivables", "held to maturity", "available for sale" or "other financial liabilities".

"Held for trading" financial instruments are recognized initially at fair value and transaction costs are taken directly to the statements of earnings and equity. They are subsequently measured at fair value and gains and losses arising from changes in fair value of these instruments are recorded in the statements of earnings and equity. Long term investments and cash have been classified as "held for trading" by the University.

"Loans and receivables" are non-derivative financial assets with fixed or determinable repayment dates, usually with interest, that are not debt securities or instruments classified as "held for trading" on initial recognition. These instruments are initially recognized at fair value including direct and incremental transactions costs. They are subsequently valued at amortized cost using the effective interest method less any provision for impairment. Accounts receivable has been classified as "loans and receivables".

"Held to maturity" investments include financial assets with fixed or determinable payments that the University's management has the intention and ability to hold to maturity. They are initially recognized at fair value including direct and incremental transaction costs . They are subsequently valued at amortized cost using the effective interest method less any provision for impairment. Specific stripped coupon bonds have been classified as "held to maturity".

"Other financial liabilities" are non-derivative financial liabilities and include accounts payable and accrued charges and long-term debt. These instruments are initially recognized at fair value including direct and incremental transaction costs. They are subsequently measured at amortized cost using the effective interest method.

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted bid or asking prices as appropriate, in the most advantageous active market for that instrument to which the University has immediate access.

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discounted rates. In determining those assumptions, external readily observable market inputs including interest rate yield curves, currency rates and price and rate volatilities are considered, as applicable.

2. Summary of Significant Accounting Policies (cont'd)

i) Financial Accounting Changes

The CICA has issued two new accounting standards, Handbook Section 3862, Financial Instruments – Disclosures and Handbook Section 3863, Financial Instruments – Presentation, which enhance the abilities of users of financial statements to evaluate the significance of financial instruments to an entity, related exposures and the management of these risks.

The CICA has also issued a new accounting standard, CICA 1535, Capital Disclosures, which requires the disclosure of qualitative and quantitative information that enables users of financial statements to evaluate the entity's objectives, policies and processes for managing net assets.

These new standards will be effective for the University starting May 1, 2008.

3. Accounts Receivable

Accounts receivable consist of the following:

	2008	2007
Tuition and residence fees	$ 470	$ 497
Interest and sundry accounts	2,155	2,851
Sponsored research monies	3,635	2,887
Capital grants from government	104	125
	$ 6,364	$ 6,360

4. Long-Term Investments

Long-term investments consist of the following:

	2008	2007
Pooled funds	$ 75,595	$ 72,966
Marketable securities carried at fair value (2007 at cost)	5,486	4,439
Marketable securities carried at cost	3,198	3,056
	$ 84,279	$ 80,461

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, 2008 was $75,595 (2007 - $72,966). The increase in the investment during the fiscal year of $2,629 includes receipts of $3,101 and investment loss of $472. Included in the pooled funds are internally restricted amounts created from excess borrowings of the Series A unsecured debenture described in 11.7. The market value as at April 30, 2008 is $38,488 representing an initial investment of $32,912 and investment income of $5,576; $2,356 of the investment income has been allocated to the University operations (($116 - 2008, $2,240 - 2007) (Note 12). Also included in the pooled funds is $3,566 (2007 - $2,147) of a debt repayment sinking fund for project loans being amortized over their initial terms.

Marketable securities carried at fair value consist of investments in government and corporate bonds of $5,372 (2007 - $4,426 carried at cost), life insurance policies of $23 (2007 - $12), and shares of $91 (2007 - $1). The market value of the marketable securities as at April 30, 2008 was $5,486 (2007 - $5,452). The bonds mature between 2007 and 2035 with annual yields ranging from 4.2% to 8.5%.

Included in the marketable securities carried at cost are Government of Canada and Ontario stripped coupon bonds originally purchased 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 11.1. Interest accrued from the original purchase date to April 30, 2008 amounting to $2,587 has been added to the asset value resulting in a sinking fund balance of $3,184 (2007 - $2,886). Other securities carried at cost amount to $14.

notes to the financial statements

April 30, 2008 (in thousands of dollars)

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 2008 is $117 (2007 - $117).

6. Capital Assets

	2008			2007		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	$ 1,747	$ -	$ 1,747	$ 1,747	$ -	$ 1,747
Site development	7,965	5,683	2,282	7,524	5,403	2,121
Buildings	153,841	72,074	81,767	152,421	67,716	84,705
Furniture and equipment	101,101	93,305	7,796	98,014	85,949	12,065
Leasehold improvements	1,487	991	496	1,487	495	992
Library books	36,827	33,084	3,743	34,955	31,364	3,591
Construction in progress (Note 19a)	110	-	110	-	-	-
	$ 303,078	$ 205,137	$ 97,941	$ 296,148	$ 190,927	$ 105,221

7. Accounts Payable and Accrued Charges

The accounts payable and accrued charges consist of the following:

	2008	2007
Trade accounts	$ 6,216	$ 6,825
Payroll liabilities	808	1,208
Vacation pay liability	2,142	2,229
Capital projects	394	1,534
	$ 9,560	$ 11,796

8. Faculty Early Retirement Program Costs

The University offers 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:

	2008	2007
2008	$ -	$ 893
2009	501	536
2010	304	304
2011	141	141
2012	33	33
	$ 979	$ 1,907

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:

	2008	2007
Research	$ 10,908	$ 9,750
Other restricted purposes	6,675	5,691
	$ 17,583	$ 15,441

notes to the financial statements

April 30, 2008 (in thousands of dollars)

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:

	2008	2007
Balance, beginning of year	$ 41,015	$ 45,383
Add: contributions received for capital asset purchases	1,170	1,941
Less: amortization of deferred capital contributions	(6,326)	(6,309)
Balance, end of year	$ 35,859	$ 41,015

11. Long-Term Debt

	2008	2007
11.1 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 $2,587, the value of the sinking funds as of April 30, 2008 is $3,184 (2007 - $2,886) (Note 4).	$ 3,600	$ 3,600
11.2 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.	1,257	1,329
11.3 The Sisters of St. Joseph – Avila Centre Mortgage payable, interest at 6.00% per annum, payable over fifteen years through varying annual payments, including interest (2008 - $264; 2007 - $249), maturing May 21, 2008.	14	261
11.4 Sun Life Financial – 874 Tungsten St. Mortgage payable, interest at 6.42% per annum, monthly payments, including interest, of $4, maturing July 2009.	260	293
11.5 Promissory Note – 874 Tungsten St. Promissory note, secured by second mortgage, non-interest bearing, monthly principal payments of $1, maturing March 2010.	23	35
11.6 Promissory Note – Northwestern Ontario Innovation Centre Inc. Promissory note, unsecured, non-interest bearing, annual principal payments of $23, maturing November 2015.	188	212
11.7 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 "University Investment Portfolio" in the amount of $32,912 (Note 4). Included in the pooled funds (Note 4) is $3,566 (2007 - $2,147) of a debt repayment sinking fund for project loans being amortized over their initial terms. The fair value of the debenture at April 30, 2008 was $98,245 (2007 - $100,271)	98,068	98,884
	$ 103,410	$ 104,614

notes to the financial statements

April 30, 2008 (in thousands of dollars)

11. Long-Term Debt (cont'd)

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

Date	Amount
2009	$ 1,021
2010	4,846
2011	1,064
2012	1,121
2013	1,181
Thereafter	94,177
	$ 103,410

The University has available an operating line of credit of $3,000, with interest at the bank's prime lending rate (4.75% per annum at year-end).

12. Internally Restricted Net Assets

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

	2008	2007
Operating Fund		
Repairs and replacements	$ 5,428	$ 3,340
Self-insurance	250	250
Unexpended budgets and departmental incomes	4,488	4,170
Future year's budget	536	4,260
Ancillary Enterprises		
Retail operations	485	160
Food services	59	62
Residence reserve for repairs and replacements	235	229
Other ancillary	299	112
Restricted Funds		
University general trust fund	3,855	4,310
Interest earned on investment from excess borrowings	3,220	3,171
Unexpended capital funds	1,079	221
Research funds	1,496	618
Bond sinking fund	3,566	2,147
	$ 24,996	$ 23,050

13. Investment in Capital Assets

	2008	2007
The investment in capital assets consists of the following:		
Capital assets, net book value	$ 97,941	$ 105,221
Less amounts financed by:		
Long term debt (net of residence and bond sinking funds)	(61,147)	(62,109)
Deferred capital contributions	(35,378)	(40,178)
	$ 1,416	$ 2,934

notes to the financial statements

April 30, 2008 (in thousands of dollars)

13. Investment in Capital Assets (cont'd)

The change in investment in capital assets is calculated as follows:	2008	2007
Repayment of long-term debt	$ 878	$ 832
Increase in residence and bond sinking fund	298	270
Purchase of capital assets internally financed	5,191	6,029
	6,367	7,131
Amortization expense	14,211	13,898
Less: Amount of amortization expense related to capital assets purchased with restricted contributions	(6,326)	(6,309)
	7,885	7,589
Net decrease	$ (1,518)	$ (458)

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 $32,119 (2007 - $30,636).

15. Ontario Student Trust Funds

Externally restricted endowments of $32,119 (2007 - $30,636) 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)

	2008	2007
OSOTF endowment balance, beginning of year	$ 6,943	$ 6,776
Capitalized interest	26	167
OSOTF endowment balance, end of year	$ 6,969	$ 6,943
Expendable funds, beginning of year	$ 1,070	$ 578
Change in Accounting Policy (note 2a)	183	-
Expendable funds, beginning of year as restated	1,253	578
Realized investment income	(164)	790
Bursaries awarded	(316)	(298)
Expendable funds, end of year	$ 773	$ 1,070
Number of bursaries awarded	293	422
Market Value of Endowment	$ 7,004	$ 7,264

notes to the financial statements

April 30, 2008 (in thousands of dollars)

15. Ontario Student Trust Funds (cont'd)

OSOTF (Phase II)

	2008	2007
OSOTF endowment balance, beginning of year	$ 1,615	$ 1,563
Capitalized interest	10	52
OSOTF endowment balance, end of year	$ 1,625	$ 1,615
Expendable funds, beginning of year	$ 139	$ 15
Realized investment income	(46)	181
Bursaries awarded	(69)	(57)
Expendable funds, end of year	$ 24	$ 139
Number of bursaries awarded	64	36
Market Value of Endowment	$ 1,613	$ 1,725

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, 2007 to March 31, 2008 (April 1, 2006 to March 31, 2007).

	2008	2007
Donations eligible for matching	$ 513	$ 890
Donations not yet eligible for matching	2	75
Total cash donations	$ 515	$ 965

The following is the schedule of changes in endowment fund balance for the period April 1, 2007 to March 31, 2008 (April 1, 2006 to March 31, 2007).

	2008	2007
Endowment balance, beginning of year	$ 3,743	$ 1,888
Cash donations received	515	965
Matching funds received / receivable	625	890
Preservation of capital	160	-
Endowment balance, end of year	$ 5,043	$ 3,743

The following is the schedule of changes in expendable funds available for awards for the period April 1, 2007 to March 31, 2008 (April 1, 2006 to March 31, 2007).

	2008	2007
Expendable funds, beginning of year	$ 202	$ -
Realized investment income	(101)	234
Bursaries awarded	(151)	(32)
Expendable funds, end of year	$ (50)	$ 202
Number of bursaries awarded	66	16

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	$ 2,966

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.

In the event that an actuarial valuation discloses a going concern unfunded liability or a solvency deficiency as defined by the Pension Benefits Act (1987), the University will be obligated to make additional contributions as required by the Act. The actuarial valuation of the Plan at December 31, 2006, reported that based on then current provisions, the Plan was fully funded with no solvency deficiency and no requirement for additional University contributions. The next valuation should be carried out no later than December 31, 2009.

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 $2,420 (2007 - $2,399) and faculty early retirement benefits of $nil (2007 - $18).

18. Contingent Liabilities

a) At April 30, 2008, the University was guarantor of five (2007 - nine) housing loans for faculty and staff in the amount of $49 (2007 - $109).

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, 2008, 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.

notes to the financial statements

April 30, 2008 (in thousands of dollars)

19. Commitments

a) The estimated cost to complete the Orillia Campus Building in progress at April 30, 2008 is $40,000. The $40,000 will be funded from donations, private sector contributions and borrowings. The ratio of borrowings to donations will depend on the success of the fundraising campaign.

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

Date	Amount
2009	$ 524
2010	318
2011	214
2012	122
2013	120

20. Statement of Cash Flows

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

	2008	2007
Accounts receivable	$ (4)	$ (807)
Inventory and prepaid expenses	2,084	(2,064)
Accounts payable and accrued charges	(2,236)	1,255
	$ (156)	$ (1,616)

21. Related Party Transactions

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

	2008	2007
Recoveries and charges for goods and services	$ 1,230	$ 1,331

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.

22. Subsequent Event

On July 14, 2008, the University experienced a fire on the east wing of the Braun Building. The amount of damages is estimated at $2,500. With the exception of a deductible of $40 for building and contents and a deductible for $10 for computer equipment, the insurance coverage should reimburse the University for replacement costs.

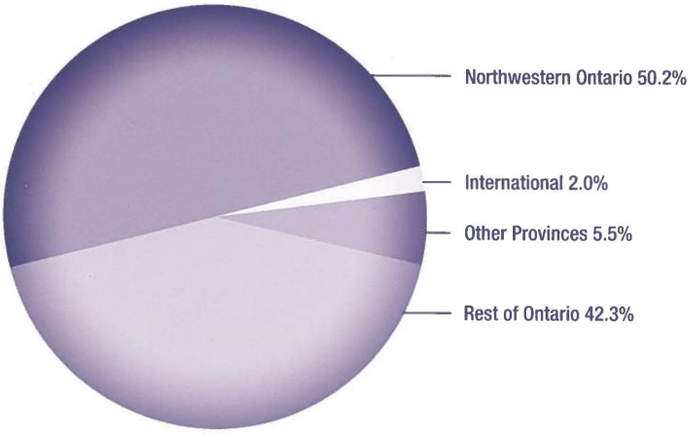
23. Comparative Amounts

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

university facts

Established:	July 1, 1965
Total Enrolment:	7,909 including 6,462 full-time graduate and undergraduate students
Full-time Faculty:	313
Employees:	2,250 including approximately 700 full-time positions
Alumni:	42,875
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 **Name changed to Health and Behavioural Sciences on July 1, 2008*
Economic Impact of Lakehead University:	$288.1M on the City of Thunder Bay in fiscal 2007-2008 $7.7M on the City of Orillia in fiscal 2007-2008

Geographic Origin of Students
2007-2008



Residence Accommodation
Number of Beds 2007-2008 1,190

Contact Information
Lakehead University Annual Report 2007-2008 is posted online at www.lakeheadu.ca/report/

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"education
is not the *filling of a vessel*
but the
lighting of a flame"

– *Socrates*



Lakehead
UNIVERSITY

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Produced by Lakehead University Office of Communications, Designed by Fantail Communications Inc., Printed in Canada
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