Lakehead University
Financial Statements
For the year ended April 30, 2003

Contents

BDO

BDO

BDO Dunwoody LLP
Chartered Accountants
and Consultants

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Auditors' Report

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, 2003 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, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures as at and for the year April 30, 2002 were audited by another firm of Chartered Accountants who expressed an opinion without reservation in their report dated August 23, 2002.

BDO Dunwoody LLP
Chartered Accountants
Thunder Bay, Ontario
August 15, 2003

Lakehead University
Balance Sheet

April 30 (in thousands of dollars)	2003	2002
Assets		
Current		
Cash (Note 3)	$ 15,158	$ 4,796
Accounts receivable (Note 4)	5,557	5,321
Inventories and prepaid expenses	745	683
	21,460	10,800
Long term investments (Note 5)	14,766	15,164
Capital assets (Note 6)	70,519	45,082
	$ 106,745	$ 71,046

	2003	2002
Liabilities and Net Assets		
Current		
Demand loan (Note 7)	$ 600	$ 600
Accounts payable and accrued charges (Note 8)	15,751	9,995
Deferred revenue	3,594	3,315
Current portion of long term debt (Note 9)	1,618	760
	21,563	14,670
Long term debt (Note 9)	27,429	11,211
Faculty early retirement program costs (Note 10)	5,948	4,082
Deferred revenue contributions (Note 11)	6,595	5,561
Deferred capital contributions (Note 12)	42,523	33,445
	104,058	68,969
Net assets		
Internally restricted (Note 13)	5,435	3,974
Investment in capital assets (Note 14)	2,423	2,388
Endowments (Note 15)	12,195	11,819
Unrestricted	(17,366)	(16,104)
	2,687	2,077
	$ 106,745	$ 71,046

On behalf of the Board of Governors:

Chair

President

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

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Lakehead University
Statement of Revenue and Expenses

For the year ended April 30 (in thousands of dollars)	2003	2002
Revenue		
Government grants for general operations	**$ 35,323**	$ 32,222
Government and other grants for restricted purposes	**6,533**	7,391
Student fees	**27,036**	24,946
Sales of goods and services	**12,536**	10,752
Investment income	**44**	561
Donations	**633**	3,338
Contract research	**2,881**	1,819
Sundry	**3,186**	1,067
Amortization of deferred capital contributions	**4,454**	4,321
	92,626	86,417
Expenses		
Salaries and benefits	**56,716**	53,138
Operational supplies and expenses	**3,707**	3,314
Cost of sales and services	**6,549**	5,679
Amortization of capital assets	**8,049**	7,836
Building and equipment maintenance	**2,659**	5,519
Municipal taxes	**365**	371
Scholarships, bursaries and awards	**4,946**	4,235
Utilities	**3,919**	3,280
Travel	**2,174**	2,106
Other	**2,312**	2,159
Interest	**993**	1,162
	92,389	88,799
Excess of revenue over expenses (expenses over revenue) for the year	**$ 237**	$ (2,382)

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

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Lakehead University
Statement of Changes in Net Assets

For the year ended April 30 (in thousands of dollars)

	2003					2002
	Internally Restricted (Note 13)	**Investment in Capital Assets** (Note 14)	**Endowments** (Note 15)	**Unrestricted**	**Total**	Total
Net assets, beginning of year as previously stated	**$(10,365)**	**$ 623**	**$ 11,819**	**$ -**	**$2,077**	$4,134
Transfer to unrestricted	**16,104**	**-**	**-**	**(16,104)**	**-**	-
Transfer to investment in capital assets	**(1,765)**	**1,765**	**-**	**-**	**-**	-
Net assets, beginning of year as restated	**3,974**	**2,388**	**11,819**	**(16,104)**	**2,077**	4,134
Excess of revenue over expenses (expenses over revenue)	**-**	**-**	**-**	**237**	**237**	(2,382)
Change in internally restricted net assets	**1,461**	**-**	**-**	**(1,461)**	**-**	-
Change in investment in capital assets (Note 14)	**-**	**35**	**-**	**(35)**	**-**	-
Transfer to endowments	**-**	**-**	**3**	**(3)**	**-**	-
Endowment contributions	**-**	**-**	**302**	**-**	**302**	230
Capital preservation of endowments	**-**	**-**	**71**	**-**	**71**	95
Net assets, end of year	**$5,435**	**$2,423**	**$12,195**	**$(17,366)**	**$2,687**	$2,077

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)	2003	2002
Operating activities		
Excess of revenue over expenses (expenses over revenue)	$ **237**	$ (2,382)
Add (deduct) non-cash items:		
Amortization of capital assets	**8,049**	7,836
Amortization of deferred capital contributions	**(4,454)**	(4,321)
	3,832	1,133
Net change in non-cash working capital accounts related to operations	**5,196**	2,877
Cash provided by operating activities	**9,028**	4,010
Financing and investing activities		
Endowment contributions	**302**	230
Capital preservation of endowments	**71**	95
Increase in faculty early retirement program	**3,396**	2,276
Faculty early retirement program payments	**(989)**	(739)
Long term debt principal repayments	**(760)**	(2,633)
Purchase of capital assets	**(33,486)**	(18,984)
Issue of long term debt	**17,836**	-
Change in long term investments, net	**398**	13,843
Increase in deferred revenue contributions	**1,034**	889
Increase in deferred capital contributions	**13,532**	4,413
	1,334	(610)
Net increase in cash during the year	**10,362**	3,400
Cash, beginning of year	**4,796**	1,396
Cash, end of year	$ **15,158**	$ 4,796

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

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 include the assets, liabilities, net assets, revenue, expenses and other transactions of all of the operations and organizations controlled by the University including The Lakehead Research and Technology Centre, a related corporation. 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 has an economic beneficial interest in a Crown-controlled foundation, Lakehead University Foundation, which is not consolidated into these financial statements. The principal objectives of the Foundation are to solicit, receive and distribute monies and other property to support education and research at the University.

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 18). The Lakehead University Pension Investment Fund is audited separately.

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) 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.

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

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 5).

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 years
Furniture and equipment	-	5 years
Library books	-	5 years

Construction in progress relates to building projects that are incomplete as at April 30, 2003. Amortization will be recorded upon completion at the applicable rates noted above.

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.

April 30, 2003 (in thousands of dollars)

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

e) Contributed 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.

3. Cash

The University has available an operating line of credit of $3,000, with interest at the bank's prime lending rate (4.0% per annum at year-end), secured by a general security agreement covering all assets other than real property.

4. Accounts Receivable

Accounts receivable consist of the following:

	2003	2002
Tuition and residence fees	$ 892	$ 1,226
Interest and sundry accounts	2,532	2,286
Sponsored research monies	1,984	1,748
Capital grants from government	149	61
	$ 5,557	$ 5,321

April 30, 2003 (in thousands of dollars)

5. Long Term Investments

Long term investments consist of the following:

	2003	2002
Pooled funds	**$ 8,168**	$ 8,749
Marketable securities	**6,598**	6,165
SuperBuild fund	**-**	250
	$ 14,766	$ 15,164

The pooled funds consist of units held in a balanced fund in trust and managed by professional external fund managers. The market value of the University's investment in this fund as at April 30, 2003 was $8,168 (2002 - $8,749). The decrease in the investment during the fiscal year of $581 is reflected as a reduction of investment income.

Marketable securities consist of investments in government and corporate bonds of $6,597 (2002 - $6,164) and shares of $1 (2002 - $1) (Note 2a). The market value of the marketable securities as at April 30, 2003 was $8,032 (2002 - $7,615).

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 townhouse residences described in Note 9.2. Interest accrued from the original purchase date to April 30, 2003 amounting to $1,350 has been added to the asset value resulting in a sinking fund balance of $1,947.

6. Capital Assets

	2003			2002		
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Land	**$ 1,103**	**$ -**	**$ 1,103**	$ 1,103	$ -	$ 1,103
Site development	**5,167**	**5,136**	**31**	5,167	5,107	60
Buildings	**70,966**	**53,428**	**17,538**	70,966	51,618	19,348
Furniture and equipment	**64,321**	**54,962**	**9,359**	61,959	50,084	11,875
Library books	**28,224**	**25,508**	**2,716**	26,822	24,176	2,646
Construction in progress	**39,772**	**-**	**39,772**	10,050	-	10,050
	$ 209,553	**$ 139,034**	**$ 70,519**	$ 176,067	$ 130,985	$ 45,082

April 30, 2003 (in thousands of dollars)

7. Demand Loan

The $600 (2002 - $600) demand loan is being used to partially finance the acquisition of the Northwestern Ontario Technology Centre and bears interest at the bank's prime lending rate (4.0% per annum at April 30, 2003). Interest is payable monthly for an initial five year period with monthly principal and interest repayment to be established thereafter.

8. Accounts Payable and Accrued Charges

The accounts payable and accrued charges consist of the following:

	2003	2002
Trade Accounts	$ 3,601	$ 3,087
Payroll liabilities	1,609	1,702
Faculty early retirement – current portion	1,516	975
Vacation pay liability	1,836	1,781
Capital projects	7,189	2,450
	$ 15,751	$ 9,995

9. Long Term Debt

The long term debt consists of the following:

	2003	2002
9.1 Canada Mortgage and Housing Corporation The mortgage payable to the Canada Mortgage and Housing Corporation to provide substantial financing for an addition to the residence buildings is being repaid over a forty-year period ending December 1, 2006. Principal and interest at the rate of 5.75% per annum, is payable through semi-annual installments of $7.	$ 48	$ 59
Carried forward	$ 48	$ 59

April 30, 2003 (in thousands of dollars)

9. Long Term Debt (cont'd)

		2003		2002
Brought forward	**$**	**48**	$	59
9.2 Ontario Housing Corporation The mortgage payable to the Ontario Housing Corporation of $3,600 was required to finance the construction of six residence townhouses. Interest is payable semi-annually at the rate of 9.26% per annum and 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 $1,350, the value of the sinking funds as of April 30, 2003 is $1,947 (2002 - $1,765) (Note 5).		**3,600**		3,600
9.3 Long-term lease obligation The University leases a 480 bed student 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. 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.		**1,578**		1,629
9.4 Royal Bank of Canada Mortgage The mortgage payable to the Royal Bank of Canada was acquired to substantially finance the construction of six residence townhouses. Principal and interest at the rate of 9.65% per annum was payable through semi-annual installments of $186 during the ten year period ended April 1, 2002. Upon maturity, the unpaid principal amounted to $2,926 and was re-financed (see Note 9.7).		**-**		2,926
Carried forward	**$**	**5,226**	$	8,214

April 30, 2003 (in thousands of dollars)

9. Long Term Debt (cont'd)

		2003		2002
Brought forward	$	**5,226**	$	8,214
9.5 The Sisters of St. Joseph The mortgage payable to The Sisters of St. Joseph was acquired to finance the balance of the acquisition cost of $2,250 for the purchase of land and buildings adjacent to the campus. Principal and interest at the rate of 6% per annum is payable over fifteen years through annual instalments ending May 21, 2008.		**993**		1,122
9.6 The Toronto-Dominion Bank The promissory note was arranged to substantially finance the construction of six residence townhouses. Principal and interest at the rate of 5.95% per annum was payable through semi-annual instalments of $114 during the five year period ended April 30, 2002. Upon maturity the unpaid principal amounted to $2,635 and was re-financed (See Note 9.7).		**-**		2,635
9.7 Royal Bank of Canada Term Facility The term facility was arranged to refinance debt associated with the construction of twelve residence townhouses and to provide additional funds that were used for renovations and maintenance to the residences. The semi-annual principal payments over the 15 year term of the loan are $283. The University entered into an interest rate swap contract with the Royal Bank whereby the University has fixed its interest rate on this loan at 6.07%.		**7,828**		-
Carried forward	$	**14,047**	$	11,971

April 30, 2003 (in thousands of dollars)

9. Long Term Debt (cont'd)

	2003	2002
Brought forward	**$ 14,047**	$ 11,971
9.8 Royal Bank of Canada Demand Loan The demand loan was arranged to finance the construction of the Advanced Technology and Academic Centre and bears interest at the bank's prime lending rate less 0.25% per annum. On June 3, 2003 this demand loan was repaid and the University became indebted to the Royal Bank in the amount of $20,000 for a term facility to finance the construction of this building. The quarterly principal payments over the 18 year term of the loan are $278. The University entered into an interest rate swap contract with the Royal Bank whereby the University has fixed its interest rate on this loan at 5.9%.	**15,000**	-
Total long term debt	**29,047**	11,971
Less current portion	**1,618**	760
	$ 27,429	$ 11,211

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

Year	**Amount**
2004	$ 1,618
2005	1,922
2006	1,950
2007	1,973
2008	1,999

April 30, 2003 (in thousands of dollars)

10. Faculty Early Retirement Program Costs

The University offers a voluntary early retirement program to qualifying University faculty. The estimated accrued liability, which amounts to $7,464 (2002 - $5,057), represents the cost of contractual payments and benefits owed to participating faculty members. These retirement costs will be paid out approximately as follows:

	2003	2002
2003	$ -	$ 975
2004	1,516	986
2005	1,605	905
2006	1,391	747
2007	1,226	637
2008	812	354
2009 to 2012	914	453
	7,464	5,057
Less current portion included in accounts payable and accrued charges (Note 8)	1,516	975
Non current portion	$ 5,948	$ 4,082

11. Deferred Revenue Contributions

Deferred revenue contributions represent unspent externally restricted grants and donations as follows:

	2003	2002
Research	$ 5,935	$ 4,783
Other restricted purposes	660	778
	$ 6,595	$ 5,561

April 30, 2003 (in thousands of dollars)

12. 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. The changes in the deferred capital contributions balance for the year are as follows:

	2003	2002
Balance, beginning of year	$ **33,445**	$ 33,353
Deduct: Amortization of deferred capital contributions	**4,454**	4,321
Add: Contributions received for capital asset purchases	**13,532**	4,413
Balance, end of year	$ **42,523**	$ 33,445

13. Internally Restricted Net Assets

Details of internally restricted net assets are as follows:

	2003	2002
Operating Fund:		
Repairs and replacements	$ **1,039**	$ 962
Self-insurance	**250**	250
Unexpended budgets and departmental incomes	**2,519**	1,397
Ancillary Enterprises		
Retail operations	**199**	70
LU Net	**-**	389
Parking	**207**	144
Food services	**323**	223
Residence reserve for repairs and replacements	**67**	-
Other ancillary	**79**	73
Restricted Funds		
Unexpended capital funds	**232**	101
Research funds	**520**	365
	$ **5,435**	$ 3,974

Internally restricted net assets as presented at April 30, 2002 were reclassified during the year to present internally restricted net assets and unrestricted net assets. Internally restricted net assets now include only those funds committed for specific purposes that reflect the application of the Board of Governors' policies.

April 30, 2003 (in thousands of dollars)

14 Investment in Capital Assets

		2003		2002
The investment in capital assets consists of the following:				
Capital assets	$	**70,519**	$	45,082
Less: Amounts financed by:				
Long term debt (net of residence sinking fund)		**24,392**		10,206
Deferred capital contributions		**38,653**		31,888
Short-term financing – demand loan		**600**		600
Construction in progress financed by accounts payable		**4,451**		-
	$	**2,423**	$	2,388

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

		2003		2002
Repayment of long-term debt	$	**632**	$	2,633
Increase in residence sinking fund		**182**		165
Purchase of capital assets internally financed		**2,816**		1,155
		3,630		3,953
Amortization expense		**8,049**		7,836
Less: Amount of amortization expense related to capital assets purchased with restricted contributions		**4,454**		4,321
		3,595		3,515
Net increase	$	**35**	$	438

15 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 5 is equal to $12,195 (2002 - $11,819).

April 30, 2003 (in thousands of dollars)

16. Ontario Student Opportunity Trust Fund

Externally restricted endowments of $12,195 (2002 - $11,819) include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund (OSOTF) matching program to award student aid as a result of raising an equal amount of endowed donations.

	2003	2002
OSOTF endowment balance, beginning of year	**$ 6,641**	$ 6,590
Donations	**15**	29
Capitalized interest	**10**	22
OSOTF endowment balance, end of year	**$ 6,666**	$ 6,641
Expendable funds, beginning of year	**$ 158**	**$** 464
Investment income (loss)	**(360)**	31
Bursaries awarded	**(312)**	(337)
Expendable funds, end of year	**$ (514)**	$ 158
Number of bursaries awarded	**414**	435

17. 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.

18. Pension Plan

18.1 Pension Plan for Professional Staff

The Plan is a contributory defined contribution pension plan. Faculty members and librarians contribute 6.5% of their earnings through payroll deductions. The University contributes 7.5% (7.4% prior to July 1, 2002). Non-faculty members contribute 8.05% (7.8% prior to January 1, 2003), and the University matches these contributions. Both employee and employer contributions are paid into the integrated Canada Pension and University Pension Plans.

University 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.

The Plan provides for a defined benefit guarantee for service prior to January 1, 1997 and removes the minimum pension based on an approved 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.

In the event that an actuarial valuation discloses a going concern unfunded liability or a solvency deficiency as defined in the Pension Benefits Act (1987), the University will be obligated to make additional contributions as required by that Act. The actuarial valuation of the Plan at December 31, 2001, 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 will be carried out no later than December 31, 2004.

Subsequent to the year end, the University has received an actuarial valuation report as at December 31, 2002 for the purpose of determining the sufficiency of the retirement account to permit a scheduled increase. This valuation indicates a plan shortfall of $8,751. The University is not obligated to fund this shortfall at this time, subject to the valuation to be prepared no later than December 31, 2004. At that time, the University will be required to submit a report to the Superintendent of Financial Services for review and will be required to submit a plan as to how any shortfall will be funded over a period not to exceed 5 years.

April 30, 2003 (in thousands of dollars)

18. Pension Plan (cont'd)

18.2 Lakehead University Employee Pension Plan

The Plan is a contributory defined contribution pension plan. Under the Plan, employees contribute in a range from 7.15% to 7.90% (6.60% to 7.65% prior to January 1, 2003) of their earnings. The University matches the regular pension contributions made by members of the Plan. Both employee and employer contributions are paid into the integrated Canada Pension and University Pension Plans. University Plan contributions together with investment income earned are used on retirement to purchase a pension.

	2003	2002
Plans providing normal pension benefits	**$ 1,687**	$ 1,564
Faculty early retirement program	**$ 3,396**	$ 2,276

19. Contingent Liabilities

a) At April 30, 2003, the University was guarantor of fourteen (2002 - eleven) housing loans for faculty and staff in the amount of $265 (2002 - $233).

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, 2003, 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.

20. Commitments

The estimated cost to complete the construction of the Advanced Technology and Academic Centre construction in progress at April 30, 2003 is $7,018. The $7,018 will be funded from donations, private sector contributions and other sources. The estimated cost to complete the two new residence projects in progress at April 30, 2003 is $6,130. In addition to the $20,000 term facility referred to in Note 9.8, the University has negotiated an additional $5,600 term facility to be used to finance Phase 1 of this residence project.

21. Comparative Figures

Certain of the comparative amounts have been restated to conform to the financial statement presentation adopted in the current year.

Lakehead University
Schedule - Public Sector Salary Disclosure
(Unaudited)

April 30, 2003 (in dollars)

Disclosed as required by the Public Sector Salary Disclosure Act, 1996

Name/Position	Salary	Benefits
Bonsor, Norman C., Professor	$ 106,323	$ 1,350
Borradaile, Graham J., Professor	106,323	3,786
Bowd, Alan D., Professor	103,175	1,350
Brown, Kenneth M., Professor	106,327	2,025
Cooper, David F., Associate Professor	106,578	1,013
Courtland, Mary Clare M., Professor	103,616	335
Dadgostar, Bahram, Dean, Faculty of Business Administration	113,931	1,523
Delaney, Roger, Associate Professor	102,308	1,350
Dilley, Robert S., Professor	110,490	3,551
Driben, Paul, Professor	106,323	1,350
Garred, Laurie J., Professor	107,823	1,350
Gellert, James H., Professor	104,387	1,477
Gilbert, Allan F., Professor	103,838	1,350
Gilbert, Frederick F., President	191,177	1,620
Goldstein, Stephen R., Associate Professor	103,009	1,350
Haines, James M., Professor	102,497	1,350
Heath, William G., Professor	105,916	1,350
Hill, Mary Louise, Vice-President (Academic) & Provost	114,939	1,620
Howe, Mark L., Professor	105,781	1,496
Jamieson, John L., Professor	106,323	1,238
Keeler, Werden J., Professor	107,123	1,350
Kemp, David D., Professor	111,699	1,620
Kissin, Stephen, Professor	106,223	1,756
LaVoie, Norman F., Professor	106,323	1,350
Lankester, Murray W., Professor	107,823	1,350
Macdonald, Alastair D., Professor	117,073	1,350
Mah, Peter F., Professor	106,730	1,350
Mansour, Sabah Y., Associate Professor	108,008	1,350
Mirza, Sher A., Professor	106,467	1,350
Mitchell, Roger H., Professor	107,976	1,350
Molto, Joseph E., Professor	101,677	1,350
Momot, Walter T., Professor	106,323	1,350
Montelpare, William J., Acting Dean of Graduate Studies	102,124	1,350
Murchison, Gary H., Professor	103,162	1,350
Nabarra, Alain, Professor	101,691	1,013
Nelsen, Randle W., Professor	106,323	1,350

Lakehead University
Schedule - Public Sector Salary Disclosure (cont'd)
(Unaudited)

April 30, 2003 (in dollars)

Disclosed as required by the Public Sector Salary Disclosure Act, 1996

Name/Position	Salary	Benefits
Netley, Charles, Professor	$ 106,323	$ 1,350
Nirdosh, Inderjit, Professor	106,323	1,350
Nock, David A., Professor	106,267	1,350
O'Sullivan, Julia T., Dean, Faculty of Education	108,378	1,550
Parker, William H., Professor	106,323	1,350
Phillips, Gerald E., Professor	108,478	1,350
Prepas, Ellie E., Professor	116,323	1,350
Pulkki, Reino E., Dean Of Forestry and Environmental Studies	100,924	1,572
Rasid, Harun, Professor	114,687	1,350
Saliba, Henri T., Dean, Faculty of Engineering	117,490	1,620
Soldan, Susan A., Vice President (Administration and Finance)	126,310	810
Stones, Michael A., Professor	118,991	1,350
Thom, Douglas J., Professor	104,076	1,350
Tsang, Siemer H., Professor	108,023	1,350
Walsh, Grant E, Executive Director, University Services	102,636	1,615
Yang, Kung Chi, Professor	105,364	1,350