Consolidated Financial Statements of

LAURENTIAN UNIVERSITY OF SUDBURY

Year ended April 30, 2011

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INDEPENDENT AUDITORS' REPORT

To the Governors of Laurentian University of Sudbury

We have audited the accompanying consolidated financial statements of **Laurentian University of Sudbury** which comprise the consolidated statement of financial position as at April 30, 2011, the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Laurentian University of Sudbury as at April 30, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles**.**

KPMG LLP

Chartered Accountants, Licensed Public Accountants

October 13, 2011
Sudbury, Canada

LAURENTIAN UNIVERSITY OF SUDBURY

Consolidated Statement of Financial Position

April 30, 2011, with comparative figures for 2010
(thousands of dollars)

	2011	2010
Assets		
Current assets:		
Cash and short-term investments (note 2)	$ 20,084	30,957
Accounts receivable	19,295	14,434
Other	645	666
	40,024	46,057
Investments (note 2)	35,439	32,107
Deferred pension asset (note 3)	–	99
Capital assets (note 4)	135,810	128,421
	$ 211,273	206,684
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Short-term loan (note 5)	$ 1,903	18,261
Accounts payable and accrued liabilities	18,100	19,671
Accrued vacation pay	1,392	1,355
Deferred revenue	1,695	1,851
Current portion of long-term debt (note 6)	820	518
	23,910	41,656
Long-term obligations:		
Special voluntary early retirement program (note 7)	1,870	1,551
Long-term debt (note 6)	43,539	24,672
Interest rate swaps (notes 1(h) and 6)	2,970	1,671
Employee future benefit obligations (notes 1(d) and 3)	10,581	6,148
	58,960	34,042
Deferred contributions (note 8):		
Deferred contributions	20,322	20,614
Deferred capital contributions	74,043	71,631
	94,365	92,245
Net assets	34,038	38,741
Commitments and contingencies (note 12)		
Subsequent event (note 1(d))		
	$ 211,273	206,684

See accompanying notes to consolidated financial statements.

On behalf of the Board of Governors:

________________________________ Governor

________________________________ Governor

LAURENTIAN UNIVERSITY OF SUDBURY

Consolidated Statement of Operations

Year ended April 30, 2011, with comparative figures for 2010
(thousands of dollars)

	2011	2010
Revenue:		
Government grants and contracts	$ 70,463	69,678
Tuition fees	34,569	31,326
Sales and services	12,203	10,838
Investment income	2,160	1,183
Research grants and contracts	18,558	18,986
Other fees and income (note 14)	16,679	12,599
Amortization of deferred capital contributions	3,602	3,059
	158,234	147,669
Expenses:		
Salaries and benefits	110,156	105,673
Operating	14,567	13,061
Research	10,120	10,026
Scholarships and bursaries	12,390	10,523
Occupancy	7,599	7,062
Cost of ancillary sales and services	2,714	2,513
Changes in value of interest rate swap	1,299	(1,816)
Amortization of capital assets	6,231	6,455
	165,076	153,497
Deficiency of revenue over expenses	$ (6,842)	(5,828)

See accompanying notes to consolidated financial statements.

LAURENTIAN UNIVERSITY OF SUDBURY

Consolidated Statement of Changes in Net Assets

Year ended April 30, 2011, with comparative figures for 2010
(thousands of dollars)

	Unrestricted	Vacation Pay and Employee Future Benefits	Interest Rate Swaps	Internally Restricted	Investment in Capital Assets	Endowment	Total 2011	Total 2010
				(note 9)	(note 10)			
Net assets (deficiency), beginning of year	$ (8,242)	(7,503)	(1,671)	8,895	15,177	32,085	38,741	32,219
Excess (deficiency) of revenue over expenses	(769)	(4,470)	–	1,026	(2,629)	–	(6,842)	(5,828)
Transfer for capital transactions (note 10)	(3,561)	–	–	–	3,561	–	–	–
Endowment contributions	–	–	–	–	–	2,139	2,139	6,350
Change in fair value of interest rate swaps	1,299	–	(1,299)	–	–	–	–	–
Net assets (deficiency), end of year	$ (11,273)	(11,973)	(2,970)	9,921	16,109	34,224	34,038	38,741

See accompanying notes to consolidated financial statements.

LAURENTIAN UNIVERSITY OF SUDBURY

Consolidated Statement of Cash Flows

Year ended April 30, 2011, with comparative figures for 2010
(thousands of dollars)

		2011	2010
Cash flows from operating activities:			
Deficiency of revenue over expenses	$	(6,842)	(5,828)
Adjustments for:			
Amortization of capital assets		6,231	6,455
Amortization of deferred capital contributions		(3,602)	(3,059)
Change in accrued early retirement program costs		319	(712)
Change in deferred pension asset/liability		3,943	2,025
Increase in employee future benefit obligations (note 1(d))		589	267
Interest rate swaps (note 1(h))		1,299	(1,816)
		1,937	(2,668)
Change in non-cash working capital (note 13)		(6,530)	(1,062)
		(4,593)	(3,730)
Cash flows from financing activities:			
Purchases of capital assets		(13,620)	(19,418)
Change in deferred contributions		(292)	1,301
Deferred capital contributions received		6,014	7,166
Repayment of long-term debt		(631)	(486)
Long-term debt obtained		19,800	–
Decrease in short-term loan		(16,358)	(2)
		(5,087)	(11,439)
Cash flows from investing activities:			
Change in investments		(3,332)	(9,080)
Endowment contributions		1,483	2,449
Gain on endowment investments		656	3,901
		(1,193)	(2,730)
Net decrease in cash and short-term investments		(10,873)	(17,899)
Cash and short-term investments, beginning of year		30,957	48,856
Cash and short-term investments, end of year	$	20,084	30,957

		2011	2010
Supplemental information:			
Interest paid	$	1,741	1,449
Interest received		(226)	(149)

See accompanying notes to consolidated financial statements.

Laurentian University of Sudbury (the “University”) is incorporated by special act under the laws of Ontario.

1. Significant accounting policies:

(a) Revenue recognition:

The University follows the deferral method of accounting for contributions. The principles under this method are summarized as follows:

Unrestricted contributions and donations are recognized as revenue when received or receivable if the amount can be reasonably estimated and allocation is reasonably assured. Contributions pertaining to future periods are deferred and recognized as revenue in the year in which the related expenses are recognized.

Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the year in which the related expenses are recognized.

Contributions restricted for capital asset purchases are deferred and amortized to operations on the same basis as the related asset is amortized.

Endowment contributions consist of donations and capitalized investment income (loss) and are recognized on the accrual basis as direct changes in net assets.

Student fees and tuitions are recognized as revenue in the fiscal period when the respective courses and seminars are held.

(b) Investments:

Investments are largely invested in pooled funds, which are carried at market value.

Income/loss derived from endowment investments is allocated to the related scholarship and bursary accounts and the endowment fund balance. Investment income/loss on non-endowment investments is allocated to the respective non-endowment fund balance in proportion to their yearly weighted average.

(c) Capital assets:

Purchased assets are recorded at cost. Contributed assets are recorded at fair market value at the date of contribution. Capital assets are amortized on the straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Equipment and furnishings	7 years
Land and site improvements	15 years

Construction in progress is not amortized until the project is complete and the facilities are put in use.

1. Significant accounting policies (continued):

(d) Employee future benefits:

The University has a defined contribution pension plan in which the University contributes a set amount to the plan in respect of individual employees, with a guaranteed minimum defined benefit. All employees of the University and its federated institutions which participate in the plan, are eligible to join the plan upon entering the service of one of those employers. The benefits are based on years of service and final average salary.

Effective July 1, 2011, the University registered its Pension Plan in two parts. Part A continues to provide a defined contribution Pension Plan with a guaranteed minimum defined benefit. Part B is a defined benefit plan for future service after July 1, 2011 for certain employee groups of the University.

The University sponsors a defined benefit health care plan for substantially all retirees and employees.

Faculty have the option of accepting a special voluntary early retirement package prior to the normal eligible retirement age, with benefits based on years of service and final average salary to a specified maximum.

The University has approved a supplemental plan for employees to provide them with full benefits should the Canada Revenue Agency limitations not have been imposed.

The University accrues its obligations under the defined benefit plans as the employees render the services necessary to earn the pension and other retirement benefits. The actuarial determination of the accrued benefit obligations for pensions and other retirement benefit uses the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors). The most recent actuarial valuation of the pension plans for funding purposes was as of July 1, 2010, and the next required valuation will be as of July 1, 2011.

Actuarial gains (losses) on plan assets arise from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period. For the purpose of calculating the expected return on plan assets, those assets are valued at fair value. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The excess of the net accumulated actuarial gains (losses) over 10% of the greater of the accrued defined benefit obligation and the fair value of related plan assets is amortized over the average remaining service period of active employees of 10.8 years.

(e) Internally restricted net assets:

The University restricts use of portions of its operating net assets for specific future uses. When incurred, the related expenses are charged to operations, and the balance of internally restricted assets is reduced accordingly with a transfer to unrestricted net assets.

1. Significant accounting policies (continued):

(f) Related entities and basis of presentation:

MIRARCO

The consolidated financial statements are inclusive of the assets, liabilities, revenues and expenses of the Mining Innovation Rehabilitation and Applied Research Corporation, which is a wholly controlled entity.

Northern Ontario School of Medicine

The Northern Ontario School of Medicine (the "School") was created in order to provide medical education in Northern Ontario. Although the University, along with Lakehead University the only other voting members of the School, has significant relationships with the School, the University has no claim to the School's net assets and nor is the University liable or contingently liable for any of the School's obligations. Accordingly, the operations of the School are not included in these consolidated financial statements.

Sudbury Neutrino Observatory

The Sudbury Neutrino Observatory ("SNO") was created on December 2, 1997 as a joint venture of the University and three other Canadian Universities, to perform research in sub-atomic physics. The University's proportionate share of the entity's assets, liabilities, revenues and expenses to March 31, 2010 have been included in these consolidated financial statements. The 2011 financial statements are not available and accordingly, the balances and transactions will be accounted for prospectively.

SNOLAB

SNOLAB is a research project whose principal objective is the construction, operation and decommissioning of the SNOLAB International Facility for Underground Science. An agreement specifies that the project's liabilities and assets are to be divided among the SNOLAB member institutions, which are consistent with SNO above. The University's proportionate share of the entity's assets, liabilities, revenues and expenses to March 31, 2010 have been included in these consolidated financial statements. The 2011 financial statements are not available and accordingly, the balances and transactions will be accounted for prospectively.

Centre for Excellence in Mining and Innovation (CEMI)

The Centre for Excellence in Mining and Innovation (CEMI) was created on April 23, 2007 to advance, study, research and innovation. The University contributed $10 million received from the Provincial Government to create and fund CEMI on its inception.

The remaining balance of $4.5 million to be paid to CEMI is included in accounts payable. The University has no claim to CEMI's assets during its operating life nor is it liable or contingently liable for CEMI's obligations. Accordingly, the operations of CEMI are not included in these consolidated financial statements.

1. Significant accounting policies (continued)

(g) Financial instruments:

The University accounts for its financial assets and liabilities in accordance with Canadian generally accepted accounting principles.

The financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the statement of financial position at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in the consolidated statement of operations.

The University continues to disclose under CICA Handbook Section 3861 – Financial Instruments.

(h) Interest rate swaps:

The University is party to interest rate swap agreements used to manage the exposure to market risks from changing interest rates. The University’s policy is not to utilize derivative financial instruments for trading or speculative purposes.

The University has not formerly hedged these agreements and the change in the net value of the swaps is reflected in the consolidated statement of operations.

(i) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying value of capital assets; the valuation of pension assets and employee future benefit obligations and valuation allowances for accounts receivable. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

1. Significant accounting policies (continued)

(j) Impairment of long-lived assets:

Long-lived assets, including capital assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

2. Investments (in thousands of dollars):

Cash and short-term investments		2011	2010
Cash	$	18,804	29,764
Short-term investments		1,280	1,193
	$	20,084	30,957

Long-term investments		2011	2010
Pooled funds:			
Equities	$	18,052	16,704
Fixed income		17,352	15,297
Government bonds and guaranteed investment certificates		35	106
	$	35,439	32,107

Long-term investments reflect funds for endowment and some specified research programs.

3. Employee future benefits:

The University provides for the reimbursement of a fixed annual amount of medical expenses to retired employees provided that certain specified conditions are met. An actuarial calculation of the future liabilities thereof has been made and forms the basis for the liability reported in these consolidated financial statements.

The University has a defined contribution pension plan with a guaranteed minimum defined benefit. The actuarial report, effective July 1, 2010, indicates that the guaranteed defined benefit portion of the pension plan has a going concern unfunded liability of approximately $31.0 million.

The reconciliation of the funded status of the defined benefit plan to the amounts recorded in the financial statements is as follows:

Assets (in thousands of dollars)		Pension benefit plan 2011	 2010
Accrued benefit obligation	$	–	(270,625)
Fair value of plan assets		–	234,403
Funded status - plan surplus (deficit)		–	(36,222)
Balance of unamortized amounts		–	36,321
Deferred pension asset	$	–	99

Liabilities (in thousands of dollars)	Pension 2011	Post-employment benefit obligation 2011	 2010	Supplemental Pension Plan 2011	 2010	Total 2011	Total 2010
Accrued benefit obligation	$ (289,094)	(6,463)	(6,035)	(4,358)	(4,066)	(299,915)	(10,101)
Fair value of plan assets	255,879	1,236	1,190	-	-	257,115	1,190
Funded status - plan surplus (deficit)	(33,215)	(5,227)	(4,845)	(4,358)	(4,066)	(42,800)	(8,911)
Balance of unamortized amounts	29,371	1,240	1,273	1,608	1,490	32,219	2,763
Accrued benefit liabilities	$ (3,844)	(3,987)	(3,572)	(2,750)	(2,576)	(10,581)	(6,148)

3. Employee future benefits (continued):

The significant assumptions used are as follows (weighted-average):

	Pension benefit plan and Supplemental Retirement Plan		Post-employment benefit obligation	
	2011	2010	2011	2010
Discount rate	5.4%	5.5%	5.4%	5.5%
Rate of compensation increases	3.5%	3.5%	–	–
Expected long-term rate of return on plan assets	6.5%	7.0%	5.0%	5.0%
Health care cost trend rate	–	–	3.0%	3.0%
Rate of inflation	2.0%	2.0%	–	–

The retiree health benefit plan expense for 2011 amounted to $ 418,000 (2010 - $267,000) and the benefit payments included therein made on behalf of retirees amounted to approximately $175,000 (2010 - $156,000).

Total cash amounts recognized as paid or payable for pension benefits in 2011, consisting of all employer contributions to the pension plan were $7,832,000 (2010 - $7,326,000).

4. **Capital assets** (in thousands of dollars)**:**

	2011		2010	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Buildings	$ 186,487	59,946	175,020	56,844
Equipment and furnishings	91,187	84,237	89,034	81,343
Land and site improvements	9,635	7,316	9,635	7,081
	287,309	151,499	273,689	145,268
Less accumulated amortization	151,499		145,268	
	$ 135,810		128,421	

5. Short-term loan:

The short-term loan represents an unsecured loan from TD Canada Trust for the student recreation centre, with a floating interest rate of 1.2% at April 30, 2011.

In 2010, the short-term loans from Infrastructure Ontario and TD Canada Trust bore interest at .74% and 1.35% respectively for the School of Education and the student recreation centre.

6. Long-term debt (in thousands of dollars):

	2011	2010
Bank of Montreal	$ 3,220	3,379
Royal Bank of Canada	16,187	–
Royal Bank of Canada	3,500	–
TD Canada Trust	13,689	13,952
TD Canada Trust	7,763	7,859
	44,359	25,190
Less current portion of long-term debt	820	518
	$ 43,539	24,672

The above-noted debt was advanced under variable rate credit facilities in the principal face amounts of $4.116 million, $16.3 million, $3.5 million, $14.8 million and $8.0 million for the financing of various residences and the construction of the School of Education and of a student recreation centre. Interest rates are adjusted monthly and were 1.20% at April 30, 2011.

The University has entered into interest rate derivative agreements to manage the volatility of interest rates. The University converted floating rate debt for fixed rate debt of 5.14%, 3.90%, 4.70% and 4.74%. The related derivative agreements are in place until the maturity of the debt in 2024, 2040, 2042, 2036 and 2043 respectively.

The principal repayments of long-term debt are as follows:

2012	$ 820
2013	1,033
2014	1,260
2015	1,318
2016	1,379
Thereafter	38,549
	$ 44,359

7. Special voluntary early retirement program:

The University offers a voluntary early retirement program to all faculty. An actuarial calculation of the future liabilities thereof has been made and forms the basis of this provision.

The significant assumptions used are as indicated in note 3. There are no plan assets for this benefit.

		2011	2010
Balance, beginning of year	$	1,551	2,263
Interest costs		69	144
Benefits paid		(590)	(806)
Actuarial losses (gain)		840	(50)
Balance, end of year	$	1,870	1,551

8. Deferred contributions (in thousands of dollars):

(a) Deferred contributions:

Deferred contributions represent external contributions restricted for research and trust expenditures to be incurred in subsequent fiscal years. Details of the change in deferred contributions are as follows:

		2011	2010
Balance, beginning of year	$	20,614	19,313
Add contributions received in the year		21,299	23,708
Less amounts recognized as revenue		(21,591)	(22,407)
Balance, end of year	$	20,322	20,614

8. Deferred contributions (continued) (in thousands of dollars):

(b) Deferred capital contributions:

Deferred capital contributions represent the unspent and unamortized amount of donations and grants received for the purchase of capital assets. Details of the change in deferred capital contributions are as follows:

		2011	2010
Unspent:			
Balance, beginning of year	$	3,137	13,637
Add contributions received in the year		6,014	7,166
Less amounts utilized		(7,460)	(17,666)
Balance, end of year		1,691	3,137
Unamortized:			
Balance, beginning of year		68,494	53,887
Add contributions utilized in the year		7,460	17,666
Less amount amortized to revenue		(3,602)	(3,059)
Balance, end of year		72,352	68,494
Total unspent and unamortized capital contributions	$	74,043	71,631

9. Internally restricted net assets (in thousands of dollars):

		2011	2010
Sudbury Neutrino Observatory	$	94	250
Departmental trust funds		3,732	2,517
Scholarship and bursary funds		202	166
Departmental and subsidiary research funds		3,524	3,620
Departmental carry forwards		2,978	2,334
Outstanding purchase orders		509	734
Self-insurance funds		275	275
Reserve for early retirement		(1,870)	(1,551)
Ancillaries		984	429
Replacement reserve - ancillaries		181	181
Provision for pension plan liabilities		–	99
Future budget provision		1,000	–
Unexpended (overexpended) capital fund		(1,688)	(159)
	$	9,921	8,895

10. **Investment in capital assets** (in thousands of dollars)**:**

The investment in capital assets is calculated as follows:

	2011	2010
Capital assets	$ 135,810	128,421
Less amounts financed by:		
Long-term debt	(44,359)	(25,190)
Internal financing (note 11)	(1,087)	(1,299)
Short-term loan	(1,903)	(18,261)
Unamortized deferred capital contributions	(72,352)	(68,494)
	$ 16,109	15,177

Details of the transfer for capital transactions are as follows:

Repayment of long-term debt	$ 631	486
Repayment of short-term loan	59	39
Repayment of internal financing	352	305
Internally funded capital assets	2,519	1,715
	$ 3,561	2,545

11. **Internal financing** (in thousands of dollars)**:**

Details of capital asset internal financing activities are as follows:

	April 30, 2010	Additions	Repayments	April 30, 2011
Heating plant	$ 151	–	(52)	99
Energy retrofit	930	–	(120)	810
Telephone system and copier equipment	218	140	(180)	178
	$ 1,299	140	(352)	1,087

The internal loans bear interest at a floating rate equal to the return earned on short-term investments and are to be repaid over a period ranging from five to ten years.

12. Commitments and contingencies:

(a) The University has access to an unsecured line of credit in the amount of $2,000,000. The line of credit bears interest at Royal Bank prime less 0.50%. As at April 30, 2011, the University has not drawn on this line of credit.

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

(c) The University has contracted to construct the “Living with Lakes” Centre. The total cost of the project is estimated at $20,000,000 and as of April 30, 2011 the University has spent $17,059.000.

(d) The University has contracted to construct a 236 bed residence. The total cost of the project is estimated at $20,581,000 and as of April 30, 2011, the University has spent $4,835,000. The construction is expected to be completed in 2012 and is financed by advances on a long term debt commitment with repayment to start after completion of the project.

(e) The Board of Governors of Laurentian University approved the Laurentian School of Architecture capital project in the amount of $41 million at their meeting of August 30th, 2011. To date, $36 million in funding has been secured. The University has applied for an additional $5 million to provide full funding for the project. There has been no financial commitment to the project with the exception that the Architect Design Team has been selected and the University will finalize their agreement with the Architect during the fall of 2011.

(f) The University is involved in certain legal matters and litigation, the outcomes of which are not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are resolved. Management is of the opinion that these matters are mitigated by adequate insurance coverage.

13. Change in non-cash working capital (in thousands of dollars):

	2011	2010
Cash flows from operating activities:		
Accounts receivable	$ (4,861)	263
Other assets	21	(218)
Accounts payable and accrued liabilities	(1,571)	(662)
Accrued vacation pay	37	17
Deferred revenue	(156)	(462)
	$ (6,530)	(1,062)

14. **Other fees and income** (in thousands of dollars):

Details of the other fees and income are as follows:

		2011	2010
Sponsored students	$	4,354	3,057
Compulsory ancillary and other		5,372	4,987
Administrative fees:			
Federated institutions		628	482
Ancillary operations		1,137	884
Overhead on research contract and other trust accounts		628	478
Scholarships, bursaries and other trust account contributions		4,560	2,711
	$	16,679	12,599

15. Fair value of financial assets and financial liabilities:

The carrying values of the University's cash and short-term investments, accounts receivable, short-term loan, accounts payable and accrued liabilities and accrued vacation pay approximate their fair values due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

Information concerning investments is provided in note 2; the fair value approximates the carrying value.

The fair values of the interest rate swaps and related long-term debt approximate their carrying value.

The University is exposed to market risks in the form of currency, and other price risks. The exposure does not significantly impact the University.

16. First Generation Pilot Project Initiatives:

For the period of May 1, 2010 to April 30, 2011, the University's financial statements include expenditures totaling $131,330 incurred for the purpose of carrying out the First Generation Pilot Project initiatives. The goal of this project is to increase the awareness of the benefits of post-secondary education of first generation students and to increase their participation, retention and graduation rates.

17. Comparative figures:

Certain 2010 comparative figures have been reclassified to conform with the presentation adopted in 2011.