



BOARD OF GOVERNORS MINUTES

Friday, September 15, 2023, 3:30 – 4:30 p.m.

Lazaridis Institute, 72 Victoria Street South, Kitchener

And via Zoom

- Attended: Paul Elliott (Chair), Mohammad Abu-Rshaid, Royce Bodaly, Shelley Boettger, Simon Chan, Ling Chu, Catharine Dutt, Ryan Eldred, Chinyere Eni, Adam Grogan, Andrew Herman, Chantal Huinink, Abas Kanu, Mary Kelly, Lindsay Lawrence, Deb MacLatchy, Ken Maly, Janis Monture, Avvey Peters, Jim Phillips, Michael Ras, Marc Richardson, Ken Seiling, Rick Sterne, Cynthia Sundberg, Doug Treleaven, Peter Urquhart, Tyler Van Herzele, Brandon Vale
- Regrets: Savvas Chamberlain, Kristine Lund, Eileen Mercier, Patricia Polischuk, Berry Vrbanovic
- Secretariat: Ana Juhik, Shannon Kelly, Anna Kornobis, Anne Lukin, Phil Marfisi, Parker Nicholls

A. Open Session

1. **Call to Order**, Paul Elliott, 3:30 p.m.
 - a. Declaration of Conflicts of Interest: None.
 - b. Movement of Consent Items to the Main Agenda
The Chair flagged the Board and Committee dates for 23/24 and 24/25 and asked members to reserve these times in their calendars.
Motion (Marc Richardson/Rick Sterne): that the Board of Governors approve the Consent items listed for approval under Item C.1. Carried.
2. **Chair's Report**, Paul Elliott
 - a. Welcome to Incoming Board Members: The Chair welcomed eight new members who joined the Board over the summer: Mohammad Abu-Rshaid, Ling Chu, Catharine Dutt, Ryan Eldred, Adam Grogan, Ken Maly, Janis Monture and Peter Urquhart.
3. **WLU Audited Financial Statements**, Doug Treleaven
 - a. Audited Financial Statements as at April 30, 2023
External auditors KPMG, under the direction of new lead partner Rob Clayton, undertook the annual audit of the WLU Financial Statements for Fiscal Year 2022-2023. KPMG reported a clean audit with no ongoing concerns and no significant control deficiencies. In addition to the Statements and Notes audited by KPMG, the ARC Committee chair provided

a verbal summary of the audited statements. He noted a sale of properties as a significant transaction, and also a significant change to accounting polices, but no change to the audit plan as originally presented by KPMG. Members of the ARC and FIP Committees met on September 7th for an extensive review and discussion of the audited statements.

- b. **Commentary to the Audited Financial Statements**
In addition to the Statements, members received a written report by finance staff providing additional information on key items.
- c. **Management Report on Budget vs. Actuals 2022-23**
A written report provided insights into the performance of the consolidated, operating and ancillary funds over the previous year, without the externally restricted funds or generally accepted accounting principles (GAAP) adjustments, reporting on variances, deficits and mitigating actions.
- d. **Approval of the Audited Financial Statements**
Board members discussed: the \$23M in real estate sale transactions which was due to clear the bank at the end of the fiscal year and which revenue contributed to a year-end surplus, despite otherwise a deficiency of revenue over expenses of (\$6.8M); that Internally Restricted Net Assets increased by \$28.7M; that interest rates created a positive impact to returns on cash; that salaries increased by \$10M over the previous year; and appreciation to the finance team for their work and achieving a clean audit.

Motion (Doug Treleaven/Jim Phillips): That on the recommendation of the Audit, Risk & Compliance Committee, the Board of Governors approve the Wilfrid Laurier University Audited Financial Statements for the year ended April 30, 2023, and authorize any two members of the Board of Governors to sign the financial statements as evidence of such approval. Carried.

4. Pension Valuation as of January 1, 2023, Abas Kanu

The Actuary has recently updated the Plan's going concern funded position to see if a new Valuation would be beneficial if filed as of January 1, 2023. With this updated analysis, the plan surplus has increased to \$29.5M (from \$20.2M at December 31, 2021). A significant factor in this is the going concern discount rate has increased to 6.1% (from 5.6%) as a result of the higher expected long-term returns. If this valuation is filed, the university current service contributions to fund the minimum guaranteed pension will reduce from 3.13% to 2.00% of pensionable payroll. This equates to a reduction in annual contributions of approximately \$2 million.

Motion (Mohammad Abu-Rshaid/Peter Urquhart): That on the joint recommendation of the Pension and Finance, Investment and Property Committees, the Board of Governors approve the Pension Valuation as of January 1, 2023, to be filed by September 30, 2023. Carried.

5. **Other Business:** None.

B. *In Camera* Session: None.

C. Consent Items

The following items were approved or received by consent.

1. **Items for Approval**

- a. Agenda
- b. Minutes, Board of Governors, June 1, 2023

2. **Items for Information**

- a. Board and Committee Meeting Dates 2023-2024
- b. President's Written Report

Note: If you need assistance or have a question about this agenda or the Board of Governors, please contact the University Secretariat office, by email to alukin@wlu.ca.