

BOARD OF GOVERNORS MEETING

Friday, October 20, 2023

9:00 a.m. to 9:45 a.m. – Closed Session

10:00 a.m. to 12:30 p.m. – Public Session

12:45 p.m. to 1:30 p.m. – *In Camera* Session

IN-PERSON CAMPUS LOCATION: West Residence - Room 132

AGENDA

OBSERVERS: All interested observers are welcome to attend the “**in person**” Public Meeting held on campus. Alternatively, a **Livestreamed session** may be viewed [by registering here](#). *Note: Upon sign-up, a confirmation reply is issued with the URL.*

Conflict of Interest: *Governors are reminded of the requirement that they give notice of conflict of interest prior to consideration of any matter on the Board open and closed session agendas.*

PUBLIC SESSION				
No.	AGENDA ITEM	PG	LEAD	TIME
A.	Learning Session: University 2023 Summer Camps presents: “<i>Summer learning, having a blast!</i>” <ul style="list-style-type: none"> • Shad Laurentian, A STEAM & entrepreneurship program - Thomas Merritt • Electrifying the Future (Programs & Careers in the Automotive/Mining Industries) - Nicole Tardiff • Voyageur Summer Sports Camps - Peter Hellstrom • Archi-North Summer Camp - Dr. Tammy Gaber (McEwan School of Architecture) 	-	S. Embleton	10:00 – 10:30
1.	Adoption of Agenda	-	V. Cameron	10:30
2.	Declaration of Conflicts of Interest	-	V. Cameron	10:30
3.	<u>Unanimous Consent Agenda</u> 3.1. Adoption of Minutes: regular meeting held June 16; special meetings held September 28, September 6 and June 7; electronic votes held July 24 and July 18 <u>Finance and Property Committee Items:</u> 3.2. Laurentian Employees Retirement Plan Responsibility Chart 3.3. Financial Signing Authorities Policy	4-45	V. Cameron D. Vincent	10:35
4.	President’s Report	46-49	S. Embleton	10:35 - 10:50
5.	Financial Update (Cash Flow, Financial Forecast, Enrolment Update, Planning Framework, Investment Returns, Pension and Endowment Fund)	50-59	M. Piché	10:50 - 11:10
6.	<u>Audit and Risk Committee Items:</u> 6.1 For Approval: Draft Enterprise Risk Management Policy 6.2 For Approval: Consolidated Financial Statements of Laurentian University of Sudbury for the Fiscal year ending April 30, 2023 (<i>Including the Audit Findings Report by External Auditor</i>)	60-118 119-206	V. Cameron T. Lackey M. Piche	
7.	<u>Finance Committee Item</u> 7.1 For Information: Draft Laurentian Annual Financial Report 2022-23 7.2 For Approval: Operating Budget Carry Forward Policy	207-270	D. Harquail M. Piche S. Lehtimaki	
8.	<u>Human Resources Committee Item</u> 8.1 For Info: Sexual Violence Annual Report	271-282	A. Barry J. Dowdall S. Goffin	
9.	<u>Summary of Information Reports by Board Standing Committees:</u> 9.1 <i>Audit and Risk Committee Report</i> 9.2 <i>Finance and Property Committee Report</i> 9.3 <i>Governance Committee Report</i> 9.4 <i>Human Resources Committee Report</i>	283-287	V. Cameron D. Vincent	

** Material will be sent separately / ** Material will be provided at the meeting

OTHER ITEMS				
No.	ITEM	PG	LEAD	TIME
10.	Chair's Items	-	V. Cameron	12:30
11.	Other Business	-	V. Cameron	12:30
<i>[BREAK TO FOLLOW]</i>				
14.	In Camera Discussion	-	V. Cameron	12:45
ADJOURNMENT				
15.	Adjournment	-	V. Cameron	1:30

**** Material will be sent separately / ** Material will be provided at the meeting**

BOARD OF GOVERNORS MEETING

CLOSED SESSION

Friday, October 20, 2023

9:00 a.m. to 9:45 a.m. – Closed Session
10:00 a.m. to 12:30 p.m. – Public Session
12:45 p.m. to 1:30 p.m. – *In Camera* Session

AGENDA

No	ITEM	PG	LEAD	TIME
1.	Adoption of the Closed Agenda	-	V. Cameron	9:00
2.	Declaration of Conflicts of Interest	-	V. Cameron	9:00
3.	President's Items (Oral Update)	-	S. Embleton	9:05 – 9:15
4.	<u>Finance and Properties Committee Report:</u> 4.1 For Info: Real Estate Matters Update (Oral Update) 4.2 For Info: 5-Year Deferred Maintenance and Facility Renewal Plan Report	- 5-8	M. Piche P. Fontaine/C. Beaupre	9:15 – 9:35
5.	<u>Human Resources Committee Report (Oral Update)</u>	-	B. Brouwer M. Piche S. Carpenter-Wright	9:35 – 9:45
OTHER BUSINESS				
6.	Other Business	-	V. Cameron	9:45
ADJOURNMENT				
7.	Adjournment of Closed Session	-	V. Cameron	9:45

* Material will be provided at the meeting for items marked
** Material will be sent separately

ITEM 3 - UNANIMOUS CONSENT AGENDA

Any member who wishes to ask a question, discuss, or oppose an item that is listed below may have it removed from the consent agenda by contacting the Secretary of the Board of Governors prior to the meeting or by asking that it be removed before the Chair calls for a mover and seconder for the following motion.

Recommended: That the following items be approved or received for information by the Board of Governors by unanimous consent.

FOR APPROVAL:

Item 3.1 - Adoption of Board of Governors Meeting Minutes		ACTION
A	Minutes of the Regular meeting held June 16, 2023	
B	Minutes of the Special meeting held September 28, 2023	
C	Minutes of the Special meeting held September 6, 2023	
D	Minutes of the Special meeting held June 7, 2023	
E	Minutes of the e-resolution held July 24, 2023	
F	Minutes of the e-resolution held July 18, 2023	
Item 3.2 - Board Finance and Property Committee Report		
A	Laurentian Employees Retirement Plan Responsibility Chart	ACTION
B	Financial Signing Authority Policy	ACTION

BOARD OF GOVERNORS

DRAFT Minutes of the Meeting of June 16, 2023

9:00 a.m., Via Zoom

Present	Absent
<p><u>Voting Members Present</u> Bangs, Jeff, Chair Barry, Aaron Cameron, Vernon Embleton, Sheila, Interim President & Vice-Chancellor Gallagher, Jim Guay, André Harquail, David Kurkimaki, Laura Manitowabi, Tammy McCue, Meghan (GSA) Recollet, Angela Sbaa, Nawfal</p> <p><u>Non-Voting Members Present</u> Bassett, Shannon, Senate Colin, Fabrice, LUFA Fenske, Tom, LUSU Johnson, Mark, Interim University Secretary Morin, Avery (SGA) Scott, Daniel, Senate Vincent, Danielle, University Secretary</p> <p><u>Also in attendance (Resources):</u> Ayub, Komal, StrategyCorp Boyer, Celeste, General Counsel Brouwer, Brenda, Interim Vice-President, Academic and Provost Caron, Joseph, Interpreter Dowdall, Jennifer, Interim Co-Director, EDHRO Eger, Tammy, Vice-President Research Goffin, Shannon, Interim Co-Director, EDHRO Gorham, Robyn, Associate Professor, School of Nursing Hodgson, Ann, Interim Associate University Secretary Hoy, Sandra, Interim Director, School of Social Work and Associate Professor Jubb, Dawne, Interim General Counsel Lavallee, Normand, Associate Vice-President, Financial Services Lehtimaki, Shauna, Director, Institutional Planning Loreto, Chris, StrategyCorp Piché, Michel, Interim Vice-President, Finance and Administration Rocca, Gina, Interim Executive Assistant Tremblay-Croxall, Louise, Director, Planning & Budgeting Williams, Liliane, Interpreter</p>	<p><u>Voting Members Absent</u></p> <p><u>Non-Voting Members Absent</u> Durand, Louis, LUFA Motamedi, Monica Teller, Meredith</p>

CLOSED SESSION

The Chair of the Board of Governors (the “**Board**”), Mr. Jeff Bangs, called the meeting to order at 9:00 a.m. and confirmed quorum. Mr. Bangs opened the meeting by acknowledging the Robinson-Huron Treaty of 1850 and further recognized that Laurentian University is on the traditional lands of the Atikameksheng Anishnawbek.

CLOSED INFORMATION AND ACTION ITEMS

1. Adoption of the Closed Agenda

The Chair asked for a motion to approve the agenda of the closed session.

MOTION: Moved by Vern Cameron and seconded by Laura Kurkimaki.

That the Agenda be approved as presented.

Carried unanimously.

2. Declaration of Conflicts of Interest

The Chair invited members to declare any conflicts of interest relevant to the agenda and reminded Governors that at any time during the meeting proceedings they are respectfully encouraged to consider and raise any potential conflict, which may arise during discussions.

It was noted for the record by the Interim University Secretary that Mr. Harquail has previously disclosed a potential conflict he may have from time to time regarding discussions concerning the treatment of the University's endowment fund and/or deferred donor contributions.

3. CCAA Update

The Chair invited Dr. Sheila Embleton, Interim President and Vice-Chancellor, to provide an update on this item. Dr. Embleton provided an update on assorted CCAA-related items including meetings with MCU, the operational transformation, the strategic planning process, and the various executive searches.

4. Legal Matters Update

The Chair invited Dawne Jubb, Interim General Counsel, to give an update on this item. Ms. Jubb provided a verbal summary of key issues. She also provided an update of the leased premises at 933 Ramsey Lake Road (Willett Green Miller Centre).

RESOLUTION: Moved by Vernon Cameron and seconded by Jim Gallagher.

BE IT RESOLVED,

THAT the Board of Governors, upon the recommendation of the Finance Committee, accept the recommendation of the University's Interim General Counsel regarding the leased premises at 933 Ramsey Lake Road, and as presented at its meeting of June 16, 2023.

Carried unanimously with one (1) abstention by David Harquail.

5. Human Resources Update

The Chair invited Michel Piché, Interim Vice-President Finance and Administration, to provide further context on this item. Mr. Piché was joined by Interim Vice-President, Academic and Provost, Dr. Brenda Brouwer. Mr. Piché highlighted various staffing matters and the recruitment progress of vacant positions at Laurentian. Dr. Brouwer provided an update on the status of recruitment of various faculty positions currently underway.

6. Other Business

The Chair in consultation with Interim University Secretary Mark Johnson confirmed there was no other business.

7. Adjournment of the Closed Session

Having exhausted the agenda, the closed session of the meeting of the Board of Governors was adjourned at 9:42 a.m.

PUBLIC SESSION

The Chair called the open session of the regular meeting of the Board of Governors to order at 10:04 a.m. and confirmed quorum. Mr. Bangs then opened the meeting by acknowledging the Robinson-Huron Treaty of 1850 and further recognized that Laurentian University is on the traditional lands of the Atikameksheng Anishnawbek.

INFORMATION SESSION

A. Learning and Engagement Session: “Introduction to the Laurentian Strategic Planning Process”

The Chair introduced Komal Ayub, Chris Loreto, Jaiman Chin, and Sara Da Silva from StrategyCorp. The Chair invited Mr. Loreto to speak about the strategic planning process occurring at Laurentian. Mr. Loreto provided an overview of the strategic planning process, its engagement with Laurentian, and best practices in developing and implementing a plan. He highlighted some of the processes StrategyCorp will be carrying out to develop the strategic plan at Laurentian.

A discussion ensued regarding StrategyCorp’s experience with post-secondary institutions. This included how the strategic planning process interacts with the research plan and the academic plan of the institution. There was also discussion about ensuring stakeholder engagement and participation in the strategic planning process at Laurentian.

ACTION ITEMS

1. Adoption of Agenda

The Chair asked for a motion to approve the agenda of the open session.

MOTION: Moved by David Harquail and seconded by Aaron Barry.

That the agenda be approved as presented.

Carried unanimously.

2. Declaration of Conflicts of Interest

The Chair invited members to declare any conflicts of interest relevant to the agenda and reminded Governors that at any time during the meeting proceedings they are respectfully encouraged to consider and raise any potential conflict, which may arise during discussions.

It was noted for the record by the Interim University Secretary that Mr. Harquail has previously disclosed a potential conflict he may have from time to time regarding discussions concerning the treatment of the University's endowment fund and/or deferred donor contributions.

3. Unanimous Consent Agenda

The Chair asked for a motion to approve the consent agenda as presented in the Board materials, more particularly:

3.1. Minutes of the regular meeting of April 28, 2023, the e-vote held May 15, and the e-vote held May 18, 2023.

3.2 Appointment of Chair, Vice-Chair and Members to the Research Ethics Board (REB)

(A) BE IT RESOLVED,

THAT the Board of Governors approve SANDRA HOY as Chair and SUSAN JAMES as Vice-Chair of the Laurentian University Research Ethics Board, as recommended by the Research Ethics Board Liaison Committee for a period of three (3) years, as of July 1, 2023, and as presented at its meeting of June 16, 2023.

(B) THAT the Board of Governors approve the appointments and renewals of JEANETTE LINDENBACH, YOVITA GWEKWERERE, KRISTA CURRIE, ALAIN SIMARD, SUSAN BOYKO, LISA ALLEN, and LORI RIETZE, to the Laurentian University Research Ethics Board for a period of three years, as of the date of the LUREB meeting at which the vote occurred, as recommended by the Research Ethics Board Liaison Committee, and as presented at its meeting of June 16, 2023.

3.3 Appointments to Laurentian University Search Committees

BE IT RESOLVED,

(a) THAT the Board of Governors approve the appointments of David Harquail and Vernon Cameron, as recommended by the Nominating Committee, to the 2023 Selection Committee for the Dean of the Faculty of Management.

(b) THAT the Board of Governors approve the appointment of Laura Kurkimaki, as recommended by the Nominating Committee to the 2023 Selection Committee for the University Librarian.

MOTION: Moved by André Guay and seconded by David Harquail

That the items listed in the Unanimous Consent Agenda be approved.

Carried unanimously with three (3) abstentions by Vernon Cameron, David Harquail, and Laura Kurkimaki relating to Item 3.3.

4. President's Report

The Chair invited Dr. Sheila Embleton, Interim President and Vice-Chancellor to present her report. Dr. Embleton highlighted the status and timeline of the operational transformation process with Deloitte as well as for the strategic planning process. Dr. Embleton announced the Dean of Arts, Dr. Jennifer Johnson has been appointed and provided an update on some of the senior administrative searches.

Dr. Embleton added the enrollment for undergraduate registration is underway. She highlighted some extraordinary points from Convocation. She also thanked Interim General Counsel, Dawne Jubb for her hard work at Laurentian and announced Celeste Boyer, Ms. Jubb's successor. As well, she noted the upcoming departure of Interim University Secretary, Mark Johnson, and the announcement of his successor Danielle Vincent.

Dr. Embleton thanked Jeff Bangs for all of his work with Laurentian and his support through its challenges and achievements during the CCAA process while serving as Board Chair. She was joined by Dr. Tammy Eger who gave a special presentation of thanks to Jeff Bangs for his dedication and contributions as Chair of the Board.

5. Financial Update (Cash Flow, Financial Forecast, Enrolment Update, Planning Framework, Investment Returns, Pension and Endowment Fund)

The Chair invited Michel Piché, Interim Vice-President, Finance and Administration, to present this item. Mr. Piché provided an overview of the cash position of the University as well as enrollment. He noted the totals of the operating cash balances as of the end of April and segregated funds. He described the higher than expected operating revenues and lower expenses. The higher revenues came from various sources such as higher tuition and residence fees. Laurentian also received grants from the government that it was not expecting, such as COVID funding, which totalled \$6 million. There was \$5 million from Francophone grants that also was not expected. This strengthened Laurentian's financial position. Overall, it puts Laurentian in a good cash position.

Going forward, they hope to report monthly to the Board on actual budget against the forecasted budget.

As for enrollment, Laurentian is expecting over 5600 FTEs in fall 2023 compared to 5729 in previous years. This is still a decrease in domestic undergraduate, but it has been offset with very strong demand from international graduate students. Laurentian will need to work on growing domestic undergraduate enrollment in order to maintain a sustainable growth of enrollment revenue.

Mr. Piché provided an update on the University endowment fund, and the employee retiree funds, with decrease in net investment returns of 2.75%. This is lower than benchmark both from the endowment and the employee retirement funds.

A discussion ensued around the best methods to determine the actual amount of international students who have applied and converted into an accepted offer as well as having the right amount of accommodations for these students.

6. Executive Committee Items

6.1 For Approval: Rescinding of Covid-19 Vaccination Policy

The Chair invited the Vice-President, Research Dr. Tammy Eger to provide an update on this matter. Dr. Eger explained that on March 1, 2022, MCU issued a memo to Ontario universities, with direction from the Ontario's Chief Medical Officer of Health, which lifted the Chief Medical Officer of Health's previous instructions that required Ontario universities to have vaccination policies. At its meeting of April 22, 2022, the Board of Governors placed Laurentian's Policy on COVID-19 Vaccination in abeyance effective May 1, 2022.

No further guidance from the Ontario's Chief Medical Officer of Health has been provided to Ontario universities with respect to a requirement for a Policy on COVID-19. Laurentian University's Health and Safety Manager continues to consult with Public Health Sudbury and Districts on best practices to decrease the risk of COVID-19 and the Health and Wellness Clinic on campus continues to provide COVID-19 vaccinations, rapid tests, and COVID-19 assessment.

RESOLUTION: Moved by Jim Gallagher and seconded by Aaron Barry.

BE IT RESOLVED,

THAT the Board of Governors approve the removal of the Policy on COVID-19 Vaccination as recommended by the Executive Committee and as presented at its meeting of June 16, 2023.

Carried unanimously.

6.2 For Approval: Policy on Commercialization

The Chair invited Dr. Tammy Eger, Vice-President, Research to provide further information on this matter. In January 2022 MCU mandated that each publicly assisted university and college post a commercialization framework on their websites that demonstrates their commitment to the management and protection of intellectual property in a manner that maximizes commercialization opportunities, protects Ontario's interests, and strengthens the Ontario economy. Laurentian University's Commercialization Policy has been endorsed by the University's Research Development and Creativity Council, the Senate, and the Executive Team.

RESOLUTION: Moved by Vernon Cameron and seconded by Tammy Manitowabi.

BE IT RESOLVED,

THAT the Board of Governors approve the Policy on Commercialization as recommended by the Executive Committee and as presented at its meeting of June 16, 2023.

Carried unanimously.

6.3 For Approval: Policy and Program on a Respectful Workplace and Learning Environment

The Chair invited Michel Piché, Interim Vice-President, Finance and Administration, to provide more details regarding this item. He was joined by Jennifer Dowdall, Interim Co-Director, Equity, Diversity and Human Rights Office (EDHRO) and Shannon Goffin, Interim Co-Director, EDHRO. Ms. Goffin added there are no changes to the policy this year, but have they continuous conversations with students, student leaders and labour partners to always incorporate best practices. The policy also covers harassment and discrimination.

RESOLUTION: Moved by Aaron Barry and seconded by Angela Recollet.

BE IT RESOLVED,

THAT the Board of Governors, on the recommendation of the Executive Committee, approve the Policy on a Respectful Workplace and Learning Environment, as presented at its meeting of June 16, 2023.

Carried unanimously.

6.4 For Approval: Policy on Response and Prevention of Sexual Violence

The Chair invited the Jennifer Dowdall, Interim Co-Director, EDHRO and Shannon Goffin, Interim Co-Director, EDHRO to present this item. Ms. Dowdall and Ms. Goffin referred to the agenda materials distributed in advance of the meeting. They noted the various revisions being proposed to the policy as provided in the materials and the change that was required by new legislation in December of 2022 related to sexual violence and that has been incorporated.

RESOLUTION: Moved by André Guay and seconded by Tammy Manitowabi.

BE IT RESOLVED,

THAT the Board of Governors, on the recommendation of the Executive Committee, approves the *Policy on Response and Prevention of Sexual Violence*, as presented at its meeting of June 16, 2023.

Carried unanimously.

7. Finance Committee Items

7.1 For Approval: Revised SGA Compulsory (Student) Fees for 2023-24

The Chair invited the Chair of the Finance Committee, David Harquail to provide more information on this item. He was joined by Michel Piché, Interim Vice-President Finance and Administration, and Avery Morin, the Students' General Association (SGA) representative (non-voting) on the Board. Ms. Morin highlighted the revised optional and compulsory fees of SGA Compulsory Fees for fiscal year 2023-24.

RESOLUTION: Moved by Meghan McCue and seconded by Aaron Barry.

BE IT RESOLVED,

THAT the Board of Governors approve the revised Students' General Association Compulsory Fees as recommended by the Finance Committee and as presented at its meeting of June 16, 2023.

Carried unanimously.

8. Research Ethics Board Liaison Committee Item

8.1 For information: 2021-2022 Research Ethics Board Annual Report to the Board

The Chair invited Dr. Tammy Eger, Vice-President Research, to provide more information on this matter. Dr. Eger was joined by the Chair of the Research Ethics Board (REB), Dr. Sandra Hoy. Dr. Hoy gave some highlights of the key work and projects to be completed in the upcoming year. Dr. Hoy provided further context on the activities of the REB including submissions from affiliated research institutions, the Northern Ontario School of Medicine, and Undergraduate Research Ethics Committees at Laurentian. The report also provided information on the type of review, the average approval time for proposals and professional development activity supported by the LUREB.

9, Restructuring of Standing Committees

The Chair invited Interim University Secretary, Mark Johnson, to speak about this matter. Mr. Johnson provided a brief overview regarding the rationale behind the restructuring of the Standing Committees and the process that will be taken to do so. He also highlighted what the new restructured Standing Committees would be as per the materials that were provided in the agenda package. He added the amendments proposed for sections 6, 7, and 8 of the Bylaws to implement these new Committees are provided for review and approval, as well as the redline copy of the proposed amended Bylaws is Appendix 1 and a clean copy of the proposed Bylaws is Appendix 2, included in the distributed materials.

RESOLUTION: Moved by André Guay and seconded by Vernon Cameron.

BE IT RESOLVED,

THAT the Board of Governors, upon the recommendation of the Executive Committee, approve the amendments to the General Bylaws of the Board of Governors of Laurentian University, as recommended herein and as set out in Appendix One attached hereto.

Carried unanimously.

10. Nominating Committee Item

The Chair invited the Vice-Chair of the Nominating Committee, Laura Kurkimaki, to provide more information on this item. Ms. Kurkimaki stated that the Board Vice-Chair is currently vacant and will need to be filled. In consultation with Nominating Committee members, the consensus was that Governor James (Jim) Gallagher, having confirmed his interest and willingness to stand for nomination, would advance in the election and appointment process.

RESOLUTION: Moved by Aaron Barry and seconded by David Harquail.

BE IT RESOLVED,

THAT the Board of Governors, upon the recommendation of the Nominating Committee, elect *James Gallagher* as Vice-Chair of the Board of Governors for a period of one year, commencing July 1, 2023 and ending at the close of June 30, 2024, as presented at its meeting of June 16, 2023.

Carried unanimously with one (1) abstention (Jim Gallagher).

11.1 Laurentian University Native Education Council (LUNEC) Report to the Board

The Chair invited Associate Vice-President, Academic & Indigenous Programs, Dominic Beaudry, to provide an update on this matter. Mr. Beaudry highlighted various points from his report including Heritage Canada funding of the planned events for National Day for Truth and Reconciliation, the multi-year accreditation of the Bachelors of indigenous Social Work, and the Indigenous programs strategic planning session. Through this session, a draft report was created that highlighted four part summary including staffing, programs research and facilities and space for Indigenous programs and staff and students. He added there is the potential to launch a Bachelor of Indigenous Interdisciplinary studies which is slated to commence next fall in addition to three minors that were created the previous fall, as well as being able to have a minor in Indigenous Interdisciplinary studies.

Summary of Information Reports by Board Standing Committees:

11.2 Audit Committee Report

11.3 Executive Committee Report

11.4 Finance Committee Report

11.5 Nominating Committee Report

11.6 Property Development and Planning Committee Report

The Chair invited Interim University Secretary, Mark Johnson to present these reports. He explained they briefly summarize information items presented at each Committee meeting, but do not move up to the Board for approval. He added providing these reports are important for transparency reasons, and they demonstrate what the Committee discusses. The purpose for all of the Governors to have insight into what all the Committees are discussing and where Governors can ask further questions about them.

12. Chair's Items

This was Jeff Bangs' last meeting as Chair and as a Governor. The Chair acknowledged all of the great work of members of the Board, labour partners, management, administrative team, staff and faculty and the progress made in leading Laurentian through the CCAA process during his time serving as Chair. He also thanked community stakeholder groups and various ministry and government officials. He wished Laurentian the best as it continued on its path of restructuring.

13. Other Business

The Chair, in consultation with Interim University Secretary, Mark Johnson, advised there was no other business.

IN CAMERA

14 In Camera Discussion

The Board of Governors then proceeded with their In Camera Discussion without the Executive team at approximately 12:45pm

ADJOURNMENT

15. Adjournment

Having exhausted the items on the agenda Mr. Jeff Bangs, Chair adjourned the meeting.

Mark Johnson, Interim University Secretary

SPECIAL MEETING OF THE BOARD OF GOVERNORS
**Minutes of the open meeting held September 28, 2023
 4:00 p.m., via Zoom**

Present	Absent
<p><u>Voting Members Present</u> Barbeau, Jay Barry, Aaron Cameron, Vern, Chair Embleton, Sheila, Interim President and Vice-Chancellor (ex-officio) Guay, Andre Harquail, David Kurkimaki, Laura Manitowabi, Tammy McCue, Meghan (GSA) Ramakko, Brian</p> <p><u>Non-Voting Members Present</u> Bassett, Shannon, Senate Representative Colin, Fabrice, LUFA Representative Fenske, Tom, LUSU Representative Gorham, Robyn LUFA Representative Motamedi, Monica, CUPE Representative Sbaa, Nawfal, AEF Representative Scott, Dan, Senate Representative Teller, Meredith, LUAPSA Representative Vincent, Danielle, University Secretary</p> <p><u>Others in attendance (Resources)</u> Deschenes, Simon, Principal, Eckler Eger, Tammy, Vice-President, Research Hodgson, Ann, Interim Associate University Secretary Lavallée, Normand, AVP, Financial Services Leclerc, Renée, Executive Administrative Assistant, University Secretariat Merida, Bryan, Principal, Eckler Piché, Michel, Interim, Vice-President, Finance and Administration</p>	<p><u>Voting Members Absent</u> Eshkawkogan, Kevin Recollet, Angela</p> <p><u>Non-Voting Members Absent</u></p>

The Chair of the Committee, Mr. Vernon Cameron, called the meeting to order at 4:02 p.m. and Ms. Danielle Vincent, University Secretary, confirmed quorum. Mr. Cameron asked Ms. Vincent to Chair the meeting from this point forward noting he was in attendance via telephone while commuting. As such, Ms. Vincent began the meeting by acknowledging the Robinson-Huron Treaty of 1850 and that Laurentian University is on the traditional lands of the Atikameksheng Anishnawbek.

Ms. Vincent noted that this was an open meeting which was called to address one single item.

ACTION ITEMS

1. **Adoption of Agenda**

MOTION: Moved by Andre Guay and seconded by Brian Ramakko.

That the agenda be approved as presented.

Carried unanimously.

2. **Declaration of Conflicts of Interest**

The University Secretary, Ms. Vincent, invited members to declare any conflicts of interest. It was noted for the record that Board member Mr. David Harquail, has previously disclosed a potential conflict he may have from time to time regarding discussions concerning the treatment of the University's endowment fund and/or deferred donor contributions. No additional conflicts of interest were declared.

3. **Finance and Property Committee Item**

3.1. **Employee Retirement Plan Actuarial Valuation Report of January 1, 2023**

The University Secretary, Ms. Vincent, called upon the Chair of the Board Finance and Property Committee, Mr. David Harquail, to introduce this item. Mr. Harquail informed those in attendance that this agenda item has recently been presented to and reviewed by both the Laurentian University Pension Fund Committee as well as the Board Finance and Property Committee. The presentation of this item to the Board at a special meeting was felt to be a prudent step in light of the positive state of the pension plan at this moment in time, and in light of the current state of the financial markets. Mr. Harquail subsequently called upon Interim Vice-President, Finance and Administration, Mr. Michel Piché, to provide additional information.

Mr. Piché echoed Mr. Harquail's comment that the item being considered at today's meeting was a prudent step for the university and also noted that in doing so, it will result in savings to the university of \$450,000 over the next three (3) years. Mr. Piché provided a detailed review of the meeting material as circulated.

BE IT RESOLVED:

THAT the Board of Governors, as recommended by the Board Finance and Property Committee, approve the actuarial assumptions and filing of the valuation to FSRA relating to the January 1, 2023 Plan, as presented at its special meeting of September 28, 2023.

MOTION: Moved by Jay Barbeau and seconded by Brian Ramakko.

Carried unanimously.

4. **Chair's Items**

The Chair confirmed there were no new business items to discuss or address.

ADJOURNMENT

5. **Adjournment**

Having exhausted the agenda, the meeting was adjourned at 4:13 p.m.

Vernon Cameron, Chair

Danielle Vincent, University Secretary

BOARD OF GOVERNORS

Minutes of the Special Meeting of September 6, 2023

4:00 p.m., Via Zoom

Present	Absent
<p><u>Voting Members Present</u> Barbeau, Jay Barry, Aaron Cameron, Vernon, Chair Embleton, Sheila, Interim President & Vice-Chancellor Gallagher, Jim Guay, André Harquail, David Kurkimaki, Laura McCue, Meghan (GSA) Ramakko, Brian Sbaa, Nawfal (AEF) (joined late and after the vote of student rotation)</p> <p><u>Non-Voting Members Present</u> Bassett, Shannon Colin, Fabrice, LUFA Robyn Gorham, LUFA Fenske, Tom, LUSU Scott, Daniel, Senate Teller, Meredith, LUAPSA Vincent, Danielle, University Secretary</p> <p><u>Also in attendance (Resources):</u> Boyer, Celeste, General Counsel Brouwer, Brenda, Interim Provost and Vice President Academic Hodgson, Ann, Acting Associate University Secretary Piché, Michel, Interim Vice-President, Finance and Administration Rocca, Gina, Acting Executive Assistant</p>	<p><u>Voting Members Absent</u> Eshkawkogan, Kevin Manitowabi, Tammy Recollet, Angela</p> <p><u>Non-Voting Members Absent</u> Motamedi, Monica, CUPE</p>

OPEN SESSION

The Chair of the Board of Governors (“the Board”), Mr. Vernon Cameron, called the meeting to order at 3:02 p.m. and confirmed quorum. Mr. Cameron then opened the meeting by acknowledging the Robinson-Huron Treaty of 1850 and further recognized that Laurentian University is on the traditional lands of the Atikameksheng Anishnawbek.

OPEN ACTION ITEMS

1. Adoption of Agenda

MOTION: Moved by Laura Kurkimaki and seconded by David Harquail.

That the agenda be approved as presented.

Carried unanimously.

2. Declaration of Conflicts of Interest

The Chair invited members to declare any conflicts of interest relevant to the agenda and reminded Governors that at any time during the meeting proceedings they are respectfully encouraged to consider and raise any potential conflict, which may arise during discussions. Meghan McCue declared a conflict with agenda item 3.3 "*For Approval: Proposed Five-Year Student Rotational Schedule (2023-2028)*", due to her position as student representative of the GSA.

It was noted for the record by the University Secretary that Mr. Harquail has previously disclosed a potential conflict he may have from time to time regarding discussions concerning the treatment of the University's endowment fund and/or deferred donor contributions.

3. Governance Committee Items

3.1 For approval: Proposed Draft Terms of Reference

The Chair invited Chair of the Governance Committee, Laura Kurkimaki to provide more information on this item. Ms. Kurkimaki was joined by University Secretary, Danielle Vincent. Ms. Vincent gave further context highlighting the steps taken throughout the process to arrive at these proposed Terms of References. She added the consultation process involved several steps. Input was solicited, collected and presented at the Governance Committee, at two separate meetings. At these meetings the terms of reference were refined, suggestions were made and incorporated. The Terms now being proposed for approval were brought forward by recommendation from the Governance Committee.

In response to a question about the absence of a Senate representative on the Governance Committee, a fulsome discussion ensued about the proposed composition of the Governance Committee in light of its nature as an internal facing Committee to assist in regulating the Board of Governors.

There followed a discussion of creating a separate Committee to enhance communication and working relationships with the Senate. Further discussion ensued about the status of the request made to the Ministry of Colleges and Universities (MCU) to include labour partners as members on the Board.

RESOLUTION: Moved by David Harquail and seconded by Jim Gallagher

BE IT RESOLVED,

a) That the Board of Governors, upon the recommendation of the Governance Committee, approve the terms of Reference for the Audit and Risk Committee, as set out in Item 3.1.a, attached hereto;

Carried unanimously

RESOLUTION: Moved by Jay Barbeau and seconded by Aaron Barry

BE IT RESOLVED,

b) That the Board of Governors, upon the recommendation of the Governance Committee, approve the terms of Reference for the Finance and Property Committee, as contained in Item 3.1.b, attached hereto;

Carried unanimously

RESOLUTION: Moved by David Harquail and seconded by Jay Barbeau

BE IT RESOLVED,

c) That the Board of Governors, upon the recommendation of the Governance Committee, approve the terms of Reference for the Governance Committee, as contained in Item 3.1.c, attached hereto;

Carried unanimously

RESOLUTION: Moved by David Harquail and seconded by Jim Gallagher

d) That the Board of Governors, upon the recommendation of the Governance Committee, approve the terms of Reference for the Human Resources Committee, as contained in Item 3.1.d, attached hereto;

Carried unanimously

3.2 For approval: In-Year Appointments to Committees

The Chair invited the Vice-Chair of the Nominating Committee, Laura Kurkimaki to present this item. Ms. Kurkimaki was joined by University Secretary, Danielle Vincent. Ms. Vincent highlighted that due to the recent re-structuring efforts, committee replenishment had not taken place at the Annual General Meeting. Ms. Vincent further added that delegating powers of committee membership appointment to the Governance Committee would ensure that existing and future committee vacancies could be addressed more efficiently.

RESOLUTION: Moved by David Harquail and seconded by André Guay

BE IT RESOLVED,

That the Board of Governors, upon recommendation by the Governance Committee, authorize the Governance Committee to exercise all the powers held by the Board in appointing members to any vacant positions on Board Committees, or any other committees or bodies upon which Board representation is required for the 2023-2024 Board year, as presented on September 6, 2023.

Carried unanimously.

3.3 For approval: Proposed Five-Year Student Rotational Schedule (2023-2028)

The Chair invited University Secretary, Danielle Vincent to provide information on this item. Ms. Vincent gave an overview of the purpose of establishing a new five-year student rotational schedule, as per section 2(ii)(c) of the General Bylaws of the Board of Governors. She noted the new five-year schedule as provided in the distributed agenda package. Ms. Vincent added consultation with the three student associations (SGA, GSA and AEF) took place and the associations were in agreement with the new five-year rotational schedule. Due to Meghan McCue's conflict with being a student representative of the GSA on this item, Ms. McCue abstained from voting and was placed in Zoom's virtual waiting room for the discussion and voting on this item. As well, Nawfal Sbaa was not in attendance of the meeting while this item was presented.

RESOLUTION: Moved by David Harquail and seconded by Jay Barbeau

BE IT RESOLVED,

THAT the Board of Governors, upon recommendation by the Governance Committee, approves the following *Five-Year Rotational Schedule* of the three (3) officially recognized Laurentian University student associations for the academic years (2023 to 2028) as presented on September 6, 2023.

Carried unanimously with one (1) abstention, Meghan McCue

4. Chair's Items

The Chair had no other items to present.

5. Adjournment

Having exhausted the items on the agenda Mr. Vernon Cameron, Chair adjourned the meeting at 3:38 p.m.

Vernon Cameron, Chair

Danielle Vincent, University Secretary

It was noted for the record by the Interim University Secretary that Mr. Harquail has previously disclosed a potential conflict he may have from time to time regarding discussions concerning the treatment of the University's endowment fund and/or deferred donor contributions.

3. Chair's Items

A discussion took place regarding the succession plan for the current Chair.

The Chair, joined by the Interim University Secretary, provided a detailed synopsis of the nomination and election procedures required to appoint eligible Governors into the Board Leadership roles of Board Chair and Board Vice-Chair. The Interim University Secretary reviewed the General Board Bylaws and the Board Nominating Committee's Terms of Reference to help facilitate a thorough discussion among members regarding the status of the renewal progress, and the proposed June timeline to proceed to the June 16, 2023 AGM.

4. Adjournment

Having exhausted the items on the agenda Mr. Jeff Bangs, Chair adjourned the meeting at 4:44 p.m.

OPEN SESSION

The Chair of the Board of Governors ("the Board"), Mr. Jeff Bangs, called the meeting to order at 4:46 p.m. and confirmed quorum. Mr. Bangs then opened the meeting by acknowledging the Robinson-Huron Treaty of 1850 and further recognized that Laurentian University is on the traditional lands of the Atikameksheng Anishnawbek.

OPEN ACTION ITEMS

1. Adoption of Agenda

MOTION: Moved by Angela Recollet and seconded by Aaron Barry

That the agenda be approved as presented.

Carried unanimously.

2. Declaration of Conflicts of Interest

The Chair invited members to declare any conflicts of interest relevant to the agenda and reminded Governors that at any time during the meeting proceedings they are respectfully encouraged to consider and raise any potential conflict, which may arise during discussions.

It was noted for the record by the Interim University Secretary that Mr. Harquail has previously disclosed a potential conflict he may have from time to time regarding discussions concerning the treatment of the University's endowment fund and/or deferred donor contributions.

3. Executive Committee Items

3.1 Notice of Proposed Amendments to the General Board Bylaws and Board Committee Restructuring

The Chair invited Interim University Secretary, Mark Johnson to provide more information on this item. Mr. Johnson provided further context about restructuring the Board Standing Committees and

noted the circulated materials that provide more details. Mr. Johnson highlighted the proposed bylaw changes. He added voting on this matter would occur at the June 21st meeting of the Board of Governors, taking effect immediately. Further steps taken would be the revision of the Terms of References. He provided a timeline to when the new Committee structure would be in place by.

A fulsome discussion ensued regarding Senate representation on the new Standing Committees, as well as the joint request of the union partners and the Board of Governors made to the Province to change legislation so to have three members to be union representation. It is unclear yet as to whether or not the three positions would be part of the existing whole complement of the 16 members or, will it involve adding three additional spots. No word yet from the Province regarding its decision on this matter.

4 Nominating Committee Items

4.1 Election and Appointment of Chair of the Board of Governors

The Chair invited the Vice-Chair of the Nominating Committee, Laura Kurkimaki to present this item. Ms. Kurkimaki explained a new Board Chair has to be elected due to be effective upon the departure of the incumbent Chair, Jeff Bangs. The Board Chair is an ex-officio voting member to all Board Standing Committees.

RESOLUTION: Moved by Jim Gallagher and seconded by Aaron Barry

BE IT RESOLVED,

THAT the Board of Governors elect Mr. Vernon Cameron as Chair of the Board of Governors for a period of two year(s), commencing on July 1, 2023 at the close of June 30, 2025, as recommended by the Board Nominating Committee, and as presented at its meeting of June 7, 2023.

Carried unanimously.

5. Chair's Items

The Chair had no other items to present.

6. Adjournment

Having exhausted the items on the agenda Mr. Jeff Bangs, Chair adjourned the meeting at 5:13 p.m.

Jeff Bangs, Chair

Mark Johnson, Interim University Secretary



BOARD OF GOVERNORS

Minutes of the Electronic Vote of July 24, 2023

Voting Members who participated in vote	Voting Members who did not participate in vote
Barbeau, Jay (Jean-Pierre) Barry, Aaron Brown, Zarreen Cameron, Vernon, Chair Gallagher, James, Vice-Chair Guay, André Harquail, David Kurkimaki, Laura McCue, Meghan Ramakko, Brian	Eshkawkogan, Kevin Embleton, Sheila, President and Vice-Chancellor Manitowabi, Tammy Recollet, Angela

CLOSED ACTION ITEM

1. *Appointment of Board member to Presidential Search Committee*

James Gallagher declared a conflict..

BE IT RESOLVED,

That the Board of Governors approve the appointment of Jim Gallagher to the Presidential Search Committee

Carried (9 votes in favour, 1 abstention – James Gallagher)

Danielle Vincent, University Secretary



BOARD OF GOVERNORS

Minutes of the Electronic Vote of July 18, 2023

Voting Members who participated in vote	Voting Members who did not participate in vote
Barbeau, Jay (Jean-Pierre) Barry, Aaron Cameron, Vernon, Chair Embleton, Sheila, President and Vice-Chancellor Gallagher, James, Vice-Chair Guay, André Harquail, David Kurkimaki, Laura Manitowabi, Tammy McCue, Meghan Ramakko, Brian Recollet, Angela	Eshkawkogan, Kevin

CLOSED ACTION ITEM

1. Appointment of voting Governors to Standing Committees.

BE IT RESOLVED,

That the Board of Governors approve that the following governors be appointed to the respective standing committees of the Board for terms commencing immediately upon approval:

Audit and Risk Committee

1. *Interim Chair – Vernon Cameron*
2. *Brian Ramakko*
3. *David Harquail*
4. *Tammy Manitowabi*

Finance and Property Committee

1. *Chair – David Harquail*
2. *Brian Ramakko*
3. *Jay Barbeau*
4. *Kevin Eshkawkogan*
5. *Meghan McCue*

Governance Committee

1. *Chair – Laura Kurkimaki*
2. *Aaron Barry*
3. *Angela Recollet*
4. *Jay Barbeau*
5. *Tammy Manitowabi*
6. *Meghan McCue*

Human Resources Committee

1. *Chair – Aaron Barry*
2. *Andre Guay*
3. *Angela Recollet*
4. *Kevin Eshkawkogan*
5. *Laura Kurkimaki*

Joint Committee on Bilingualism

1. *Jay Barbeau*

Carried (11 votes in favour, 1 opposed)

Danielle Vincent, University Secretary



Board of Governors

Agenda Title	Employees Retirement Plan Responsibility Chart
Agenda Item No.	Item 3.2A
Date of Meeting	October 20, 2023
Open/Closed session	Open
Action Requested	<input checked="" type="checkbox"/> For Approval <input type="checkbox"/> For Information
Proponent	Michel Piche, Vice-President, Finance and Administration (Interim)
Presenter(s)	Norm Lavallee, Associate Vice-President, Financial Services

1. PURPOSE

To have the Board of Governors consider the Laurentian Employees Retirement Plan Responsibility Chart for approval.

2. SYNOPSIS

The Retirement Plan of Laurentian University of Sudbury (Plan) is a single employer plan where the Board is the administrator of the Plan. The administration of the Plan requires delegation to various groups/individuals in order to properly discharge the functions of the Plan and meet legal requirements and filing.

The purpose of the Responsibility Chart is to outlines the responsibilities and delegated responsibilities for:

- The Board of Governors
- Board Committees (Audit and Finance)
- Pension Committee
- Finance Department
- Human Resource Department
- Investment Consultants/Manager(s)
- Other external agent or advisor (Legal, Actuary, Third Party Administrator, Auditor)

3. RESOLUTION TO CONSIDER:

THAT the Board of Governors approve the adoption of the *Employees Retirement Plan Responsibility Chart* (provided as Appendix A) as recommended by the Board Finance and Property Committee and presented at its meeting of October 20, 2023.

4. RISK ANALYSIS

Please note below the specific institutional risk(s) this proposal is addressing.	
<input type="checkbox"/> Enrolment Management <input checked="" type="checkbox"/> Faculty and Staff <input checked="" type="checkbox"/> Funding and Resource Management <input type="checkbox"/> IT Services, Software and Hardware <input type="checkbox"/> Leadership and Change <input type="checkbox"/> Physical Infrastructure	<input checked="" type="checkbox"/> Relationship with Stakeholders <input checked="" type="checkbox"/> Reputation <input type="checkbox"/> Research Enterprise <input type="checkbox"/> Safety <input type="checkbox"/> Student Success

5. RECOMMENDATIONS

That the Board of Governors approved the adoption of the *Employees Retirement Plan Responsibility Chart* as provided in Appendix "A".

A Background/Issue Description

The Plan Responsibility Chart provides clarity on the functions and delegations of tasks to different groups in order to properly discharge the Board of Governor's responsibilities relative to the Retirement Plan of Laurentian University of Sudbury.

The Plan was established to help employees of Laurentian University and other participating employers prepare for retirement by contributing to their financial security in retirement. The Board of Governors is the administrator of the Plan, with the following responsibilities:

- To support the Plan's purposes.
- To ensure the Board as Plan Administrator meets its fiduciary responsibility to Plan members and other beneficiaries in consultation with the Pension Committee and with the help of professional advisers.
- To clearly define the roles and responsibilities of each participant in the governance structure.
- To consider relevant risks to the Plan consistent with the Plan's objective to meet pension liabilities over the short and long-term horizons.
- To maintain effective processes that monitor investment performance.
- To maintain effective processes that monitor service providers.
- To educate and provide Plan information to Plan members and other beneficiaries as required by applicable legislation.

As a result of a recent review of the governance structure and processes previously established in respect of the Plan, management in consultation with the Pension Committee recommend adopting a Responsibility Chart, which summarizes the roles and responsibilities of each participant in the Plan's governance structure in respect of the administration of the Plan.

B Alignment with Strategic Objective or Plan of the University

N/A

C Other options considered (where applicable):

N/A

D Risks including legislative compliance

Legislative Compliance	<ul style="list-style-type: none">• General Bylaws of the Board of Governors (LU)• Laurentian University Act• Financial Services Regulatory Authority• Canadian Association of Pension Supervisory Authorities• Pension Benefits Act, Ontario• Canada Revenue Agency
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The Canadian pension regulatory authorities endorse the establishment (and periodic review) of a governance structure and processes for pension plans to, among other things, ensure that the administrator's fiduciary duties to Plan beneficiaries are fulfilled. The Board may delegate all or part of its powers and duties in respect of the Plan to committees, management, external service providers or advisors, provided that the Board is satisfied of a delegate's suitability to perform the task for which it is engaged, and the Board shall, in accordance with the governance structure, carry out such supervision as is prudent and reasonable.

E Financial Implications (where applicable):

N/A

F Benefits

The Plan Responsibility Chart will assist the Board fulfil its fiduciary duties as the Administrator of the Plan.

G Consultations (where applicable)

The firm of Brown Mills Klinck Prezioso LLP (BMKP LLP), the Retirement Plan legal advisors assisted in preparing the Responsibility Chart in order to ensure compliance with best practices and applicable legal requirements.

- The Responsibility Chart was presented to the Pension Committee at its meeting of August 31, 2023.
- The Responsibility Chart for consideration/recommendation by the Board Finance and Property Committee, October 2, 2023.

H Communications Plan

Once approved by the Board of Governors, the Responsibility Chart will be communicated to the different groups involved in the management and oversight of the Plan and will be posted to the Laurentian University website.

J Next Steps

Board of Governors approval.

I Appendix

- Item 3.2A (Appendix "A") - Laurentian Employees Retirement Plan Responsibility Chart.

Laurentian Employees Retirement Plan Responsibility Chart

October 2, 2023

Date Last Updated: [N/A]

Legend:

- Consulted: The listed party is consulted for their input on the document or proposed change.
- Completes: The listed party carries out an action, such as preparing a document, filing a document, etc.
- Reviews: The listed party reviews the document, report or proposed change and provides comments or exercises oversight.
- Recommends: The listed party recommends the document or proposed change to the Approver.
- Approves: The listed party approves the document or proposed change.

Function/Task	Board of Governors	Board Committees	Pension Committee	Finance Department	HR Department	Investment Consultant/Manager(s)	Other External Agent or Advisor (Legal, Actuary, Third Party Administrator, Auditor)
Governance							
• Appointment of Laurentian University representatives to Pension Committee	Approves						
• Pension Governance Annual Report ¹	Approves	Reviews & Recommends (Finance and Property Committee)	Consulted	Consulted	Consulted	Consulted	Consulted
• Implement fiduciary orientation and education as needed	Completes	Completes	Completes	Consulted			Consulted
• Governance review (triennially) ²	Completes & Approves	Reviews & Recommends (Finance and Property Committee)	Consulted	Consulted	Consulted		Consulted
Plan Amendments							
• Plan amendment for regulatory compliance	Approves	Reviews & Recommends (Finance and Property Committee)	Consulted (may propose such amendments)	Reviews	Reviews		Completes
• Plan amendment required in accordance with Benefits and Funding Policy	Approves	Reviews & Recommends (Finance and Property Committee)	Consulted (may propose such amendments)	Reviews	Reviews		Completes
• Plan amendment to reflect other plan design changes or negotiations with bargaining agents	Approves	Reviews & Recommends (Finance and Property Committee)	Consulted	Reviews	Reviews		Completes
Legislative/ Regulatory Compliance							
<ul style="list-style-type: none"> • Filings with government authorities <ul style="list-style-type: none"> ○ Plan document, SIPP, and amendments ○ Annual Information Return ○ Audited Financial Statements ○ Investment Information Summary ○ PAs and PARs ○ PBGF filings • Filed with Trustee 				Completes (for Form 7) & Approves			Completes

¹ Minimum content/certifications to include operational changes to administration of Plan, confirmation that regulatory filings have been completed, and performance of duties delegated to Finance Department and HR Department.

² This would include overall framework, supporting documents, CAPSA self assessment, risk assessments such as IT & cybersecurity, and approval of amendments resulting from the governance review.

Laurentian Employees Retirement Plan Responsibility Chart

October 2, 2023

Function/Task	Board of Governors	Board Committees	Pension Committee	Finance Department	HR Department	Investment Consultant/Manager(s)	Other External Agent or Advisor (Legal, Actuary, Third Party Administrator, Auditor)
○ Form 7							
Funding and Financial Reporting							
• Implementation of Benefits and Funding Policy			Completes				Consulted
• Actuarial Valuation Reports and Actuarial Information Summary, including decision on timing to file	Approves	Reviews & Recommends (Finance and Property Committee)	Reviews				Completes (Actuary)
• Audited Financial Statements	Approves	Reviews & Recommends (Audit and Risk Committee)	Reviews	Completes			Completes Audit Report (Auditor)
• Remittance of employer and member contributions to Custodian/Trustee				Completes			
• Preparation of pension accounting figures				Consulted			Completes (Actuary)
• Reconciliation of payable pension contributions and actual pension contributions to Trustee				Completes			
Asset Management							
• Development and maintenance of Statement of Investment Policies and Procedures (SIPP)	Approves	Reviews & Recommends (Finance and Property Committee)	Reviews & Recommends			Consulted (Investment Consultant)	
• Monitoring investment performance ○ Preparation of periodic investment reports (at least annually), including quarterly reports		Reviews (Finance and Property Committee)	Reviews			Completes (Investment Consultant)	
• Confirm that investments are in compliance with applicable legislation and investment policy			Reviews	Consulted		Completes (Investment Consultant)	
• Investment manager presentations			Reviews			Completes (Investment Manager(s))	
• Changes to investment fund(s) or manager(s)	Approves	Reviews & Recommends (Finance and Property Committee)	Reviews & Recommends			Consulted (Investment Manager(s))	
Administration							
• Enrolling members				Consulted	Completes		
• Maintaining member records				Completes	Completes		
• Processing of benefits (day-to-day operation of Plan, including transfer amounts and issue T4As)				Approves			Recommends (Third Party Administrator); Completes (Custodian/Trustee)
• Annual member statements				Consulted			Completes (Third Party Administrator)

Laurentian Employees Retirement Plan Responsibility Chart

October 2, 2023

Function/Task	Board of Governors	Board Committees	Pension Committee	Finance Department	HR Department	Investment Consultant/Manager(s)	Other External Agent or Advisor (Legal, Actuary, Third Party Administrator, Auditor)
<ul style="list-style-type: none"> Review and resolve individual pension issues 				Consulted	Consulted		Completes (Third Party Administrator); Consulted (Legal & Actuary)
<ul style="list-style-type: none"> Interpretation of Plan terms 				Completes	Completes		Consulted (Legal & Actuary)
<ul style="list-style-type: none"> Periodic review of administration forms and processes <ul style="list-style-type: none"> Annual and biennial statements Termination, retirement and death statements, spousal waiver 				Completes			Consulted (Third Party Administrator and others)
<ul style="list-style-type: none"> Monitor Plan expenses (in conjunction with audited financial statements) 			Reviews	Completes			
<ul style="list-style-type: none"> Setting and monitoring service standards and service provider agreements 				Completes		Consulted (Investment Consultant)	Consulted
<ul style="list-style-type: none"> Select and monitor service providers and advisers related to administration and investment of the Fund <ul style="list-style-type: none"> Investment Consultant Investment Manager(s) Custodian/Trustee 	Approves	Reviews & Recommends (Finance and Property Committee)	Reviews & Recommends	Completes			
<ul style="list-style-type: none"> Select and monitor Auditor 	Approves	Completes, Reviews & Recommends (Audit Committee)					
<ul style="list-style-type: none"> Select and monitor Third Party Administrator 	Approves	Reviews & Recommends (Finance and Property Committee)		Completes	Consulted		
<ul style="list-style-type: none"> Select and monitor other service providers and advisers <ul style="list-style-type: none"> Actuary Legal Counsel Other Consultants 	Approves	Reviews & Recommends (Finance and Property Committee)		Completes			
Communication and Education							
<ul style="list-style-type: none"> Develop Member communication and education policy <ul style="list-style-type: none"> Plan booklet Member meetings 			Consulted	Completes	Completes		Consulted
<ul style="list-style-type: none"> Review of communication materials prior to distribution 			Consulted	Reviews	Reviews		Completes
<ul style="list-style-type: none"> Evaluation of effectiveness of communication and education programs 			Reviews	Completes	Completes		Consulted
<ul style="list-style-type: none"> Respond to individual member/beneficiary queries 				Completes	Completes		Consulted

Laurentian Employees Retirement Plan Responsibility Chart

October 2, 2023

Function/Task	Board of Governors	Board Committees	Pension Committee	Finance Department	HR Department	Investment Consultant/Manager(s)	Other External Agent or Advisor (Legal, Actuary, Third Party Administrator, Auditor)
<ul style="list-style-type: none"> Audit of former/retired member and survivor data (including missing members) (at least biennially) 				Reviews			Completes (Third Party Administrator)

DRAFT



Board of Governors

Agenda Title	Approval of Signing Authorization Policy 2023
Agenda Item No.	3.2 B
Date of Meeting	October 20, 2023
Open/Closed session	Open
Action Requested	<input checked="" type="checkbox"/> For Approval <input type="checkbox"/> For Information
Proponent	Michel Piche, Vice-President, Finance and Administration (Interim)
Presenter(s)	Norm Lavallee Associate Vice-President, Financial Services

1. PURPOSE

To review and approve Laurentian’s Policy on Signing Authorization.

2. SYNOPSIS

The Policy documents the levels of authority required to enter contracts, bind the University to the terms thereof and sign various other documents as outlined in the Policy. The Board previously approved the Policy on Signing Authorization on June 23, 2017. The Policy appoints various individuals based upon their title. As a result of title changes and the introduction of other policies, an updated Policy is prepared to update the position titles and refer to other policies that impact the signing of documents and associated tasks. The Policy specifies all contracts, (including purchase contracts, construction contracts, gift agreements, research contracts), who can authorize banking transactions and provide instructions to the banking institutions, invest funds, issue charitable donation receipts, and instruct the Pension Trustee and file Pension Documents with the regulator.

3. RESOLUTION TO CONSIDER:

THAT the Board of Governors approve the updated Signing Authorization Policy as recommended by the Board Finance and Property Committee and presented at its meeting of October 20, 2023.

4. RISK ANALYSIS

Please note below the specific institutional risk(s) this proposal is addressing.	
<input type="checkbox"/> Enrolment Management <input type="checkbox"/> Faculty and Staff <input checked="" type="checkbox"/> Funding and Resource Management <input type="checkbox"/> IT Services, Software and Hardware <input type="checkbox"/> Leadership and Change <input type="checkbox"/> Physical Infrastructure	<input type="checkbox"/> Relationship with Stakeholders <input type="checkbox"/> Reputation <input type="checkbox"/> Research Enterprise <input type="checkbox"/> Safety <input type="checkbox"/> Student Success

5. RECOMMENDATIONS

That the Board of Governors approve the *updated Signing Authorization Policy* as recommended by the Board Finance and Property Committee.

A **Background/Issue Description**

Update of existing Signing Authorization Policy, dated June 23, 2017 (attached)

B **Alignment with Strategic Objective or Plan of the University**

N/A

C **Other options considered (where applicable):**

N/A

D **Risks including legislative compliance**

Legislative Compliance	<ul style="list-style-type: none">• General Bylaws of the Board of Governors (LU)• Laurentian University Act• Policy on Purchasing• Policy on Short-Term Cash Investment• Broader Sector Accountability Act, 2010• Broader Public Sector Procurement Directive, 2011• Broader Public Sector Expenses Directive, 2011
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E **Financial Implications (where applicable):**

N/A

F **Benefits**

N/A

G **Consultations (where applicable)**

Senior Management and Chair of Finance Committee
Board Finance and Property Committee – for consideration/recommendation, October 2, 2023

H **Communications Plan**

Internal communications with Laurentian's community

J **Next Steps**

Board approval and internal communication

I **Appendix**

1. Policy on Signing Authorizations, dated June 23, 2017
2. Updated Policy on Signing Authorizations, dated June 16, 2023



Policy on Signing Authorizations

Administrative Authority:	Vice-President, Administration
Approval Authority:	Board of Governors
Approval Date:	June 23, 2017
Next Review:	June 2022
Review History:	February 2012; February 2014

1. Purpose

- 1.1. Laurentian University is committed to ensuring that authority is delegated to the proper individuals for purposes of committing the University through various contracting, managing its assets, and in issuing payments and receipts.
- 1.2. The Policy on Signing Authorizations (the “policy”) is intended to serve to identify the University’s signing authorities and the circumstances under which individuals may sign documents and legally bind the University subject to the requirements outlined in the Policy on Purchasing.

2. Scope

- 2.1. This policy covers the following types of transactions:
 - 2.1.1. Banking and Payment of Money
 - 2.1.2. Investments
 - 2.1.3. Contracts
 - 2.1.4. Issuance of Charitable Donation Receipts
 - 2.1.5. Pension Plan
 - 2.1.6. Student Placements
- 2.2. This policy identifies to all administrators, faculty, staff, supervisors, students, contractors, and outside entities, the position titles and their responsibilities required to sign legal documents on behalf of the University.

2.3. For the purpose of this policy, the University workplace and learning environment includes all places where University business, teaching and learning occurs.

3. Definitions/Principles:

- 3.1. “Banking and Payment of Money” means the duties and responsibilities relative to all cheques, drafts and orders for the payment of money on behalf of the University and the duties of the signing authorities as stated in bank forms in order for the University to establish its banking arrangements with its authorized bankers.
- 3.2. “Investments” apply to short-term and long-term investments of funds. Short-term investments are funds in excess of those required for day-to-day operations in accordance with the University’s short-term investment policy.
- 3.3. “Contracts” refer to agreements relating to the general operations of the University, including services, research and ancillary operations. Forms of contract include legal agreements, leases, Memoranda of Understanding, and Memoranda of Agreement that bind the University. Leases with a commitment greater than \$500,000 per year must be approved by the Board of Governors prior to signing.
- 3.4. “Pension Plan” means to refer to all administrative instructions to the Trustee, and contracts and agreements relating to the general operation of the University Pension Plan and to bind the University to the terms thereof. Administrative contracts and agreements include, but are not limited to, actuarial and financial consulting contracts and agreements.
- 3.5. “Student Placement Agreements” must be prepared for each independent organization where students perform a practical placement as part of their programs.

4. Policy Statement

- 4.1. It is the policy of Laurentian University that all banking authorizations, payments of money, investments, contracts, charitable donation receipts, pension plan transactions, and student placement agreements be executed by an individual authorized to bind the University.

4.2. The following table outlines the signing authorities:

Type of Agreement	Banking and payment of money	Investments	Contracts >\$250,000	Contracts >\$50,000	Contracts >\$10,000	Contracts <\$10,000	Construction Contracts	Charitable donation receipt	Pension Plan	Student Placement
	any 2 of	any 2 of	One of group A plus any other	any 2 of	any 1 of	any 1 of	any 2 of	any 1 of	any 2 of	Mandatory plus any 1 of
Required number of signatures:										
Position Title										
Group A										
Chairperson of the Board Governors	x		x	x	x	x	x			
President & Vice-Chancellor	x	x	x	x	x	x	x		x	
Vice-President, Administration	x	x	x	x	x	x	x	x	x	x
Other Vice-Presidents	x		x	x	x	x				x
University Secretary and General Counsel			x	x	x	x				
Associate Vice-President, Financial Services	x	x	x	x	x	x	x	x	x	x
Group B										
Associate Vice-President, Student Life, EMI						x				
Director(s) in Finance	x	x	x	x	x	x	x	x	x	
Manager(s) in Finance	x	x							x	
Accounting and Reporting Manager	x	x							x	
Associate Vice-President, Human Resources & Organizational Development, within the purview of the role			x	x	x	x			x	
Development Officer								x		
Development Manager								x		
Chief Advancement Officer								x		
Director, Procurement, Contract and Risk			x	x	x	x				x
Buyer						x				
Associate Vice-President, Facilities Services							x			
Director(s), Maintenance and Operations and/or Capital Projects							x			
Associate Vice-President Information Technology (IT contracts only)			x	x	x	x				
Dean of the applicable Faculty										Mandatory

4.3. Confidentiality is required in all procedures under this policy, unless the safety of members of our community are at risk or subject to the disclosure requirements under this policy and/or the *Freedom of Information and Protection of Privacy Act, 1990* or any other applicable legislation.

- 4.4. Any personal information about an individual collected in respect of this policy, is pursuant to *The Laurentian University of Sudbury Act, 1960* and a by-law passed by the Board of Governors. Such information will only be used for the purposes and functions outlined in this policy. If you have any questions about the collection, use and disclosure of this information, please contact the administrative authority responsible for the policy.
- 4.5. Related legislation, policies, procedures, and other documents:
- 4.5.1. Policy on Purchasing
 - 4.5.2. Decision-Making Requirements Associated with Current and Future Capital Projects
 - 4.5.3. *Accessibility for Ontarians with Disabilities Act, 2005*
 - 4.5.4. *Broader Sector Accountability Act, 2010*
 - 4.5.5. *Freedom of Information and Protection of Privacy Act, 1990*
 - 4.5.6. *Ontarians with Disability Act, 2001*
 - 4.5.7. Canada Free Trade Agreement, effective July 1, 2017
 - 4.5.8. Canada European Union Comprehensive Economic Trade Agreement, effectively July 1, 2017
 - 4.5.9. Broader Public Sector Procurement Directive, 2011
 - 4.5.10. Broader Public Sector Expenses Directive, 2011
 - 4.5.11. Ontario-Quebec Trade and Cooperation Agreement



Policy on Signing Authorizations

Administrative Authority:	Vice-President Finance & Administration
Approval Authority:	Board of Governors
Approval Date:	October 20, 2023
	June 2028
Review History:	February 2012; February 2014; June 2017

1. Purpose

- 1.1. Laurentian University is committed to ensuring that authority is delegated to the proper individuals for purposes of committing the University through contracts, issuing of payments and receipts.
- 1.2. The Policy on Signing Authorizations (the "policy") is intended to serve to identify who has the authority to negotiate, approve and identify who the University's signing authorities and the circumstances under which individuals may sign documents and legally bind the University subject to the requirements outlined in the Policy on Purchasing.

2. Scope

2.1. This policy covers the following types of transactions:

- 2.1.1. Banking and Payment of Money
- 2.1.2. Investments
- 2.1.3. Contracts
- 2.1.4. Issuance of Charitable Donation Receipts
- 2.1.5. Pension Plan
- 2.1.6. Student Placements
- 2.1.7. Research contracts
- 2.1.8. Employment contracts

2.2. This policy identifies the position titles and their authority to sign legal documents on behalf of the University.

2.3. For this policy, the University workplace and learning environment includes all places where University business, teaching and learning occurs.

3. Definitions/Principles:

- 3.1. "Banking and Payment of Money" means the duties and responsibilities relative to all cheques, drafts, and orders for the payment of money on behalf of the University and the duties of the signing authorities as stated in bank forms in order for the University to establish its banking arrangements with its authorized bankers.
- 3.2. "Investments" apply to short-term and long-term investments of funds. Short-term investments are funds in excess of those required for day-to-day operations in accordance with the University's Short-Term Cash Investment Policy.
- 3.3. "Contracts" refer to any agreement, contract, subcontract, letter of intent, memorandum of understanding, memorandum of agreement, lease, license, donor agreement, deed, grant, certificate, instrument, assignment or any other document which creates an obligation or which may be binding upon the university in including but not limited to the general operations of the University, including all types of services such as consulting, recruiting (both employees and students), research, campus and ancillary operations.
- 3.4. "Leases" with a commitment greater than \$500,000 per year must be approved by the Board of Governors prior to signing.
- 3.5. "Pension Plan" means to refer to all administrative instructions to the Trustee, and contracts and agreements relating to the general operation of the University Pension Plan and to bind the University to the terms thereof. Administrative contracts and agreements include, but are not limited to, actuarial and financial consulting contracts and agreements.
- 3.6. "Student Placement Agreements" must be prepared for each independent organization where students perform a practical placement as part of their programs.
- 3.7. "Research Contracts" shall mean agreements, contracts, subcontracts, letters of intent, memoranda of understanding, memorandum of agreement, and all other documents entered between the University and a granting agency or sponsor organization where any of the researcher's affiliation to the University and the University's identity, facilities, or students is to be invoked in the conduct of the research activity contemplated by the agreement.
- 3.8. "Employment Contracts" mean an agreement between the University and an employee or employee group which sets the terms that govern the working relationship, including rights, duties and obligations of both parties.

4. Policy Statement

4.1. No person is authorized to sign a Contract on behalf of the University unless;

4.1.1 The transaction has been reviewed and approved in accordance with this Policy

or other applicable Board of Governors by-law, resolution or policy; and

4.1.2 The individual has signing authority under this Policy or other applicable Board of Governors by-law, resolution or policy.

4.2. All persons who negotiate, approve or sign contracts on behalf of the University must comply with procedures issued by the President relating to the negotiation and execution of University contracts.

4.3. It is the policy of Laurentian University that all banking authorizations, payments of money, investments, contracts, charitable donation receipts, pension plan transactions, and student placement agreements be executed by an individual authorized to bind the University.

The following outlines the signing authorities:

4.3.1 The Senior Signing Group under this policy include:

- Chair of the Board of Governors
- President & Vice-Chancellor
- Vice-President Finance and Administration
- Provost and Vice-President Academic
- Vice-President Research
- Associate Vice-President, Financial Services

4.3.2. For banking and payment of money, any two individuals from the Senior Signing Group or a Director or a Manager from the Financial Services Department.

4.3.3. For-Short Term Investments, refer to the Policy on Short-Term Cash Investment, which provides the list of approved Authorities.

4.3.4 Contracts greater than \$1,000,000 require the approval of the Board of Governors.

4.3.5. Contracts greater than \$50,000 (including smaller contracts for the same purpose totaling more than \$50,000) require two signatures. One must be from the Senior Signing Group and the other signature can include one from the following for contracts relating to their respective areas of responsibility: the University Secretary, University General Counsel, Associate Vice-President Human Resources (within the purview of the role), a Director in Financial Services, Manager Procurement and Contracts, or the Associate Vice-President Information Technology (within the purview of the role).

4.3.6. Contracts of less than \$50,000 require one signature from any of the following for contracts relating to their respective areas of responsibility: Senior Signing Group, the University Secretary, University General Counsel, Associate Vice-President Human Resources (within the purview of the role), a Director in

Financial Services, Manager Procurement and Contracts, or the Associate Vice-President Information Technology (within the purview of the role).

4.3.7. For Construction Contracts, any two individuals one of which one must be from the Senior Signing Group and a second signature which can include the University Secretary, University General Counsel, Associate Vice-President in Facility Services, Director for Operations and Maintenance, or Manager Planning and Projects.

4.3.8. Charitable donation receipt, any one individual from the Senior Signing Group or the University Secretary, University General Counsel, a Director in Financial Services, or the Chief Advancement Officer.

4.3.9. Pension Plan, any two individuals one which must be from the Senior Signing Group, and the other from: a Director or Manager in Financial Services, or the Associate Vice-President Human Resources.

4.3.10. Student Placement Agreements must be signed by the Dean of the applicable Faculty or the Provost and Vice-President Academic.

4.3.11. For Research Contracts over \$250,000, two signatures one which must be the Vice-President Research and another one from the following: President, Vice-President Finance and Administration or Associate Vice-President Financial Services. For all other Research Contracts including Non-Disclosure Agreements (NDA's), Memorandums of Understanding (MOU's) and contracts without any amount, two signatures one from the Vice-President Research or a Director in the Research Office, and a second signature from the Senior Signing Group, the University Secretary or University General Counsel.

4.3.12. For Employment contracts, any one individual from the Senior Signing Group or the Associate Vice-President Human Resources.

4.4. It is the responsibility of each signatory to determine if the contract requires review by the Office of the General Counsel, the Financial Services Department and/or the Office Procurement & Contracts.

4.5. Any personal information about an individual collected in respect of this policy, is pursuant to The Laurentian University of Sudbury Act, 1960 and by-laws passed by the Board of Governors. Such information will only be used for the purposes and functions outlined in this policy. If you have any questions about the collection, use and disclosure of this information, please contact the administrative authority responsible for the policy.

4.6. Related legislation, policies, procedures, and other documents:

- 4.6.1. Laurentian University Act
- 4.6.2. General Bylaws of the Board of Governors
- 4.6.3. Policy on Purchasing
- 4.6.4. Policy on Short-Term Cash Investment
- 4.6.5. Broader Sector Accountability Act, 2010
- 4.6.6. Broader Public Sector Procurement Directive, 2011
- 4.6.7. Broader Public Sector Expenses Directive, 2011

4.6 Any question regarding the appropriate signatories for a contract should be referred to the University Secretary who has the authority to determine the appropriate signatories in consultation with the University's General Counsel as needed.

President's Report to Senate Sept 19th, 2023

Welcome to the first Senate meeting of this academic year! I'm not sure that I've ever experienced a summer come and go so quickly, and now we are even past the middle of September, with the Fall Equinox in just a couple of days and some leaves are starting to turn... I hope everybody had at least some chance for some downtime, or at least a break in routine, and perhaps more time for family and friends.

As we look ahead to what we would like to achieve this academic year, we should also reflect on progress made over the past year, take pride in those accomplishments upon which we will build and advance on Laurentian's ambitious plans. I wasn't here in September last year, but many of you were, and can reflect on all that has changed in those momentous 12 months.

In the last year, we have heard a number of truly inspirational [student stories](#) and [faculty successes](#). Organizationally, much has been achieved as the plan of arrangement associated with exiting the CCAA process at the end of last November has been put into motion. We have made significant progress on leadership renewal, restored financial health (including instituting new and more transparent budgeting processes), and have positioned Laurentian to build forward from a financially sound foundation. Critical investments have been made within this year's budget: infrastructure, faculty renewal, staffing, and transformation. And there will be more to come in the next budget – planning for which is starting essentially now.

The recent hiring of twelve new [tenure-track faculty members](#) brings new life into the student experience across all faculties, and there's more to come with several searches ongoing. These academics bring diverse perspectives and expertise to our institution, enriching the academic environment and furthering our commitment to excellence in teaching and research.

Operational Transformation

After much discussion, consultation, and collaboration with campus leaders, middle and senior management, the Transformational Consulting Group, and all members of the Laurentian community who wished to contribute, the University and our consulting partner Deloitte identified and developed four workstreams, which will be the focus of the upcoming transformation. These discussions were strongly influenced by recommendations from the NOUS Operational Review and the Auditor General's Special Report, but even more so by the extensive consultations with and suggestions made by the Laurentian community, many stemming from their own lived experience, and Deloitte's own observations based on their extensive experience. Since the operational transformation process began in May, more than one hundred documents were reviewed to identify specific needs and establish goals for the four workstreams: Human Resources, Finance, Registration Services and Student Affairs, and Information Technology. The so-called blueprints, which are detailed plans outlining the scope, objectives, and timelines for each project, like a roadmap for the project team, have been constructed and have been circulating for comment. The Operational Transformation Plan is now in its final drafting and revising stage, focusing on the plan for putting it into action. The Board was briefed on the general directions of the recommendations at a special meeting on September 6. The goal is for final approval of the Plan at the full Board of Governors meeting on October 20, and then the Plan will be sent to the Ministry of Colleges and Universities for approval.

Strategic planning

The Strategic Planning Process is well underway. There have been many discussions between our consultants from Strategy Corp. and many members of the university community. Over the summer, the initial community survey was open from July 10th to August 18th and saw hundreds of community members share their perspectives. The Strategy Corp team has been on-campus meeting with many of our stakeholders this month and will continue to collect feedback and ideas that will inform the plan. All are welcome to visit the [Strategic Plan Process website](#) to learn more about the ways in which you can contribute your thoughts and ideas. The Office of the AVP Indigenous has recently submitted “Indigenous Programs Strategic Business Plan”, which will also be part of the documents that Strategy Corp will be working from. The draft plan is slated to be completed by December 2023, with required approvals coming in the first part of the Winter term.

Board

The renewal of the Laurentian University Board of Governors continued throughout the summer as Vern Cameron became Chair of the Board as of July 1, 2023, and Jim Gallagher became Vice-Chair. The Board of Governors also welcomed three new members as Lieutenant-Governor in Council appointments: Brian Ramakko, Jean-Pierre (Jay) Barbeau, and Kevin Eshkawkogan. The appointments of these members were confirmed at the Board of Governors meeting on June 16, 2023 for 3-year terms. In addition, the Board has reorganized its committee structure, and now has four committees designed to cover everything required and yet without overlap, so there should now be better efficiency, especially as our Board is still relatively small. The Board is also reviewing some of its policies, e.g. a significantly revised and updated Conflict of Interest policy is currently under review. Some but not all of this is in the wake of the NOUS Governance report of January 2022.

Update on senior administrative searches

An experienced senior leader has joined Laurentian University as Natalie Poulin-Lehoux has been appointed as Associate Vice-President Francophone Affairs. With over 25 years of experience, Ms. Poulin-Lehoux brings a deep understanding and appreciation for the role of francophone postsecondary education in Northern Ontario. She will begin this new role on October 18, 2023.

A new Senior Legal Counsel, to support General Counsel, Celeste Boyer, just started yesterday. That announcement should come out shortly. At various times, Laurentian has had this additional legal counsel, and at other times not. Doing more of our own legal work in-house will help reduce overall costs.

The search for the next University Librarian, the next Dean of Education and Health, and the next Dean of Management are all underway or will be very shortly, all led by Provost Brouwer.

The search for the next Vice-President Finance & Administration is very near conclusion, and as chair of that committee, I hope to negotiate a contract with the successful applicant very shortly. A search is also underway, and at the first interview stage, for the Associate Vice-President Financial Services.

The search for the next Provost and Vice-President Academic has progressed significantly over the summer. I chair this search too, and we currently have a medium list of half a dozen candidates about to have a first round interview. The search for the next President, chaired by Vern Cameron now as Chair of the Board, is similarly well underway, with medium list interviews happening soon.

Real Estate Term Sheet / Greenspace

There is nothing further to report on the sale of lands/buildings to the Government of Ontario. Teams of consultants have been on campus as part of the Government's due diligence before the purchase. The President's House, on John Street, will shortly be on the market for sale – the process for selecting the real estate agent is nearing completion.

Enrolments

Our efforts to attract and support a diverse and talented student body have also yielded fruitful results. This fall, we anticipate an increase in incoming first-year students, including growth in the number of international students. We are also seeing a significant number of students confirming their intent to register in our [34 francophone programs](#). This growth demonstrates the desirability of Laurentian University as a destination for postsecondary education in both official languages. We look forward to welcoming new and returning students this month, and nurturing a thriving community of diverse learners and thinkers.

Campus Events

Two significant moments on the annual university calendar are on the horizon: Franco-Ontarien Day and National Day for Truth and Reconciliation. On September 25th, we will celebrate the anniversary of the first raising of the Franco-Ontarien flag, which took place in 1975 on campus at the University of Sudbury. The historic day will be recognized with multiple events on campus, including the flag raising within Founder's Square at 11 am, which is being organized by l'Association des étudiants francophones. On September 29th, we will gather to mark the National Day for Truth and Reconciliation, which is annually recognized on September 30th. The Indigenous Student Affairs team will be hosting a symposium from 9:00 am to 2:30 pm in the ISLC Round Room. We will be honoured with the presence of expert presenters Roger Chum (Anishinaabe Counsellor and Facilitator), Tanya Talaga (Award Winning Anishinaabe Author), and John Milloy (Author and Historian).

I would also like to extend thanks to the Equity, Diversity and Human Rights Office (EDHRO) who recently hosted an important annual event, Consent Awareness Day, on September 13, sharing information and engaging the community in conversations focused on consent, healthy relationships and sexual violence response and prevention.

I also don't want to lose track of some achievements and noteworthy activity over the summer, too late to report to June Senate.

In July, students participated in Indigenous Land-Based course at the N'Swakamok Friendship Centre Grounds. This 8-day Anishnaabemowin immersion course is an opportunity for students to learn a language and truly experience Anishinaabe culture. The delivery and success of this course is supported by many devoted Laurentian community members. This includes course instructors Eli Lorney Bob and Maajijwan Petahtegoose, Paula Potts, as well as graduate student Renee Lemoyne. As I understand it, there was another Anishnaabemowin Land based Program August 24 to September 2, 2023.

Congratulations

As part of Ontario's **Virtual Learning Strategy initiative**, the government of Ontario announced their support for the work of Laurentian researchers by awarding grants totalling \$1,246,775, to three novel projects which advance virtual learning opportunities for future students and create new ways of delivering post secondary education.

- Centre for Research in Occupational Safety and Health's (CROSH) Collaborative Health-care Simulation - Advanced Post-Secondary Virtual Reality Modules - \$1,078,000: Collaborative Health Care Virtual Reality Modules
- The Stories of Decolonization Film Project (bilingual) - \$25,000
- Virtual Learning Strategy Funding - Targeted Supports for Digital Capacity - \$143,775:

On August 24, Trent University, Laurentian University, Lakehead University, and Nipissing University signed a Memorandum of Understanding (MOU) focused on enhancing **collaboration and resource sharing on research and innovation initiatives** to drive economic development in the province. Thank you to the efforts of the staff in the Research Office.

Congratulations go to fourth-year Computer Science student **Matthew Espinoza** who has been recognized on the Major League Hacking (MLH) Top 50 List 2023 for his “exceptional contributions to the technology ecosystem & STEM education”.

Congratulations go to History and Concurrent Education student **Rylind Davis**, 2023-2024 recipient of The Honourable David C. Onley Scholarship. Rylind's outstanding achievements, commitment to academic excellence, community engagement, and overcoming challenges have made him an extremely deserving candidate. Canadian Hearing Services awarded 26 scholarships to Deaf and hard of hearing students for the 2023-2024 academic year.

Congratulations go to **Dr. Patricia Orozco** of the Faculty of Management, who was named as one of the recipients of the 2023 YMCA Sudbury Women of Distinction Award.

Financial Update

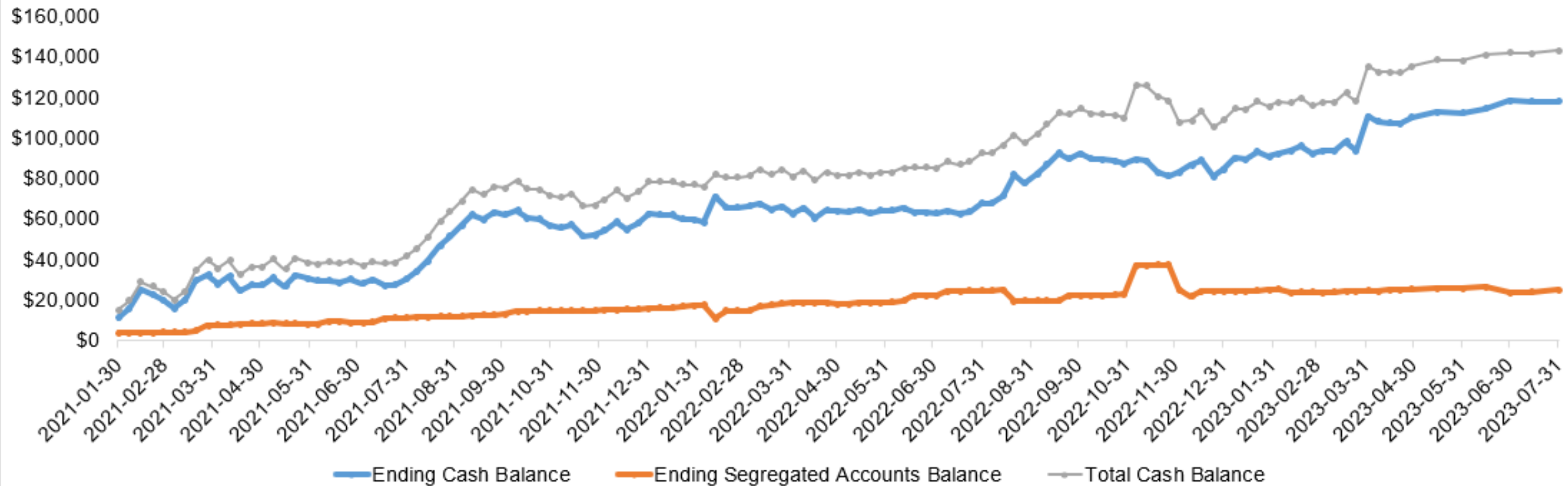


Laurentian University Université Laurentienne

October 2023

LAURENTIAN CASH BALANCES JANUARY 2021 TO JULY 2023 (\$'000)

Weekly/Bi-weekly Cash Flow Actual
January 2021 to July 2023
\$'000



CASH FLOW FORECAST MAY 2023 TO APRIL 2024 (\$000)



	Actual May	Actual Jun	Actual Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Total
Receipts	18,714	16,589	15,345	25,967	22,599	14,164	16,632	15,144	23,763	15,171	13,478	12,394	209,961
Operating Disbursements	14,856	10,121	15,210	8,508	14,404	14,523	23,455	15,756	13,351	11,506	14,720	13,276	169,688
Net Operating Cash Flow	3,858	6,468	135	17,459	8,195	359	6,823	612	10,412	3,665	1,242	882	40,273
Non-Operating Receipts/Disbursements	1,790	361	440	4,280	2,815	2,014	1,814	1,644	1,354	1,504	1,104	4,793	23,913
Net Cash Receipts/Disbursements	2,068	6,107	304	13,179	5,380	2,373	8,637	2,256	9,058	2,161	2,346	5,675	16,360
Ending cash balance**	112,457	118,563	118,259	131,438	136,818	134,445	125,808	123,552	132,609	134,771	132,424	126,749	126,749
MCU Loan	34,408	34,408	34,408	34,408	34,408	34,408	34,408	34,408	34,408	34,408	34,408	32,942	32,942
Available Liquidity	112,457	118,563	118,259	131,438	136,818	134,445	125,808	123,552	132,609	134,771	132,424	126,749	126,749
Endowment Fund Balance	48,824	48,824	49,767	49,767	49,767	49,767	49,767	49,767	49,767	49,767	49,767	49,767	49,767
Segregated Accounts Balance	25,947	23,819	25,145	21,868	22,779	23,184	19,857	19,801	20,324	17,464	18,340	18,927	18,927

** Excludes Segregated Accounts Balance

CASH FLOW REPORT

MAY 1 TO JULY 31, 2023
(\$000)



	FORECAST	ACTUAL	VARIANCE
Receipts	40,786	50,648	9,862
Operating Disbursements	39,232	40,187	955
Net Operating Cash Flow	1,554	10,461	8,907
Non-Operating Receipts/Disbursements	5,808	2,591	3,217
Net Cash Receipts	4,254	7,870	12,124
Ending Cash Balance**	106,135	118,259	12,124
MCU Loan	34,408	34,408	0
Available Liquidity	106,135	118,259	12,124
Endowment Fund Balance	48,824	49,767	943
Segregated Accounts Balance	24,614	25,145	530

** Excludes Segregated Accounts Balance

2023 Fall FTE Preliminary Enrolment Update

First Day of Class (2023-09-07)



Laurentian University
Université Laurentienne

Fall FTE Enrolment*				Planned Enrolments				Current Preliminary Enrolment** First Day of Class (2023-09-07)			
				Official Enrolment Fall 2022	2023-24 Planned Enrolment (Budget)	Planned Δ YoY	Planned Δ % YoY	Fall 2022	Fall 2023	Current Δ YoY	Current Δ % YoY
Immigration Status	Campus	Academic Level	Regist Type								
Domestic	LU	UG	New	844	779	-65	-8%	839	848	9	1%
			Returning	2,539	2,172	-367	-14%	2,538	2,252	-286	-11%
			Total	3,382	2,951	-431	-13%	3,377	3,100	-277	-8%
		GR	New	182	193	11	6%	180	172	-8	-5%
			Returning	283	290	7	2%	256	258	2	1%
			Total	464	483	19	4%	435	429	-5	-1%
	Total	3,847	3,434	-413	-11%	3,811	3,529	-282	-7%		
	Online	UG	New	296	257	-39	-13%	313	259	-55	-17%
			Returning	838	949	111	13%	874	978	104	12%
			Total	1,134	1,206	72	6%	1,187	1,237	50	4%
		GR	New	29	27	-2	-7%	30	18	-13	-41%
			Returning	49	51	2	4%	48	49	0	1%
			Total	77	78	1	1%	79	67	-12	-15%
	Total	1,211	1,284	73	6%	1,266	1,303	38	3%		
	Total	5,175	4,834	-341	-7%	5,077	4,832	-244	-5%		
International	LU	UG	New	48	73	25	52%	57	101	44	78%
			Returning	178	146	-32	-18%	164	145	-20	-12%
			Total	226	219	-7	-3%	221	246	25	11%
		GR	New	155	208	53	34%	131	537	406	310%
			Returning	161	346	185	115%	143	482	339	237%
			Total	316	554	238	75%	274	1,019	745	272%
	Total	542	773	231	43%	495	1,265	770	155%		
	Total	554	784	230	42%	504	1,281	777	154%		
Grand Total	5,729	5,618	-111	-2%	5,581	6,113	533	10%			

Overall

As of the first day of class, current preliminary enrolments are ahead of last year at the same time by **+10%**, ahead of the anticipated **-2%** decrease.

Domestic enrolment is behind **-5%** YoY but are slightly better than the anticipated decrease of **-7%**.

International enrolment is ahead **+154%** YoY, exceeding the anticipated increase of **+42%**.

*total may not add up due rounding and aggregation at a higher level

**St.Lawrence BBA not included - planned enrolments expect 116 fall FTE from St. Lawrence.

2023 Fall FTE Preliminary Enrolment Update

First Day of Class (2023-09-07)



Laurentian University
Université Laurentienne

Fall FTE Enrolment*				Planned Enrolments				Current Preliminary Enrolment** First Day of Class (2023-09-07)				Tuition Billed to date (Millions)
Immigration Status	Campus	Academic Level	Regist Type	Official Enrolment Fall 2022	2023-24 Planned Enrolment (Budget)	Planned Δ YoY	Planned Δ % YoY	Fall 2022	Fall 2023	Current Δ YoY	Current Δ % YoY	
Domestic	LU	UG	New	844	779	-65	-8%	839	848	9	1%	\$16.4M
			Returning	2,539	2,172	-367	-14%	2,538	2,252	-286	-11%	
			Total	3,382	2,951	-431	-13%	3,377	3,100	-277	-8%	
		GR	New	182	193	11	6%	180	172	-8	-5%	
			Returning	283	290	7	2%	256	258	2	1%	
			Total	464	483	19	4%	435	429	-5	-1%	
	Total	3,847	3,434	-413	-11%	3,811	3,529	-282	-7%	\$19.3M		
	Online	UG	New	296	257	-39	-13%	313	259	-55	-17%	\$15.1M
			Returning	838	949	111	13%	874	978	104	12%	
			Total	1,134	1,206	72	6%	1,187	1,237	50	4%	
		GR	New	29	27	-2	-7%	30	18	-13	-41%	
			Returning	49	51	2	4%	48	49	0	1%	
			Total	77	78	1	1%	79	67	-12	-15%	
	Total	1,211	1,284	73	6%	1,266	1,303	38	3%	\$15.8M		
Total	5,175	4,834	-341	-7%	5,077	4,832	-244	-5%	\$35.1M			
International	LU	UG	New	48	73	25	52%	57	101	44	78%	\$6.2M
			Returning	178	146	-32	-18%	164	145	-20	-12%	
			Total	226	219	-7	-3%	221	246	25	11%	
		GR	New	155	208	53	34%	131	537	406	310%	
			Returning	161	346	185	115%	143	482	339	237%	
			Total	316	554	238	75%	274	1,019	745	272%	
	Total	542	773	231	43%	495	1,265	770	155%	\$23.8M		
Total	554	784	230	42%	504	1,281	777	154%	\$23.8M			
Grand Total	5,729	5,618	-111	-2%	5,581	6,113	533	10%	\$58.9M			

Overall

As of the first day of class, current preliminary enrolments are ahead of last year at the same time by **+10%**, ahead of the anticipated **-2%** decrease.

Domestic enrolment is behind **-5%** YoY but are slightly better than the anticipated decrease of **-7%**.

International enrolment is ahead **+154%** YoY, exceeding the anticipated increase of **+42%**.

*total may not add up due rounding and aggregation at a higher level

**St.Lawrence BBA not included - planned enrolments expect 116 fall FTE from St. Lawrence.

2023 Fall FTE Preliminary Enrolment Update

Important Context



Laurentian University
Université Laurentienne

Estimates* of where the final official 2023 fall FTE enrolment might land on November 1st, indicate:

- **We will exceed the overall planned enrolment.**
 - **Domestic enrolments are expected to decline year over year and are at risk for meeting planned enrolments**, driven primarily by a decline in New Domestic UG and Domestic GR online degree programs.
 - **International enrolments will exceed the planned enrolments and year over year with actual growth**, driven almost exclusively by international enrolments in course based master's programs like M.Computational Science, M. Engineering (fast-track) and MBA (on-campus).
- **Fall FTE counts remain variable** due to course loading. The credit loading of students (FT vs PT academic load) is one factor that will influence how closely we meet our planned fall FTE enrolments.
- Laurentian will experience fall attrition of students from the first day of class, right up to November 1st. Students continue to load their credits well into the add/drop period (September 15th, 2023 for 100% refund of fees) and can withdraw without academic penalty up to November 2nd, 2023 (with scaled reduction of refund).

*Estimate methodology relies on enrolments behaving similarly to historic trends which have been unstable in the last 2 years, resulting in increased variability. 056

Laurentian Endowment Fund (SEI) Investment Returns to July 31, 2023



Laurentian University of Sudbury

For period ending: 7/31/2023

Investment Returns

	Total Assets (\$)	Actual Alloc (%)	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
Total Portfolio Return	49,767,114	100.0	1.04	1.16	5.38	5.54	4.46	4.45	4.68	5.85
Total Portfolio Return Net			1.04	1.05	5.14	5.08	4.08	4.06	4.29	5.47
Total Portfolio Index			1.33	1.81	6.91	6.62	3.71	4.54	4.69	5.79
Total Equity	18,541,291	37.2	2.83	3.33	10.47	13.54	10.56	6.92	7.92	9.01
US Large Co Equity Fund	7,309,147	14.6	2.59	5.34	11.19	13.71	12.11	9.62	11.07	13.05
<i>Russell Custom 1000 Index (Net 15%) (CAD)</i>			2.88	7.60	17.08	15.74	12.30	11.88	12.94	14.93
World Equity Ex-US Fund	5,159,800	10.4	2.97	1.26	10.89	17.33	6.27	-	-	-
<i>MSCI ACW ex US Index (Net) (CAD)</i>			3.52	1.69	10.67	16.50	6.46	-	-	-
Canadian Equity Fund	4,635,967	9.3	2.87	2.33	9.04	9.63	14.68	8.27	8.33	8.74
<i>S&P/TSX Cap Composite Index (CAD)</i>			2.58	0.78	8.43	8.23	11.73	7.92	8.30	8.37
Canadian Small Co Equity Fund	729,494	1.5	3.71	3.03	9.60	8.14	12.37	7.41	6.75	7.93
<i>S&P/TSX/Nesbitt Small Cap Index Blended</i>			6.09	2.38	5.74	3.77	12.08	4.76	3.76	5.09
US Small Co Equity Fund	706,882	1.4	3.11	5.24	4.33	3.54	8.57	-	-	-
<i>Russell 2500/2000 Index Blended (CAD)</i>			4.41	8.55	10.79	10.72	11.76	-	-	-
Total Fixed Income	17,168,574	34.5	-0.13	-0.86	2.84	-0.08	-3.03	1.35	0.96	2.38
Global Bond Fund	6,980,027	14.0	0.17	-0.46	-	-	-	-	-	-
<i>Bloomberg Global Aggregate Indx TR CAD Hdq</i>			0.00	-0.59	-	-	-	-	-	-
Canadian Fixed Income Fund	6,937,451	13.9	-1.02	-2.56	1.72	-1.27	-4.05	0.91	0.67	2.16
<i>FTSE Canada Universe Bond Index</i>			-1.11	-2.74	1.37	-1.83	-4.50	0.57	0.30	1.92
US High Yield Bond Fund Hedged	2,216,392	4.5	1.50	2.46	6.29	2.86	2.54	-	-	-
<i>ICE BofA MIL US HY Const Index Hdq CAD</i>			1.37	1.85	6.45	3.36	1.63	-	-	-
Total Fixed Income - Continued										
Money Market Fund	1,034,703	2.1	0.42	1.20	2.74	4.23	-	-	-	-
<i>FTSE Canada 30-Day T-Bill Index (CAD)</i>			0.40	1.15	2.60	3.95	-	-	-	-
Alternatives	10,692,144	21.5	0.08	1.48	4.34	9.37	13.90	-	-	-
IFM Global Infrastructure LP	7,230,727	14.5	-0.42	1.28	3.96	9.91	12.18	-	-	-
<i>Canada CPI + 6% Lagged 1 Month</i>			0.48	2.57	5.45	8.84	10.87	-	-	-
Structured Credit Fund	3,461,417	7.0	1.13	1.90	5.15	8.24	17.82	-	-	-
<i>JP Morgan CLO Index (USD) 1 Month Lag</i>			0.99	2.43	5.30	7.50	3.78	-	-	-
Real Estate / Property	3,365,105	6.8	0.56	-0.99	-0.46	-1.91	7.71	-	-	-
BGO Prime CDN Property Fund	3,365,105	6.8	0.56	-0.99	-0.46	-1.91	7.71	-	-	-
<i>Canada CPI + 4% Lagged 1 Month</i>			0.32	2.09	4.30	6.79	8.78	-	-	-

Employee Retirement Fund (Eckler) Investment Returns to July 31, 2023



Preliminary Performance as of July 31, 2023 (Net of fees)

	Return as of July 31, 2023		
	Jul-23	Q2 2023	YTD
Total Fund	0.58%	0.73%	4.01%
Benchmark	1.03%	1.73%	7.51%
Mawer Total Portfolio	0.88%	0.92%	6.32%
Benchmark	1.74%	1.91%	9.25%
PH&N Core Plus Bond Fund	-0.93%	-0.41%	1.90%
FTSE Canada Universe Bond Index	-1.11%	-0.69%	1.37%
RBC Global Equity Focus Fund	2.93%	0.63%	6.32%
MSCI World Index	2.81%	4.45%	15.56%
Addenda Commercial Mortgage Pooled Fund	0.19%	0.38%	2.68%
FTSE Short Bond + 0.5%	-0.05%	-0.68%	1.20%
TD Greystone Real Estate Fund	0.40%	1.27%	0.85%
MSCI/REALpac Canada Property Index		0.77%	-
JPMorgan Infrastructure (C\$) ¹	-	-0.09%	-
CPI + 4.5%		2.34%	
Macquarie Infrastructure (C\$) ²	-	1.31%	-
CPI + 5% ¹		2.68%	

Employee Retirement Fund (Eckler)

Investment Returns to July 31, 2023



Asset Allocation as of July 31, 2023

	Canadian Equities	U.S. Equities	International Equities	Global Equities	Canadian Bonds	Core Plus Bonds	Mortgage	Real Estate	Infrastructure	Cash & Short Term	Total Market Value
Mawer	57,898,914	31,755,584	31,967,782	9,784,984	36,270,084					5,877,473	173,554,819
PH&N				66,059,951		80,112,991					146,172,941
Addenda							23,340,871			1,536	23,342,407
TDAM								54,112,713			54,112,713
Macquarie									28,879,752	12,853	28,892,605
JP Morgan									21,692,468	280,756	21,973,224
RBC (Currency Hedging)										(214,943)	(214,943)
Cash Account										4,115,268	4,115,268
Total											451,949,076
% Allocation	12.8%	7.0%	7.1%	16.8%	8.0%	17.7%	5.2%	12.0%	11.2%	2.2%	
Target Allocation	15.0%		30.0%			30.0%	5.0%	10.0%	10.0%	0.0%	



Board of Governors

Agenda Title	Laurentian Risk Management Policy
Agenda Item No.	6.1
Date of Meeting	October 20, 2023
Open/Closed session	OPEN
Action Requested	<input checked="" type="checkbox"/> For Approval <input type="checkbox"/> For Information
Proponent	Michel Piche, Vice-President, Finance and Administration (Interim)
Presenter(s)	Tony Lackey, LU Risk and Insurance Specialist

1. PURPOSE

That the Board of Governors approve Laurentian’s Risk Management Policy and Framework as recommended by the Board Audit and Risk Committee.

2. SYNOPSIS

The university’s risk management policy and framework lay out the principles by which both enterprise and operational risk management are practiced at the University. The fundamental principles embedded in the policy confirms the university adopts best practices in identifying, analysing. and managing the universities enterprise and operational risks and is committed to establishing an environment that ensures risk management is a fundamental part of all university activities. The policy provides definitions of both enterprise and operational risk management, as well as recognizing that risk management plays an integral part of the universities governance framework.

The policy introduces the importance of the new Laurentian University Enterprise Risk Management (ERM) Framework and requires managers to refer to it to make themselves aware of the university’s risk appetite. The Enterprise Risk Management Framework provides the procedural steps to follow in conducting the University’s Enterprise Risk Assessment and provides templates for reports to Senior Management and the Board of Governors. The policy also introduces procedures to govern the procurement of the university’s risk financing program, the implementation of contractual risk transfer in contracts entered into by the university and the reporting of and settlement authority for claims, lawsuits as well as regulatory disputes.

3. RESOLUTION TO CONSIDER:

THAT the Board of Governors approve Laurentian’s new Risk Management Policy and Framework, as recommended by the Audit and Risk Committee, and as presented at its meeting of October 20, 2023.

4. RISK ANALYSIS

Please note below the specific institutional risk(s) this proposal is addressing.	
<input checked="" type="checkbox"/> Enrolment Management	<input checked="" type="checkbox"/> Relationship with Stakeholders
<input checked="" type="checkbox"/> Faculty and Staff	<input checked="" type="checkbox"/> Reputation
<input checked="" type="checkbox"/> Funding and Resource Management	<input checked="" type="checkbox"/> Research Enterprise
<input checked="" type="checkbox"/> IT Services, Software and Hardware	<input checked="" type="checkbox"/> Safety
<input checked="" type="checkbox"/> Leadership and Change	<input checked="" type="checkbox"/> Student Success
<input checked="" type="checkbox"/> Physical Infrastructure	

5. RECOMMENDATIONS

THAT the Board of Governors approve Laurentian's new Risk Management Policy and Framework.

A Background/Issue Description

At present there is no Risk Management policy at Laurentian University, while Enterprise Risk Management has been inconsistently implemented in the past depending on the level of support of senior management. When senior management support was not given risks were not properly reported to the Board of Governors or communicated appropriately to the university community. The failure to consistently implement an Enterprise Risk Management program can result in a lack of transparency and assurance to the community and the Board of Governors that key risks have been identified and managed to ensure that the university's strategic goals are achieved.

B Alignment with Strategic Objective or Plan of the University

Enterprise Risk Management (ERM) and the university's strategic planning process are interrelated as the process to identify key risks leads toward the development of strategies to minimize the negative impact of the identified risks or to exploit risk that support the Strategic plan. The steps in ERM therefore facilitates the process of achieving the university's strategic goals. The ERM process therefore aligns will all strategic objectives and plans of the university.

C Other options considered (where applicable):

Not applicable

D Risks including legislative compliance

In Canada, there is no legal or regulatory requirement for post-secondary institutions to implement Enterprise Risk Management. However, best practices in governance establishes ERM as a key component of a mature governance model. The university's Risk Management policy guides both enterprise and operational risk management processes which in turn ensures legal and compliance risks are mitigated. The procedures outlined in the policy help ensure proper insurance coverage is obtained to protect assets and mitigate the financial and reputational impacts of legal disputes, arising out of civil liability, contracts, and regulatory risk.

Failure to have an effective enterprise risk management program, along with a robust policy could result in key strategic risks not being managed appropriately thus resulting in negative impacts to Laurentian's reputation. The implementation of the Laurentian Enterprise Risk Management Framework and Risk Management Policy will contribute to a risk aware culture and facilitate the appropriate management of risk at both the enterprise and operational level.

With the approval of the Risk Management policy and Enterprise Risk Management Framework there is a greater confidence strategic goals can be achieved. In addition, there will be a better awareness of Laurentian's risks and an enhanced ability to respond. Risks will be proactively identified, assessed, and acted upon. A common benefit of successful risk management programs is that departments work more closely in implementing solutions to problems as they see that risks are interrelated, and it is imperative to work together to treat or exploit a risk. It is because of this reduced silo effect that organizations become more effective and efficient.

Legislative Compliance	General Bylaws of the Board of Governors (LU) Laurentian University Act Policy on Purchasing Policy on Short-Term Cash Investment Broader Sector Accountability Act, 2010 Broader Public Sector Procurement Directive, 2011 Broader Public Sector Expenses Directive, 2011
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E Financial Implications (where applicable):

At present there is no financial implications as resources are in place to implement the policy and ERM framework

F Benefits

See previous sections.

G Consultations (where applicable)

Sources for best practices were research such as the COSO Risk Management Framework and the ISO 31000 risk management guidelines. Several members of the senior management team were interviewed to gage their knowledge of risk management and their support for Enterprise Risk Management. The results of these interviews suggest there is support for the implementation of Enterprise Risk management at Laurentian.

- Board Audit and Risk Committee – September 25, 2023 (for consideration and recommendation)
- Board of Governors – October 20, 2023 (for approval)

H Communications Plan

Once approved, the Procurement and Risk Office will develop educational workshops for line managers, senior management and Board of Governors on Enterprise Risk Management and the operation of Laurentian’s Enterprise Risk Management Framework with work.

J Next Steps

Upon completion of the ERM workshops the Procurement and Risk office will undertake the enterprise risk assessment, with the view of reporting to the Audit Committee on Laurentian’s Top 10 Enterprise Risks in November 2023

I Appendix

- A. Risk Management Policy
- B. Risk Management Framework
- C. Risk Management Policy-ERM Framework Presentation (PPT)



Risk Management Policy

Administrative Authority:	Vice-President, Finance & Administration
Approval Authority:	Board of Governors
Approval Date:	October 20, 2023
Next Review:	October 2026
Review History:	

1. Purpose

The university's leadership recognizes that risk management is an integral part of the university's governance framework and its operating environment and is committed to establishing an environment that ensures risk management is a fundamental part of all university activities. The purpose of the policy is to encourage the integration of risk management at all levels of management within the University and to establish guidelines for the reporting of risk to Senior Management and the Board of Governors.

Risk management assists all levels of academic, research and administration management by supporting a systematic approach to identifying, evaluating, and managing the risks which could prevent the university from achieving its strategic and operational goals. In supporting the achievement of the university's strategic and operational goals, the objective of the policy is to raise awareness of risk management. More specifically, the policy provides guidance for all levels of management and other stakeholders, to promote:

- awareness of the business risks that are associated with the operations of the university;
- awareness of the key enterprise risks that the university faces;
- applying due diligence in decision-making;
- an appropriate level of due care in daily operations;
- intelligent risk taking in the pursuit of new ideas and innovation; and
- legal and statutory compliance as a minimum standard.

2. Scope

2.1 This policy is applicable to all University departments and units. Responsibility for identifying and managing the risks of the University, as in any organization, lies with the leadership of the institution. Academic and Administrative leadership is responsible for ensuring compliance with University policies and applicable legislation and regulation. Leadership also has a responsibility to identify, evaluate and manage enterprise and operational risks and bring emerging strategic and enterprise risks to the President's attention.

- 2.2 The Director, Procurement and Risk assists managers' awareness of risk through the development of the University's Enterprise Risk Management Framework and operational risk assessment processes by advocating for their continued improvement. Furthermore, the Director, Procurement and Risk assists operational managers' risk awareness by communicating the results of the risk management processes to all internal stakeholders and by assisting managers in the creation of risk treatment strategies.

3. Policy Statement

- 3.1 Laurentian University adopts best practices in identifying, evaluating, and managing both operational and strategic risks to ensure that these risks are appropriately treated or exploited, to ensure the achievement of the university's strategic and operational goals.
- 3.2 Definitions
- 3.2.1 **Risk:** the effect of an event or activity on the achievement of the university's strategic or operational goals. An effect is either a positive or negative variation on what is expected to occur.
- 3.2.2 **Enterprise Risk Management** a systematic approach to managing all the university's key enterprise and strategic risks.
- 3.2.3 **Operational Risk Management** a systematic approach to managing uncertainties resulting from inadequate or failed internal processes, people or systems.

4. Governance and Responsibility

Risk management is the responsibility of all the University's employees. This document guides the Board of Governors, managers, supervisors, faculty and staff who are involved in the Enterprise Risk Management and Operational Risk Management processes.

4.1 Role of the Board of Governors

The Board of Governors through the Audit and Risk Committee have the responsibility for the oversight of the risk management program including key enterprise risks and the respective risk treatment measures implemented. The Board, through its Audit and Risk Committee, will:

- approve policy in relation to risk management;
- approve the Top 10 Key Enterprise risks register;
- monitor the effectiveness of risk management processes; and
- approve management action to improve risk management.

4.2 Role of the President

- provide general risk management oversight to ensure Enterprise Risk Management adoption throughout the university;
- assess top risks action plans and review/approve major risk treatment options; and
- promote a risk management culture at all levels of the university.

4.3 Role of the Vice-Presidents

The Vice-Presidents are accountable to the President for risk management and are to:

- develop and implement policies and procedures for risk management;
- determine the risk profile of the University and the University's attitude to risks with respect to particular major issues;
- identify and manage the enterprise risks faced by the University and convey this information to the President and the Board of Governors;
- ensure that operational risks are identified and appropriately managed throughout the University;
- ensure that recommendations and directions of the Board of Governors, President, and Internal and External Auditor, with respect to risk management are acted upon;
- provide adequate information in a timely manner to the Board of Governors through the Audit and Risk Committee on the status of risks and risk treatments in place and proposed;
- ensure the existence of performance standards for the implementation of risk management policies and procedures;
- arrange for the annual review of the performance of budget centres, business enterprises and controlled entities in relation to the implementation of risk management policies and procedures; and
- review policies and procedures on a regular basis to ensure they remain effective and appropriate.

4.4 Role of Directors and Managers

Directors, managers and academic leaders of the University, and its controlled entities, are responsible for incorporating risk management into their standard management practices by the following:

- identify and determine appropriate actions to address operational risks within their area of responsibility in accordance with university policies and procedures;
- implement actions with respect to risk management as directed by the Vice-Presidents; and
- report on the management of significant emerging or residual risks.

4.5 Director, Procurement and Risk

The Director, Procurement and Risk is responsible for overall risk management at the University and as such is responsible to:

- develop the risk management framework and policies that allows the University to manage risk in a structured way and promotes a strong risk management culture at the University;
- ensure risk and opportunities are formally recognized, prioritized, and assigned to appropriate risk owners throughout the university.
- ensure that the risk owners have assigned appropriate managers to oversee the implementation of actions to mitigate risks and enhance opportunities wherever possible.
- monitor and report on progress of those actions;
- ensure the ERM program is monitored and updated regularly;
- maintain/update the Top 10 Key Risk Register;
- conduct or arrange appropriate risk management education and training;
- provide policy and processes to departments to identify, analyze and manage risks;
- produce and provide relevant and timely user reports;
- provide an annual ERM status report (measured progress/next steps);
- manage the risk financing program of the University through the procurement of adequate insurance coverage to protect the University's physical assets and any potential liability exposure.

4.6 Role of Internal Audit

At the time drafting this framework Laurentian University does not have the role of Internal Auditor. Should the position be created in future the Internal Audit will:

- monitor the effectiveness of the operation of the risk management framework and be an input in the risk identification process; and
- recommend changes to controls, which when implemented will provide more effective and efficient mitigation of the identified risk.

5. Enterprise Risk Management Framework

5.1 The university has adopted an Enterprise Risk Management Framework, and procedures to ensure that operational managers apply due diligence, demonstrate due care, comply with applicable laws and regulation and take the appropriate level of risk when making decisions.

5.2 Managers are required to refer to the Enterprise Risk Management Framework to gain an understanding of the principles and objectives of Laurentian University's Enterprise Risk Management program and specifically, the University's risk appetite. In addition, the framework outlines the process which must be used in completing an operational risk assessment.

6. Risk Management Process

The aim of the risk management process is to identify the major risks facing the University at both the enterprise and operational level and assist managers in developing and communicating risk treatment activities.

The Enterprise Risk Management process is linked directly to the University's strategic planning process. The Director, Procurement and Risk is responsible for the development and implementation of the Enterprise Risk Management Framework and process. It is also the responsibility of the Director to communicate the key enterprise risks identified as part of the Enterprise Risk Management Process to stakeholders, such as senior management and the Board of Governors. The detailed Enterprise Risk Management process, including specifics on risk identification, risk analysis and evaluation, risk treatment and reporting templates are described in the university's Enterprise Risk Management Framework. The framework's details can be accessed by reaching out to the Procurement and Risk Office.

On an operational level, it is the responsibility of all academic and administrative departments to manage day to day risk effectively. To assist managers in the operational risk management, process the University has developed a "Guide on How to Perform an Operational Risk Assessment (Department, Project, Event etc.)". The Guide can be obtained by contacting the Procurement and Risk Office. Before initiating any significant event or activity (e.g., extracurricular, off campus, entering contractual arrangements, etc.) the operational risk assessment process should be undertaken. The Manager Risk and Insurance can be contacted for assistance in conducting an operational risk assessment and creating a treatment plan.

7. Risk Financing

The University has a risk financing process to assist with managing its potential risk and liability. The following guidelines ensure that the proper risk financing techniques and insurance coverage is in place to meet the university's risk financing objectives:

7.1 The procurement of all insurance coverages and products must be arranged or approved by the Director, Procurement and Risk.

7.2 The university is required to procure insurance coverage aimed to safeguard its physical, financial, and other valuable assets against potential catastrophic losses. Additionally, insurance will serve as the chosen means of risk financing for the University, extending protection to its Board of Governors, officers, supervisors, employees, and students who act in good faith. This coverage will shield them from liabilities that may arise from their respective roles as University-affiliated individuals. Furthermore, it's important to acknowledge that all insurance policies are subject to deductibles, exclusions, and limitations, which can influence the extent of coverage provided.

7.3 The payment of deductibles and non-insured losses (e.g., below the deductible amount) shall normally be the responsibility of the department suffering the loss. Personal property of faculty, staff and students is not covered by the University's property insurance policies.

7.4 ***The University shall maintain a self-insurance fund to provide the financing necessary to cover losses where insurance would not cover the loss pay except for the application of the insurance deductible and also to pay the deductible in the event of an insured loss.***

7.5 It is the responsibility of each department manager to advise the Director, Procurement and Risk of changes in programs, activities, or assets, which may affect insurance coverage in place or require the procurement of additional coverage.

8. Contracts

The University shall require all individuals, groups and tenants using Laurentian University facilities to hold the university harmless from all claims for bodily injury or property damage and provide proof of General Liability insurance in an amount of not less than \$5,000,000, including adding the University as an additional insured to their policy. Depending on the circumstance, the Manager, Risk and Insurance can alter or waive these requirements.

9. Claims

It is the responsibility of all members of the community to report any pending or actual claim, lawsuit, or regulatory proceeding against the University to the university's General Counsel and/or the Director, Procurement and Risk as soon as they become aware of a claim or possible claim. If insurance coverage applies, the appropriate insurer will be engaged. It is the responsibility for the Manager, Risk and Insurance to report all claims to insurers, and in coordination with the University's General Counsel to be the point of contact with all University insurers. If no coverage exists, General Counsel will manage and supervise the university's response or defense to the proceeding and retain external counsel as may be appropriate. No employee shall settle a claim, regulatory proceeding, or legal action against the university without consulting with General Counsel and receiving the approval of the President and/or the appropriate Vice-President responsible for the operations from which the claim, regulatory proceeding or legal action originates.

The General Counsel and the Director, Procurement and Risk shall develop and maintain a Claims and Incident Register to track incidents that are insured or incidents that are not insured but pose liability to the University or have caused damage to University property.

10. Policy Review:

This policy will be reviewed **at least** every three years to assess its effectiveness and make necessary updates or revisions.

Enterprise Risk Management Framework

1.1 Background

Laurentian University is committed to be a leader in the process of reconciliation through transformative postsecondary education and research. While creating interdisciplinary knowledge to offer compelling solutions for society's complex challenges

The university recognises that it can only take up opportunities as a bold and innovative leader in higher education or research if members of the university community are willing to accept and live with a certain level of managed risk.

Effective risk management is necessary for competent strategic decision-making and the conduct of efficient, effective and robust business processes that allow the university to take up opportunities while meeting required standards of accountability, compliance, probity and transparency.

The Enterprise Risk Management Framework is a core component of the corporate governance responsibilities of the university's management and the Board of Governors. The framework will be applied by all offices of the university, and its controlled entities and will identify options for improving and streamlining policies, administrative practices and internal controls and help ensure the ongoing relevance, safety, viability, compliance and accountability of day-to-day operations.

Implementation of the framework is expected to allow managers and academic leaders to:

- identify viable and sustainable academic and research opportunities;
- support decisions to proceed with or terminate an activity;
- avoid opportunities that may expose the university to excessive risk;
- better ensure the delivery of high-quality services and products;
- recognise more efficient and effective administrative controls;
- support resourcing and workload decisions; and
- plan co-ordinated responses to, and management of emerging risks and risk events.

1.2 Vision

The Laurentian University Risk Management program creates a risk aware culture that promotes and integrates principled decision making by identifying, analyzing and treating risk. Risk Management is practiced at both the Enterprise and Operation level and continually supports the university's strategic goals by exploiting opportunities while also mitigating the negative impacts of risk.

Section 2 Enterprise Risk Management Framework

2.1 Background

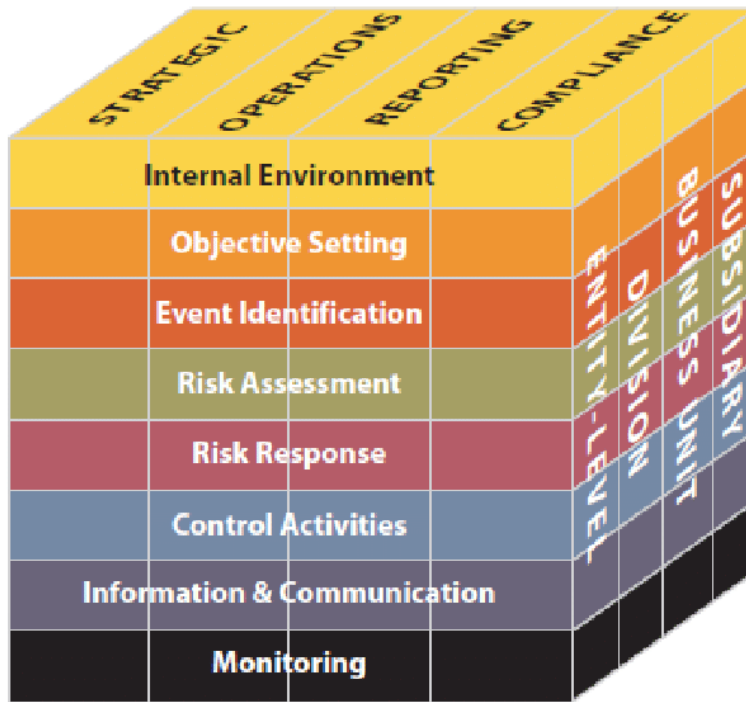
Laurentian University’s Enterprise Risk Management Process (ERM) has been developed based upon the COSO “**Enterprise Risk Management Framework: Integrating with Strategy and Performance**”. This Framework emphasizes a focus on managing risk through:

- Recognizing culture and capabilities.
- Applying best practices.
- Integrating with strategy-setting and its execution.
- Managing risk to strategy and business objectives.
- Linking to creating, preserving, and realizing value

In line with the COSO Framework, Laurentian University’s ERM process is integrated into the culture and practices of the institution and tailored to the business practices of the university. ERM is practiced at all levels of the organization so that both Strategic and Operational goals are met.

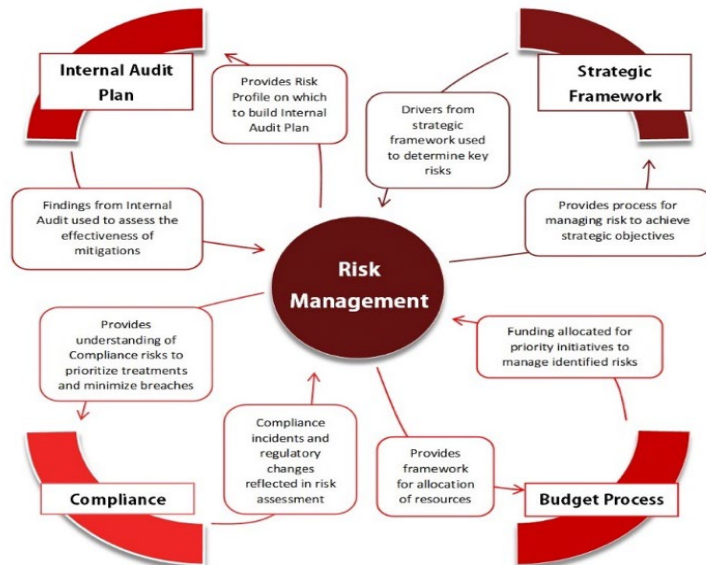
2.2 COSO “Enterprise Risk Management Framework: Integrating with Strategy and Performance”.





2.3 Governance Value Model

Risk management has several important linkages with other areas of governance activity that occurs across Laurentian University. The Governance Value Model (Below articulates some of the benefits that strong risk management provides to other areas of the university and vice-versa. This model helps provide the Board and Senior Management with timely, consistent and risk-assessed information to assist balanced and informed decision making.



2.4 Definitions

Following are key definitions:

Risk

Is the effect of an event or activity on the university's strategic or operational goals. An effect is a positive or negative variation on what is expected. Risk is expressed in terms of a combination of the impacts of an event and the associated likelihood of occurrence.

Risk Management

Coordinated activities to direct and control an organization with regard to risk. The risk management process establishes the context, identifies, analyzes, evaluates, treats, monitors and reviews risk.

Risk Committee

A senior management committee which is tasked with the analysis and evaluation of the top Enterprise risks facing the university. Membership of the Committee is by appointment by the President, and includes the Manager, Risk and Insurance who will coordinate and lead committee meetings.

Members of the committee shall be (TBD)

Xxxxxx

Xxxxx

Xxxxx

Additions or deletions to or from the committee will be at the discretion of the President

Risk Treatment

Processes to modify risk. This can include:

- risk avoidance;
- removing the risk source;
- changing the likelihood of the risk;
- changing the impact of the risk;
- sharing the risk with another party or parties;
- retaining the risk by informed consent;
- exploiting the risk.

Inherent Risk

The risk to the university in the absence of any actions management might take to alter the likelihood or impact of a risk.

Enterprise Risk Management

Is a systematic approach to managing uncertainties resulting from the university's key enterprise risks? It is a holistic approach to identify, evaluate and treat key risks to the university's strategic goals. Enterprise risk management is carried out by the Risk Committee and is led by the Manager, Risk and Insurance Services. It is used to inform senior management and Board of Governors of the top 10 risks and emerging risks faced by the university.

Operational Risk Management

Is the systematic approach to managing uncertainties resulting from inadequate or failed internal processes, the actions of people or the failure of systems or external activities. Operational risk management is practiced at the department or project level and is led by department or projects managers and is supported by the Office, Procurement and Risk. Operational Risk Management is an input into Enterprise Risk Management.

Residual Risk

The remaining risk after the risk treatment has been applied.

Risk Management Framework

A set of components that provides the foundation and organizational structure for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization.

Risk Management Policy

A statement of the overall intentions and directions of the university related to risk management.

Risk Ranking

An assessment of the likelihood that a particular risk may occur and the impact to the objective of the institution should the risk occur

Risk Owner

A person with the responsibility, accountability, and authority to manage a risk and prepare risk mitigation plans.

Risk Appetite

The amount and type of risk the university is willing to pursue or retain.

Key Risk Register

A priority listing of the Top Key Enterprise risks faced by the university, including potential causes and impacts, existing and suggested risk treatment and mitigation measures. The Top 10 Key Risk Register is the tool used to communicate Key Enterprise risks to the Board of Governors.

2.5 Objectives

The objectives of the Enterprise Risk Management framework are:

- to ensure that corporate risks are taken into account when undertaking and implementing strategic management decisions;
- to ensure the management of operational risks is integrated into standard management and accountability processes;
- to develop an environment where staff assume responsibility for managing risks;
- to assist management in the identification, analysis, and treatment of key operational risks; and
- to assist senior management in the identification, analysis, and treatment of key enterprise risks and report the enterprise risks and treatment in place or proposed to the Board of Governors.

2.6 Key Principles

The following key principles will underpin the university's approach to risk management:

- risk management creates and protects value - it contributes to the demonstrable achievement of objectives and improvement in performance across all areas of the university;
- the university will recognise and disclose key risks in a systematic manner and take appropriate action to manage these risks;
- the responsibility for overseeing risk management within the university rests with the President. The vice-presidents are responsible for implementing and supporting policies and procedures for the effective management of risk, including the Enterprise Risk Assessment completed by Manager, Risk and Insurance Services;
- risk management facilitates continual improvement of the university;
- directors, managers and academic leaders of the university, and its controlled entities, will be accountable for ensuring good risk management practices;
- risk management is a key part of the decision-making process at Laurentian University and helps decision makers make risk informed choices;
- periodically an audit/review will be conducted to determine the effectiveness of risk management within the university, report to the Audit Committee on compliance with this framework and provide support to risk management processes;
- the Manager, Risk and Insurance will advise all levels of the university governance structure on the risk management framework and the risk management policy; and monitor and report on the risk management process;
- risk management will be integrated with standard management practices, with accountability following established reporting lines.

2.7 Strategic Approach

When identifying major risks, it is important to consistently assess potential impacts. Risks have a different potential impact on the university's strategic objectives than on individual projects,

departments or programs. It is expected that decisions at all levels of the university take into account the enterprise impact in relation to the university's goals.

2.8 Governance and Responsibility

Risk management is the responsibility of all of the university's employees. This document guides the Board of Governors, managers, supervisors, faculty and staff who are involved in the Enterprise Risk Management and Operational Risk Management processes.

2.9 Role of the Board of Governors

The Board of Governors through the Audit Committee have the responsibility for the oversight of the risk management program, and Key Enterprise risks and the respective risk treatment measures implemented. The Board, through its Audit Committee, will:

- approve policy in relation to risk management;
- approve the Top 10 Key Enterprise risks register;
- monitor the effectiveness of risk management processes; and
- approve management action to improve risk management.

2.10 Role of the President

- provide general risk management oversight to ensure Enterprise Risk Management adoption throughout the university;
- assess top risks action plans and review/approve major risk treatment options; and
- promote a risk management culture at all levels of the university.

2.11 Role of the Vice-Presidents

The Vice-Presidents are accountable to the President for risk management and are to:

- develop and implement policies and procedures for risk management;
- determine the risk profile of the university and the university's attitude to risks with respect to particular major issues;
- identify and manage the enterprise risks faced by the university and convey this information to the President and the Board of Governors;
- ensure that operational risks are identified and appropriately managed throughout the university;
- ensure that recommendations and directions of the Board of Governors, President, and Internal and External Auditor, with respect to risk management are acted upon;
- provide adequate information in a timely manner to the Board of Governors through the Audit Committee on the status of risks and risk treatments in place and proposed;
- ensure the existence of performance standards for the implementation of risk management policies and procedures;
- arrange for the annual review of the performance of budget centres, business enterprises and controlled entities in relation to the implementation of risk management policies and procedures; and

- review policies and procedures on a regular basis to ensure they remain effective and appropriate.

2.12 Role of Directors and Managers

Directors, managers and academic leaders of the university, and its controlled entities, are responsible for incorporating risk management into their standard management practices by:

- identifying and determining appropriate actions to address operational risks within their area of responsibility in accordance with university policies and procedures;
- implementing actions with respect to risk management as directed by the Vice-Presidents; and
- reporting on the management of significant emerging or residual risks.

2.13 Director, Procurement and Risk

The Director, Procurement and Risk is responsible for overall risk management at the university and as such is responsible for:

- developing the risk management framework and policies that allows the university to manage risk in a structured way and promotes a strong risk management culture at Laurentian University;
- ensuring risk and opportunities are formally recognized, prioritized, and assigned to appropriate risk owners throughout the university.
- ensuring that the risk owners have assigned appropriate managers to oversee the implementation of actions to mitigate risks and enhance opportunities wherever possible.
- monitoring and reporting on progress of those actions;
- ensuring the ERM program is monitored and updated regularly;
- maintaining/updating the Top 10 Key Risk Register;
- conducting or arranging appropriate risk management education and training;
- providing policy and processes to departments to identify, analyze and manage risks;
- producing and providing relevant and timely user reports;
- providing an annual ERM status report (measured progress/next steps);
- managing the risk financing program of the university through the procurement of adequate insurance coverage to protect the university's physical assets and any potential liability exposure.

2.14 Role of Internal Audit

At the time drafting this framework Laurentian University does not have the role of Internal Auditor. Should the position be created in future the Internal Audit will:

- monitor the effectiveness of the operation of the risk management framework and be an input in the risk identification process; and
- recommend changes to controls, which when implemented will provide more effective and efficient mitigation of the identified risk.

3.0 Risk Appetite

3.1 Overall Risk Appetite

The Board of Governors, senior management and staff will take into consideration the university's stated Risk Appetite in both strategic and operational decision making.

The university's goals will necessitate that the university accept those risks that accompany growth and are commensurate with the potential reward. While overall Laurentian University has limited appetite for risk in many of its activities, it is acknowledged that the university must at times undertake activities that inherently carry greater risks in order to be innovative and a leader in higher education. To that end the university's risk appetite will often be different at an activity level from that at a whole-of-institution level.

The key challenges in achieving this balance are to ensure:

- ethical and effective governance practices including responsible stewardship of resources;
- realisation of opportunities and allowing innovation while avoiding unnecessary bureaucracy; and
- avoidance of a risk averse corporate culture which stifles innovation rather than supporting it through the correct assessment and management of risks.

Good practice in risk management indicates that organisations should specify their appetite for risk at a granular level related to the nature of activities in the organisation. Risk Appetite Statements specify the amount of risk the university is prepared to accept in pursuit of its business objectives and strategic plan. It indicates the parameters within which the university would want to conduct its activities.

In terms of priorities, the need to minimise risks relating to legal, operational risk and overall health and safety for its people and communities, will take priority over other factors e.g., it will be acceptable to undertake risks in research activities providing they do not expose the university to undue compliance or people risk. Therefore, a balanced assessment has to be taken of risks – in many cases there are risks attached to both doing something and doing nothing. The 'do nothing' option may often impose greater risk.

Risks are to be managed in accordance with the university's Enterprise Risk Management Policy, Framework and associated procedures and guidelines. Where appropriate, the implementation of the Risk Appetite Statements will be incorporated into other processes and procedures of the university.

Responsibility for approving the Risk Appetite Statements rests with the Board of Governors. Implementation is the responsibility of the management of the university, in particular, the university's Executive, Deans, Assistant Vice and Associate Vice-Presidents, Chairs, Directors and Managers.

3.2 Risk Appetite Statement

The university's approach is to minimise its exposure to risks relating to its regulatory and compliance responsibilities, operational risks and people while accepting and encouraging an increased degree of risk in pursuit of its vision and strategic goals. It recognises that its appetite for risk varies according to the activity undertaken, and that its acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before actions are authorized, and that appropriate measures to mitigate risk are established where required.

Appendix A - Risk Appetite Impact/Probability Tables

Conservative

For risks that have a Conservative risk appetite, the university is willing to accept risks with a risk ranking of 10 or less. If the activity is greater than 10, the risk should be mitigated to reduce the risk ranking below 10. If the mitigation is unable to reduce the risk ranking, the risk should be escalated to the appropriate Vice-President for discussion.

		Likelihood/Probability					Action
		No Chance 1	Unlikely 2	Possible 3	Likely 4	Almost Certain 5	
Impact	Very High 5	(5)	(10)	(15)	(20)	(25)	
	High 4	(4)	(8)	(12) ←	(16)	(20)	
	Moderate 3	(3)	(6)	(9)	(12) ←	(15)	
	Low 2	(2)	(4)	(6)	(8)	(10)	
	Very Low 1	(1)	(2)	(3)	(4)	(5)	

Balanced

For risks that have a *balanced* risk appetite, the University is willing to accept risks with a risk ranking of 11 to 16. If the activity is greater than 16, the risk should be mitigated to reduce the risk ranking below 16. If the mitigation is unable to reduce the risk ranking, the risk should be escalated to the appropriate Vice-President for discussion.

		Likelihood/Probability					
		No Chance 1	Unlikely 2	Possible 3	Likely 4	Almost Certain 5	
Impact	Very High 5	(5)	(10)	(15)	(20) ←	(25)	Action
	High 4	(4)	(8)	(12)	(16)	(20) ←	
	Moderate 3	(3)	(6)	(9)	(12)	(15)	
	Low 2	(2)	(4)	(6)	(8)	(10)	
	Very Low 1	(1)	(2)	(3)	(4)	(5)	

Entrepreneurial

For risks that have an Entrepreneurial risk appetite, the university is willing to accept risks with a risk ranking of below 20. If the activity is greater than 20, the risk should be mitigated to reduce the risk ranking below 20. If the mitigation is unable to reduce the risk ranking, the risk should be escalated to the appropriate Vice-President for discussion.

		Likelihood/Probability					Action
		No Chance 1	Unlikely 2	Possible 3	Likely 4	Almost Certain 5	
Impact	Very High 5	(5)	(10)	(15)	(20)	(25)	←
	High 4	(4)	(8)	(12)	(16)	(20)	
	Moderate 3	(3)	(6)	(9)	(12)	(15)	
	Low 2	(2)	(4)	(6)	(8)	(10)	
	Very Low 1	(1)	(2)	(3)	(4)	(5)	

3.3 Risk Appetite Summary

A summary of Laurentian University's risk appetite against its key risks categories is outlined below:

No.	Risk category	Risk Appetite
1	Strategic	Entrepreneurial
2	Financial viability	Conservative
3	Research	Entrepreneurial
4	Culture and values	Balanced
5	Teaching and learning	Balanced
6	Environmental and social responsibility	Balanced
7	Operational	Conservative
8	Legal	Conservative
9	People	Conservative
10	Technological	Balanced

1. Strategic Risk - Strategic activities are required to develop and expand the university, and to adapt to changes in the regulatory and technology environment and in the nature and the conduct of the university's activities. This will include new infrastructure, courses, research and other initiatives set out in the Strategic Plan. The university acknowledges such growth activities carry higher risk that need to be managed according to best practice in project and change management. The university considers the risk appetite for strategic risk to be *Entrepreneurial*.

2. Financial Viability Risk - The university aims to maintain its long-term financial viability and its overall financial strength, while also recognising that achievement of its strategic objectives is important to sustain long-term viability. As part of managing its overall financial strength, the university aims to maintain its financial position in line with the financial framework established by the Board of Governors. The university acknowledges that during phases of growth, it will need to accept the risks associated with growth and expansion, such as capital expenditure and increased borrowing. The university considers its risk appetite for financial viability risk to be *Conservative*.

3. Research Risk - The university aims to undertake activities that support research and development and recognises the importance of innovation in this area. The university considers the risk appetite for research risk to be *Entrepreneurial* as it aims to further develop and expand research capacity and productivity and actively pursue cutting edge research. In developing and expanding its research activities, the university will maintain the highest standards of ethics, comply with all regulatory and compliance obligations and ensure that potential benefits and risks are fully understood before actions are authorised and that appropriate measures to mitigate risk are established.

4. Culture & Values Risk - The university aims to support, develop and utilise the full potential of our staff and values a culture of scholarship, discovery, sustainability, engagement, social justice and integrity. To balance these priorities the university may at times need to accept some degree of risk. However, this will be subject to always ensuring that the potential benefits and risks are fully understood before initiatives are authorised and that appropriate measures to

mitigate unacceptable risk are established. The university considers the risk appetite for culture and values risk to be *Balanced*.

5. Teaching & Learning Risk - Laurentian University promotes and leads in teaching and research that respond to the needs of society today and in the future through a learning environment that fosters and nourishes critical and creative inquiry; knowledge preservation, creation, dissemination and transfer; employability through the development of transferrable skills and intellectual capabilities; and the education of highly skilled and qualified citizens.

The university considers its risk appetite in this area to be relatively *Balanced*. It also realises that at times this will require taking an increased degree of risk in developing programs and the student experience. The university is comfortable in accepting this risk subject always to ensuring that potential benefits and risks are fully understood before developments are authorised and that appropriate measures to mitigate risk are established.

6. Environmental & Social Responsibility Risk - The university aims to make a significant, sustainable and socially responsible contribution to all the communities within which it operates. It recognizes that this may at times involve accepting some degree of risk and is comfortable with this, subject to always ensuring that potential benefits and risks are fully understood before developments are authorised and that appropriate measures to mitigate risk are established. The university considers the risk appetite for environmental and social responsibility risk to be *Balanced*.

7. Operational Risk - The university aims to minimise any losses caused by inadequate or failed internal processes, people, and systems or by external events. Operational risk includes fraud, employment practices, business practices and processes, damage to physical assets, business disruption and systems failures. The university considers the risk appetite for operational risk to be *Conservative*.

8. Legal Risk - The university places great emphasis on compliance, and has no appetite for non-compliance with any legislative, regulatory requirements or professional standards. This includes research ethics, corporate responsibilities and academic requirements. It wishes to maintain its self-accreditation status and professional program accreditations where applicable. The university considers the risk appetite for regulatory and compliance risk to be *Conservative*.

9. People Risk (including health and safety) - The university aims to maintain a stimulating and safe place to work and study. It places a high degree of importance on the health and safety of all faculty, staff, students and visitors and has no tolerance for bullying, harassment or discrimination from staff or students. The university considers the risk appetite for people risk to be *Conservative*.

10. Technological Risk - The university aims to maintain the highest level of security for personal information collected and for the intellectual property created by Laurentian University's faculty and students. However, it also understands that Laurentian University's IT systems must allow for innovative research in areas of information technology and computer science. The university is comfortable in accepting the risks associated with this innovative research, subject always to ensuring that potential benefits and risks are fully understood and that appropriate measures to mitigate risk are established. The university considers the risk appetite for Technological risk to be *Balanced*.

4.0 Risk Management Processes

Risk management is practiced at all levels of the university, Section 4.1 details the 5 steps of Laurentian University's Enterprise Risk Management process. Details on the procedures to conduct an operational risk assessment for individual departments and events can be found in a separate document Guidelines on How to Perform an Operational Risk Assessment. It is recommended that all department conduct an annual operational risk assessment using the process spelled out the above noted document. It is mandatory that all Information Technology and Capital Construction projects complete an Operation Risk Assessment prior to the approval of the project and update the risk assessment periodically throughout the project.

4.1 Laurentian University Enterprise Risk Management Process

Laurentian University's Enterprise Risk Management process includes the following steps:

- STEP 1** - Scan Internal and External Environment (Goals and Context)
- STEP 2** - Identifying risks, using a systematic process, (Risk Identification)
- STEP 3** - Analyze risks by applying defined risk criteria (Risk Assessment)
- STEP 4** - Treat Risks (Risk Response and Control Activities)
- STEP 5** - Monitor and Assure (Information, Communication and Monitoring)

STEP 1: Scan Internal and External Environment

During this phase the university will articulate its objectives as well as defining the internal and external factors to be considered when establishing the scope and risk criteria for the remaining steps in the process.

STEP 2: Risk Assessment

Risk Assessment is the overall process of a) risk identification, b) risk analysis c) risk evaluation:

a) Risk Identification

The aim of risk identification is to generate a comprehensive list of risks based on those events that might prevent, accelerate, or delay the achievement of the university's objectives. The risk identification process involves identifying sources of risk, their causes and impact. Risks are identified through several processes, including at the Risk Management Committee, Department/Operational Risk Assessments, Health and Safety Risk Assessments, and interviews conducted by the Manager, Risk and Insurance.

The risks identified are then documented in the Top 10 Key Enterprise Risk Register, which identifies the top 10 risks faced by the university. Documentation of the risks include the risk description, identification of factors leading to the risk, and identification of the potential impacts.

A supplemental risk registry will be maintained to record all risks identified at the Risk Committee

b) Risk Analysis

Risk analysis involves the process of understanding the risks identified and provides an input to risk evaluation.

Risk analysis involves rating the risks by determining the impacts of risks identified and the likelihood of them occurring and is a process which is completed by the Risk Committee.

The objective of this step is to prioritize risks into rating levels to enable attention to be focused primarily on higher risks.

Insignificant and minor risks are usually managed through normal operational processes and procedures and may not require further risk management. However, they are important to document for risk analysis completeness.

Risk Likelihood Ratings - Rating risks require an assessment of occurrence potential. Likelihood refers to the chance of something happening, whether defined, measured or determined objectively or subjectively, qualitatively or quantitatively, and described using general terms or mathematically (such as a probability or a frequency over a given time period). Some risks may occur once in a lifetime; others can be present daily. The time horizon used to assess risks should be consistent with the time horizon of the related strategy and objectives.

Each risk will be rated, in terms of likelihood of occurring, from No Chance of occurring to Almost Certain to occur.

Risk Likelihood Ratings Chart in **Appendix B** provides general rating descriptions.

Use the Risk Likelihood Rating chart as follows:

- 1) Assess the likelihood of the risk occurring within the next 36 months or the time horizon related to strategy or objectives.
- 2) The risks are first rated considering no risk treatment, A second assessment is then completed to determine the risk level after risk treatment has been implemented (**Residual risk**) When examining the effect of risk treatment on the likelihood rating, mainly consider prevention and some detection. For example, we might say the likelihood of a major IT project failing is **Likely**, given the recent history of such projects at other institutions but if we consider the excellent preventative controls in place at the university (e.g., project management) the assessed likelihood will be reduced at Laurentian University, making the likelihood rating **Unlikely**.
- 3) A risk may be provided a Risk Likelihood rating if it is considered likely to occur over a longer period of time (more than 36 months) but could have a significant impact to the university: e.g., a risk that could become significant if not monitored and/or treated.

Risk Impact Ratings

Impacts shall be assigned to the following categories:

- Strategic
- Legal
- Operational
- Technical
- Financial
- Reputational

Each impact will be rated, in terms of severity, from Low to Very

Risk Impact Ratings Categories and Guidelines Chart in **Appendix C** provide rating examples. The highest identified rating of the six Impact categories should be used in the Risk Ranking.

How to use the Risk Impact Rating Categories and Guidelines chart:

- assess the impact of the risk;
- consider first the main types of impacts that could occur, then rate the risk based upon the most significant impact type;
- rating to the most probable worse case can be challenging and is a learned practice, the most important thing is consistency;
- for each risk, consider Risk Treatment measures as follows:
 - *Prevention* - What measure(s) are in place that will prevent the risk (e.g., security, awareness & training programs, qualified staff, planning, procedures);
 - *Detection* - What measures(s) are in place that will provide notice of a risk (e.g., staff/stakeholder reporting mechanisms, financial reconciliation, fire alarms, audits); and
 - *Response* - If the risk occurs, what measure(s) are in place to mitigate the impact on the university (e.g., contingency plans, backup systems, insurance, and resolution processes).

Risk Treatment measures should be assessed collectively for effectiveness as follows:

- Do mitigation measures address the risk effectively?
- Are mitigation measures documented and communicated?
- Are mitigation measures operating and/or applied consistently?

Likelihood and Impact rankings should be adjusted based upon Risk Treatment measures in place. This will result in a residual risk rating using the following principles:

- preventative risk treatment measures will primarily affect the likelihood rating;
- detection and response risk treatment measures will mostly affect the impact rating;
- as risk treatment improves, residual risk is reduced; and
- risks with the highest combination of Likelihood and Impact should always be monitored.

Using **Appendix D Risk Rankings** – Plot the likelihood and impact ratings for the risk as established using Tables 1 and 2 to determine the risk ranking for each risk. Risk Scores are calculated by taking the score for the *Impact* of each risk and multiplying it by the score for *Likelihood*. Use the highest Risk Impact Score in the calculation

c) Risk Evaluation

Risk evaluation involves evaluating the acceptability of the risks against the university's risk appetite statement. Consideration should be given to existing risk treatment, the cost of further risk treatment, any policy or legal requirements and other relevant considerations from within the university's context.

Risk Ranking – The Risk Ranking enables each risk on the Risk Register to be ranked and then categorised into one of the following two categories:

Risk within Risk Appetite/Tolerance – no additional risk treatment required

Risk outside Risk Appetite/Tolerance – Risk Treatment Required

STEP 3: Risk Treatment

After identifying the residual risk, a risk action strategy must be determined. There are five options:

- *Avoidance* (Terminate) - This involves removing the risk source. Action is taken to avoid or terminate activities that create the risk. For example, risk avoidance may involve curtailing a program, process or activity.
- *Reduction* (Treat) - Mitigate or manage the risk. Action is taken to reduce risk likelihood or impact, or both.
- *Transfer* - Sharing the risk with another party or parties. Action is taken to reduce risk likelihood or impact by transferring or otherwise sharing a portion of risk. Common risk-sharing techniques include purchasing insurance, pooling risks, engaging in hedging transactions, or outsourcing an activity.
- *Acceptance (Tolerate)* - Retain the risk by informed decision. No action is taken to affect risk likelihood or impact. This could also include taking or increasing the risk in order to pursue an opportunity.
- *Exploiting the risk* - some risks can be exploited, that is a risk has apposite impact on meeting the university's goals and therefore additional resources should be applied to take advantage of the opportunities provided.

Multiple strategies can be employed for one risk. For instance, insurance may be purchased to reduce risk impact and control procedures may be implemented to reduce likelihood.

Risk Treatment Plans - By the completion of risk treatment plans, the university will establish accountability and ensure that risk management becomes each department, faculty and staff member's responsibility.

Risk treatment plans provide a reporting mechanism to user groups. Plans are frequently flexible, allowing for continual updating and reassessment as risk mature, likelihood and/or impact change.

To ensure treatment plans are actioned, senior management is responsible as follows:

- allocate risk mitigation responsibilities;
- approve or allocate resources;
- establish timelines;
- report back agreed actions and dates to the Manager, Risk and Insurance Services;
- should a risk treatment plan not be prepared or updated by the responsible director or manager, the Manager, Risk and Insurance shall escalate the request to the Vice President who is the risk owner of the risk.

All options should be considered when developing a treatment plan. Cost and potential benefits should also be assessed.

It is often appropriate to combine risk treatment measures. Risk responses may be specific to one risk or may address a range of risks.

Following successful completion of the risk treatment plan, the risk's likelihood and impact should be reassessed in light of the implemented treatment measures.

Risk Owners - Each risk will be assigned to a risk owner who will:

- ensure mitigation plans are enacted;
- resolve issues that may affect successful implementation; and
- provide status reports on risk mitigation plans to the Manager, Risk and Insurance.

STEP 4: Monitoring and Review

Both monitoring and review should be a planned part of the risk management process and involve regular checking or surveillance.

The university's risk monitoring and review processes ascertain those controls are effective and efficient in both design and operation. To achieve this goal the Manager, Risk and Insurance Services shall:

- obtain further information on peer risk management processes to improve risk management processes;
- analyze and learn lessons from events, changes, trends, successes and failures;
- detect changes in the external and internal context, including changes to risk criteria and the risk itself which can require revision of risk treatments and priorities; and;
- identify emerging risks.

To ensure management of risk remains effective and continues to support Laurentian University's Strategic Plan, ongoing monitoring of the ERM process is undertaken. The following mechanisms are used to provide information on the effectiveness of the Framework:

- various activity reporting generated from operational departments;
- review and feedback from external stakeholders or regulators;
- feedback from the Audit Committee, Senior Executive and faculty and staff;
- informal and formal, solicited and unsolicited comment from stakeholders;

- formal periodical review performed by the Manager, Risk and Insurance using industry standards and a maturity model; and
- External/Internal Audit reviews and findings.

STEP 5: Communication and Consultation

Reporting Structure for the Enterprise Risk Management Process

As part of a strong governance framework and to support risk management at Laurentian University, the timely and meaningful reporting of risk information is critical. The reporting of key Enterprise risks supports decision-making and ensures risks are being managed in line with the Risk Management Framework and defined risk appetite.

Risk management reports are carefully adjusted to the needs of risk information users. Information must be concise, unambiguous, standardized, and consistent and integrated with existing reporting processes.

Appendix E - identifies users, user needs, report types and report distribution procedures.

5.0 Performance

The success of the Risk Management Framework will be evaluated by the university's performance in the following indicators:

- the Board of Governors is provided with a regular report on the Enterprise risks facing the university;
- risk assessment and management policies and procedures are developed and implemented across the university and controlled entities;
- relevant managers and staff receive appropriate training in risk assessment and management; and
- a risk assessment and treatment plan for key risks are developed for all major activities, including all commercial activities.

5.1 Review

This framework will be reviewed at least every three (3) years

Appendix B- Risk Likelihood Rating Chart

Frequency	Risk Probability
Almost Certain 5	81-100% Quite Probable the risk will occur
Likely 4	61-80% More Likely than not this risk will occur in the next 36 months
Possible 3	41-60% Somewhat Likely this loss will occur in the next 36 months
Unlikely 2	21-40% Low possibility this risk will occur in the next 36 months
No Chance or Rare 1	1-20% Very low possibility these risks will occur in the next 36 months

Appendix C - Risk Impact Rating Categories and Guidelines Chart

Risk Matrix							
Score	Impact of Risk	Strategic	Legal	Operational	Technological	Financial	Reputational
5	Very Serious	Activity does not support any pillar in Strategic Plan or other Strategic planning documents or policies	Potential for major litigation Termination of Contracts for Default Criminal charges for on compliance of regulation	Activity has potential for internal/external fraud, injury to students or workers, damage to physical assets, business disruption, changes to processes	Requirement for major change to Enterprise IT system or significant upgrade to several Faculty/Department significant IT systems. Create single point of failure to critical system(s). Requires collection of large amounts of personal data (i.e., whole community)	A decrease in revenue or increase in expenditure or combination of both in excess of \$12,500,000	Growing Significant coverage in National, International and social media
4	Serious	Activity supports one of the Pillars in the Strategic Plan and one other planning document or policy	Potential for single major or numerous moderate litigations. Potential for increase for default of contract or increased	Activity has potential for injury to students or workers, damage to physical assets, business disruption, changes to processes	Requirement for significant change to Enterprise IT system or several Faculty/Department IT systems. Requires collection of significant amounts of personal data (i.e., all students or large research sample)	A decrease in revenue or increase in expenditure or combination of both in excess of \$10,000,000	Wide Coverage in National and social media

			assumption of risk assumed under contract. Potential for fines and orders under regulation				
3	Moderate	Activity supports two of the Pillars in the Strategic Plan and two other planning documents or policies	Single moderate litigation or numerous small litigations. Contract terms provide some form of indemnity for the university but not completely reciprocal. Potential rescinding of licenses required by regulation	Activity has potential for damage to physical assets, business disruption, changes to processes	Requirement for changes to several Faculty/Department IT systems. Requires collection of data from several group of 2000 or less	A decrease in revenue or increase in expenditure or combination of both in excess of \$7,500,000	Some coverage in Regional Media (but controlled) and low level of coverage in social media
2	Minor	Activity supports three of the Pillars in the Strategic Plan and two other planning documents or policies	Single minor litigation Reciprocal indemnity included in contract Minimum compliance with regulation	Activity has potential for damage to physical assets, changes to processes	Requirement for changes to one Faculty/Department IT system Requires collection of data from one group of 1000 or less	A decrease in revenue or increase in expenditure or combination of both in excess of 5,000,000	Minor coverage in local and social media

1	Low	Activity supports all four of the Pillars in the Strategic Plan and two other planning documents or policies	Threat of litigation required small payout Indemnity clause fully in favour of the university. Risk fully transferred university exceeds requirement for compliance under regulation	Activity has potential for changes to processes	No IT system changes required No collection of personal data	A decrease in revenue or increase in expenditure or combination of both in excess of \$2,500,000	No mention in any news or social media
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Appendix D - Risk Ranking Table

	Likelihood/Probability					
	No chance 1	Unlikely 2	Possible 3	Likely 4	Almost Certain 5	
Impact	Very High 5	5	10	15	20	25
	High 4	4	8	12	16	20
	Moderate 3	3	6	9	12	15
	Low 2	2	4	6	8	10
	Very Low 1	1	2	3	4	5

Appendix E - User Reports

User Group	User Needs	Report Types	Timing
Board of Governors	Top 10 Risks	Top 10 Enterprise Risks Heat Map Top 10 Enterprise Risk Report Top 10 Key Enterprise Risk Registry	At least annually
Audit and Risk Committee of the Board of Governors	Top 10 Risks	Top 10 Enterprise Risks Heat Map Top 10 Enterprise Risk Report Top 10 Key Enterprise Risk Registry	At least annually
Senior Management	All Risks	All Reports	Quarterly
Risk Owners	All risks under their control	Detailed mitigation plans	As required

Appendix F - Top 10 Enterprise Risks Heat Map

		Likelihood/Probability				
		Very Low (5)	Low (4)	Moderate (3)	High (2)	Very High (1)
Impact	Very High 5					
	High 4					
	Moderate 3					
	Low 2					
	Very Low 1					

Appendix G - Top 10 Enterprise Risk Assessment Summary

	Risk Category	Likelihood	Impact	Risk Score
FIN	Financial Sustainability			
CAP	Capital Asset Management			
HWS	Student Staff Health Wellness and Safety			
RRG	Management of Student Recruitment Retention and Graduation			
CRL	Compliance Regulation Legal Requirements			
IMS	Information Technology Security			
TEC	Technology Enablement			
INT	Internationalization Strategy			
RRT	Recruitment Retention & Fostering Talent			
RES	Research Capacity and Funding			

Appendix H - Top 10 Enterprise Risk Report (EXAMPLE)

	Risk	Risk Factors	Risk Description
FIN	Financial Sustainability	Uncertainty of Provincial Government funding model and future tuition fee framework – 60% of Government grant based on meeting SMA3 Key Performance Indicators Uncertainty around details and implementation of KPI's in Strategic Mandate Agreement3 Increasing competition for students Solvency requirements for Laurentian University Pension Plan Uncertainty regarding opt out for student fees and increase demand for university to fund existing CUSA/GSA services Uncertainty of funding and financial viability of ancillary programs (Football program, Dominion Chalmers Centre)	The potential that the university will not generate enough revenue increases and/or cost savings necessary to maintain its financial viability.
CAP	Capital Asset Management	Reduced life span of infrastructure because of climate change Inefficiency of systems resulting in increased costs Aging underground infrastructure Lack of resiliency in response to Hazard risks Audit score on facility condition report below average for equivalent size universities	The risk that the university is unable to plan and provide for new capital investments or maintain it existing assets to meet its current and future needs.

HWS	Student Staff Health Wellness and Safety	<p>Rise in mental health issues for students and staff</p> <p>Increased awareness of sexual violence and harassment</p> <p>Failure to maintain infrastructure resulting in injuries to students and staff</p> <p>Improper management of hazard materials</p> <p>Failure to ensure staff and students take mandatory Health & Safety training</p> <p>Inadequate attention and resources paid to recommendation of JOHC and insurers recommendation</p> <p>Increasing regulatory obligations under OHSA, Environmental and other regulation</p> <p>Legalization of cannabis leading to increase use on campus</p>	<p>The risk that the health, wellbeing and safety of students and staff is compromised when the university would reasonably be expected to have responsibility.</p>
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LaurentianUniversity
Université**Laurentienne**

LAURENTIAN



For all the right reasons ■■■ Pour toutes les bonnes raisons

LAURENTIENNE

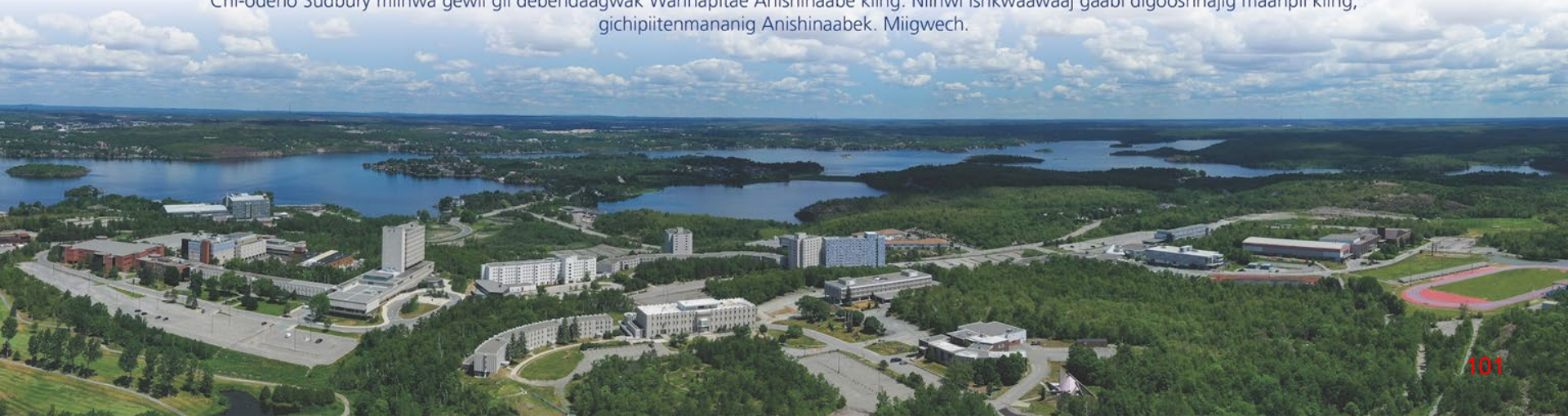
We'd like to begin by acknowledging the Robinson-Huron Treaty of 1850. We also further recognize that Laurentian University is located on the traditional lands of the Atikameksheng Anishnawbek and that the Greater City of Sudbury also includes the traditional lands of the Wahnapiatae First Nation. As descendants of settlers we extend our deepest respect to all Indigenous peoples. Miigwech.



Nous désirons commencer aujourd'hui en reconnaissant le Traité Robinson-Huron de 1850. Il importe aussi de souligner que l'Université Laurentienne se trouve sur les terres traditionnelles des Premières Nations d'Atikameksheng Anishnawbek et que la Ville du Grand Sudbury comprend également celles de la Première Nation de Wahnapiatae. En tant que descendants de colons, nous tenons à exprimer notre profond respect à tous les peuples autochtones. Miigwech.



Aambe maachtadaa n'tam ka ke ginwaamdanaa Aki Gaabijidebendaagwak Robinson Huron Naakinegewin ode 1850. Miiinwa ginwaamdandaa Laurentian Chi-kinomaagegamik gewii teg maanpii gidaa kiimina Atikameksheng Anishinaabek debendaagwak miinwa Chi-odeno Sudbury miinwa gewii gii debendaagwak Wahnapiatae Anishinaabe kiing. Niinwi ishkwawaaj gaabi digooshnaggi maanpii kiing, gichipiitenmananig Anishinaabek. Miigwech.



Entreprise Risk management



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Agenda

1. Risk Management Policy
2. Enterprise Risk Management Framework
3. Next Steps



Purpose

to encourage the integration of risk management at all levels of management within the university and to establish guidelines for the reporting of risk to Senior Management and the Board of Governors.

Will promote:

- awareness of the business risks that are associated with the operations of the university;
- awareness of the key enterprise risks that the university faces;
- applying due diligence in decision-making;
- an appropriate level of due care in daily operations;
- intelligent risk taking in the pursuit of new ideas and innovation; and
- legal and statutory compliance as a minimum standard.



Scope

- Applicable to all university departments and units.
- Responsibility for identifying and managing the risks of the university, as in any organization, lies with the leadership of the institution.
- The Director, Procurement and Risk assists managers' awareness of risk through the development of the university's Enterprise Risk Management Framework and operational risk assessment processes by advocating for their continued improvement

Policy Statement

Laurentian University adopts best practices in identifying, evaluating and managing both operational and strategic risks to ensure that these risks are appropriately treated or exploited, to ensure the achievement of the university's strategic and operational goals.



Policy provides procedures/processes for

- Enterprise Risk Management program- Enterprise Risk Management Framework
- Operational Risk process - Guide on How to Perform an Operational Risk Assessment”
- Guidance on the preferred method of Risk Financing (Insurance}
- Authority to procure insurance
- Establishment of a self insurance fund
- Guidelines for contractual risk transfer
- Authority for claims settlement



Risk management is the responsibility of the Board and all university's employees.

The Policy and Framework outlines the responsibilities of the

- Board of Governors
- President
- Vice Presidents
- Directors and Managers
- Director Procurement and Risk
- Internal Audit

Board of Governors



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The Board of Governors through the Audit and Risk Committee have the responsibility for the oversight of the risk management program, and Key Enterprise risks and the respective implemented risk treatment measures . The Board, through its Audit and Risk Committee, will:

- approve the policy in relation to risk management;
- approve the top 10 Key Enterprise Risks register;
- monitor the effectiveness of risk management processes; and
- approve management action to improve risk management.



President and Vice-Chancellor

- provide general risk management oversight to ensure Enterprise Risk Management adoption throughout the university;
- assess top risks action plans and review/approve major risk treatment options; and
- promote a risk management culture at all levels of the university.



The Vice-Presidents are accountable to the President for risk management and are to:

- develop and implement policies and procedures for risk management;
- determine the risk profile of the university and the university's attitude to risks with respect to particular major issues;
- identify and manage the enterprise risks faced by the university and convey this information to the President and the Board of Governors;
- ensure that operational risks are identified and appropriately managed throughout the university;
- ensure that recommendations and directions of the Board of Governors, President, and Internal and External Auditor, with respect to risk management are acted upon;
- provide adequate information in a timely manner to the Board of Governors through the Audit And Risk Committee on the status of risks and risk treatments in place and proposed;
- ensure the existence of performance standards for the implementation of risk management policies and procedures;
- arrange for the annual review of the performance of budget centres, business enterprises and controlled entities in relation to the implementation of risk management policies and procedures; and review policies and procedures on a regular basis to ensure they remain effective and appropriate



Enterprise Risk Management Framework (ERM)

Vision

The Laurentian University Risk Management program creates a risk aware culture that promotes and integrates principled decision making by identifying, analyzing and treating risk. Risk Management is practiced at both the Enterprise and Operation level and continually supports the university's strategic goals by exploiting opportunities while also mitigating the negative impacts of risk.

The Enterprise Risk Management Framework is a core component of the corporate governance responsibilities of the university's management and the Board of Governors.

The framework will:

- be applied by all offices of the university, and its controlled entities
- will identify options for improving and streamlining policies, administrative practices and internal controls
- ensure the ongoing relevance, safety, viability, compliance and accountability of day-to-day operations



Enterprise Risk Management Framework

Based on COSO Enterprise Risk Management Framework

Definitions

Risk - Is the effect of an event or activity on the university's strategic or operational goals. An effect is a positive or negative variation on what is expected. Risk is expressed in terms of a combination of the impacts of an event and the associated likelihood of occurrence.

Enterprise Risk Management - Is a systematic approach to managing uncertainties resulting from the university's key enterprise risks. It is a holistic approach to identify, evaluate and treat key risks to the university's strategic goals. Enterprise risk management is carried out by the Risk Committee and is led by the Manager, Risk and Insurance Services. It is used to inform senior management and Board of Governors of the top 10 risks and emerging risks faced by the university.

Operational Risk Management - Is the systematic approach to managing uncertainties resulting from inadequate or failed internal processes, the actions of people or the failure of systems or external activities. Operational risk management is practiced at the department or project level and is led by department or projects managers and is supported by the Office, Procurement and Risk. Operational Risk Management is an input into Enterprise Risk Management.



ERM Framework - Key Principles

1. Risk management creates and protects value - it contributes to the demonstrable achievement of objectives and improvement in performance across all areas of the university;
2. The university will recognise and disclose key risks in a systematic manner and take appropriate action to manage these risks;
3. The responsibility for overseeing risk management within the university rests with the President.
4. The vice-presidents are responsible for implementing and supporting policies and procedures for the effective management of risk, including the Enterprise Risk Assessment completed by Manager, Risk and Insurance Services;
5. Risk management facilitates continual improvement of the university
6. the Manager, Risk and Insurance will advise all levels of the university governance structure on the risk management framework and the risk management policy; and monitor and report on the risk management process;
7. risk management will be integrated with standard management practices, with accountability following established reporting lines.



Roles and Responsibilities

The Enterprise Risk Management Framework lays out the roles and responsibilities of the following

- Board of Governors
- The President
- Vice Presidents
- Directors and Managers
- Director, Procurement and Risk
- Internal Audit



Overall Risk Appetite - The Board of Governors, senior management and staff will take into consideration the university's stated Risk Appetite in both strategic and operational decision making.

- The university's goals will necessitate that the university accept those risks that accompany growth and are commensurate with the potential reward.
- Overall Laurentian University has limited appetite for risk in many of its activities,
- acknowledged that the university must at times undertake activities that inherently carry greater risks in order to be innovative and a leader in higher education.
- **To that end the university's risk appetite will often be different at an activity level from that at a whole-of-institution level.**

Framework establishes risk appetite for each category of risk



Laurentian University's Enterprise Risk Management process includes the following steps:

STEP 1 - Scan Internal and External Environment (Goals and Context)

STEP 2 - Identifying risks, using a systematic process, (Risk Identification)

STEP 3 - Analyze risks by applying defined risk criteria (Risk Assessment)

STEP 4 - Treat Risks (Risk Response and Control Activities)

STEP 5 - Monitor and Assure (Information, Communication and Monitoring)



- **Director Procurement and Risk will report the result of regular enterprise risk assessments to the Audit Committee**
- **Reporting frequency determined by committee (recommendation - 3 time per year)**
- Top 10 Enterprise Risk Report includes
 - Risk
 - Risk Factors
 - Risk Description
 - Risk Ranking Score
 - Risk Appetite status
 - Risk Treatment up date



- Conduct Enterprise Risk Management Workshops for senior leader and Board of Governors
- Conduct Enterprise Risk Assessment
 - Review relevant documents
 - Enterprise Risk Assessment workshop
 - Interview senior manager to determine risk treatment in place or planned
- Report to Audit Committee in November

Questions?



LaurentianUniversity
Université**Laurentienne**

BOARD EXECUTIVE SUMMARY

Board of Governors

Agenda Title	Approval of 2022-23 Audited Consolidated Financial Statements and Auditor's Report
Agenda Item No.	6.2
Date of Meeting	October 20, 2023
Open/Closed session	OPEN
Action Requested	<input checked="" type="checkbox"/> For Approval <input type="checkbox"/> For Information
Proponent	Michel Piche, Vice-President, Finance and Administration (Interim)
Presenter(s)	Norm Lavallee, Associate Vice-President, Financial Services (FS) Tracy Fleury, Manager, Financial Reporting, Endowment and Capital (FS)

1. PURPOSE

That the Board of Governors approve Laurentian University's 2022-23 Audited Consolidated Financial Statements and accompanying Auditor's Report.

2. SYNOPSIS

Management has prepared Laurentian University of Sudbury's consolidated financial statements for the fiscal year ended April 30, 2023, in accordance with Canadian accounting standards for not-for-profit organizations. The Auditor conducted appropriate reviews and tests and concluded that the financial statements present fairly, in all material respects, the consolidated financial position of Laurentian University of Sudbury as at April 30, 2023, and its consolidated results of operations, its consolidated changes in net assets, and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

3. RESOLUTION TO CONSIDER:

BE IT RESOLVED,

THAT the Board of Governors approve Laurentian University's 2022-23 Audited Financial Statement and Auditor's Report at its meeting of October 20, 2023, as recommended by the Board Audit and Risk Committee

4. RISK ANALYSIS

Please note below the specific institutional risk(s) this proposal is addressing.	
<input type="checkbox"/> Enrolment Management	<input checked="" type="checkbox"/> Relationship with Stakeholders
<input type="checkbox"/> Faculty and Staff	<input checked="" type="checkbox"/> Reputation
<input checked="" type="checkbox"/> Funding and Resource Management	<input type="checkbox"/> Research Enterprise
<input type="checkbox"/> IT Services, Software and Hardware	<input type="checkbox"/> Safety
<input type="checkbox"/> Leadership and Change	<input type="checkbox"/> Student Success
<input type="checkbox"/> Physical Infrastructure	

5. RECOMMENDATIONS

That the Board of Governors review and approve Laurentian University's 2022-23 Audited Consolidated Financial Statements and accompanying Auditor's Report.

A Background/Issue Description

The University generated an Excess of Revenue over Expenses of \$208.0 million in 2022-2023. Excluding restructuring costs and the Recovery from the Companies' Creditors Arrangement Act Proceedings, Laurentian generated an Excess of Revenue over Expenses of \$52.6 million compared to \$44.5 million in 2021-22.

The ongoing uncertainty caused by COVID-19 and the CCAA restructuring led to a drop in enrolment at Laurentian that was predicted to continue into 2022-23. In line with these expectations, enrolment once again declined in 2022-2023, with an overall decrease year-over-year of 4% in Fall Full Time Equivalent (FTE). Notably, however, this reduction in enrolment was lower than anticipated. As part of the CCAA proceedings, Laurentian's multi-year financial plan showed an overall enrolment decrease of 14% between 2021-2022 and 2022-2023. In total, the Fall of 2022 saw Laurentian enrolment of 7,711 individual students or 5,729 FTE across 106 undergraduate and graduate programs, 34 of which were offered in the French language.

The attached presentation provides an overview of the University's financial results for the year along with highlights of key variances and notes to the financial statements.

As part of their mandate, BDO provided Laurentian's Audit and Risk Committee with their Audit Report (attached), which highlighted areas of improvements in the University's system of control over financial reporting and information technology. The recommendations made by the Auditor will serve to strengthen the overall design effectiveness and controls of the University's information technology environment in areas of system user access, program change control, and password control. See attached BDO's Information Technology Observations and Recommendations report.

B Alignment with Strategic Objective or Plan of the University

N/A

C Other options considered (where applicable):

N/A

D Risks including legislative compliance

Legislative Compliance	<ul style="list-style-type: none">• General Bylaws of the Board of Governors (LU)• Laurentian University Act• Policy on Purchasing• Policy on Short-Term Cash Investment• Broader Sector Accountability Act, 2010• Broader Public Sector Procurement Directive, 2011• Broader Public Sector Expenses Directive, 2011
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E Financial Implications (where applicable):

N/A

F Benefits

N/A

G Consultations (where applicable)

In addition to the audit by BDO, the Consolidated Financial Statements were reviewed by the Executives, and Audit and Risk Committee at their meetings of September 25 and October 5, 2023. The detailed notes to the statements were also reviewed by the CCAA Monitor and Counsel.

H Communications Plan

The Annual Financial Report including the Audited Consolidated Financial Statements must be provided to the Ministry of Colleges and Universities and posted annually to the University's external website within 180 days after the end of the fiscal year.

J Next Steps

Board of Governors approval of the Audited Consolidated Financial Statements, distribution to the Ministry of Colleges and Universities and posting to Laurentian University website.

I Appendix

- A. Audited Consolidated Financial Statements for the fiscal year ending April 30, 2023
- B. Audit final report to the Audit and Risk Committee for the year ended April 30, 2023 (as presented on Sept 25, 2023)
- C. Presentation to the Audit and Risk Committee (PPT)

Consolidated Financial Statements of
**LAURENTIAN UNIVERSITY
OF SUDBURY**

Year ended April 30, 2023

DRAFT

LAURENTIAN UNIVERSITY OF SUDBURY

Consolidated Statement of Financial Position

April 30, 2023, with comparative information for 2022
(thousands of dollars)

	2023	2022
Assets		
Current assets:		
Cash and short-term investments (note 4)	\$ 137,327	\$ 84,018
Accounts receivable (note 5)	14,654	14,560
Prepaid expenses	4,453	2,757
	156,434	101,335
Accounts receivable (note 5)	188	73
Investments (note 4)	49,299	61,892
Capital assets (note 7)	245,080	253,432
	\$ 451,001	\$ 416,732
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	28,842	19,592
Accrued vacation pay	2,470	2,340
Deferred revenue	6,175	2,547
Deferred contributions (note 12)	17,819	40,607
Short-term loan (note 9)	-	35,000
Current portion of long-term debt (note 10)	1,466	-
Liabilities subject to the Plan (note 11(b))	-	192,219
	56,772	292,305
Long-term obligations:		
Payable to CCAA Distribution Pool (note 11(a))	47,546	-
Long-term debt (note 10)	32,942	-
Employee future benefits liabilities (note 6)	1,848	5,337
Deferred capital contributions (note 12)	120,321	123,524
Total liabilities	259,429	421,166
Net assets (deficiency):		
Unrestricted	15,571	(88,999)
Employee future benefits (note 6)	(1,848)	(19,351)
Internally restricted (note 15)	1,475	1,164
Investment in capital assets (note 14)	128,864	41,791
Endowments (note 13)	47,510	60,961
	191,572	(4,434)
Commitments and contingencies (note 16)		
	\$ 451,001	\$ 416,732

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, 2023, with comparative information for 2022
(thousands of dollars)

	2023	2022
Revenue:		
Operating grants and contracts	\$ 91,917	\$ 79,568
Tuition fees	52,838	54,005
Other fees and income (note 18)	19,982	15,932
Research grants and contracts	17,870	19,488
Sales and services	9,621	10,768
Amortization of deferred capital contributions (note 12)	5,596	5,621
	<u>197,824</u>	<u>185,382</u>
Expenses:		
Salaries and benefits	92,848	93,266
Operating and research	21,805	17,563
Occupancy	10,537	9,975
Scholarships and bursaries	9,676	9,708
Amortization of capital assets	10,310	10,321
	<u>145,176</u>	<u>140,833</u>
Excess of revenue over expenses, before other items	52,648	44,549
Other items:		
Restructuring costs (note 19)	(11,108)	(27,759)
Recovery from CCAA Proceedings (note 11(c))	166,422	-
Excess of revenue over expenses, after other items	<u>\$ 207,962</u>	<u>\$ 16,790</u>

See accompanying notes to consolidated financial statements.

LAURENTIAN UNIVERSITY OF SUDBURY

Consolidated Statement of Changes in Net Assets (Deficiency)

Year ended April 30, 2023, with comparative information for 2022
(thousands of dollars)

	Unrestricted	Employee Future Benefits	Internally Restricted (note 15)	Investment in Capital Assets (note 14)	Endowments (note 13)	Total
2023						
Net assets (deficiency), beginning of year	\$ (88,999)	\$ (19,351)	\$ 1,164	\$ 41,791	\$ 60,961	\$ (4,434)
Excess (deficiency) of revenue over expenses:						
Operating	57,362	–	–	(4,714)	–	52,648
Restructuring costs (note 19)	(11,108)	–	–	–	–	(11,108)
Recovery from CCAA Proceedings (note 11(c))	166,422	–	–	–	–	166,422
	212,676	–	–	(4,714)	–	207,962
Liabilities derecognized under CCAA Plan (note 2(b))	(105,265)	14,014	–	91,251	–	–
Transfer for capital transactions	(536)	–	–	536	–	–
Interfund transfers (note 15)	(311)	–	311	–	–	–
Excess of employer contributions over employee future benefits net benefit costs	(1,994)	1,994	–	–	–	–
Endowment contributions (note 13)	–	–	–	–	266	266
Net increase in endowments	–	–	–	–	534	534
Transfer of endowments to Northern Ontario School of Medicine (note 13)	–	–	–	–	(14,251)	(14,251)
Employee future benefits remeasurements and other items (note 6)	–	1,495	–	–	–	1,495
Net assets (deficiency), end of year	\$ 15,571	\$ (1,848)	\$ 1,475	\$ 128,864	\$ 47,510	\$ 191,572
2022						
Net assets (deficiency), beginning of year	\$ (112,524)	\$ (13,973)	\$ 3,302	\$ 46,347	\$ 61,482	\$ (15,366)
Excess (deficiency) of revenue over expenses:						
Operating	49,249	–	–	(4,700)	–	44,549
Restructuring costs (note 19)	(27,759)	–	–	–	–	(27,759)
	21,490	–	–	(4,700)	–	16,790
Transfer for capital transactions	(144)	–	–	144	–	–
Interfund transfers (note 15)	2,138	–	(2,138)	–	–	–
Other transfers	41	(41)	–	–	–	–
Endowment contributions (note 13)	–	–	–	–	6	6
Net increase in endowments	–	–	–	–	(527)	(527)
Employee future benefits remeasurements and other items (note 6)	–	(5,337)	–	–	–	(5,337)
Net assets (deficiency), end of year	\$ (88,999)	\$ (19,351)	\$ 1,164	\$ 41,791	\$ 60,961	\$ (4,434)

See accompanying notes to consolidated financial statements.

LAURENTIAN UNIVERSITY OF SUDBURY

Consolidated Statement of Cash Flows

Year ended April 30, 2023, with comparative information for 2022
(thousands of dollars)

	2023	2022
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 207,962	\$ 16,790
Non-cash items:		
Amortization of capital assets	10,310	10,321
Amortization of deferred capital contributions	(5,596)	(5,621)
Excess of employer contributions over employee future benefits net benefit costs	(1,994)	-
	210,682	21,490
Change in non-cash working capital (note 17)	11,218	5,642
Change in liabilities subject to the Plan (note 11(b)) (net)	(144,673)	5,399
	77,227	32,531
Cash flows from financing activities:		
Endowment contributions	266	6
Net increase (decrease) in endowments	534	(527)
Increase (decrease) in deferred contributions, net	(22,788)	4,243
Deferred capital contributions received	2,393	877
Increase in long-term debt	35,000	-
Repayment of long-term debt	(592)	-
Increase (decrease) in short-term loan	(35,000)	10,008
	(20,187)	14,607
Cash flows from investing activities:		
Purchases of capital assets	(1,958)	(368)
Change in long-term accounts receivable	(115)	-
Net decrease in investments	12,593	283
Transfer of endowments to Northern Ontario School of Medicine (note 13)	(14,251)	-
	(3,731)	(85)
Net increase in cash and short-term investments	53,309	47,053
Cash and short-term investments, beginning of year	84,018	36,965
Cash and short-term investments, end of year	\$ 137,327	\$ 84,018

See accompanying notes to consolidated financial statements.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

1. Description:

Laurentian University of Sudbury (the “University”) is incorporated by *An Act to Incorporate Laurentian University of Sudbury* under the laws of Ontario. The University is committed to strengthening the foundation of knowledge in higher education and research in order to offer an outstanding university experience in English and French with a comprehensive approach to Indigenous education.

The University is a registered charity and is exempt from the payment of income tax under section 149 (1)(f) of the *Income Tax Act*.

2. Basis of presentation:

(a) Basis of presentation:

The consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) in Part III of the CPA Canada Handbook – Accounting.

The amounts in the consolidated financial statements are presented in thousands of Canadian dollars.

(b) CCAA proceedings:

Due to historical financial and operational issues experienced by the University, on February 1, 2021, the University brought an application before the Ontario Superior Court of Justice (Commercial List) (the “Court”) for an initial order pursuant to the *Companies’ Creditors Arrangement Act* (the “CCAA”) to, among other things, obtain a stay of proceedings to provide the University with the platform and opportunity to financially and operationally restructure. On February 1, 2021, the Court granted the initial order (as amended and restated, the “Initial Order”) that, among other things, appointed Ernst & Young Inc. as Monitor of the University (the “Monitor”) and approved a stay of proceedings for an initial 10-day period.

The CCAA proceeding provided the University with a court-supervised platform for the University to restructure with the goal of becoming sustainable long-term, both financially and operationally. The University continues to operate and provide its educational services and programs.

On February 10, 2021, the Court approved a \$25,000 debtor-in-possession credit facility (“DIP Facility”). The DIP Facility was subsequently increased to \$35,000 on May 19, 2021 with a maturity date of January 31, 2022. On January 27, 2022, the Province of Ontario, as represented by the Ministry of Colleges and Universities (“MCU”), refinanced the DIP Facility through an advance under a credit facility in the principal amount of \$35,000 (the “MCU DIP Facility”) with a maturity date of September 30, 2022 which was subsequently extended to November 30, 2022. On November 28, 2022, the MCU DIP Facility was repaid in full and replaced with a long-term loan agreement with the Province of Ontario in the principal amount of \$35,000 (note 10).

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023

(thousands of dollars)

2. Basis of presentation (continued):

(b) CCAA proceedings (continued):

During the CCAA proceedings, the University engaged in and completed a comprehensive operational and academic restructuring resulting in reduced programs and course offerings, a reduction of faculty and departments, amendments to the University's pension and post-retirement benefits plans, the termination of the University's historical relationships with Huntington University, the University of Sudbury, and Thorneloe University, and a renegotiation of existing collective bargaining agreements with its unions. These measures resulted in a significant reduction to the University's annual costs.

On May 31, 2021, the Court issued an order approving and establishing a claims process (the "Claims Process Order") whereby the Monitor, in conjunction with the University, would call for claims of creditors against the University and provide for a mechanism for the resolution and determination of such claims for voting and distribution purposes in relation to a Plan of compromise or arrangement pursuant to the CCAA to be presented by the University at a future date. Pursuant to the Claims Process Order, creditors had until July 30, 2021 to submit their claims to the Monitor. On August 17, 2021, the Court also granted an order approving a process and methodology to calculate and determine employee compensation claims and a process for notification and claims processing.

On December 16, 2021, the Ontario Government announced a package of support through the MCU that included the MCU DIP Facility, up to \$6,000 in COVID-19 relief grants (received in 2022-23) as well as enrolment and performance grant protection up to \$22,000. The MCU DIP Facility was approved by the Court on January 27, 2022, and the refinancing was completed on January 28, 2022.

The Plan of Compromise or Arrangement dated July 21, 2022 was accepted for filing by the Court on July 28, 2022 and on the same date, an order was issued by the Court authorizing one class of Affected Creditors (as defined in the Plan) and authorizing the University to call, hold and conduct a meeting of creditors for purposes of voting on the Plan (the "Meeting Order"). In accordance with its terms and the Meeting Order, the Plan of Compromise or Arrangement was amended on September 9, 2022 (the "Plan"). The Plan was filed with the Court, notice was provided to the Service List, and the Plan was posted on the Monitor's website.

As part of its support of the University, the Province of Ontario committed to purchase certain parcels of real estate owned by the University for an aggregate purchase price of up to \$53.5 million (note 7). This support is subject to conditions, including final government approvals and the implementation of the Plan. Under the Plan, the proceeds of sale will be paid into the Distribution Pool, which represents the funds available for distribution to creditors. The Plan provides that a minimum of \$45.5 million shall be realized from the sale of the real estate assets and transferred to the Distribution Pool. The Monitor shall receive all funds paid into the Distribution Pool and effect all distributions to creditors from the Distribution Pool.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

2. Basis of presentation (continued):

(b) CCAA proceedings (continued):

For clarity, Affected Creditors have no further recourse against the University beyond their entitlement to any pro rata share of the proceeds from the Distribution Pool. The Plan provides that any real estate sale transactions are to be completed and the funds transferred to the Distribution Pool within three years of the Plan Implementation Date such date being November 28, 2025.

A meeting of Affected Creditors was held on September 14, 2022, to vote on the Plan. At the meeting, the requisite majorities in number and value of Affected Creditors entitled to vote, voted in favour of the Plan. The Plan was approved by the Court on October 5, 2022.

Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims (all as defined in the Plan) were to receive payment in full upon implementation of the Plan. These amounts were paid during the year in the amount of \$5,954.

Pursuant to the Plan, Affected Creditors will receive one or more distributions from the Distribution Pool on a *pro rata* basis. The exact amount that will be distributed to Affected Creditors cannot be determined at this time.

The Plan was implemented on November 28, 2022, and at that time, all Secured Claims, CCAA Priority Claims, Vacation Pay Compensation Claims and claims of Affected Creditors were fully, finally and irrevocably released, discharged, cancelled and barred. Distributions were made in full payment of all Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims in the amount of \$5,954. In accordance with the Plan, distributions to Affected Creditors with unsecured Proven Claims will be made at a future date from the Distribution Pool.

Upon implementation of the Plan, the University recognized a payable to the CCAA Distribution Pool of \$47,546 (2022 - \$nil) (note 11(a)), reduced liabilities subject to the Plan to \$nil (2022 - \$192,219) (note 11(b)), and recorded a recovery from CCAA Proceedings of \$166,422 (2022 - \$nil) (note 11(c)). The University also derecognized pre-CCAA deferred contributions in the amount of \$26,193 (note 12(a)). Restructuring costs incurred of \$11,108 (2022 - \$27,759) (note 19) have been recorded in the Statement of Operations.

(c) Basis of consolidation:

These consolidated financial statements reflect the assets, liabilities, net assets, revenue, expenses and other transactions of all of the operations and organizations controlled by the University. The University has control or joint control over another entity when it has control or shared control over the power to determine its strategic operating, investing, and financing policies of the entity.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

2. Basis of presentation (continued):

(c) Basis of consolidation (continued):

These consolidated financial statements include the assets, liabilities, surplus/deficit and operations of the University's subsidiaries and joint ventures as follows:

- Mining Innovation Rehabilitation and Applied Research Corporation ("MIRARCO"), which is a wholly controlled entity and is consolidated by the University. The University is the sole voting member of this corporation. MIRARCO promotes research in and the development of the application of scientific and engineering techniques and policies to foster and enable the use of natural resources in a safe, sustainable, and economic manner.
- Sudbury Neutrino Observatory Laboratory ("SNOLab") which is a not-for-profit organization whose principal objective is the construction, operation and decommissioning of a deep underground science research facility. SNOLab is a partnership arrangement with four other universities. The University accounts for its 20% share of SNOLab using the equity method.

The University appoints one member to the Board of the Centre for Excellence in Mining and Innovation ("CEMI"), but does not control or have significant influence over this entity. As a result, these consolidated financial statements do not include the financial results of CEMI. See note 21 for additional disclosure relate to CEMI.

Various student organizations are not included in these consolidated financial statements as the University does not have control or significant influence over these organizations.

3. Significant accounting policies:

(a) Revenue recognition:

The University follows the deferral method of accounting for contributions for not-for-profit organizations.

Unrestricted contributions, including government funding and certain unrestricted donations are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection 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 endowments are recognized as deferred contributions 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.

Contributions restricted for endowment purposes are recognized as direct increases to endowment net assets.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

3. Significant accounting policies (continued):

(a) Revenue recognition (continued):

Pledges are not legally enforceable claims and therefore are not recorded in these consolidated financial statements until they are received.

Tuition and ancillary fees, other fees and income, and sales and services are recognized as revenue in the fiscal period when the respective courses and seminars are held, or the goods and services are provided.

(b) Investments and investment income:

Investment income arises primarily from the pooled fund investments held by the University, and can include changes in fair market value, realized gains and losses, dividends and interest.

Investment income related to unrestricted contributions is recognized when earned and included in other fees and income.

The University also recognizes as revenue an administration fee for managing the endowment funds. During the year, \$196 (2022 - \$ nil) of administrative fees were recorded in other fees and income.

Investment income related to endowments is recorded as a direct increase in net assets. Subsequent to initial income recognition, the University may allocate investment income earned that can be distributed for other purposes as stipulated by the external donor for another internally restricted purpose.

When the net investment income earned on externally restricted endowments is in excess of the amount made available for spending, the excess is recorded as a direct increase in endowment net assets. When the net investment income earned is insufficient to fund the amount made available for spending, the deficiency is recorded as a direct decrease in endowment net assets.

(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
Buildings components	20 years
Equipment and furnishings	7 years
Site improvements	15 years

Construction in progress is not amortized until the project is complete and the facilities are put in use. Expenditures on repairs and maintenance are expensed as incurred.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

3. Significant accounting policies (continued):

(d) Employee future benefits liabilities:

In the year, the University provided employee future benefits to its employees through the Retirement Plan of Laurentian University (the "Pension Plan"). During the CCAA restructuring and following negotiations with the relevant unions during a court-supervised mediation process, the University made substantial changes to its benefit plans as described in note 6.

The University accrues its obligations and related costs for the Pension Plan as the employees render the service necessary to earn the pension. The pension obligations are based on the latest going concern funding valuation. The actuarial determination of the accrued benefit obligations for pensions uses the projected method on service (which incorporates management's assumptions used for funding purposes, other cost escalation, retirement ages of employees and other actuarial factors). The actuarial valuation is performed at least every three years. In the years between valuations, pension plan results are prepared based on extrapolations of the latest available funding valuation results. The most recent actuarial valuation for the pension plan was as of January 1, 2023 and the next actuarial valuation will be completed effective January 1, 2026.

The Pension Plan's assets are measured at fair value at the date of the Consolidated Statement of Financial Position.

Current service and finance costs for the year are recognized as Salaries and benefit expense.

Re-measurements and other items comprise the aggregate of the difference between the actual return on plan assets and the return calculated using the discount rate; the actuarial gains and losses; the effect of any valuation allowance in the case of a net defined benefit asset; the past service costs; and the gains and losses arising from settlements and curtailments. Re-measurements are recognized directly in net assets.

The Pension Plan provides a provision against the pension plan's assets for benefit reinstatement in accordance with the Pension Plan's benefits and funding policy.

(e) Internally restricted net assets:

The University restricts use of portions of its operating net assets for specific future uses. When incurred, the related revenues and expenses are charged to operations, and the balance of Internally restricted assets is increased or decreased accordingly with a transfer to or from Unrestricted net assets (deficiency).

(f) Financial instruments:

All financial instruments are initially recorded on the Consolidated Statement of Financial Position at fair value.

Investments held in fixed income and equity pooled funds that trade in an active market, as well as investments held in real estate are subsequently recorded at fair value.

All other financial instruments are subsequently measured at amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

3. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of consolidated financial statements 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Items subject to such estimates and assumptions include the carrying value of accounts receivable, capital assets, obligations related to employee future benefits, vacation accrual, and contingencies. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are recognized in the consolidated financial statements in the year in which they become known.

(h) Key sources of measurement uncertainty:

During the CCAA proceedings, the University recognized restructuring costs (note 19) and liabilities that were subsequently compromised and extinguished under the Plan (note 11) subject only to the rights of Affected Creditors to receive distributions from the Distribution Pool. The final amount being transferred to the Distribution Pool is subject to the final determination of the proceeds of the sale of real estate assets to the Province of Ontario.

Prior year liabilities subject to compromise under the Plan were measured at the reporting date based on an analysis of the nature and carrying value of the underlying liabilities, proof of claim and the stage of advancement of the claim's identification, resolution, and barring process.

(i) Impairment of capital assets:

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of assets may not contribute to the University's ability to provide goods and services.

An impairment occurs when the carrying value of an asset is higher than the replacement value or fair value. Any impairment results in a write-down of the capital assets and an expense in the Consolidated Statement of Operations. An impairment loss is not reversed if the fair value of the related capital asset subsequently increases.

(j) Payable to CCAA Distribution Pool and Liabilities subject to the Plan:

As a result of the implementation of the Plan on November 28, 2022, all pre-filing liabilities as at February 1, 2021 as well as certain restructuring liabilities that arose following the commencement of the CCAA proceeding on February 1, 2021 were discharged. The discharge of Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims was subject to the right of these claimants to receive payment in full for the amount of their claims, which has occurred. These claims in the aggregate amount of \$5,954 were paid in full upon Plan Implementation. Distributions to Affected Creditors from the Distribution Pool will be made when funds are available and on a pro rata basis. For clarity, Affected Creditors have no further recourse against the University beyond their entitlement to any pro rata share of the proceeds from the Distribution Pool. Obligations for goods and services provided to the University after the filing date of February 1, 2021, were not compromised or released under the Plan, and will continue to be addressed in the ordinary course.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

3. Significant accounting policies (continued):

(j) Payable to CCAA Distribution Pool and Liabilities subject to the Plan (continued):

The measurement of Liabilities subject to the Plan in prior year was based on an analysis of the nature and carrying value of the underlying liabilities, proof of claims, and the claims identification and process.

In 2023, Liabilities subject to the Plan including certain pre-CCAA deferred contributions were derecognized when the liabilities were legally discharged upon implementation of the Plan, resulting in a recovery on the Statement of Operations (note 11(c)). A Payable to the CCAA Distribution Pool (note 11(a)) was recorded to reflect the maximum anticipated amounts payable to the Distribution Pool upon the sale of certain real estate assets. This amount has been calculated as the expected proceeds from the sale of assets of up to \$53,500 less payments made to holders of Secured Claims, CCAA Priority Claim and Vacation Pay Compensation Claims of \$5,954, in accordance with the Plan. The Monitor will make distributions to Affected Creditors from the Distribution Pool when funds are available and in accordance with the Plan.

4. Cash and investments:

	2023	2022
Short-term:		
Cash	\$ 112,992	\$ 83,660
Short-term investments	24,335	358
	\$ 137,327	\$ 84,018
Long-term:		
Equity	\$ 17,947	\$ 28,363
Fixed income	17,317	20,313
Global infrastructure	7,195	6,501
Structured credit	3,460	3,460
Real estate fund	3,380	3,255
	\$ 49,299	\$ 61,892

Included in the above are restricted cash and short-term investment amounts of \$15,161 (2022 - \$10,126) (note 12(a)). Segregated bank accounts were established in December 2020 to hold certain externally restricted funds advanced to the University prior to the related expenditures being incurred.

Long-term investments include externally restricted endowment investments of \$47,510 (2022 - \$60,961)(note 13).

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

5. Accounts receivable:

	2023	2022
Restricted grants and contracts	\$ 2,334	\$ 3,217
Tuition and ancillary fees	8,005	7,275
Operating grants	5,402	4,985
Government remittances receivable	833	944
Other	2,044	1,166
	\$ 18,618	\$ 17,587
Less allowance for doubtful accounts	(3,776)	(2,954)
	\$ 14,842	\$ 14,633
Current portion of accounts receivable	\$ 14,654	\$ 14,560
Long-term accounts receivable	188	73
	\$ 14,842	\$ 14,633

6. Employee future benefits:

In the year, the University provided employee future benefits to its employees through the Pension Plan. During the CCAA restructuring and following negotiations with the relevant unions as part of the court-supervised mediation, the University made substantial changes to its benefit plans as described below.

(a) Pension Plan:

Since July 1, 2012, the Pension Plan has provided for all future service to be earned as a defined benefit entitlement for all employees of the University. Prior to this, the Pension Plan provided pension benefits on a hybrid basis (a defined contribution pension with a guaranteed minimum defined benefit).

The University is the Principal Employer of the Pension Plan, which also includes other Participating Employers, being CEMI, SNOLab, and MIRARCO. Previous Participating Employers included Huntington University, the University of Sudbury, and Thorneloe University (collectively, the "Former Federated Universities"). Through amendments to the Pension Plan effected during the CCAA proceeding, the University terminated the future participation of employees of the Former Federated Universities in the Pension Plan during 2021. As part of a transition agreement between the University and Huntington University, Huntington University ceased its participation in the Pension Plan on June 30, 2021. The employees of the University of Sudbury and Thorneloe University terminated participation in the Pension Plan on December 31, 2021.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

6. Employee future benefits (continued):

(a) Pension Plan (continued):

In the prior year, as disclosed in note 2(b), the University amended the Pension Plan to enhance the long-term sustainability of the Pension Plan for all beneficiaries. Effective April 2021, the Pension Plan was amended to modify the rights of members to receive their pension entitlement as a lump sum value. Previously, the lump sum transfer election was available at any time between the end of employment and the end of the year in which a member or former member attained age 71 when a monthly pension commenced. The Pension Plan was amended such that members who remain in active employment until their early retirement date are no longer able to transfer lump sum values of their pension entitlement and a group of terminated members were given a final lump sum transfer option.

Effective July 1, 2021, the Pension Plan changed its name to the Retirement Plan of Laurentian University of Sudbury. In addition, the Pension Plan was amended such that future benefits are calculated based on a lower cost career average earnings formula instead of a final average earnings formula. The guaranteed post-retirement indexation was amended to conditional indexation for pensions earned after July 1, 2021. Amendments were also made to the early retirement provisions of the Pension Plan and the option to commence a pension while remaining employed was amended. Employee contributions were increased to an aggregate of 8% of pensionable earnings. Employer contributions are now also subject to a minimum of 8% of pensionable earnings. These amendments to the Pension Plan have been reflected in the actuarial valuation performed as at July 1, 2021.

Future benefit improvements under the Pension Plan are subject to plan sustainability measures under the terms of a Benefits and Funding Policy and no benefit improvements will be considered prior to July 1, 2025, unless the Pension Plan develops an excess surplus as defined under the Income Tax Act. An actuarial calculation of the future assets/liabilities including an allowance for benefit reinstatement was completed and forms the basis for the accrued benefit obligation. As at April 30, 2023, the University reflected a Pension Plan liability of \$1,848 (2022 - \$5,337).

The Pension Plan's assets are measured at fair value at the date of the consolidated Statement of Financial Position.

Past service costs, actuarial gains, and losses on plan assets or defined benefit obligations as well as gains and losses arising from the amendment and curtailments are recognized as remeasurements in net assets.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

6. Employee future benefits (continued):

(b) Retiree Health Benefit Plan:

The University previously sponsored a defined benefit health care plan for substantially all retirees and employees. Employees contributed to the plan, as did the University. The University accrued its obligations and related costs based on the latest actuarial valuation. The Retiree Health Benefit Plan was unfunded.

The retiree health benefit plan was terminated on April 30, 2021. This termination is considered a plan curtailment, and any related liabilities have been compromised and discharged pursuant to the Plan in the CCAA proceeding. Effective November 28, 2022, liabilities in connection with the Retiree Health Benefit Plan were discharged and any related claims are included in the claims of Affected Creditors entitled to receive distributions from the Distribution Pool.

Total liabilities of \$nil at April 30, 2023 (2022 – \$10,798) relating to retiree health benefit plan liabilities are included in Liabilities subject to the Plan (note 11).

(c) Supplementary Pension Plan:

The University previously had an unfunded supplemental pension plan for employees to provide them with certain benefits as calculated pursuant to the defined benefit pension plan formula assuming that Canada Revenue Agency tax limits did not exist. The University recognized the amount of the accrued obligation in the Consolidated Statement of Financial Position. Current service and finance costs were expensed during the year, while remeasurements and other items, representing the total of actuarial gains and losses, and past service costs, were recognized as a direct increase or decrease in employee future benefits net assets (deficiency). The accrued liability was determined using a roll-forward technique to estimate the accrued liability using funding assumptions from the most recent actuarial valuation report prepared at least every three years.

All payments from the supplementary pension plan were suspended on February 1, 2021, as a result of the commencement of the CCAA proceeding. Term sheets entered into with the University's labour unions during the CCAA proceeding and approved by the Court provided that the supplementary pension plan would be terminated effective April 30, 2021. No additional obligations were accrued after the termination for current or former non-union employees. Effective November 28, 2022, liabilities in connection with the supplementary pension plan were compromised and discharged, and any related claims arising from the termination are included in the claims of Affected Creditors entitled to receive distributions from the Distribution Pool.

Liabilities of \$nil at April 30, 2023 (2022 - \$3,216) relating to the supplementary pension plan are included in Liabilities subject to the Plan (note 11).

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

6. Employee future benefits (continued):

The breakdown of the plans is as follows:

	Pension Plan	Retiree Health Benefit Plan	Supplemental Pension Plan	2023 Total
Accrued benefit obligation	\$ (418,874)	\$ -	\$ -	\$ (432,888)
Fair value of plan assets	417,026	-	-	417,026
Employee future benefits liabilities	\$ (1,848)	\$ -	\$ -	\$ (1,848)

	Pension Plan	Retiree Health Benefit Plan	Supplemental Pension Plan	2022 Total
Accrued benefit obligation	\$ (418,342)	\$ (10,798)	\$ (3,216)	\$ (432,356)
Fair value of plan assets	413,005	-	-	413,005
Accrued benefit liabilities	\$ (5,337)	\$ (10,798)	\$ (3,216)	\$ (19,351)
Reclassified to Liabilities subject to the Plan (note 11)	\$ -	\$ 10,798	\$ 3,216	\$ 14,014
Employee future benefits liabilities	\$ (5,337)	\$ -	\$ -	\$ (5,337)

The reconciliation of the pension plan at April 30, 2023 is as follows:

	Fair value of plan assets	Accrued benefit obligation	Accrued benefit assets/ (liabilities)
Balance as at April 30, 2022	\$ 413,005	\$ (418,342)	\$ (5,337)
Contributions	9,851	(2,791)	7,060
Current period costs	-	(23,768)	(23,768)
Benefits paid	(21,105)	21,105	-
Actual return on plan assets	15,275	(3,186)	12,089
Actuarial gain	-	8,108	8,108
Balance as at April 30, 2023	\$ 417,026	\$ (418,874)	\$ (1,848)

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

6. Employee future benefits (continued):

The reconciliation of the pension plan at April 30, 2022 is as follows:

	Fair value of plan assets	Accrued benefit obligation	Accrued benefit assets/ (liabilities)
Balance as at April 30, 2021	\$ 461,738	\$ (452,203)	\$ 9,535
Transfer and plan amendments arising from Huntington University	6,188	(6,081)	107
Contributions	10,678	(3,268)	7,410
Current period costs	-	(23,068)	(23,068)
Transfers	(1,055)	1,055	-
Adjustment for plan amendments	(7,972)	-	(7,972)
Benefits paid	(58,760)	58,760	-
Actual return on plan assets	2,188	(23)	2,165
Actuarial gain	-	6,486	6,486
Balance as at April 30, 2022	\$ 413,005	\$ (418,342)	\$ (5,337)

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

	Pension Plan	
	2023	2022
Discount rate	5.80%	5.85%
Provision for adverse deviation (on non-indexed liabilities)	7.97%	10.28%
Expected long-term rate of return on Plan assets	5.80%	5.85%
Health care cost trend rate	-	-
Rate of inflation	2.00%	2.00%

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

7. Capital assets:

	Cost	Accumulated Amortization	2023 Net book Value	2022 Net book Value
Buildings	\$ 359,772	\$ 131,585	\$ 228,187	\$ 234,932
Equipment and furnishings	63,582	61,300	2,282	3,685
Site improvements	12,266	11,068	1,198	1,402
Land	13,413	-	13,413	13,413
	<u>\$ 449,033</u>	<u>\$ 203,953</u>	<u>\$ 245,080</u>	<u>\$ 253,432</u>

A total of \$34 (2022 - \$144) of buildings are under construction and not yet subject to amortization.

During the CCAA proceedings, the University reviewed their capital assets for indicators of impairment and determined that an impairment allowance was not required. The University's buildings are considered an integrated group of assets to provide post-secondary education to students and to support research activities. The overall service potential for the integrated asset group has not been significantly reduced and continues to be used to provide on-going and future services to support the University's academic and research operations.

The University has negotiated an agreement through a Term Sheet with the Province of Ontario for the sale of certain real estate with estimated proceeds of \$53,500. Upon closing of the real estate transaction(s) contemplated by the Term Sheet, the proceeds of the sale of the real estate will be paid into the Distribution Pool in accordance with the Plan and used to make distributions to the Affected Creditors pursuant to the terms of the Plan.

The total land identified in the Term Sheet covers 68.75 acres, which represents approximately 9% of the University's total 750+ acres. The five buildings located on the seven separate properties identified in the Term Sheet are as follows:

- East Residence
- Vale Living with Lakes Centre and Watershed Building
- Northern Ontario School of Medicine
- Health Sciences Building
- Security and Maintenance Building

After due diligence, including consultations with Indigenous communities, specific assets will be confirmed for sale. The University will explore the sale of these assets and work together with the province of Ontario to negotiate a purchase and sale agreement, with closing to occur and proceeds of sale paid to the Distribution Pool by no later than November 28, 2025, as required by the Plan.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

8. Accounts payable and accrued liabilities:

Included in Accounts payable and accrued liabilities are government remittances payable of \$2,057 (2022 - \$2,544), which includes amounts payable for payroll related taxes.

9. Short-term loan:

On January 27, 2022 the Province of Ontario, as represented by the MCU advanced a \$35,000 DIP Facility to replace the previous DIP Facility that had been granted during the CCAA proceeding, with a maturity date of September 30, 2022. On September 22, 2022, the maturity date was extended by MCU to November 30, 2022. The interest rate was 1.052% and the loan was secured by all of the University's property through a court-ordered super-priority charge in connection with the CCAA proceedings. Upon Plan implementation which occurred on November 28, 2022, a new loan was advanced by MCU to repay in full and replace the DIP loan with a long-term loan on terms outlined in note 10.

10. Long-term debt:

On November 28, 2022 upon implementation of the Plan in the CCAA proceeding, the University entered into a new secured long-term loan agreement with the Province of Ontario (the "Exit Financing"). During 2023, the University made principal payments totalling \$592 (2022 - \$ nil) as required by the terms of the Exit Financing. Total interest paid on long-term debt during the year was \$884 (2022 - \$nil). The University granted to the Province of Ontario a continuing security interest and a first-ranking lien in favour of the Province of Ontario over all of the collateral (subject only to Permitted Liens as defined in the loan agreement) of the University to secure the Exit Financing. The Exit Financing agreement contains a number of financial covenants that have to be maintained by the University over the life of the loan starting in 2023-24.

The University's indebtedness as of April 30, 2023 and 2022 consisted of the following:

	Rate	Fixed Maturity	2023	2022
Province of Ontario	6.11%	2038	\$ 34,408	\$ -
Less: Current portion of long-term debt			(1,466)	-
			\$ 32,942	\$ -

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

10. Long-term debt (continued):

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

2024	\$	1,466
2025		1,556
2026		1,651
2027		1,752
2028		1,859
Thereafter		26,124
	\$	34,408

Prior to the commencement of the CCAA proceeding, the University was a party to a number of long term loan agreements with various financial institutions. All amounts owing pursuant to the debt agreements were unsecured and were stayed pursuant to the Initial Order and the University ceased accruing interest expense on long-term debt as of February 1, 2021. In 2022, these obligations were classified as liabilities subject to the plan pursuant to the Plan. These liabilities were discharged upon Plan implementation on November 28, 2022. Any claims relating to these debt agreements are included in the claims of Affected Creditors entitled to receive distributions from the Distribution Pool (note 11(b)) when funds are available.

	Rate	Fixed Maturity	2023	2022
Unsecured loans with:				
Bank of Montreal	5.39%	2024	-	1,301
Royal Bank of Canada	4.30%	2040	-	12,881
Royal Bank of Canada	4.94%	2043	-	17,455
Royal Bank of Canada	3.90%	2023	-	2,555
Royal Bank of Canada	4.63%	2041	-	38,640
TD Canada Trust	4.97%	2036	-	10,538
TD Canada Trust	4.95%	2043	-	6,557
			\$ -	\$ 89,927
Less: Liabilities subject to the Plan			-	(89,927)
			\$ -	\$ -

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023

(thousands of dollars)

10. Long-term debt (continued):

Prior to the commencement of CCAA proceedings, the University was a party to seven interest rate swap agreements to manage the volatility of interest rates. The University converted floating rate debt for fixed rate of debt. After the commencement of the CCAA proceeding, each of the lenders provided notice to the University that the interest rate swaps would be unwound. The calculation of the quantum of the lenders' claims against the University was determined in the Claims Process. As a result of the termination, the University ceased the application of hedge accounting for all the interest rate swaps and recorded an immediate loss incurred on termination amounting to \$24,700 in Restructuring costs on February 1, 2021. The liability in connection with this loss was recorded as Liabilities subject to the Plan in 2022. This liability was discharged upon Plan implementation and any related claim of those lenders is included in the claims of Affected Creditors entitled to receive distributions from the Distribution Pool (note 11(b)).

11. Payable to CCAA Distribution Pool, Liabilities subject to the Plan and Recovery from CCAA Proceedings:

(a) Payable to CCAA Distribution Pool:

The Payable to CCAA Distribution Pool (note 2(b)) represents the amount owing to the Distribution Pool pursuant to the Plan. The amount is equal to the expected proceeds from the sale of assets to the Province of Ontario of up to \$53,500 (note 10) less payments already made to holders of Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims in the amount of \$5,954.

(b) Liabilities subject to the Plan:

As a result of the Initial Order obtained on February 1, 2021, and subsequent amendments, the payment of all liabilities owing as of February 1, 2021 was stayed.

On May 31, 2021, the Court issued a Claims Process Order establishing the claims procedures for the identification and resolution or determination of claims. On August 17, 2021, the Court issued an order establishing the procedures for the identification and the methodology associated with the determination of employee compensation claims. Pursuant to the Claims Process Order, creditors were required to submit their claims to the Monitor.

Pursuant to the terms of the Plan, holders of Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims were entitled to payment in full upon Plan implementation. Payment in full of these amounts was made during 2023 in the amount of \$5,954.

Obligations for goods and services provided to the University after the filing date of February 1, 2021 are discharged in the ordinary course based on negotiated terms. These liabilities were not included as Liabilities subject to the Plan.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

11. Payable to CCAA Distribution Pool, Liabilities subject to the Plan and Recovery from CCAA Proceedings (continued):

(b) Liabilities subject to the Plan (continued):

Amounts recognized as liabilities subject to the Plan at April 30, 2023 were \$nil and in 2022 were as follows:

2022

	Employee future benefit remeasurements	Restructuring costs	Reclassification from existing liabilities	Total
Accounts payable and accrued liabilities	\$ –	\$ 6,076	\$ 10,891	\$ 16,967
Employee future benefits liabilities	14,014	704	233	14,951
Employee restructuring and termination costs	–	44,682	–	44,682
Short-term loan	–	–	1,324	1,324
Long-term debt	–	–	89,927	89,927
Interest rate swap termination obligation	–	24,368	–	24,368
	\$ 14,014	\$ 75,830	\$ 102,375	\$ 192,219

On November 28, 2022, Liabilities subject to the Plan were derecognized when the liabilities were legally discharged and released upon implementation of the Plan (note 2(b)).

(c) Recovery from CCAA Proceedings:

On November 28, 2022, Liabilities subject to the Plan as well as pre-CCAA deferred contributions were derecognized when the liabilities were legally discharged and released upon the implementation of the Plan (note 2(b)), resulting in a recovery on the Statement of Operations. At the same time, the University recorded a Payable to CCAA Distribution Pool (note 11(a)) in an amount equal to the expected proceeds from the sale of assets to the Province of Ontario of up to \$53,500 (note 10) less payments already made to holders of Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims in the amount of \$5,954.

A reconciliation of the Recovery from CCAA Proceedings recorded on the Statement of Operations is as follows:

	2023
Liabilities Subject to the Plan, beginning of year	\$ 192,219
Adjustments to Liabilities subject to the Plan	1,510
Pre-CCAA deferred contributions derecognized	26,193
Payments made re: Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims	(5,954)
Payable to CCAA Distribution Pool	(47,546)
Recovery from CCAA Proceedings	\$ 166,422

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

12. Deferred contributions:

(a) Deferred contributions:

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

	2023	2022
Balance, beginning of year	\$ 40,607	\$ 36,364
Add contributions received in the year	19,100	21,367
Less amounts recognized as revenue	(15,695)	(17,124)
Less amounts derecognized in accordance with the Plan (note 2 (b))	(26,193)	-
Balance, end of year	\$ 17,819	\$ 40,607

Deferred contributions recognized in the year for all types of revenue was \$15,695 (2022 - \$17,124). Included in this amount is \$11,387 (2022 - \$12,759) of research income. The corresponding expenses related to this research activity are \$7,394 (2022 - \$8,429) in salaries and benefits expense; \$3,482 (2022 - \$3,659) in operating and research expense and \$511 (2022 - \$671) in scholarships and bursaries expense.

On November 28, 2022, the obligations associated with \$26,193 of pre-CCAA deferred contributions were legally discharged and released upon implementation of the Plan. These amounts have been derecognized as liabilities with an associated gain reported in the Statement of Operations (note 11c).

Deferred contributions consist of the following:

	2023	2022
Research grants	\$ 13,183	\$ 22,588
Other grants and contracts	4,184	14,676
Scholarships and bursaries	452	3,343
Balance, end of year	\$ 17,819	\$ 40,607

In December 2020, the University established separate bank accounts to hold future contributions received for restricted purposes. Previously, contributions received for restricted purposes were deposited in the University's operating bank account.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

12. Deferred contributions (continued):

(a) Deferred contributions (continued):

The table below shows the restricted deferred contributions balances held in a separate bank account at year end:

	2023	2022
Amount of deferred contributions held in separate bank accounts or short-term investment account:		
Unspent research grant account	\$ 13,183	\$ 8,623
Restricted funds account	1,978	1,493
Amount of deferred contributions not held in separate bank accounts or short-term investment account	2,658	30,491
	\$ 17,819	\$ 40,607

Cash balances in segregated bank and short-term investment accounts are transferred in a period subsequent to the deferred contributions spending.

(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:

	2023	2022
Unspent:		
Balance, beginning of year	\$ 3,134	\$ 2,481
Add contributions received in the year	2,393	877
Less amounts spent	(1,422)	(224)
Balance, end of year	4,105	3,134
Unamortized:		
Balance, beginning of year	120,390	125,787
Add contributions spent in the year	1,422	224
Less amount amortized to revenue	(5,596)	(5,621)
Balance, end of year	116,216	120,390
Total unspent and unamortized capital contributions	\$ 120,321	\$ 123,524

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

13. Endowments and investment income (loss):

Endowments consist of restricted funds received by the University and the accumulated investment income not yet distributed. Investment income generated from long-term investments earmarked for endowments is used in accordance with the various purposes established by the donors. In order to protect the value of endowment capital over time and to allow the University to distribute a consistent amount of income from endowments on an annual basis regardless of the investment income earned in the fiscal year, the endowments investment objective is to earn a rate of return at least equal to the total of the effects of inflation plus distributions and the costs of investing and administering the funds.

Only investment earnings generated from endowment contributions may be used to support the designated activity for each individual endowment. Distribution is conditional on having sufficient accumulated reinvested income. If the accumulated investment income is less than the pay-out, then the pay-out will be adjusted so as not to affect the capital balance.

The University reviews its distribution rate on an annual basis. In 2023, the University approved a distribution of up to 2.5% of the fair value of the endowments investment, subject to availability of earned investment income in each endowment account. Total actual amount distributed was \$401. During 2022, while under the CCAA process, there were no distributions.

The University charges an administrative fee against the investment income to recover costs incurred to fulfil the University's fiduciary responsibilities relating to investing and managing the endowment funds. The administrative fee is recorded as other fees and income in the Consolidated Statement of Operations. During the year, the University recognized an administrative fee of \$196 (2022 – \$ nil).

Details of the change in Net assets restricted for endowments are as follows:

	2023	2022
Balance, beginning of year	\$ 60,961	\$ 61,482
Endowment contributions	266	6
Net increase (decrease) in Endowments		
Investment income (loss)	1,357	(282)
Administrative fee	(196)	–
Investment management fees	(226)	(245)
Investment income available for distribution	(401)	–
	534	(527)
Transferred to Northern Ontario School of Medicine (NOSM)	(14,251)	–
Balance, end of year	\$ 47,510	\$ 60,961

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

13. Endowments and investment income (loss) (continued):

Long-term investments reflect funds earmarked for endowment balances. The equity funds, fixed income securities, structured credit funds and real estate funds are measured at market value.

Included in endowments are endowments to support students of NOSM University of \$nil (2022 - \$14,665). As a condition of the Plan (note 2b), on November 28, 2022 a transfer was made to NOSM University in the amount of \$14,251 which was equal to the cumulative endowment contributions and cumulative endowment investment income attributable to NOSM University related endowments at market value at the time of Plan implementation.

The Endowments balance consists of:

	2023		2022
Cumulative endowment contributions	\$ 36,348	\$	50,005
Cumulative reinvested investment income	11,162		10,956
	\$ 47,510	\$	60,961

The breakdown of investment income (loss) is as follows:

	2023		2022
Unrealized gains (losses)	\$ 3,694	\$	(2,030)
Interest income and dividends	4,283		2,196
Realized losses	(3,826)		(158)
	\$ 4,151	\$	8
Long-term investment gain (loss) related to endowments	956		(282)
Short-term investment gain recognized in other fees and income	3,195		290
	\$ 4,151	\$	8

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

14. Investment in capital assets:

The Investment in capital assets is calculated as follows:

	2023	2022
Capital assets	\$ 245,080	\$ 253,432
Less amounts financed by:		
Liabilities subject to the Plan (note 11)	-	(91,251)
Unamortized deferred capital contributions (note 12)	(116,216)	(120,390)
	\$ 128,864	\$ 41,791

On November 28, 2022, liabilities subject to the Plan were legally discharged and released upon the implementation of the Plan. This resulted in a reduction of \$89,927 of Long-Term Debt and \$1,324 of Short-Term Loans totalling \$91,251. These amounts are included in the claims of Affected Creditors entitled to receive distributions from the Distribution Pool, and therefore are no longer an adjustment to the investment in capital assets.

15. Internally restricted net assets:

	2023	2022
Departmental and subsidiary research funds	\$ 1,475	\$ 1,164

Departmental and subsidiary research funds relate to MIRARCO and other internally restricted research projects. During the year, the University transferred from the unrestricted fund \$311 of surplus for the purpose of future internal research spending.

16. Commitments and contingencies:

- 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.
- The University is involved in certain legal matters and litigation, the outcomes of which are not presently determinable. These claims are subject to measurement uncertainty. The loss, if any, from the determination of additional claims will be accounted for in the periods in which the claims are resolved and are presently assigned to its insurer.

Litigation claims existing at the time the CCAA proceeding was commenced were addressed as part of the Claims Process and were material. In 2022, The University recognized certain of these litigation claims as liabilities subject to the Plan in note 11, to the extent that they had been resolved or determined in the Claims Process.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

16. Commitments and contingencies (continued):

- (b) Some claims were subject to measurement uncertainty. Pursuant to the Plan, all claims of Affected Creditors against the University have been discharged and released. Certain litigation claims were designated as Insured Claims under the Plan and in the case of Insured Claims, the plaintiff's recovery is limited to the proceeds of insurance, if any, and not the University.
- (c) The University is the principal employer for the Pension Plan (note 6) which previously included the Former Federated Universities, SNOLAB, CEMI and MIRARCO. Effective June 30, 2021, all Huntington University active employees ceased to accrue any further entitlement in the pension plan.

Active employees of the University of Sudbury and Thorneloe University who continue to be employed after December 31, 2021 became suspended members of the Pension Plan effective December 31, 2021. The University of Sudbury and Thorneloe University continue as employers under the Pension Plan on and after December 31, 2021 and will have ongoing obligations to fund the benefits earned by their employees and former employees under the Pension Plan.

The University and its Unions have agreed to establish a Joint Committee on the pension benefits and funding policy and long-term sustainability. Conditions have been agreed that any improvements to the Pension Plan become conditional on the Pension Plan meeting agreed upon levels of funding.

- (d) As part of the Term Sheet for the sale of real estate assets to the Province of Ontario, the University and the Province of Ontario will enter into separate lease agreements on certain buildings and lands being sold to the Province of Ontario.

The future new leases between the Province of Ontario (as landlord) and the University (as tenant) are expected to provide that the University will be responsible for all operating and other costs in relation to the leased premises which will be payable as additional rent.

17. Change in non-cash working capital:

	2023	2022
Cash flows from operating activities:		
Accounts receivable	\$ (94)	\$ 1,160
Prepaid expenses	(1,696)	56
Accounts payable and accrued liabilities	9,250	2,955
Accrued vacation pay	130	260
Deferred revenue	3,628	1,211
	\$ 11,218	\$ 5,642

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

18. Other fees and income:

Details of the other fees and income are as follows:

	2023	2022
Administrative fees	\$ 4,028	\$ 3,423
Investment income	3,195	290
Scholarships, bursaries and other restricted contributions	3,733	3,014
Compulsory fees	2,796	2,807
Sponsored students	2,506	2,598
Course fees and other	3,724	3,800
	<u>\$ 19,982</u>	<u>\$ 15,932</u>

19. Restructuring costs:

As part of the restructuring and financial sustainability initiatives negotiated with stakeholders and approved by the Court, the University reduced the academic program offerings, disclaimed its historical agreements with the Former Federated Universities (including the Financial Distribution notices), terminated, or significantly reduced employee benefits and reduced faculty and other staff. In connection with the Plan and the CCAA proceeding, the following restructuring costs were recognized in the statement of operations.

	2023	2022
Termination of interest rate swaps	\$ -	\$ (332)
Employee restructuring and termination costs	836	25
Restructuring and settlement costs	-	6,041
Legal, Monitor, consulting, interest and finance costs		
Legal fees	6,171	10,634
Monitor fees	2,185	5,021
Consulting fees	810	3,533
Interest and finance costs	1,106	2,837
	<u>10,272</u>	<u>22,025</u>
	<u>\$ 11,108</u>	<u>\$ 27,759</u>

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

20. Financial risks:

The University is subject to the following financial risks from its financial instruments:

(a) Credit risk:

The risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The maximum credit exposure of the University is represented by the fair value of its cash, investments and accounts receivable as presented in the consolidated statement of financial position. Credit risk concentration exists where a significant portion of the portfolio is invested in securities which have similar characteristics or similar variations relating to economic, political, or other conditions. The University monitors the financial health of its investments on an ongoing basis with the assistance of its Finance Committee and its investment advisors.

The University assesses accounts receivable on a continuous basis and provides for any amounts that are not collectible in the allowance for doubtful accounts as disclosed in note 5.

(b) Interest rate risk:

The University has historically been exposed to interest rate risk with respect to its interest-bearing investments, long-term debt and interest rate derivative agreements as disclosed in the consolidated statement of cash flows and notes 3(f), 10 and 11. Pursuant to the Plan, the University's obligations to repay principal and interest in respect of certain pre-CCAA debt agreements were discharged.

At April 30, 2023, the University has long-term debt with the Province of Ontario in the amount of \$34,408 (2022 - \$nil) with a fixed interest rate of 6.11% and is therefore subject to interest rate risk (note 10).

(c) Currency risk:

The University believes that it is not exposed to significant currency risks arising from its financial instruments.

(d) Liquidity risk:

Liquidity risk is the risk that the University will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The University manages its liquidity risk by monitoring its operating requirements.

(e) Market price risk:

Market price risk is the risk that the fair value or cashflows of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. To manage this risk, the University maintains an investment policy approved by the Board of Governors that sets a target mix by investment types designed to achieve optimal return with reasonable risk tolerances. Investments are diversified based on approved investment classes, return targets, and the University's risk appetite. The University's investments are managed by external investment managers, and investment performance is reviewed by the Board.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

21. Related party transactions:

The University has the following related parties:

(a) The Centre for Excellence in Mining and Innovation:

CEMI was created on April 23, 2007 to advance study, research, and innovation. The University contributed \$10,000 received from the Provincial Government to create and fund CEMI on its inception.

As described in the basis of consolidation, the financial results of CEMI are not included in these consolidated financial statements. Related party transactions and disclosures with CEMI, measured at their exchange amount, are as follows:

	2023	2022
Recoveries and charges for goods and services	\$ 821	\$ 649

At April 30, 2023 the University had \$130 (2022 - \$127) receivables from CEMI and had a payable of \$nil (2022 - \$ nil) to CEMI.

(b) Student associations:

The University has an economic interest in its student associations as it collects student fees on their behalf. Transactions with these related parties, unless disclosed otherwise, are considered to be in the normal course of operations and are recorded at their exchange amounts, which is the amount of consideration established and agreed to between the University and the related parties.

22. Comparative information:

Certain comparative balances have been reclassified to conform with the financial statement presentation adopted for the current year.

Laurentian University of Sudbury

Audit final report to the Audit and Risk
Committee for the year ended April 30, 2023

START



To the Audit and Risk Committee of Laurentian University of Sudbury

We are pleased to provide you with the results of our audit of Laurentian University of Sudbury (the "University") consolidated financial statements for the year ended April 30, 2023.

The enclosed final report includes our approach to your audit, including: significant risks identified and the nature, extent, and results of our audit work. We will also report any significant internal control deficiencies identified during our audit and reconfirm our independence.

During the course of our audit, management made certain representations to us—in discussions and in writing. We documented these representations in the audit working papers.

We look forward to discussing our audit conclusions with you. In the meantime, please feel free to contact us if you have any questions or concerns.

Yours truly,

BDO Canada LLP
September 25, 2023



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For the year ended April 30, 2023



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Audit at a glance

Preliminary materiality as communicated to you in our Planning Report to the Audit and Risk Committee, and final materiality are set out as follows:

	Preliminary materiality	Final Materiality
Laurentian University of Sudbury - Group	\$2,500,000	\$2,500,000
Laurentian University of Sudbury - significant component	Not yet determined in our initial communication to you at planning	\$2,000,000 (calculated at 75% of group materiality)
MIRARCO - non-significant component	Not yet determined in our initial communication to you at planning	\$2,500,000 (group materiality applied for non-significant component)
SNOLAB - non-significant component	Not yet determined in our initial communication to you at planning	\$2,500,000 (group materiality applied for non-significant component)



LEAD PARTNER ON YOUR AUDIT

Marcus Sconci

Email: msconci@bdo.ca



START DATE

July 10, 2023



END DATE

July 28, 2023

Fraud update

We are not aware of any fraud affecting the University. If you have become aware of changes to processes or are aware of any instances of actual, suspected, or alleged fraud since our discussions held at planning, please let us know.

Independence update

We have complied with relevant ethical requirements and are not aware of any relationships between Laurentian University of Sudbury and our Firm that may reasonably be thought to bear on our independence.



Status of the audit

We have substantially completed our audit of the year ended April 30, 2023 consolidated financial statements, pending completion of the following items:

- ▶ Approval of consolidated financial statements by the Board of Governors
- ▶ Receipt of signed management representation letter
- ▶ Subsequent events review through to the consolidated financial statements approval date

We conducted our audit in accordance with Canadian generally accepted auditing standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the consolidated financial statements are free from material misstatement. See [Appendix A](#) for our draft independent auditor's report.

The scope of the work performed was substantially the same as that described in our Planning Report to the Audit and Risk Committee dated January 23, 2023.



Audit Findings

The areas noted below represent key audit matters noted during our audit. These items are of significance to note to the Audit and Risk Committee given their complexity, subjectivity or pervasive impact on the audit and/or the audited financial statements.

Audit Matter	Audit Impact and Resolution
Ongoing CCAA Proceedings	<p>On November 28, 2022 the University exited CCAA protection. This key milestone in the CCAA process had a significant impact on the financial statements for the year ended April 30, 2023.</p> <p>A summary of these items is as follows:</p> <ul style="list-style-type: none"> • The exit from CCAA Protection provided the University with a legal discharge from all prior claims. Additionally, the University is required to fund a Distribution Pool to a maximum of \$53.5M less the secured claims of \$5.945M. This Pool will be used to pay the unsecured claims on a pro-rata basis. Accordingly, the following adjustments have been reflected in the financial statements: <ul style="list-style-type: none"> • The liabilities Subject to the Plan of \$192.2M were removed from the Statement of Financial Position. \$5.954M of this liability, which represented secured claims were paid by the University. The remaining \$186.3M of this liability has been removed from the statement of financial position; • Deferred Contributions of \$26.2M, representing grants, research grants and scholarships, were removed from the Statement of Financial Position as the University is no longer legally required to abide by the legal stipulations relating to these amounts; • A liability of \$47.546M has been recorded, representing the amount the University is required to fund the Distribution Pool with; • A recovery of \$166.4M, representing the net impact of the above three amounts net of other minor adjustments, has been recorded in the Statement of Operations. • The Distribution Pools is expected to be funded by the sale of certain real estate assets to the Province. This transaction is not expected to occur in the next year and, accordingly, this payable to the Distribution Pool is a non-current liability. • All other claims not brought forward as of November 28, 2022 have been discharged as have guarantees and other legal obligations of the University. <p>In addition to the adjustments noted above, the disclosure in Note 2 has been updated to reflect the above change.</p>



Audit Findings (continued)

The areas noted below represent key audit matters noted during our audit. These items are of significance to note to the Audit and Risk Committee given their complexity, subjectivity or pervasive impact on the audit and/or the audited financial statements.

Audit Matter	Audit Impact and Resolution
Sale of Real Estate Assets to the Province	<p>As noted on the previous page, part of the University’s exit from CCAA Protection involved selling certain real estate assets to fund the Distribution Pool, which will be used to make the pro-rata payments to the unsecured creditors.</p> <p>Although this is expected to occur, to date only a non-binding Term Sheet has been signed with the Province. If the real estate asset sale does not come to fruition, the University can self-fund the Distribution Pool to see out the CCAA Exit Plan. As such, this amount has been reflected as a payable in the financial statements and no amounts have been recorded in respect to the expected asset sale to the Province. The related assets remain in-use and continue to be amortized.</p>
Going Concern Disclosure	<p>Given the impact that the changes in the CCAA Proceedings noted on the prior page had on the University’s financial statements, the following changes were made with respect to going concern disclosure:</p> <ul style="list-style-type: none">• Material going concern uncertainty, what was disclosed in our Auditor’s Report for the year ended April 30, 2022, has been removed. An Emphasis of Matters paragraph has been added alerting readers of the financial statements to the importance of the ongoing CCAA Proceedings as disclosed in Note 2.• Going Concern references in Note 2 have been, accordingly been removed.



Significant risks and planned responses

We have identified the following significant risks that require special audit consideration. These risks were identified based on our knowledge of the University, our past experience, and input from management. Please review these significant risks and let us know your thoughts on these or any other areas of concern.

Financial statement areas	Risks noted	Audit approach
Complex Information (IT) Technology Environment	The risk is due to the complexity of the Colleague ERP system and other systems that may be relevant to financial reporting, and the prevalence of automated processes and controls, some of which we plan to rely upon in our audit process.	<p>Our audit process included in-depth documentation of the processes and controls in each financial reporting cycle, including a walk-through of the key automated and computer dependent controls to ensure they are operating as designed.</p> <p>BDO’s audit team includes Certified Information Systems Specialists (“CISAs”) who work with the audit team to efficiently incorporate the testing of computer-dependent controls into our audit plan.</p> <p>Our IS audit approach also includes an overall assessment of the general IT environment of the University, which includes reviewing application controls, system security controls, access controls and change controls.</p>
Presumption of Fraud Risk in Revenue	There is an inherent presumption of fraud risk in revenue that typically applies to all revenue streams of the University.	We performed targeted analytical and substantive procedures on all significant revenue streams to address this risk.
Management Override of Controls	Management, due to its authority, is in a unique position to override internal controls, which can potentially result in misleading financial information.	<p>Our audit procedures included testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the consolidated financial statements.</p> <p>We obtained an understanding of the business rationale for significant transactions that we become aware of that are outside the normal course of operations for the University, or that otherwise appear to be unusual given our understanding of the University and its environment. We reviewed the accounting estimates for biases and evaluated whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud.</p>



Significant risks and planned responses (continued)

We have identified the following significant risks that require special audit consideration. These risks were identified based on our knowledge of the University, our past experience, and input from management. Please review these significant risks and let us know your thoughts on these or any other areas of concern.

Financial statement areas	Risks noted	Audit approach
Operating and Research Grant Revenue and Related Deferrals	Certain grant revenue carry additional inherent risk based on magnitude and/or the unique stipulations that some of the agreements contain.	<p>With respect to restricted amounts related to funding received prior to November 28, 2022, the related restrictions have been removed through the exit from CCAA Protection. See page 6 of this report.</p> <p>With respect to restricted grants received after November 28, 2022, we reviewed management's controls relating to revenue recognition and the related deferrals for both capital and non-capital grants. We also performed substantive audit procedures that included third-party Ministry confirmation and reviewing significant agreements that contain stipulations to assess revenue recognition.</p>



Other risk areas

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the University's accounting practices, including accounting policies, accounting estimates and consolidated financial statements disclosures. We look forward to exploring these topics in depth and answering your questions. A summary of the key discussion points are below:

Financial statement areas	Risks noted	Audit findings
Employee future benefits	There is a risk that employee future benefits may be misstated based on the valuation techniques used to record the University's obligations at year-end with respect to its pension and other benefit plans.	During our audit, we noted that several plan amendments were ratified during the year that created some adjustments recorded by management to the employee future benefits obligations. We reviewed the actuarial report which included these amendments for the reasonability of key inputs and assumptions used, the plan amendments themselves for all relevant changes to the plans, as well as management's calculations to incorporate these changes. Presentation in the consolidated financial statements as well as disclosure Note 6 reflects the results of these procedures performed.
Payroll	Due to its magnitude, payroll expenditures represent a risk to the consolidated financial statements.	We tested payroll using a combination of substantive and analytical procedures. This included reviewing year-end payroll accruals.
Investments	The University's investment holdings comprise various instruments measured at fair value.	We confirmed investments holdings with third parties, and tested fair values on a sample basis at year-end and subsequent to year-end based on the current volatility of equity markets.



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Other risk areas (continued)

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the University's accounting practices, including accounting policies, accounting estimates and consolidated financial statements disclosures. We look forward to exploring these topics in depth and answering your questions. A summary of the key discussion points are below:

Financial statement areas	Risks noted	Audit findings
Endowments	Certain University investments are externally endowed, which carries an inherent risk over presentation and disclosure.	We substantively tested endowment balances including contributions and income earned. We also reviewed the University's endowment policies to ensure adherence to external stipulations on income distribution. Endowments transferred to NOSM during the year were reviewed.
Capital Assets and Deferred Capital Contributions	Due to its magnitude, capital assets and deferred capital contributions present an inherent risk.	We reviewed management's assessment for indicators of impairment related to capital assets. We reviewed management's assessment of the estimated useful life of capital assets to ensure appropriate calculations of the related amortization expense and the corresponding amortization of deferred capital contributions.
Accounts Payable and Accrued Liabilities	Accounts payable and accrued liabilities carry an inherent risk related to completeness. In addition, certain accruals may be subject to management estimation.	We performed a search for unrecorded liabilities to ensure completeness, supplemented by analytical procedures. We reviewed the basis for any significant accruals with a particular emphasis on those involving estimates, which included liabilities for compromise discussed on the previous page of this presentation.



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Internal control matters

- ▶ During the audit, we performed the following procedures regarding the University's internal control environment:
- ▶ Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- ▶ Discussed and considered potential audit risks with management.
- ▶ We considered the results of these procedures in determining the extent and nature of audit testing required.



We are required to report to you in writing about any significant deficiencies in internal control that we have identified during the audit.

A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that merits the attention of those charged with governance.

The audit expresses an opinion on the University's consolidated financial statements. As a result, it does not cover every aspect of internal controls—only those relevant to preparing the consolidated financial statements and designing appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.



Adjusted and unadjusted differences

Summary of unadjusted differences

There were no unadjusted differences noted during the course of our audit engagement:

Summary of adjusted differences

We did not note any audit adjustments during the course of our audit. Several adjustments were raised by management during the audit, relating to updates to the CCAA proceedings. Since these items were provided by management and could not be adjusted until subsequent events such as updated monitor reports and CCAA creditor claim information was released externally, they are not included as audit adjustments.

The consolidated financial statements, most notably notes 11 and 13, reflect these adjustments.



Disclosure omissions

Summary of disclosure omissions

The following is a summary of disclosures that have not been made within the consolidated financial statements :

Disclosure omission	Management's response
<p>During our procedures in auditing the inclusion of SNOLAB's results in the consolidated financial statements of the University, we noted two disclosure omissions:</p> <ol style="list-style-type: none"> 1. Under ASNPO Section 4450.36, an entity has two policy choices to account for a joint venture ("JV"). It can either proportionately consolidate its share (20%) of the JV or it can account for its interest in the JV using the equity method. Management has chosen to apply the equity method, however, we noted three departures from this method, as follows: <ol style="list-style-type: none"> (a) Rather than recording 20% of the net surplus/deficit of SNOLAB, management has recorded 20% of the gross revenue and 20% of the gross expenses of SNOLAB in the consolidated financial statements. Since the resulting net contribution is the same, we do not consider this to be a material disclosure error. (b) Management is one year behind in its equity pick-up of SNOLAB, meaning that SNOLAB's March 31, 2022 results have been consolidated into the University's April 30, 2023, financial statements. We reviewed SNOLAB's unaudited March 31, 2023, results and noted that the total deficit for the year was \$4,680, thus the University's 20% share of that deficit is only \$546, which is below our trivial amount to include on the summary of unadjusted differences. (c) Since the year-ends of SNOLAB and the University are not coterminous, management should be estimating and including its share of SNOLAB's revenue and expenses for the month of April in its consolidated financial statements. Given the magnitude of the historical observed monthly surplus/deficit of SNOLAB, this amount would also be trivial, therefore no unadjusted difference has been considered. 	<p>SNOLAB results:</p> <p>Historically, management has always included SNOLAB results from the previous March reporting year end in its current year consolidation. Given that SNOLAB results are consolidated at 20%, the inclusion of these results which are 13 months behind the University's April year-end are not materially different. Management also reviewed the subsequent events period for SNOLAB to ensure that non-financial disclosure was also not required. As a result, the three departures noted are not disclosed further in the consolidated financial statements or the accompanying notes.</p> <p>This is unchanged from the prior year.</p>



Other required communications

Professional standards require independent auditors to communicate with those charged with governance certain matters in relation to an audit. In addition to the points communicated within this letter, the attached table summarizes these additional required communications.

Issue	BDO response
Potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the consolidated financial statements.	See page 6 for a discussion of the ongoing CCAA Process.
Material uncertainties related to events and conditions that may cast significant doubt on the University's ability to continue as a going concern.	There is no doubt on the University's ability to continue as a going concern.
Disagreements with management about matters that, individually or in the aggregate, could be significant to the University's consolidated financial statements or our audit report.	There were no disagreements with management.
Matters involving non-compliance with laws and regulations.	No legal or regulatory non-compliance matters noted.
Significant related party transactions that are not in the normal course of operations and which involve significant judgments made by management concerning measurement or disclosure.	No items to note.
Management consultation with other accountants about significant auditing and accounting matters.	To support the consolidated financial statement disclosure related to the ongoing CCAA Proceedings, including the liabilities subject to the plan and the liability to the Distribution Pool consulted with the CCAA monitor.



How we audit financial statements: Our audit process

IDENTIFY AND ASSESS RISK

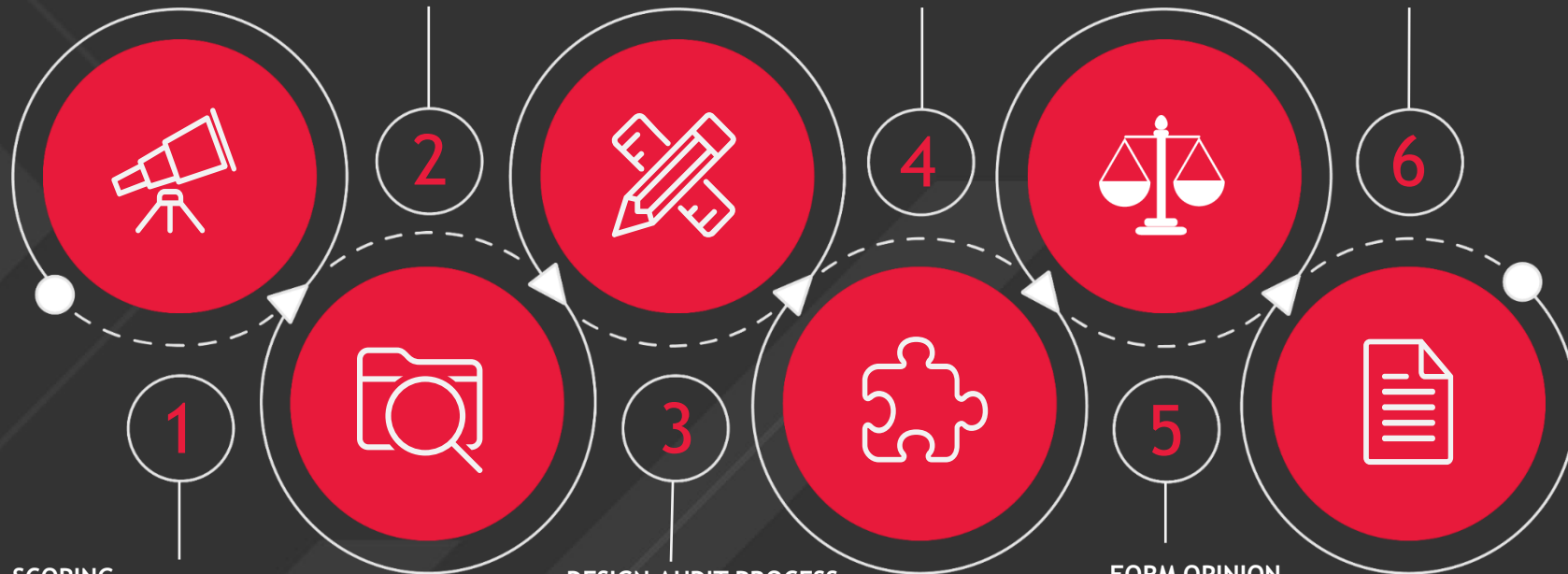
Focus on those areas of financial statements that contain potential material misstatements as a consequence of the risks you face

OBTAIN AUDIT EVIDENCE

Perform audit procedures while maintaining appropriate degree of professional skepticism, to conclude whether or not the financial statements are presented fairly

REPORT

Communicate our opinion and details of matters on which we are required to report



SCOPING

Complete a preliminary review to plan the audit, determine the materiality level, and define the audit scope

DESIGN AUDIT PROCESS

Design an appropriate audit strategy to obtain sufficient assurance and enable us to report on the financial statements

FORM OPINION

Evaluate whether we have enough evidence to conclude that the financial statements are free from material misstatement, and consider the effect of any potential misstatements found

New Standard for Audit Quality



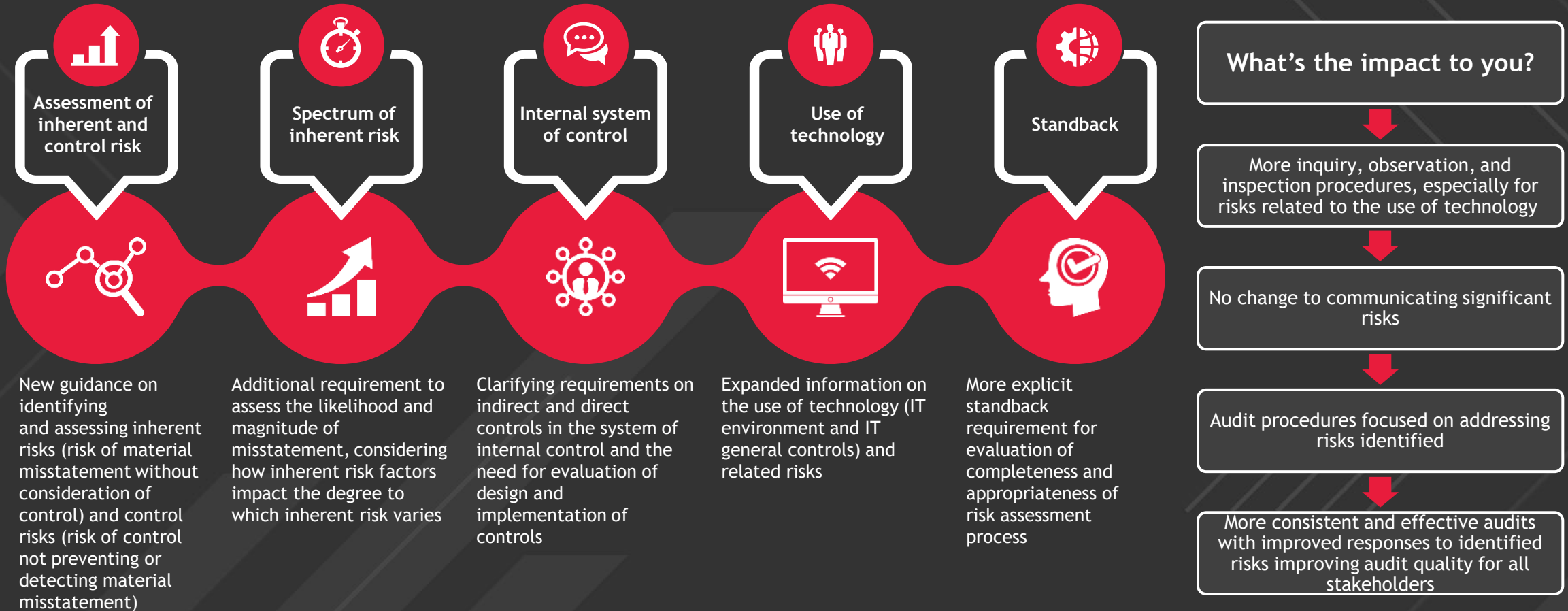
ISQM 1

The quality of an audit depends not only on the people conducting it—but also on the systems underpinning it. These new rules up the ante for your audit quality.

[SEE THE STANDARD](#)

Updates to our audit process

Canadian Auditing Standard 315, *Identifying and Assessing the Risks of Material Misstatement*, was significantly revised with a greater focus on more robust risk identification, assessment and response procedures. The standard is effective for periods beginning on or after December 15, 2021. Key enhancements include:





Our audit approach: Responsiveness in action

Our firm is deliberately structured to allow one partner to every six staff members. This means easy access to senior staff and the lead partner throughout your audit. It also helps our team gain a better understanding of your organization. Our audit process differs from the typical audit in our use of in-field reviews, subject to COVID-19 safety protocols. The benefit of these in-field reviews is that final decision-makers are on site ensuring issues are resolved and files closed quickly. We offer clients the full-service expertise of a national firm. Yet we maintain a local community focus. The comprehensive range of services we deliver is complemented by a deep industry knowledge gained from over 100 years of working within local communities.



Discover how we're accelerating audit quality



Audit Quality Report

We collected our core beliefs around audit quality, the very practical steps we take to sustain it, and the progress we have made to accelerate its quest.

[Follow our progress](#)

BDO's digital audit suite

Our digital audit suite of technologies enables our engagement teams to conduct consistent risk-based audits, both domestically and internationally, with maximum efficiency and minimal disruption to our clients' operations and people.



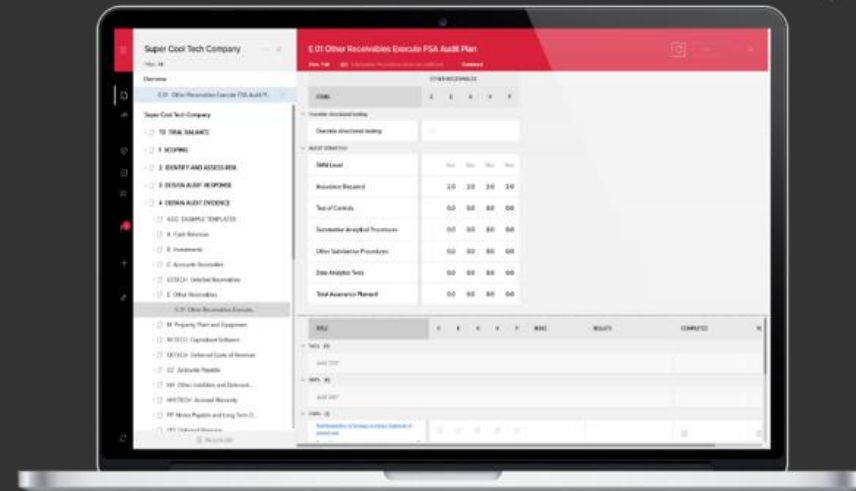
APT Next Gen

Our audit software and documentation tool, APT, is an integral part of our audit methodology. Our professionals engage APT to devise and perform appropriate, risk-based audit procedures and testing based on applicable Canadian Auditing Standards (CASs), as well as to factor in engagement and industry-specific objectives and circumstances.

APT enables us to deliver an audit that fits your organization—whether large or small; complex or basic.

This sophisticated tool also amplifies two key attributes of our audits: consistency and quality. The quality framework that we developed measures our audit performance with hard quality indicators and reflects our indispensable culture for quality. To see our audit quality and consistency in action, look no further than how our teams share best audit practices for continuous improvement.

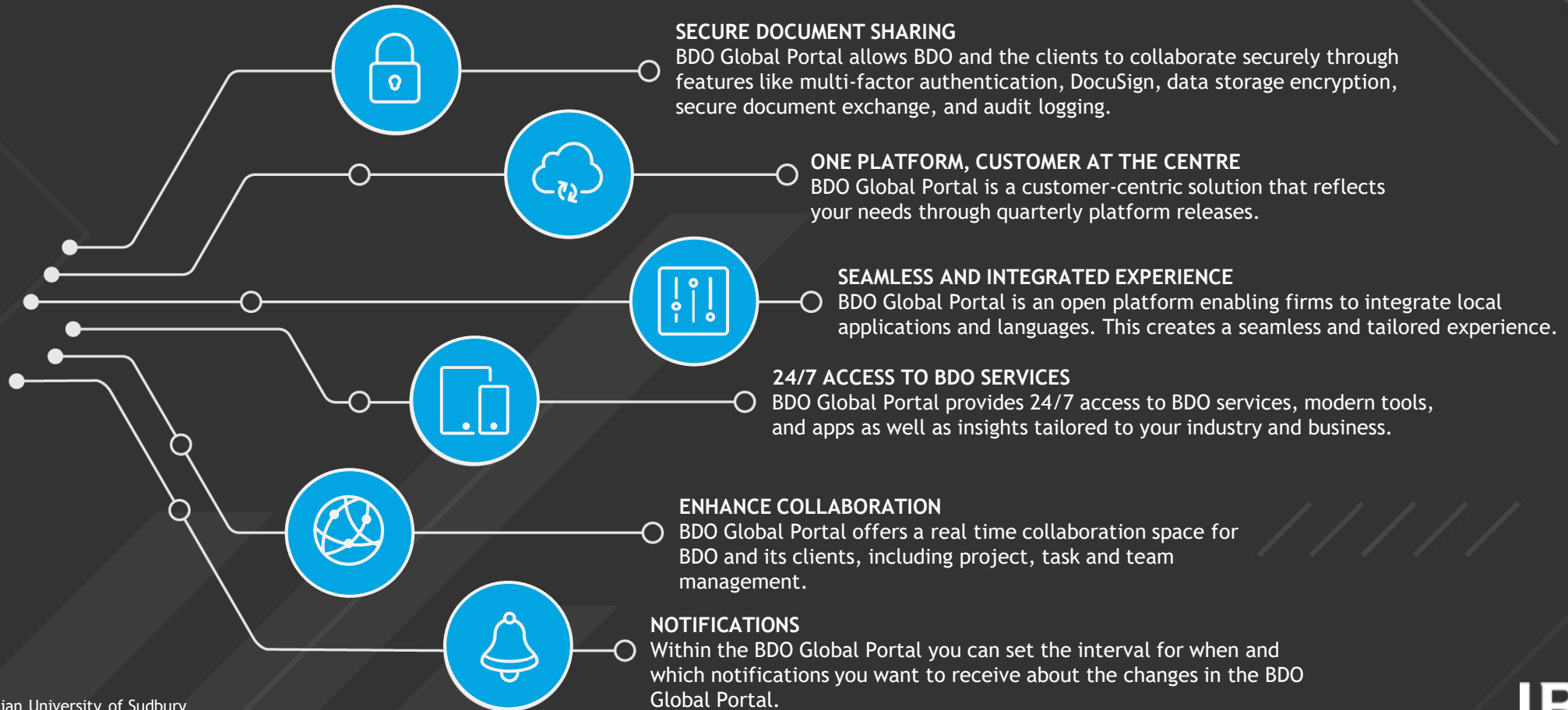
Through a strategic alliance with Microsoft and the introduction of new technology, this global, cloud-based application can now streamline and focus the audit process in even more ways for BDO professionals and their clients.





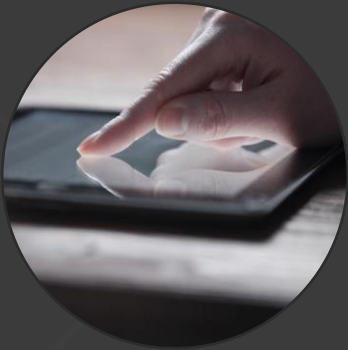
BDO Global Portal

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Recommended resources

Key changes to financial reporting



When the rules of reporting change, you may need to fine-tune how to present financial statements and govern the organization.

[ACCESS OUR KNOWLEDGE CENTRE](#)

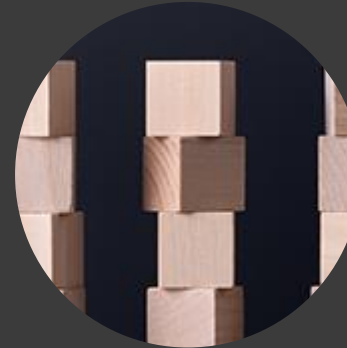
2023 Federal Budget



Understand the key elements of the 2023 Federal Budget and how it will impact you and your business

[STAY ON TOP OF TAXES](#)

7 powerful steps to financial audit readiness



Getting and staying prepared for an audit simplifies the process, cuts turnaround time, and improves your chances of overall success. Learn how you can be audit ready.

[7 STEPS](#)

A resource handpicked by your auditor



We think you'll find this resource valuable for your organization.

[READ ARTICLE](#)

Spotlight on sustainability

Fast-moving world events are pushing sustainability up the agenda of Canadian organizations. Now organizational leaders, investors, and customers are responding on three fronts: environmental, social, and governance (ESG).

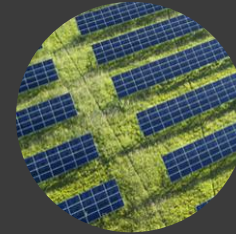
Regulators and issuers of standards are doing their part by supporting sustainability in the reporting ecosystem. Increasingly, organizations will need to go beyond the financials—and demonstrate sustainability with non-financial metrics.

5 reasons why businesses should care about ESG



[SEE 5 REASONS](#)

How climate change became a business issue worth reporting



[READ ARTICLE](#)

10 Questions about sustainability reporting



[EXPLORE QUESTIONS](#)

Accounting for going green



[LEARN MORE](#)

Why CFOs should make sustainability a part of their financial reporting today



[BUILD BACK SUSTAINABLY](#)

Rethinking sustainability: the ESG roadmap



[SEE ROADMAP](#)

Appendices

- ▶ Appendix A: Independent auditor's report
- ▶ Appendix B: Representation letter
- ▶ Appendix C: IS audit internal control findings



Appendix A: Independent auditor's report

Independent Auditor's Report

To the Board of Governors of Laurentian University of Sudbury

Opinion

We have audited the consolidated financial statements of Laurentian University of Sudbury (the "University"), which comprise the consolidated statement of financial position as at April 30, 2023, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University as at April 30, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2(b) in the consolidated financial statements which describes the University's ongoing proceedings pursuant to the Companies' Creditors Arrangement Act ("CCAA"). On November 28, 2022 the University exited CCAA protection, which provided legal discharge of all liabilities under the Plan and created a Distribution Pool, which is expected to be funded by the sale of certain real estate assets to the Province, for future payments to Affected Creditors. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- The information, other than the financial statements and our auditor's report thereon, included in the document referred to as the Annual Financial Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the information, other than the consolidated financial statements and the auditors' report thereon, included in the Annual Financial Report as at the date of this auditor's report. If, based on the

work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the consolidated financial statements, management is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the University's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the University and its controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
REPORT DATE

draft - Subject to Change



Appendix B: Representation letter

October XX, 2023

BDO Canada LLP
Chartered Professional Accountants
360 Oakville Place Drive
Suite 500
Oakville Ontario
L6H 6K8

This representation letter is provided in connection with your audit of the consolidated financial statements (the “financial statements”) of Laurentian University of Sudbury for the year ended April 30, 2023, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 10, 2022, for the preparation of the financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations; in particular, the financial statements are fairly presented in accordance therewith.

- The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and/or disclosure that are reasonable in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian Accounting Standards for Not-for-Profit Organizations.
- All events subsequent to the date of the financial statements and for which Canadian Accounting Standards for Not-for-Profit Organizations require adjustment or disclosure have been adjusted or disclosed.
- The financial statements of the entity use appropriate accounting policies that have been properly disclosed and consistently applied.

Information Provided

- We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Fraud and Error

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.

General Representations

- Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements or has otherwise been disclosed to you.
- We have provided you with significant assumptions that in our opinion are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity when relevant to the use of fair value measurements or disclosures in the financial statements.
- We confirm that there are no derivatives or off-balance sheet financial instruments held at year end that have not been properly recorded or disclosed in the financial statements.
- The nature of all material uncertainties have been appropriately measured and disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the entity, except as disclosed in the financial statements.

Other Representations Where the Situation Exists

- We have informed you of all known actual or possible litigation and claims, whether or not they have been discussed with legal counsel. When applicable, these litigation and claims have been accounted for and disclosed in the financial statements.
- As of the report date of these April 30, 2023 financial statements, we have provided you with our assessment of all potential adjusting and non-adjusting subsequent events and their impact on the financial statements and related note disclosures, with respect to the ongoing CCAA proceedings.
- We have provided you with our going concern assessment as it impacts the financial statements.
- We have provided you with all plan amendments and other relevant documentation with respect to employee future benefits, including analysis and disclosure included in Note 6 of the financial statements.

Yours truly,

Signature

Position

Signature

Position



Appendix C: IS audit internal control findings

Laurentian University of Sudbury

INFORMATION TECHNOLOGY OBSERVATIONS AND RECOMMENDATIONS

For the year ended 04/30/2023

The following comments are intended to strengthen the overall design effectiveness and relevant controls within Laurentian University of Sudbury's information technology environment.

I. CURRENT YEAR OBSERVATIONS AND RECOMMENDATIONS

The IS Audit Team noted the following new observations and recommendations specifically related to the information technology ("IT") environment of the Organization.

1. Terminated User Access

Observation

BDO noted several active users in Colleague that are not assigned to an employee/belong to individuals who have since left the company, as the process for user access revocation does not follow a formalized and documented process.

Implication

There is an increased risk that the user can be accessed by unauthorized parties. Consequently, this access can then be utilized to submit and process unauthorized transactions and/or make direct inappropriate changes to data.

Recommendation

BDO recommends users of terminated employees be removed within two weeks of the termination date and that documentation be maintained as evidence of the date of the removal (i.e., access revocation request tickets, emails, etc.).

Management Response

HR is currently mapping its off-boarding process and will be addressing gaps as part of transformation. This will include a standard process of informing IT of an employee's termination date to ensure access (as applicable) is removed. IT disable accounts immediately when notified or per time stamp, or within 48hrs during weekends. Notification is done via the ticket system (and time stamped), with specification of a date of termination. When an account is disabled, the user can no longer access any Laurentian digital services.

2. Privileged User Access

Observation

BDO noted that individuals in the financial reporting function maintain privileged access to Moneris and Colleague/UI Web.

Implication

Due to the lack of segregation of duties, there is an increased risk that this access can be utilized to submit and process unauthorized transactions and/or make direct inappropriate changes to data.

Recommendation

BDO recommends that privileged access be limited to individuals outside of the financial reporting function (i.e., IT, HR).

Management Response

Financial Services will segregate privileged administrator access and the processing of transactions. Financial Services control of access to Colleague/UI Web is viewing only access. The creation of the user account on Colleague is managed by IT.

3. Program Change Controls

Observation

BDO noted that changes to MyLaurentian/Fusion are made directly to the production environment. Additionally, for both MyLaurentian/Fusion and Colleague, BDO noted that change management procedures do not follow a formalized and documented process and that a log of program changes is not maintained.

Implication

There is an increased risk that unauthorized changes are implemented into the production environment, which could undermine the integrity of the application and the relevant data.

Recommendation

BDO recommends that all application change requests/workflows are logged and documented. Documentation of the development and test results should also be maintained for each change, as well as the relevant approvals for release/implementation.

Management Response

IT has a robust development and testing environment in place for MyLaurentian. We use continuous integration and continuous deployment (CI/CD) methodologies via GitLab and GitHub. This system allows us to develop, test, and deploy changes to the production environment in a controlled and reliable manner. IT does NOT make any changes directly to the production Colleague environment. Change requests are documented and the programmers document all changes; the documentation is stored on LU storage. Any programming is programmed in the development environment, then is packaged, and moved to testing. Once testing is completed, the package is moved to production. The Ellucian repository keeps track of all Ellucian upgrades and LU customization.

4. New User Access

Observation

BDO noted that formal user access provisioning processes are not established for Moneris, RBC Online Banking, and MyLaurentian/Fusion.

Implication

There is an increased risk that unauthorized access is gained to the application. Consequently, this access can be utilized to submit and process unauthorized transactions and/or make direct inappropriate changes to data.

Recommendation

BDO recommends that access to Moneris, RBC Online Banking, and MyLaurentian/Fusion be provisioned after a documented request and approval process.

Management Response

For RBC, Financial Services needs to request individual banking Key Fobs to provide secure access to the site. Finance limits the number of users that have access to the account and has central control of the Key Fobs issued from RBC. As additional control, the AVP Financial Services receives a notification each time there is a change in user or when a user change passwords. Finance will document the process.

5. Leaver/Mover Access

Observation

BDO noted that formal user access deprovisioning processes are not established for RBC Online Banking, Moneris, MS SQL Database, and Uni Data Database.

Implication

There is an increased risk that unauthorized access is gained to the application. Consequently, this access can be utilized to submit and process unauthorized transactions and/or make direct inappropriate changes to data.

Recommendation

There is an increased risk that unauthorized access is gained to the application. Consequently, this access can be utilized to submit and process unauthorized transactions and/or make direct inappropriate changes to data.

Management Response

To perform any transactions within RBC, a banking Key Fob is required. Each Key Fob is returned when an individual leaves the University. Financial Services will create a signing log when access is granted and removed on Moneris. Financial Services will also conduct frequent reviews of Key Fob uses during the year.

6. Password Controls

Observation

BDO noted that password complexity is not enforced for the Network and Colleague/UI Web.

Implication

There is an increased risk that unauthorized access is gained to the application due to inadequate password security. Consequently, this access can be utilized to submit and process unauthorized transaction an/or make direct inappropriate changes to data.

Recommendation

BDO recommends that password complexity be enforced for the Network and Colleague/UI Web.

Management Response

IT will review the complexity of the Network and Colleague/UI Web passwords. For network administrator access, we use 16 digit pwds that are logged by AlienVault SaaS (managed by MNP). They monitor the access and its usage (and by whom). For users to access the network, it is the pwd complexity we use for everyone. For Colleague, we use a Unix approved complexity, which is not as complex than our own but reasonable nonetheless (capital, number, and special characters).

7. Online Banking Dual Authorization

Observation

BDO noted that individuals in the finance function retain privileged user access and that dual authorization is not required in order to approve EFTs (ACH Payments) in RBC Online Banking.

Implication

Due to the lack of segregation of duties, there is an increased risk that this access can be utilized to submit and process unauthorized transactions and/or make direct inappropriate changes to data.

Recommendation

BDO recommends that dual authorization be required in order to approve EFTs (ACH Payments) within RBC Online Banking.

Management Response

Laurentian was not aware that RBC allowed for processing of single approver for ACH payments. The University currently has a compensating control whereby dual authorization is required for all outgoing payments and is evidenced via sign-off on a cheque register in google sheets. The University will activate dual administrator approval for ACH payments within RBC express.

8. Generic IDs

Observation

BDO noted that there are Generic IDs/Dormant Accounts within MyLaurentian/Fusion and the Network for which the client is either unaware of the nature of their access and use or is aware that they are no longer being used for any purpose yet maintain access to the applications.

Implication

There is an increased risk that unauthorized users maintain access to the applications. Consequently, this access can be utilized to submit and process unauthorized transactions and/or make direct inappropriate changes to data.

Recommendation

BDO recommends that Generic IDs, which are not currently in use, be deactivated in a timely manner once they are no longer being used.

Management Response

IT reviewed its Generic IDs and removed the one that was not currently in use.



Laurentian University
Université **Laurentienne**

Board of Governors
2022-23 Consolidated Audited Financial Statements
October 20, 2023

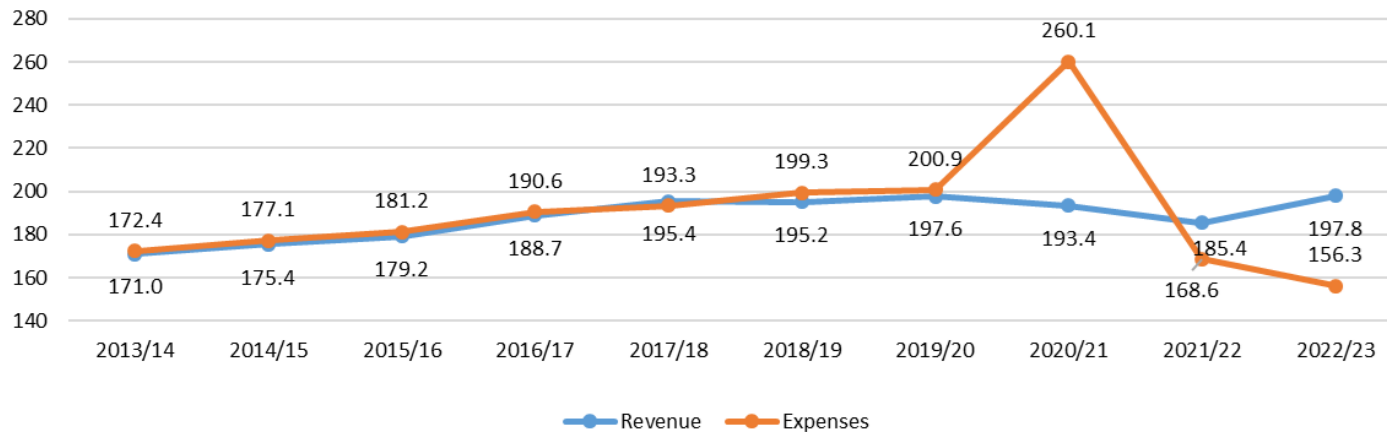
- Consolidated financial statements include assets, liabilities, and operations of Mining Innovation Rehabilitation and Applied Research Corporation (“MIRARCO”) and 20% share of the Sudbury Neutrino Observatory Laboratory (“SNOlab”) using the equity method of accounting.
- Comprehensive review of LU accounting policies and practices conducted as part of CCAA proceedings
- Transition to new auditor (BDO) in 2021-22 following RFP process
- 2022-23 audit completed on time and expecting unqualified audit opinion from BDO
- Audit Findings Report highlights recommendations to strengthen the overall design and effectiveness of controls within Laurentian’s information technology environment to improve the University’s system of control over financial reporting (see Appendix A)

Laurentian Financial History 2012-13 to 2022-23

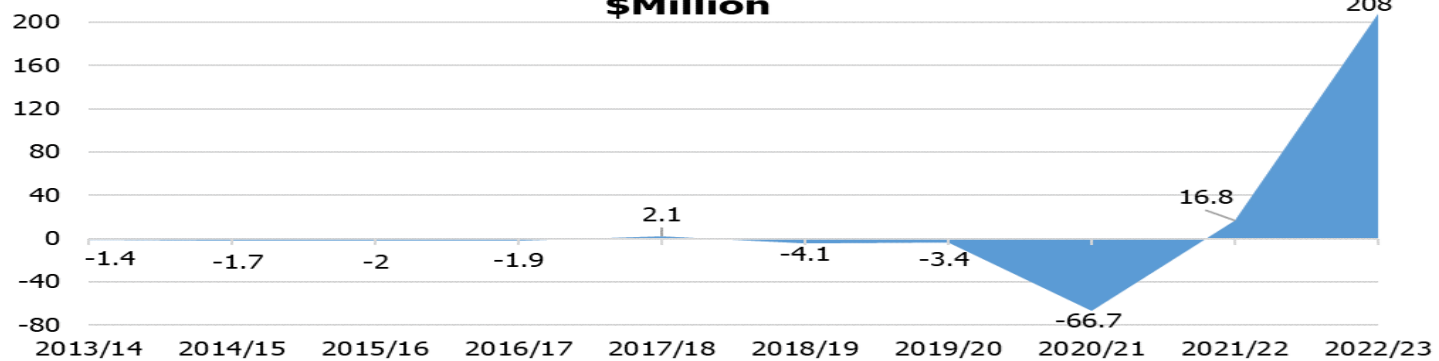


Laurentian University
Université Laurentienne

Revenue and Expenses 10 Year History
\$Million



Excess Revenue (Deficiency) over Expenses 10 year history
\$Million



Total (Fall) Headcount Enrolment



Academic Group	Academic Level	Immigration Status	Headcount					
			2020F		2021F		2022F	
Undergraduate	Undergraduate	Domestic	7,823	3%	6,693	-14%	6,307	-6%
		International	402	5%	368	-8%	302	-18%
		Total	8,225	3%	7,061	-14%	6,609	-6%
	Total	8,225	3%	7,061	-14%	6,609	-6%	
Graduate	Master's	Domestic	752	8%	672	-11%	663	-1%
		International	144	30%	146	1%	272	86%
		Total	896	11%	818	-9%	935	14%
	PhD	Domestic	151	12%	128	-15%	121	-5%
		International	51	-4%	49	-4%	46	-6%
		Total	202	7%	177	-12%	167	-6%
	Total	1,098	10%	995	-9%	1,102	11%	
Grand Total		9,323	4%	8,056	-14%	7,711	-4%	

- Total Fall Enrollment (headcount) decreased by 4%
 - Domestic -5%
 - International +10%

Total (Fall) FTE Enrolment

Academic Group	Academic Level	Immigration Status	Fall FTE					
			2020F		2021F		2022F	
Undergraduate	Undergraduate	Domestic	5,929.9	3%	4,958.6	-16%	4,632.9	-7%
		International	329.9	5%	289.6	-12%	238.6	-18%
		Total	6,259.8	3%	5,248.2	-16%	4,871.5	-7%
	Total	6,259.8	3%	5,248.2	-16%	4,871.5	-7%	
Graduate	Master's	Domestic	530.8	8%	464.1	-13%	455.1	-2%
		International	141.9	31%	143.9	1%	270.6	88%
		Total	672.7	13%	608	-10%	725.7	19%
	PhD	Domestic	107.6	7%	90.2	-16%	86.7	-4%
		International	49.6	-5%	49	-1%	45.3	-8%
		Total	157.2	3%	139.2	-11%	132	-5%
	Total	829.9	11%	747.2	-10%	857.7	15%	
Grand Total		7,089.7	4%	5,995.4	-15%	5,729.2	-4%	

- Total Fall Enrollment (FTE) decreased by 4% mostly from CCAA proceedings.
 - Domestic -6%
 - International +15%

2022-23 Draft Financial Statements

Statement of Financial Position



Laurentian University
Université Laurentienne

	2022-23 (\$000)	2021-22 (\$000)	Variance (\$000)
Current assets	156,434	101,335	55,099
Other assets	294,567	315,397	(20,830)
Total assets	451,001	416,732	34,269
Current liabilities	56,772	292,305	(235,533)
Long-term obligations	202,657	128,861	73,796
Total liabilities	259,429	421,166	(161,737)
Net assets (deficiency)			
Unrestricted	15,571	(88,999)	104,570
Endowment	47,510	60,961	(13,451)
Others	128,491	23,604	104,887
Total liabilities and net assets	451,001	416,732	34,269

Key Year-over-Year Variances

- Total Assets: Increase in cash due to excess of revenues over expenses less decrease in investments due to endowments transferred to NOSM U (- \$14.3M)
- Current Liabilities: Decrease due to elimination of Liabilities subject to the Plan (- \$192.2M), pre-CCAA deferred contributions (-\$22.7M), DIP financing (-\$35.0M)
- LT Obligations: CCAA Distribution Pool (+\$47.5M) and new Long-Term Debt (+\$32.9M)
- Net Assets: Mainly due to excess of revenues over expenses (+\$207.9M from CCAA recovery +\$166.4M)

2022-23 Draft Financial Statements

Statement of Operations



Laurentian University
Université Laurentienne

REVENUE	2022-23 (\$000)	2021-22 (\$000)	Variance (\$000)
Operating grants and contracts	91,917	79,568	12,349
Tuition fees	52,838	54,005	(1,167)
Research grants and contracts	17,870	19,488	(1,618)
Other fees and income	19,982	15,932	4,050
Sales and services	9,621	10,768	(1,147)
Amort. of deferred capital contributions	<u>5,596</u>	<u>5,621</u>	<u>(25)</u>
Total revenues	197,824	185,382	12,442

Key Year-over-Year Variances

- Increase in grants (covid & francophone)
- Lower tuition (decrease enrolment+)
- Reduced research expenses
- Stronger returns on investments
- Higher residence revenues (one time contract)

2022-23 Draft Financial Statements

Statement of Operations



Laurentian University
Université Laurentienne

EXPENSES	2022-23 (\$000)	2021-22 (\$000)	Variance (\$000)
Salaries and benefits	92,848	93,266	(418)
Operating and research	21,805	17,563	4,242
Occupancy	10,537	9,975	562
Scholarship and bursaries	9,676	9,708	(32)
Amort. of capital assets	10,310	10,321	(11)
Total expenses	145,176	140,833	4,343
Other items:			
Restructuring costs	(11,108)	(27,759)	16,651
Recovery from CCAA Proceedings	166,422		166,422
Excess of revenue over expenses	207,962	16,790	191,172

Key Year-over-Year Variances

- Increase in operating and occupancy costs)
- Adjusted Excess of \$52.6M before restructuring and CCAA recovery compared to \$44.5M in 2021-22

2022-23 Draft Financial Statements

Statement of Cash Flows



Laurentian University
Université Laurentienne

	2022-23 (\$000)	2021-22 (\$000)	Variance (\$000)
Cash flows from operating activities	77,227	32,531	44,696
Cash flows from financing activities	(20,187)	14,607	(34,794)
Cash flows from investing	<u>(3,731)</u>	<u>(85)</u>	(3,646)
Net increase	53,309	47,053	6,256
Cash and short-term investments - beginning	<u>84,018</u>	<u>36,965</u>	47,053
Cash and short-term investments – end of year	137,327	84,018	53,309

Key Year-over-Year Variances

- Adjusted Excess Revenue over Expenses (\$+52.6M)

Key Notes to Financial Statements



Laurentian University
Université Laurentienne

- ❑ Capital Assets – Note 7
- ❑ Payable to CCAA Distribution Pool - note 11(a)
- ❑ Liabilities subject to the Plan – note 11(b)
- ❑ Recovery from CCAA Proceedings - note 11(c)
- ❑ Deferred contributions – note 12
- ❑ Capital Assets – note 14
- ❑ Restructuring costs – note 19



The University has negotiated an agreement through a Term Sheet with the Province of Ontario for the sale of certain real estate with estimated proceeds of \$53,500. Upon closing of the real estate transaction(s) contemplated by the Term Sheet, the proceeds of the sale of the real estate will be paid into the Distribution Pool in accordance with the Plan and used to make distributions to the Affected Creditors pursuant to the terms of the Plan.

The total land identified in the Term Sheet covers 68.75 acres, which represents approximately 9% of the University's total 750+ acres. The five buildings located on the seven separate properties identified in the Term Sheet are as follows:

- *East Residence*

- *Vale Living with Lakes Centre and Watershed Building*

- *Northern Ontario School of Medicine*

- *Health Sciences Building*

- *Security and Maintenance Building*

Payable to CCAA Distribution Pool (Note 11a)



Laurentian University
Université **Laurentienne**

The Payable to CCAA Distribution Pool represents the amount owing to the Distribution Pool pursuant to the Plan. The amount is equal to the expected proceeds from the sale of assets to the Province of Ontario of up to \$53,500 less payments already made to holders of Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims in the amount of \$5,954.

Liabilities Subject to the Plan (Note 11b)



On November 28, 2022, Liabilities subject to the Plan were derecognized when the liabilities were legally discharged and released upon implementation of the Plan and replaced by an amount Payable to CCAA Distribution Pool.

This reduced Liabilities Subject to the Plan in 2023 to \$nil.

The breakdown of the 2022 Liabilities subject to the Plan is as follows:

	2022
Accounts payable and accrued liabilities	\$ 16,967
Employee future benefits liabilities	14,951
Employee restructuring and termination costs	<u>44,682</u>
Employee compensation costs	59,633
Short-term loan	1,324
Long-term debt	89,927
Interest rate swap termination obligation	<u>24,368</u>
	\$ 192,219

Recovery from CCAA Proceedings (Note 11c)



A reconciliation of the Recovery from CCAA Proceedings recorded on the Statement of Operations is as follows:

Liabilities Subject to the Plan, beginning of year	\$ 192,219
Adjustments to Liabilities subject to the Plan	1,510
Pre-CCAA deferred contributions derecognized	26,193
Payments made re: Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims	(5,954)
Payable to CCAA Distribution Pool	(47,546)
Recovery from CCAA Proceedings	\$ 166,422

Deferred Contributions (Note 12)



On November 28, 2022, the obligations associated with \$26,193 of pre-CCAA deferred contributions were legally discharged and released upon implementation of the Plan. These amounts have been derecognized as liabilities with an associated gain reported in the Statement of Operations.

Deferred contributions consist of the following:

	2023	2022
Research grants	\$ 13,183	\$ 22,588
Other grants and contracts	4,184	14,676
Scholarships and bursaries	452	3,343
Balance, end of year	\$ 17,819	\$ 40,607

In December 2020, the University established separate bank accounts to hold future contributions received for restricted purposes. Previously, contributions received for restricted purposes were deposited in the operating bank account. The table below shows the restricted deferred contributions balances held in a separate bank account at year end:

	2023	2022
Amount of deferred contributions held in separate bank accounts or short-term investment account:		
Unspent research grant account	\$ 13,183	\$ 8,623
Restricted funds account	1,978	1,493
Amount of deferred contributions not held in separate bank accounts or short-term investment account	2,658	30,491
	\$ 17,819	\$ 40,607

Capital Assets (Note 14)



The Investment in capital assets is calculated as follows:

	2023	2022
Capital assets	\$ 245,080	\$ 253,432
Less amounts financed by:		
Liabilities subject to the Plan (note 11)	-	(91,251)
Unamortized deferred capital contributions (note 12)	(116,216)	(120,390)
	\$ 128,864	\$ 41,791

On November 28, 2022, liabilities subject to the Plan were legally discharged and released upon the implementation of the Plan. This resulted in a reduction of \$89,927 of Long-Term Debt and \$1,324 of Short-Term Loans totalling \$91,251. These amounts are included in the claims of Affected Creditors entitled to receive distributions from the Distribution Pool, and therefore are no longer an adjustment to the investment in capital assets.

Restructuring Costs (Note 19)



Restructuring costs	2023	2022
Termination of interest rate swaps	\$ -	\$ (332)
Employee restructuring and termination costs	836	25
Accounts payable and accrued liabilities	-	6,041
Legal, Monitor, consulting, interest and finance costs		
Legal fees	6,171	10,634
Monitor fees	2,185	5,021
Consulting fees	810	3,533
Interest and finance costs	<u>1,106</u>	<u>2,837</u>
	10,272	22,025
	\$ 11,108	\$ 27,759



Board of Governors

Agenda Title	Laurentian 2022-23 Annual Financial Report
Agenda Item No.	7.1
Date of Meeting	October 20, 2023
Open/Closed session	Open
Action Requested	<input type="checkbox"/> For Approval <input checked="" type="checkbox"/> For Information
Proponent	Michel Piche, Vice-President, Finance and Administration (Interim)
Presenter(s)	Norm Lavallee, Associate Vice-President, Financial Services

1. PURPOSE

This draft Annual Financial Report is provided to the Board of Governors for information concerning Laurentian’s financial results for the fiscal year 2022-23 and contains an analysis of performance against the previous year. The report includes information on the Court approved CCAA Plan of Compromise and Arrangement and overview of academic and research highlights during the year along with enrolment trends.

2. SYNOPSIS

On November 28, 2022, after more than 18 months of negotiation with creditors, Laurentian successfully exited CCAA protection through a Plan of Compromise and Arrangement (the Plan) supported by long-term financing from the Province. The Plan contains various post-implementation requirements, two of which called for the University to develop a new strategic plan and embark on a comprehensive operational transformation. The Plan also called for senior management changes and Board renewal. As part of the CCAA proceeding, the Laurentian University of Sudbury Act, was amended to reduce the size of the Board of Governors from 25 to 16 members.

Since exiting CCAA protection at the end of November 2022, the University has embarked on an extensive search process to recruit a new President and Vice-Chancellor, Vice-President Academic and Provost, and Vice-President Finance and Administration, amongst others.

Although the University experienced a drop in enrolment during the CCAA proceedings, the reduction lower than anticipated. Similarly, research and other contributions although lower than previous years demonstrated ongoing support from our funding partners.

Laurentian exited the CCAA proceedings with the financial strength needed to invest in its programs and operations. The 2023-24 budget developed through broad consultations with faculties and staff helped identify areas of immediate priorities. Consultants were also selected to assist in the development of a new strategic plan and detailed transformation plan.

The Annual Financial Report and presentation provides an overview of the University’s financial results for the year along with highlights of key variances and notes to the financial statements.

3. RESOLUTION TO CONSIDER:

None

4. RISK ANALYSIS

Please note below the specific institutional risk(s) this proposal is addressing.	
<input type="checkbox"/> Enrolment Management	<input checked="" type="checkbox"/> Relationship with Stakeholders
<input type="checkbox"/> Faculty and Staff	<input checked="" type="checkbox"/> Reputation
<input type="checkbox"/> Funding and Resource Management	<input type="checkbox"/> Research Enterprise
<input type="checkbox"/> IT Services, Software and Hardware	<input type="checkbox"/> Safety
<input type="checkbox"/> Leadership and Change	<input type="checkbox"/> Student Success
<input type="checkbox"/> Physical Infrastructure	

5. RECOMMENDATIONS

None

A Background/Issue Description

The ongoing uncertainty caused by COVID-19 and the CCAA restructuring led to a drop in enrolment at Laurentian that was predicted to continue into 2022-23. In line with these expectations, enrolment once again declined in 2022-2023, with an overall decrease year-over-year of 4% in Fall Full Time Equivalent (FTE). Notably, however, this reduction in enrolment was lower than anticipated. As part of the CCAA proceedings, Laurentian's multi-year financial plan showed an overall enrolment decrease of 14% between 2021-2022 and 2022-2023. In total, the Fall of 2022 saw Laurentian enrol 7,711 individual students or 5,729 FTE, enrolled across 106 undergraduate and graduate programs, 34 of which were offered in the French language.

The University generated an Excess of Revenue over Expenses of \$208.0 million in 2022-2023. Excluding restructuring costs and the Recovery from the Companies' Creditors Arrangement Act Proceedings, Laurentian generated an Excess of Revenue over Expenses of \$52.6 million compared to \$44.5 million in 2021-22. The Excess of Revenue over Expenses include a recovery from CCAA of \$166.4 million relating to liabilities extinguished during the CCAA proceedings. Restructuring costs amounted to \$11.1 million in 2022-23 compared to \$27.8 million in 2021-22.

Capital expenditures amounted to \$2.0 million (\$0.4 million in 2021-22) invested mostly on deferred maintenance projects. These projects included critical equipment replacement and maintenance and were funded by grants received from the MCU Facility Renewal Program. Laurentian continues to manage a considerable deferred maintenance backlog estimated at \$135.0 million (under review).

Laurentian ended the year with cash and short-term investments of \$137.3 million compared to \$84.0 million in 2021-22. The increase consists of \$77.2 million in positive cash flows from operating activities, a decrease of \$20.2 million from financing, and a decrease of \$3.7 million in investing activities.

The University had Net Assets of \$191.6 million at the end of fiscal year 2022-23, an improvement of \$196.0 million from previous year's Deficiency in Net Assets of \$4.4 million. The main contributors were the excess of revenue over expenses of \$208.0 million, partially offset by a transfer of endowments to the Northern Ontario School of Medicine University of \$14.3 million.

B Alignment with Strategic Objective or Plan of the University

N/A

C Other options considered (where applicable):

N/A

D Risks including legislative compliance

The Audited Financial Statements and Charity Return must be filed with the CRA within 6 months of the end of the fiscal year. In addition, the Exit Loan Financing requires that the University provide MCU with audited financial statements within 170 calendar days following the end of the fiscal year, and prior to any public disclosure. Other requirements of the loan financing include (also within 170 days): completion of the Financial Covenant Report and an update to the Financial Forecast submitted in the Fall of 2022.

The Audited Financial statements and Annual Report must be posted to Laurentian's website. In addition, the University must report publicly the results of its financial covenants and progress regarding the development and implementation of its Transformation Plan (including the expenditures).

Legislative Compliance	<ul style="list-style-type: none">• General Bylaws of the Board of Governors (LU)• Laurentian University Act• Policy on Purchasing• Policy on Short-Term Cash Investment• Broader Sector Accountability Act, 2010• Broader Public Sector Procurement Directive, 2011• Broader Public Sector Expenses Directive, 2011
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The university financial reporting requirements include the audit of several financial statements, which are relied upon by various external users. These users include the Ministry of Training, Colleges and Universities, the Council of Ontario Finance Officers (COFO), the Canadian Association of University Business Officers (CAUBO), financial institutions, and the Canada Revenue Agency. Reporting of annual audited financial statements is also required to comply with the University's legal corporate requirements and is part of ensuring sound financial and operational management. The audit plan and completion of the external audits mitigate the financial, regulatory, and reputational risks posed by failing to comply with accounting standards and stated reporting requirements.

Reputational risks would relate to misstatements or non-disclosures in the university's financial statements, particularly if a qualified opinion was received by the external auditor. Management's use of experienced and qualified staff to prepare the financial statements, as well as ongoing communications with the external auditors to ensure that new standards are implemented serve to minimize such risks.

E Financial Implications (where applicable):

N/A

F Benefits

N/A

G Consultations (where applicable)

N/A

H **Communications Plan**

The Annual Financial Report including the Audited Consolidated Financial Statements is posted annually to the University's external website.

J **Next Steps**

Board of Governors approval of the Audited Consolidated Financial Statements, distribution to the Ministry of Colleges and Universities and posting to Laurentian's website.

I **Appendix**

7.1 A - Draft Annual Financial Report Fiscal Year Ended April 30, 2023

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED **APRIL 30, 2023** ■ ■ ■ ■



Laurentian University
Université **Laurentienne**

ANNUAL FINANCIAL REPORT



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Introduction

We would like to acknowledge the Robinson-Huron Treaty of 1850. We also further recognize that Laurentian University is located on the traditional lands of the Atikameksheng Anishnawbek and that the City of Greater Sudbury, also includes the traditional lands of the Wahnapiatae First Nation. We extend our deepest respect to Indigenous peoples - as a sign of our continued relationship we will support Laurentian University's Truth and Reconciliation Task Force Recommendations. Miigwech.

Ka ke ginwaamdanaa Aki Gaabijidebendaagwak Robinson Huron Naakinegewin ode 1850. Miinwa ginwaamdandaa Laurentian Chi-kinomaagegamik gewii teg maanpii gidaa kiimina Atikameksheng Anishinaabek debendaagwak miinwa Chi-odeno Sudbury miinwa gewii debendaagwak Wahnapiatae Anishinaabe kiing. Gichipiitenmananig Anishinaabek- ga nakiitaanaa weweni maanpii Laurentian Chi-kinomaagegamik Debwewin miinwa Minadaapnagewin Nakii Naadmageh Makwataagziwin. Miigwech.

Laurentian was incorporated on March 28, 1960, pursuant to An Act to Incorporate Laurentian University of Sudbury, S.O. 1960, c. 151 C. 154. For over 60 years, Laurentian University of Sudbury ("Laurentian") has operated as a publicly funded, bilingual and tricultural post-secondary institution in Northern Ontario, providing high-quality, postsecondary education to domestic and international undergraduate and graduate students.

However, historical financial and operational issues experienced in recent years required the University to take extraordinary measures to continue delivering its academic and research programs. On February 1, 2021, Laurentian brought an application before the Ontario Superior Court of Justice for an initial order for a stay of proceedings pursuant to the Companies' Creditors Arrangement Act (the "CCA"), which was granted. The CCA order provided the University with a court-supervised platform enabling it to restructure its operations.

After more than 18 months of negotiation with creditors, Laurentian successfully exited CCAA protection through a Plan of Compromise or Arrangement (the Plan) supported by long-term financing from the Province. The Plan and the financing became effective on November 28, 2022. The Plan (further described below) contains various post-implementation requirements, two of which called for the University to develop a new strategic plan and embark on a comprehensive operational transformation. The Plan also called for senior management changes and Board renewal. As part of the CCAA proceeding, the Laurentian University of Sudbury Act, was amended to reduce the size of the Board of Governors from 25 to 16 members.

Since exiting CCAA protection at the end of November 2022, the University has embarked on an extensive search process to recruit a new President and Vice-Chancellor, Vice-President Academic and Provost, and Vice-President Finance



and Administration, amongst others. To help the University through its post-CCAA renewal, Laurentian was fortunate to recruit Dr. Sheila Embleton from York University as Interim President and Vice-Chancellor, and Dr. Brenda Brouwer, from Queens University as Interim Vice-President Academic and Provost, who joined Laurentian in January 2023.

Immediate priorities post-CCAA have been to address the requirements of the Plan, critical staffing and operational needs, renew relationships with partners, and stabilize student enrolment and retention.

Because of the CCAA proceedings, the University experienced a drop in enrolment, which is expected to stabilize in the coming years. Fortunately, the reduction in enrolment was lower than anticipated. Similarly, research and other contributions although

lower than previous years demonstrated ongoing support from our funding partners.

Laurentian exited CCAA protection with the financial strength needed to invest in its programs and operations. The 2023-24 budget developed through broad consultations with faculties and staff helped identify areas of immediate priorities. Consultants were also selected to assist in the development of a new strategic plan and detailed transformation plan.

The bilingual and tricultural nature of Laurentian is unique in Ontario and its impact on outcomes in the region is vital and crucial. Laurentian is an important source of learning to Northern Ontario and the thousands of students who otherwise would have difficulty accessing post-secondary education.

LAURENTIAN BY THE NUMBERS

Available
**Expendable
Resources**



\$17.0M¹
(-\$87.8M last year,
restated)

Capital Spending

\$2.0M (\$0.4M last year)



**TOTAL
REVENUE**

\$197.8M

(\$185.4M last year)



**Excess
of revenues
over expenses,
before other
items**



\$52.6M

(\$44.5M last year)

Endowment
per FTE student

\$8,293

(\$7,722 last year)



Total Expenses

\$156.3M

(\$168.6M last year)

**REVENUE
PER FTE STUDENT**

\$34,526

(\$30,925 last year)



**TOTAL
NET ASSETS**



\$191.6M

(-\$4.4M last year)

**EMPLOYEE
future benefits liabilities**

\$1.8M

(\$5.3M last year)



Enrolment

5,729

(5,995 last year)

FULL-TIME
EQUIVALENT
(FTE)

¹Expendable Net Assets include Unrestricted and Internally Restricted Net Assets (as outlined in the University's audited financial statements).



Operating Environment

For the first seven months of 2022-23, Laurentian continued to operate under CCAA protection, with spending decisions overseen by the Court appointed Monitor. During that time, management's efforts were mostly focused on maintaining ongoing operations while negotiating with creditors and developing the Plan of Compromise or Arrangement. The Plan was presented and approved by creditors on September 14, 2022, and became effective on November 28, 2022.

Following the exit from CCAA protection, Laurentian proceeded with a comprehensive Board and senior management renewal, starting with the appointment of the Interim President and Vice-Chancellor and Vice-President Academic and Provost on January 1, 2023. Staffing efforts were also intensified to fill critical faculty and staff positions. Also required under the Plan, the University embarked on developing a new strategic plan along with a comprehensive transformation plan to address the recommendations of the NOUS Operations Review and Auditor General Report.

In terms of Government funding, the Ministry of Colleges and Universities (MCU) made the decision to delay the activation of performance-based funding for the Strategic Mandate Agreement (SMA3) for the third year of the Agreement, decoupling the funding but keeping all other aspects of the SMA3 model intact. For 2022-23, Laurentian did experience a reduction in enrolment due to CCAA proceedings. To help alleviate

the impact on the University's operating grant, the Ministry agreed to provide Laurentian with enrolment corridor and performance protection of up to \$22.0 million.

Effective April 1, 2022, the Northern Ontario School of Medicine University (NOSM U) was granted status as an independent degree-granting university. Both NOSM U and Laurentian continue to have a shared interest in maintaining a strong and effective research collaboration. To that end, a new Research Services Agreement was approved on March 3, 2023. Under that Agreement, Laurentian will continue to support NOSM U's research activities by providing access to Laurentian's research and innovation services, research and laboratory spaces, and federal and provincial funding opportunities.

Following emergence from CCAA, Laurentian resumed planning and budgeting discussions with managers. This process began in the Fall of 2022, with input from the Board of Governors and discussions with faculty and staff about priorities and financial pressures. These discussions were influenced in part by the CCAA Exit Loan Agreement, which contains specific reporting requirements and financial restrictions. The Consolidated 2023-24 Budget presented to the Board of Governors was prepared with the goal of stabilizing the University's operations and to address immediate capacity challenges.





Plan of Compromise or Arrangement

The CCAA stay of proceedings received on February 1, 2021, allowed Laurentian to work with its many stakeholders to develop a Plan of Compromise or Arrangement (the Plan). The purpose of the Plan was to, among other things, complete a restructuring of Laurentian, provide for the compromise of certain of Laurentian's pre-filing liabilities, and effect a release and discharge of the Affected Claims and Released Claims (as defined in the Plan).

On July 28, 2022, Laurentian filed its Plan with the Court. The Plan was amended on September 9, 2022. A meeting of affected creditors was held on September 14, 2022. At the Meeting, the required number and value of Affected Creditors voted in favour of the Plan. The CCAA Stay Period was extended to November 30, 2022, to finalize the conditions precedent to Plan Implementation, which became effective on November 28, 2022.

The key features of the Plan include the following:

- Repayment of the \$35 million Debtor in Possession Facility through the proceeds from the Province Exit Loan Financing.
- Generate the funds necessary to repay creditors, with the Province of Ontario agreeing to purchase between \$45.5 million to \$53.5 million worth of real estate currently owned by Laurentian. The Plan provides for any sale transactions to be completed within three (3) years of the Plan Implementation Date.
- Pay creditors with a CCAA Priority Claim, a Secured Claim, or a Vacation Pay Compensation Claim in full at the Plan implementation date. Once priority payments are made, the amount remaining in the distribution pool will be distributed on a pro rata basis. The payment distribution process is expected to take up to four years.

Following the Plan implementation date, Laurentian also agreed to take the following actions (amongst others):

- a) Working with an external Project Management Consultant and internal Transformation Consulting Group (TCG), to develop a detailed plan for undertaking a comprehensive operational restructuring and transformation as described in the Operational Report prepared during the CCAA process. The TCG's role is to advise on the

development of the plan and includes representation from the University's labour groups.

- b) Following completion of the comprehensive operational restructuring and transformation led by the Project Management Consultant, a Continuous Improvement Committee to be created to periodically review service-delivery and other operational processes, procedures, and policies to ensure that the operational decisions of the University continue to be guided by best practices in the sector. The Continuous Improvement Committee to include representation from the labour groups.
- c) In consultation with the University's stakeholders, develop a comprehensive strategic plan (the "Strategic Plan") and implement the changes necessary to align the University with the new Strategic Plan.
- d) Make a request to the Ministry of Colleges and Universities for an amendment to the The Laurentian University of Sudbury Act, 1960, to permit voting representation to the Board of Governors of members of the Laurentian University Faculty Association (LUFA) and the Laurentian University Staff Union (LUSU).
- e) Subject to any amendments required under The Laurentian University of Sudbury Act, 1960, make amendments to the Bylaws of the Board of Governors to reflect the skillset and diversity of the Board of Governors, maximum terms of appointment, and regular training.
- f) Ensure that appropriate internal financial controls are in place on the use of restricted funds related to research grant documentation or restricted donation agreement.

The University exited CCAA protection on November 28, 2022 and payments were issued for Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims in the amount of just under \$6.0 million. In accordance with the Plan, distributions to Affected Creditors with unsecured Proven Claims will be made at a future date once the Net Sale Proceeds of certain assets to the Province of Ontario have been received. As at April 30, 2023, in connection with the CCAA proceedings, the University recorded a Payable to the Distribution Pool of \$47.5 million and a recovery from CCAA proceedings of \$166.4 million.

The Payable to Distribution Pool represents remaining amounts owing to creditors and the Recovery relates to liabilities extinguished during the CCAA process. Upon exit from CCAA protection, long-term financing was received from the Ontario Ministry of Training, Colleges and Universities in the amount of \$35 million to repay the debtor-in-possession loan also held by the province.



Sale of Laurentian Real Estate

As part of its support of the University, the Province of Ontario committed to purchase real estate owned by Laurentian for an aggregate purchase price of up to \$53.5 million. This support is subject to conditions, including final government approvals and the implementation of the Plan. Under the Plan, the proceeds of sale will be paid into the Distribution Pool. The Plan provides for any real estate sale transactions to be completed within three years of the Plan Implementation Date.

The University has negotiated an agreement through a Term Sheet with the Province of Ontario for the sale

of certain real estate with estimated proceeds of \$53.5 million. This Term Sheet outlines a proposed structure for the transaction which will allow the Province to purchase the properties. The total land identified in the Term Sheet covers 68.75 acres, which represents approximately 9% of the University's total 750+ acres. There are also five buildings located on seven separate properties identified in the Term Sheet, which the University expects to be fully or partially leased back. They include:

- the East Residence
- the Vale Living with Lakes Centre and Watershed Building
- the Northern Ontario School of Medicine
- the Health Sciences Building, and
- the Security and Maintenance Building

After due diligence, including consultations with Indigenous communities, specific assets will be confirmed for sale. With this non-binding Term Sheet, the University is now in a position to explore the sale of these assets and work together with the province of Ontario to negotiate a purchase and sale agreement, by no later than November 28, 2025.





Academic Update

The academic year 2022-23 began under the watchful eye of the insolvency proceedings. The associated CCAA restructuring and impacts were far-reaching, yielding both direct and indirect consequences felt by all in the community and beyond. As Laurentian emerged from the CCAA protection at the end of November 2022, it began setting the Plan of Compromise or Arrangement in motion to rebuild its reputation as an integral member of the region's postsecondary sector. The following provides a summary of academic milestones and highlights for the year.

Budget and Planning: After broad consultation, faculties and academic units submitted their budget requests for 2023-24 along with a narrative describing their unit, goals and objectives for the year (with performance indicators) and tactics to promote financial sustainability. All units reporting to the Provost and Vice-President Academic shared their submissions and presented in an open forum to promote an institutional understanding of current and future state. The approach served to expose opportunities where resources could be shared, and where collaborations could potentially lead to new programs or program streams.

Senior academic and administrative searches: Selection committees were formed to search for new Deans in the Faculty of Arts and in the Faculty of Education & Health, and for a University Librarian. In addition, the search for an Associate Vice-President Francophone Affairs (AVP-FA) was launched in late April 2023. Dr. Jennifer Johnson was appointed Dean, Faculty of Arts effective July 1, 2023, and Nathalie Poulin-Lehoux was also appointed Associate Vice-President francophone Affairs for a Fall 2023 start. Other searches are ongoing.

Faculty Renewal: Terminations, resignations, and retirements of faculty members since 2021 placed professional programs at risk of losing accreditation and the university at risk of non-compliance under Ontario's French Languages Services Act. The most urgent needs were identified, and ten new tenure-track positions were announced in January 2023, marking the beginning of a strategic hiring plan. Twelve new tenure-track positions were also approved in the 2023-24 budget.

Enrolment management: Formed in April 2023, the Enrolment Management Group leads the University's enrolment planning to promote optimal enrolment,

sustainable academic programs and to guide the recruitment strategy as well as ensure student services are in place to support success. The planning considers University strategic plans, capacity, demand, attrition and existing government mandates.

Notable Events

- The Faculty of Management, School of Sports Administration held its 50th anniversary reunion weekend from October 13-16, 2022.
- Goldman Gold Challenge – Battery Metal Edition (February 2-4, 2023). Laurentian University hosted the event which brought eight university teams from Canada and the United States to compete in the mining investment competition.
- The Harquail School of Earth Sciences hosted the Annual Meeting of the Geological Association of Canada, Mineralogical Association of Canada, and the Society for Geology Applied to Mineral Deposits (GAC-MAC-SGA) conference from May 23-31, 2023 with the theme: Discovering Ancient to Modern Earth. More than 500 geologists from across the globe participated in scientific presentations, field trips and workshops.
- National Indigenous Peoples' Day (June 21, 2023) provided an opportunity to share, for the first time, Laurentian's Truth and Reconciliation Report Card and recognize the progress is integral to reconciliation.

Achievements

- Ten new Tenure track faculty members begin their appointments before the start of the Fall term, 2023.
- A new graduate Maîtrise interdisciplinaire ès arts en études relationnelles was approved by the Council of Ontario Universities' Quality Council and by the Ministry of Colleges and Universities – it will launch in September 2024.
- The Master of Health Administration, an interdisciplinary program of the Faculties of Education & Health, and Management was approved for delivery in French. La Maîtrise en administration de la santé will commence in September 2024.
- Successful accreditation of programs in Engineering, Indigenous Social Work, and Nursing Science was granted by the respective professional bodies.

- A new Certificate in Ecohealth Promotion, Faculty of Education & Health was approved to begin in Fall 2023. The certificate addresses a growing interest in the health benefits of outdoor programs and therapies.

New initiatives

- Bilingual Innovations was a campus-wide competition seeking summer projects aimed at achieving higher levels of bilingualism through the expansion of existing or the creation of new programs serving students for whom French is the second language. Fifteen proposals were funded from an FSL Government of Ontario, Ministry of Colleges and Universities grant.
- A subcommittee of the Academic Planning Committee was struck to develop a consultation process for the next Academic Plan that will dovetail with ongoing Strategic Planning.
- Preliminary discussions are underway to develop an interdisciplinary undergraduate program in Environmental Solutions.



Research Highlights

In fiscal year 2022-2023, the research and innovation enterprise at Laurentian University continued to be advanced by faculty, staff, and students in collaboration with industry and community partners.

Over 1,000 graduate students, studying in one of the 26 Masters or 9 Doctoral programs from Architecture to Indigenous Relations, Engineering, and Nursing, were integral to the advancement of research, innovation and discovery. Many of the graduate students trained, directly benefited from external research grants awarded to faculty, receiving stipends, paid research assistant positions and funded internships. For example, sixteen graduate students were supported, through MITACS funding and industry partner contributions, to complete applied research projects as interns with the partner company. Moreover, twenty-three undergraduate students also completed paid research internships with funding from the Natural Sciences and Engineering Research Council (NSERC).



Furthermore, external research grants continued to be the primary source of funding driving research, development and creativity. Researchers in the Faculty of Education and Health attracted external funding from the Social Sciences and Humanities Research Council (SSHRC) to tackle important research questions through community-driven projects such as: Agents for Health and Wellness Equity for Newcomers, Along the Full Continuum of Settlement, Integration and Social Inclusion and Supporting Social Work Field Education, and Developing a Model of Holistic Competence. A project was also undertaken in collaboration with Anishinaabe community partners, Akinomooshin Inc., & White Buffalo Road Healing Lodge Inc. to study Maamwizing: a hub for Indigenous community-driven research.

With funding from MITACS, researchers in the Faculty of Management also undertook collaborative projects with industry providing paid research opportunities for students involved in the Comparison of two Approximate Stochastic Dynamic Programming Schemes for Mid-term Hydropower System Management. Researchers in the Faculty of Arts also engaged with community partners through SSHRC Connection Grant funding which supports outreach activities geared toward targeted knowledge mobilization activities.

In the Faculty of Science, Engineering and Architecture (SEA) researchers attracted external funding from NSERC and MITACS along with cash and in-kind support from industry partners to advance applied research. A few of the funded projects included, Stratigraphy and Gold Metallogeny of the Guiana Shield in partnership with Barrick Gold Corporation; Origin and Timing of Critical Metal Mineralisation at the Gayna River Zn Camp, with Fireweed Zinc Ltd. and Northwest Territories Geological Survey as partners; Use of Non-Ore Resources to Enhance the Economic, Social and Environmental Sustainability of the Mining Industry in partnership with Glencore INO; Structural and Stratigraphic Controls on Gold Mineralization, Ulu Project, High Lake Greenstone Belt, Nunavut, Canada with Blue Star Gold Corp. as partner, Modelling a Distributed Array EM System with partner DIAS Geophysical, and Impacts of Wildfire and Windfarm Construction on the Herpetological Community of Eastern Georgian Bay with partner Blazing Star Environmental. Others in the Faculty of SEA were also funded by NSERC and SSHRC to tackle important basic

research examining protein biogenesis and iron homeostasis, microalgal production of high value antioxidants, morphological changes in trabecular bone and important social sciences issues examining Sacred Spaces.

Laurentian researchers also led the way to advance research and scholarship in French including funding from SSHRC to study Apports du réseau de proximité dans le soutien à domicile des francophones en contexte minoritaire, les leçons de l'expérience du Club amical de Sudbury en temps de pandémie. Funding was also received from Ontario Public School Boards' Association to develop and implement French as a second language workshops for teacher education students.

Affiliated research partners from MIRARCO, Health Sciences North Research Institution, NOSM University and SNOLab attracted external research funding contributing to the training of highly qualified people and the advancement of discovery. External grant funding was also obtained to support faculty, staff and students through the hiring of a Research Equity, Diversity and Inclusion Advisor and investments in software and training to support research security.

In summary, in 2022-2023, research, discovery and innovation at Laurentian University was supported by a number of external research grants, often in collaboration with industry and community partners. Collaborative projects addressed critical issues, provided real-world training for students, led to the advancement of ground-breaking discoveries, and realized positive societal outcomes. In short, the research enterprise trains the talent required to support thriving industries and communities.



Enrolment Trends

The ongoing uncertainty caused by COVID-19 and the CCAA restructuring led to a drop in enrolment at Laurentian that was predicted to continue into 2022-23. In line with these expectations, enrolment once again declined in 2022-2023, with an overall decrease year-over-year of 4% in Fall Full Time Equivalent (FTE).

Notably, however, this reduction in enrolment was lower than anticipated. As part of the CCAA proceedings, Laurentian's multi-year financial plan showed an overall enrollment decrease of 14% between 2021-2022 and 2022-2023.

In total, the Fall of 2022 saw Laurentian serve 7,711 individual students or 5,729 FTE, enrolled across 106 undergraduate and graduate programs, 34 of which

were offered in the French language. See Tables 1a and 1b for comparison of Fall enrolment over a three year period by both individual student Headcount (Table 1a) and Fall FTE (Table 1b).

The overall decrease in enrolment was largely driven by a drop in returning students which saw a 9% reduction from 4,535 FTE in Fall 2021 to 4,134 FTE in Fall 2022. This declining trend for returning students was evident in both undergraduate and graduate programs, with the exception of returning international graduate students which saw a Fall FTE increase of 10%. In comparison, overall new cohort enrolment grew by 135 FTE across the same period, resulting in an 9% increase year-over-year, mostly driven by new international graduate students.

Table 1a: Fall Headcount Official Enrolment by Academic Level - 2020F - 2022F

Academic Group	Academic Level	Immigration Status	Headcount					
			2020F		2021F		2022F	
Undergraduate	Undergraduate	Domestic	7,823	3%	6,693	-14%	6,307	-6%
		International	402	5%	368	-8%	302	-18%
		Total	8,225	3%	7,061	-14%	6,609	-6%
	Total	8,225	3%	7,061	-14%	6,609	-6%	
Graduate	Master's	Domestic	752	8%	672	-11%	663	-1%
		International	144	30%	146	1%	272	86%
		Total	896	11%	818	-9%	935	14%
	PhD	Domestic	151	12%	128	-15%	121	-5%
		International	51	-4%	49	-4%	46	-6%
		Total	202	7%	177	-12%	167	-6%
Total	1,098	10%	995	-9%	1,102	11%		
Grand Total		9,323	4%	8,056	-14%	7,711	-4%	

Table 1b: Fall FTE Official Enrolment by Academic Level - 2020F - 2022F

Academic Group	Academic Level	Immigration Status	Fall FTE					
			2020F		2021F		2022F	
Undergraduate	Undergraduate	Domestic	5,929.9	3%	4,958.6	-16%	4,632.9	-7%
		International	329.9	5%	289.6	-12%	238.6	-18%
		Total	6,259.8	3%	5,248.2	-16%	4,871.5	-7%
	Total	6,259.8	3%	5,248.2	-16%	4,871.5	-7%	
Graduate	Master's	Domestic	530.8	8%	464.1	-13%	455.1	-2%
		International	141.9	31%	143.9	1%	270.6	88%
		Total	672.7	13%	608	-10%	725.7	19%
	PhD	Domestic	107.6	7%	90.2	-16%	86.7	-4%
		International	49.6	-5%	49	-1%	45.3	-8%
		Total	157.2	3%	139.2	-11%	132	-5%
Total	829.9	11%	747.2	-10%	857.7	15%		
Grand Total		7,089.7	4%	5,995.4	-15%	5,729.2	-4%	

Domestic undergraduate enrolment decreased in 2022-2023, with the final Fall enrolment of 4,633 FTE being 7% lower than the previous year. However, the reduction to domestic enrolment was again better than predicted, and while enrolment did decline, Laurentian exceeded its plan for domestic undergraduate enrolment by 9%.

International undergraduate enrolment experienced a more substantive decline, dropping 18% from the previous year. The decrease of 51 Fall FTE stemmed from both new and returning students, which fell by 10% and 20% respectively. While the overall proportion of undergraduate international enrolment is small, it is important to note that international growth in 2022-23 was exclusively in graduate degree programs.

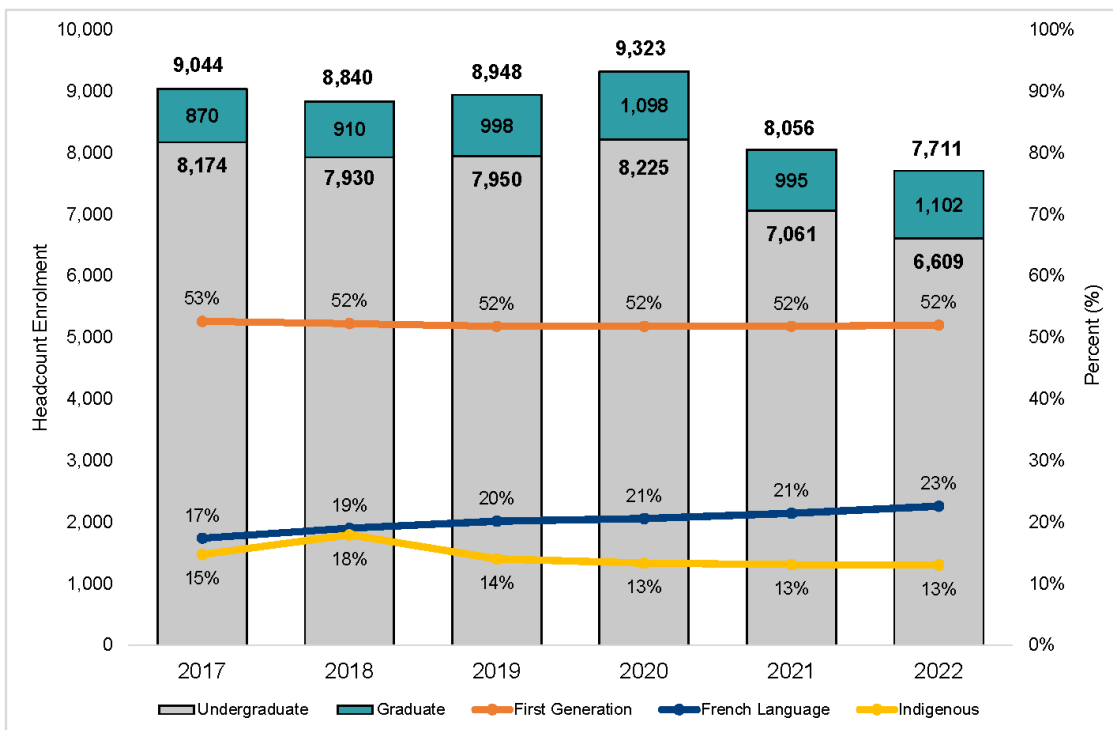
Enrolment in graduate programs increased by 15% in 2022-2023, as Laurentian continued to see high demand for course-based Master's programs among international students, where the number of new cohort enrolments more than tripled in the Fall term to 155 FTE, up from 46 FTE in the previous year. There was also growing interest in programs at the graduate level among domestic students, with the new cohort of domestic graduate students increasing by 32% or 51 additional FTEs. Master's programs including

Architecture, Business Administration (On-campus and Online), Indigenous Relations, Nursing APN, Forensic Science, Science Communication and Social Work were programs in demand by domestic students.

Rising popularity of remote and flexible learning options following COVID-19, drove a 15% increase in online program enrolment among domestic undergraduate students for a total of 1,133 Fall FTEs. Online programs such as Psychology and Indigenous Social Work continued to be major draws with growing interest. While demand for online learning did increase, enrolment for on campus programs among domestic undergraduate students declined by 12% or 442 FTEs.

Although the effects of the CCAA restructuring led to a reduction in program offerings and a decrease in enrolment numbers, the proportion of French language degree program, First-Generation, and self-identifying Indigenous students have remained strong. The proportion of students in a French language degree program has grown to 23%, up from 21% last year, while proportions of both First-Generation students (52%) and Indigenous students (13%) remained stable, consistent with the proportions seen previously in Fall 2021 and Fall 2020.

Figure 2: Headcount Enrolment with Proportions - Fall Totals 2017-2022





Financial Review

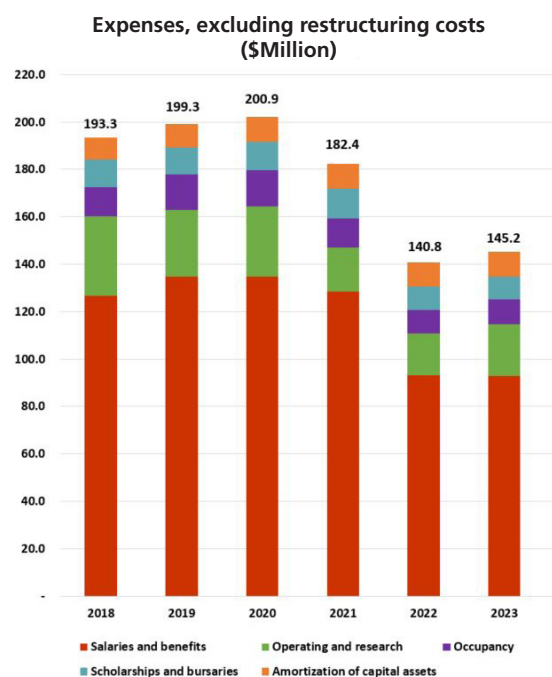
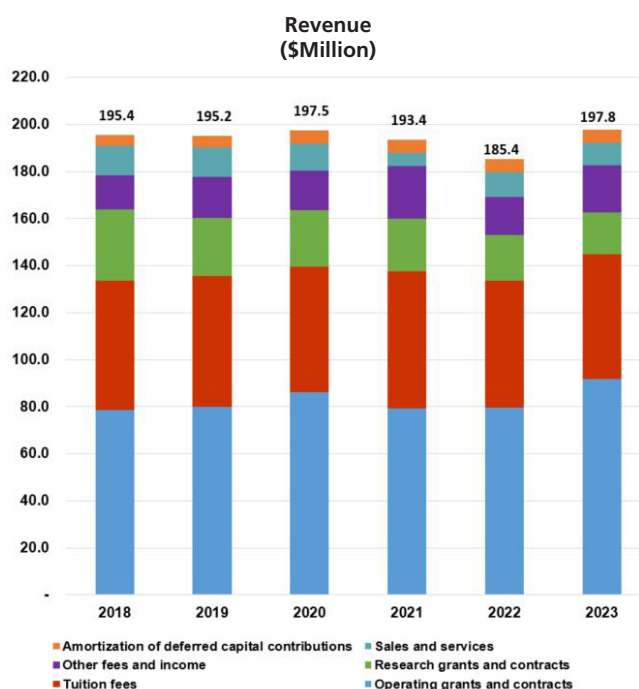
> Consolidated Statement of Operations

The University generated an Excess of Revenue over Expenses of \$208.0 million in 2022-2023. Excluding restructuring costs and the Recovery from the Companies' Creditors Arrangement Act Proceedings, Laurentian generated an Excess of Revenue over Expenses of \$52.6 million compared to \$44.5 million in 2021-22.

Consolidated revenue of \$197.8 million increased \$12.4 million (6.7%) from the previous year, while

consolidated expenses of \$145.2 million increased \$4.3 million (3.1%).

During 2023, the University recognized a Recovery from Companies' Creditors Arrangement Act Proceedings of \$166.4 million relating to liabilities extinguished during the CCAA proceedings. Restructuring costs amounted to \$11.1 million in 2022-23 compared to \$27.8 million in 2021-22.



> Adjusted Earnings (\$Million)

In connection with the restructuring plan and the CCAA proceeding, \$11.1 million of restructuring costs were recognized in 2022-23 (\$27.8 million in 2021-22). After taking into consideration the impact of the

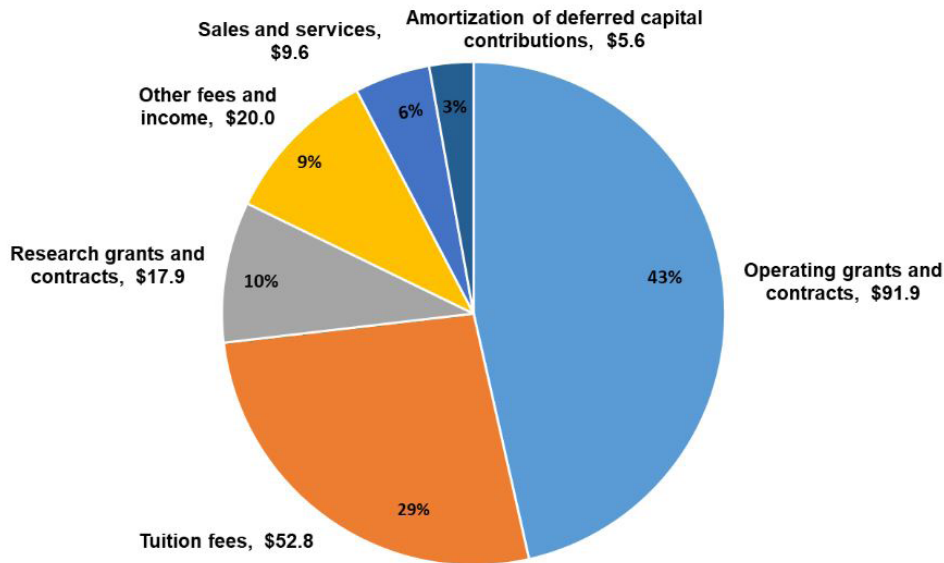
CCAA-related Recoveries and restructuring costs, Laurentian realized an Excess of Revenue over Expenses of \$52.6 million (\$44.5 million in 2021-22).

Adjusted 2022-23 Earnings (excluding restructuring costs)		(\$Million)
Excess of Revenue over Expenses		\$208.0
Recovery from Companies' Creditors Arrangement Act Proceedings		(166.4)
Employee restructuring and termination costs		\$ 0.8
Legal, Monitor, consulting, interest and finance costs		\$10.2
Adjusted Revenue over Expenses		\$ 52.6



Revenue

2022-23 Consolidated Revenue (\$Million)



Total revenue of \$197.8 million in 2022-23 was \$12.4 million higher than the previous year, with the main contributor being a 15.5% increase (\$12.3 million) operating grant revenues, mainly related to past years' COVID funding and Francophone grants. Tuition revenue decreased by \$1.2 million, mostly related to lower enrolment. Domestic Tuition fees continued to be frozen in 2022-23, while fees for out-of-province students increased by 3% and international students on average by 2%. Other fees and income increased by \$4.1 million mainly due to higher returns on short-term investments of \$2.9 million. Other administrative and compulsory fees increased by between 2%-5% in 2022-23. Research grant revenues recognized during the year decreased by \$1.6 million in line with lower research expenses due to completion of projects. Sales and services revenue were lower by \$1.2 million from the previous year, due to unplanned residence revenues in the summer of 2021-22.

> Operating Grants and Contracts

At \$91.9 million in 2022-23, Operating Grants and Contracts represent 46.5% of Laurentian's total (non-consolidated) revenue, up \$12.3 million from the previous year. Of that amount, \$54.5 million relates to core operating and performance grants, \$8.3 million from the Bilingualism Grant, \$6.2 million from the Northern Grant, and the rest from various special purpose grants.

With SMA3, the Province of Ontario announced a set of metrics against which institutional performance would be assessed, the details of the mechanism that would be used to evaluate institutions' performance and the impacts to funding of the performance grant. Beginning in 2020-21, 25% of provincial funding was to be linked to active performance metrics rising to 60% by the 2024-25 academic year. As a result of the COVID-19 pandemic, MCU announced their decision to delay the activation of the performance-based grant for three years until 2023-24, decoupling the funding.

As part of the finalization of year 3 of the SMA3 agreement, MCU announced re-activation of performance-based funding at the system-wide proportion of 10% in year 4 (2023-24) and a deferral of a decision on year 5 (2024-25) pending the outcome of the blue-ribbon panel.

Laurentian completed its year 3 SMA performance evaluation covering the fiscal year 2022-23, for which the performance-based funding was once again decoupled. The evaluation showed that Laurentian would have met seven of the ten targets for the performance metrics. Laurentian underachieved on the following three metrics: Community/Local Impact of Student Enrolment, Research Funding and Capacity and finally Research Revenue Attracted from Private Sources. In year 3 of the SMA3 agreement (2022-23), the notional allocation for Laurentian's performance-based grant funding was \$27.2 million and the impact of the three performance metrics that

were underachieved would have accounted for a notional decrease of \$211,755. With the ministry's decision to re-activate performance based funding in the upcoming 2023-24 year, it is unlikely that Laurentian will be able to achieve all of its performance-based metrics and enrolment-based

corridor funding at least in the medium term due to the lingering impacts of COVID-19 and the CCAA restructuring. However, the commitment by the MCU to provide enrolment corridor and performance protection to Laurentian for up to \$22.0 million in the coming years, will serve to mitigate that risk.

> Tuition Fees

Revenue from tuition and fees decreased from \$54.0 million in 2021-22 to \$52.8 million in 2022-23. Domestic tuition fees were frozen in 2022-23 with the lower revenue driven by reduced enrolment. Tuition fees for international students amounted to

\$11.7 million, and included a 2% increase from the previous year. International students pay higher tuition fees than domestic students to make-up for the absence of operating grants.

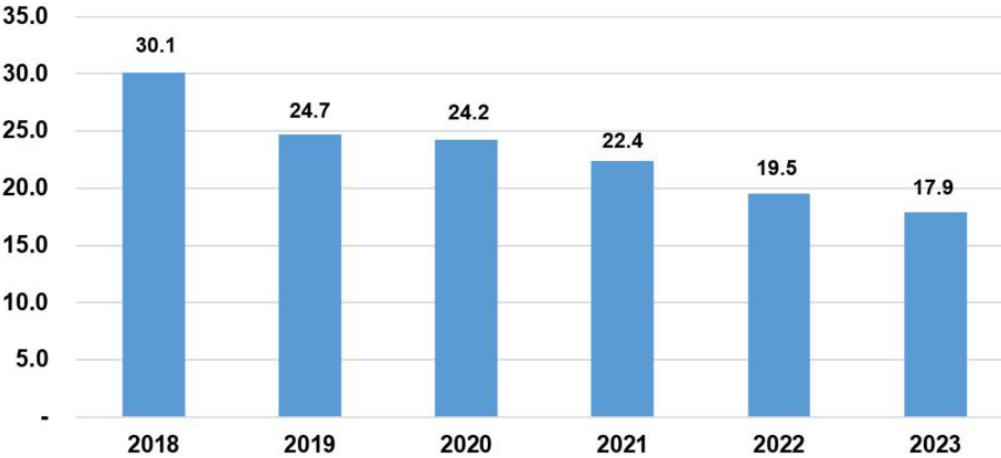
> Research Grants and Contracts

Consolidated research grants and contracts recognized during the year amounted to \$17.9 million, a decrease of \$1.6 million (8.2%) from the previous year. Research revenue includes the research expenditures of the University's subsidiaries and joint ventures, namely: the Mining Innovation Rehabilitation and Applied Research Corporation ("MIRARCO"), which is a wholly controlled entity, and the Sudbury Neutrino

Observatory Laboratory ("SNOLab"), where the University recognizes its proportionate share (20%) of SNOLab's revenue and expenses.

Research revenue is recognized in the period in which research expenditures occur. Unspent research funding is reflected as deferred contributions and represented \$13.2 million on April 30, 2023.

Research Grants and Contracts (\$Million)



> Sales and Services

Sales and Services revenue come primarily from ancillary operations, which are expected to generate sufficient revenue from user fees and sales and services to cover total costs, including required capital investments. Historically, Laurentian relied on annual contributions from ancillary activities to support its academic and research operations. Such contributions have amounted to between \$2.0 and \$3.0 million annually.

In 2022-23, Sales and Services revenues amounted to \$9.6 million, compared to \$10.8 million in 2021-22. This decrease is due to one time residence revenues in the summer of 2021-22.

During 2022-23, ancillary expenditures totalled \$4.9 million, a reduction of \$0.1 million from the previous year. Overall, ancillary operations generated a surplus of \$4.7 million in 2022-23, compared to \$5.8 million in the previous year.

> Other Fees and Income

Other fees and income represent administration fees, realized restricted contributions for scholarships and bursaries, compulsory fees, sponsored students, and other items, Other Fees and Income amounted to

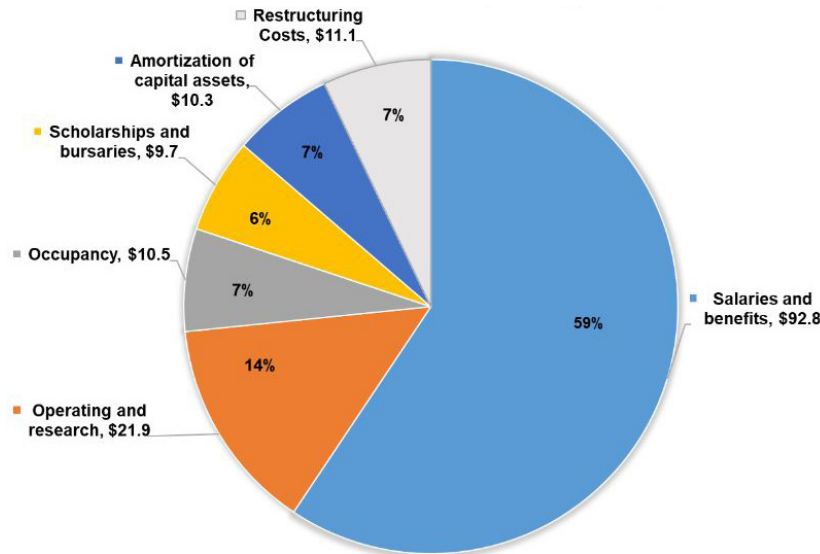
\$20.0 million in 2022-23, an increase of \$4.1 million from the previous year, which related primarily to higher investment income of \$2.9 million, as well as an increase in various administrative fees.





Expenses

2022-23 Consolidated Expenses (\$Million)



The University's expenses totalled \$156.3 million in 2022-23, including restructuring costs of \$11.1 million. Excluding restructuring costs, expenses were \$145.2 million, \$4.4 million more than the previous year and related mostly to increases in operating and occupancy costs.

> Salaries and Benefits

Salaries and benefits represent the largest expense category item for Laurentian. At \$92.8 million in 2022-23, salaries and benefits were \$0.4 million lower than the previous year. Being subject to CCAA

proceedings for most of the year, only critical positions were filled with total Full Time Equivalent positions (FTE) of just over 561 FTE (241.5 academic and 320.5 non-academic).

> Operating and Research

Operating and research expenses of \$21.8 million in 2022-23, were \$4.2 million higher than the previous year, representing increases in search expenses relating to senior management renewal, legal fees,

as well as increases in student related activities such as recreation, athletics and convocation as post-pandemic activities operations resume.

> Other Expenses

Occupancy expenses of \$10.5 million were \$0.5 million higher than the previous year. Scholarships and bursaries of \$9.7 million and amortization of \$10.3 million were similar to 2021-22.

> Restructuring Costs

The University recognized \$11.1 million of one-time CCAA related restructuring expenses, which included \$10.3 million in legal, monitor, consulting and interest and finance costs, and \$0.8 million in employee restructuring and termination costs. The previous

year's restructuring costs were \$27.8 million, and included \$22.0 million in legal, monitor, consulting and interest and finance costs, and \$6.0 million on restructuring and settlement costs.

> Recovery from Companies' Creditors Arrangement Act Proceedings

In 2022-2023, the University recognized a \$166.4 million Recovery from Companies' Creditors Arrangement Act Proceedings. This relates to liabilities discharged during CCAA proceedings. In the previous year, the

Liabilities subject to the Plan were \$192.2 million. The remaining amounts of \$47.5 million have been recorded as a Payable to the Distribution Pool.

A reconciliation of the Recovery amount is as follows:

Liabilities subject to the Plan, beginning of year	192.2
Adjustments to Liabilities subject to the Plan	1.5
Pre-CCAA deferred contributions derecognized	26.2
Payments made re: Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims	(6.0)
Payable to CCAA Distribution Pool	(47.5)

Recovery from CCAA Proceedings	\$ 166.4
---------------------------------------	-----------------



Capital Investments

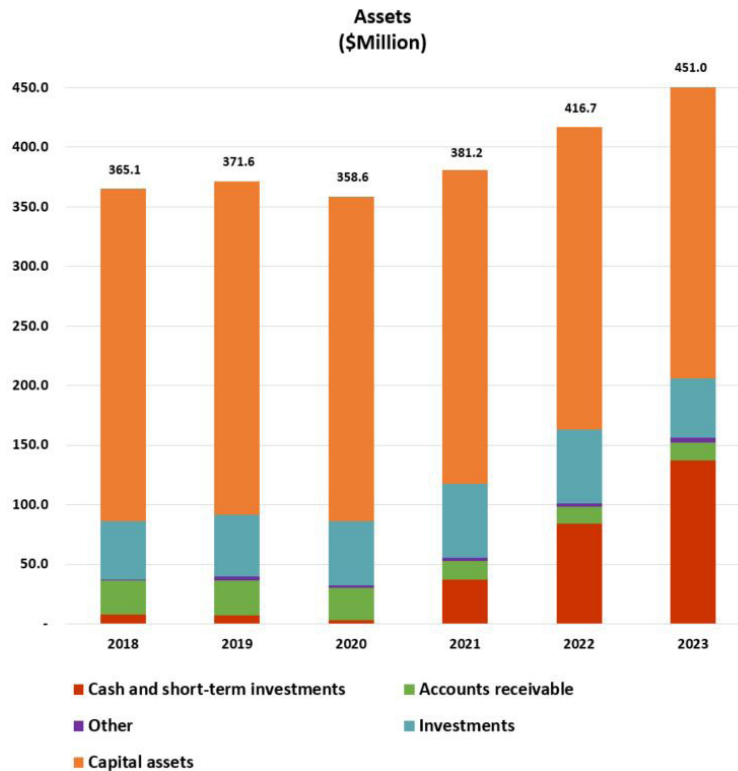
Capital expenditures in 2022-23 continued to be restrained by the CCAA proceedings, with \$2.0 million (\$0.4 million in 2021-22) invested in capital projects, mostly to address deferred maintenance projects. These projects included critical equipment replacement and maintenance and were funded by grants received from

the MCU Facility Renewal Program. Laurentian continues to manage a considerable deferred maintenance backlog estimated at \$135.0 million (under review). Laurentian is focusing its limited resources on addressing the most urgent capital maintenance projects.



Consolidated Statement of Financial Position

> Assets



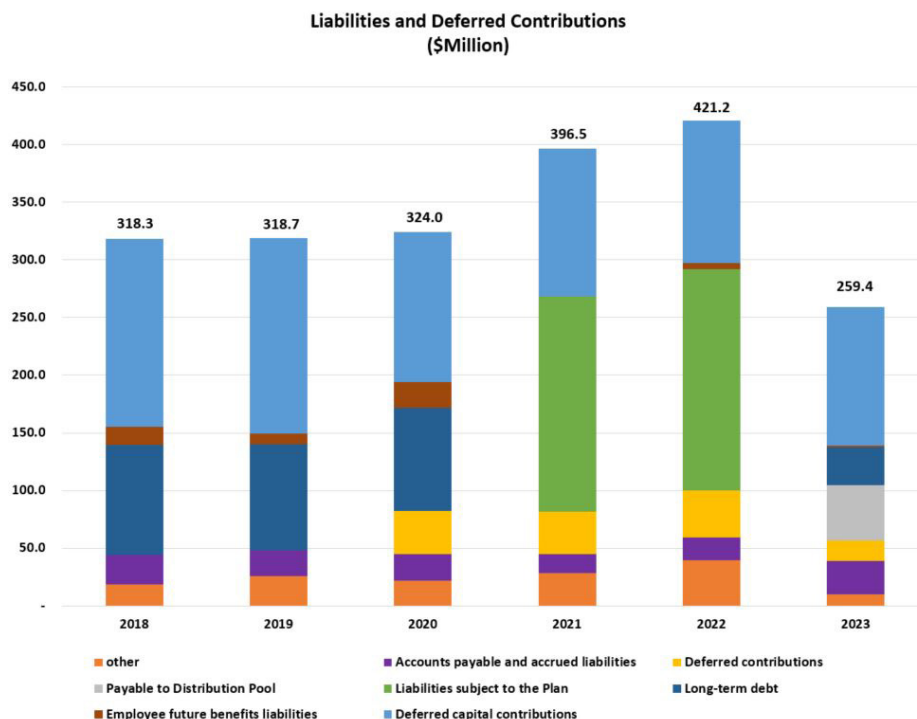
Laurentian ended the year with cash and short-term investments of \$137.3 million compared to \$84.0 million in 2021-22. The increase consists of \$77.2 million in positive cash flows from operating activities, a decrease of \$20.2 million from financing, and a decrease of \$3.7 million in investing activities.

Accounts receivable of \$14.7 million were comparable to the prior year. Prepaid expenses increased mainly due to a retainer provided to the Monitor.

Investments totalling \$49.3 million were \$12.6 million lower than the previous year mostly due to a transfer of endowments to the Northern Ontario School of Medicine (NOSM) University. As a condition of the Plan of Compromise or Arrangement of November 28, 2022, endowments in the amount of \$14.3 million were

transferred to NOSM University. Laurentian's investments include endowed funds received from donors, whose income is used in accordance with the various purposes established by the donors.

Capital assets totaled \$245.1 million in 2022-23, compared to \$253.4 million in 2021-22. The reduction in capital assets resulted from amortization expenses of \$10.3 million, offset by capital acquisitions of 2.0 million. The University has negotiated an agreement through a Term Sheet with the Province of Ontario for the sale of certain real estate with estimated proceeds of \$53.5 million, which will allow Laurentian to implement its Plan of Compromise or Arrangement as part of the Companies' Creditors Arrangement Act (CCAA) proceedings.



Laurentian’s liabilities decreased from \$421.2 million in 2021-22 to \$259.4 million in 2022-23.

Liabilities subject to the Plan were \$192.2 million in 2021-22 and consisted of amounts owed to creditors (including lenders), as well as amounts owed to terminated employees such as termination, severance, and employee benefits. The liabilities were eliminated in 2022-23 when the liabilities were legally discharged and released upon the implementation of the Plan. The remaining amount owing to creditors has been recorded as a Payable to Distribution Pool in the amount of \$47.5 million, which is equal to the expected proceeds from sale of assets of \$53.5 million less amounts paid regarding Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims during the year of \$6.0 million.

On January 28, 2022, the Province of Ontario, through MCU provided a \$35.0 million Debtor in Possession (DIP) facility to replace the previous DIP lender with a maturity date of September 30, 2022, further extended to November 30, 2022. Upon exit from CCAA proceedings, a new long-term loan with the Province was negotiated to replace the DIP loan.

Accounts payable and accrued liabilities of \$28.8 million increased by \$9.2 million, mostly due to deposits received from international students for the coming Fall term.

Deferred contributions cover external restricted funding received for research projects and other expenditures and decreased by \$22.8 million in 2022-23. The decrease is mainly due to pre-CCAA deferred contributions of \$26.2 million that were legally discharged and released upon the implementation of the Plan.

Deferred contributions consist of the following:

	2022-23	2021-22
		<i>(\$Thousand)</i>
Research grants	\$ 13,183	\$ 22,588
Other grants and contracts	4,184	14,676
Scholarships and bursaries	452	3,343
	\$ 17,819	\$ 40,607

> Employees Future Benefits

Employee future benefits were lower by \$3.5 million from changes in the valuation of pension plan obligations.

The Employees Retirement Plan (the "Pension Plan") was subject to an actuarial review in 2022-23, which showed a liability of \$1.8 million compared to \$5.3 million in 2021-22. The most recent actuarial valuation for the Pension Plan filed with the Financial Services Regulatory Authority of Ontario (FSRA) was dated July 1, 2021, and the next one will be required for July 1, 2024.

During the CCAA proceeding, both the Retirees Health Benefit Plan (RHBP) and Supplementary Retirement Plan (SuRP) were terminated, effective April 30, 2021. All of the related payments were stayed pursuant to the CCAA proceedings. This termination was considered a plan curtailment because the RHBP and SuRP will be settled subsequently pursuant to the implementation of the Plan. In 2022, obligations of \$10.8 million, relating to the RHBP, and \$3.2 million related to the SuRP were included in Liabilities subject to the Plan. These were eliminated in 2023 when the liabilities were discharged.



Net Assets

The University had Net Assets of \$191.6 million at the end of fiscal year 2022-23, an improvement of \$196.0 million from previous year's Deficiency in Net Assets of \$4.4 million. The main contributors were the

excess of revenue over expenses of \$208.0 million, partially offset by a transfer of endowments to the Northern Ontario School of Medicine University of \$14.3 million.



Post-CCAA Loan Agreement

The Plan implementation required the repayment of the \$35.0 million Debtor in Possession Financing received as part of the CCAA proceedings. In January 2022, the Ministry of Colleges and Universities (MCU) took over the University's \$35.0 million DIP facility from the previous DIP lender. At the effective Plan implementation date, MCU replaced that loan with a \$35 million single-draw, non-revolving term loan facility, repayable in annual installments of blended principal and interest over a 15-year period at an annual rate of interest equal to 6.11%. The loan agreement calls for various conditions, including the following financial ratios:

- i. For each fiscal year of the Borrower commencing with the Borrower's sixth fiscal year following the CCAA Plan Implementation Date, the Borrower shall have a Net Income Ratio of not less than 1.5%;
- ii. At each fiscal year end of the Borrower commencing with the Borrower's fourth fiscal year end following the CCAA Plan Implementation Date, the Borrower shall have a Primary Reserve Ratio of not less than 30 days;

- iii. For each fiscal year of the Borrower commencing with the Borrower's sixth fiscal year following the CCAA Plan Implementation Date, the Borrower shall have an In-Year Excess (Deficiency) of Revenue Over Expenses of not less than \$0;
- iv. At each fiscal year end of the Borrower commencing with the Borrower's fourth fiscal year end following the CCAA Plan Implementation Date, the Borrower shall have Expendable Net Assets of not less than \$0;
- v. At each fiscal year end of the Borrower commencing with the Borrower's second fiscal year end following the CCAA Plan Implementation Date, the Borrower shall have a Debt Service Coverage Ratio of not less than 1.1; and;
- vi. At each fiscal year end of the Borrower commencing with the Borrower's sixth fiscal year end following the CCAA Plan Implementation Date, the Borrower shall have a Net Operating Revenue Ratio of not less than 5.0%.



Financial Ratios

FINANCIAL RATIOS (PER LOAN COVENANTS)	Actual 2021-22	Actual 2022-23
i) Net Income/Loss Ratio (Min. 1.5% starting 2027-28) <i>Net Income/Loss Ratio (Min. 1.5% starting 2027-28) - before other items</i>	9.1% 19.8%	105.1% 26.6%
ii) Primary Reserve Ratio (Min. 30 days starting 2025-26)	-161.3	39.1
iii) In Year Excess of Revenue >0 starting 2027-28 - \$000 <i>In Year Excess of Revenue >0 starting 2027-28 - before other items</i>	\$16,790 \$36,745	\$207,962 \$52,648
iv) Expendable Net Assets >0 starting 2025-26 - \$000	-\$64,518	\$17,046
v) Debt Coverage Ratio > 1:1 starting 2023-24		55
vi) Net Operating Revenue (Min. 5%, starting 2027-28)	17.55%	39.04%



Conclusion

On November 28, 2022, Laurentian officially left the protection of the Companies' Creditors Arrangement Act, which began on February 1, 2021. During that time, the University successfully passed a Plan of Compromise or Arrangement that not only addressed the University's financial problems but also set the path to a strong and sustainable recovery. The Plan requires the University to develop a new Strategic Plan that will guide future investments in academic and research programs. The Plan also calls for Board and Senior Management renewal along with a comprehensive transformation of the University's governance and administrative processes, systems, and policies. In addition to the Plan, the exit loan received from the Province includes conditions that increase oversight by the Ministry of Colleges and Universities and provide financial performance targets for the coming years. The support of the Province throughout the CCAA proceedings has been critical to the successful adoption of the Plan.

To-date, recruitment efforts for senior management renewal are well underway with ongoing searches for a new President and Vice-Chancellor, Vice-President Academic and Provost, and Vice-President Finance and Administration. Consultants have been selected to help Laurentian develop its new Strategic Plan and detailed Transformation Plan. The Board renewal is

also well underway with a new Chair appointed at the Annual General meeting of June 2023, and updates to the Board committees structure and terms of reference underway.

As shown in the Consolidated Statement of Operations, Laurentian produced Excess of Revenue over Expenses of \$208.0 million in 2022-23 (\$16.8 million in 2021-22) which included a CCAA recovery of \$166.4 million, which increase Expendable Net Assets (e.g., unrestricted and internally restricted net assets) from minus \$87.8 million in 2021-22 to \$17.0 million in 2022-23. Cash and short-term investments totalled \$137.3 million at the end of April 2023 (\$84.0 million in 2022), including \$15.2 million in restricted cash. Although Laurentian will continue to experience pressure with its enrolment revenues in the coming years, it believes that the savings realized from the CCAA restructuring will help offset future revenue uncertainty and provide the resources for investments in the coming Strategic Plan and Transformation Program.



Consolidated Financial Statements of

LAURENTIAN UNIVERSITY OF SUDBURY

Year ended April 30, 2023



Laurentian University
Université **Laurentienne**

LAURENTIAN UNIVERSITY OF SUDBURY

Consolidated Statement of Financial Position

April 30, 2023, with comparative information for 2022
(thousands of dollars)

	2023	2022
Assets		
Current assets:		
Cash and short-term investments (note 4)	\$ 137,327	\$ 84,018
Accounts receivable (note 5)	14,654	14,560
Prepaid expenses	4,453	2,757
	156,434	101,335
Accounts receivable (note 5)	188	73
Investments (note 4)	49,299	61,892
Capital assets (note 7)	245,080	253,432
	\$ 451,001	\$ 416,732
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	28,842	19,592
Accrued vacation pay	2,470	2,340
Deferred revenue	6,175	2,547
Deferred contributions (note 12)	17,819	40,607
Short-term loan (note 9)	-	35,000
Current portion of long-term debt (note 10)	1,466	-
Liabilities subject to the Plan (note 11(b))	-	192,219
	56,772	292,305
Long-term obligations:		
Payable to CCAA Distribution Pool (note 11(a))	47,546	-
Long-term debt (note 10)	32,942	-
Employee future benefits liabilities (note 6)	1,848	5,337
Deferred capital contributions (note 12)	120,321	123,524
Total liabilities	259,429	421,166
Net assets (deficiency):		
Unrestricted	15,571	(88,999)
Employee future benefits (note 6)	(1,848)	(19,351)
Internally restricted (note 15)	1,475	1,164
Investment in capital assets (note 14)	128,864	41,791
Endowments (note 13)	47,510	60,961
	191,572	(4,434)
Commitments and contingencies (note 16)		
	\$ 451,001	\$ 416,732

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, 2023, with comparative information for 2022
(thousands of dollars)

	2023	2022
Revenue:		
Operating grants and contracts	\$ 91,917	\$ 79,568
Tuition fees	52,838	54,005
Other fees and income (note 18)	19,982	15,932
Research grants and contracts	17,870	19,488
Sales and services	9,621	10,768
Amortization of deferred capital contributions (note 12)	5,596	5,621
	<u>197,824</u>	<u>185,382</u>
Expenses:		
Salaries and benefits	92,848	93,266
Operating and research	21,805	17,563
Occupancy	10,537	9,975
Scholarships and bursaries	9,676	9,708
Amortization of capital assets	10,310	10,321
	<u>145,176</u>	<u>140,833</u>
Excess of revenue over expenses, before other items	52,648	44,549
Other items:		
Restructuring costs (note 19)	(11,108)	(27,759)
Recovery from CCAA Proceedings (note 11(c))	166,422	-
Excess of revenue over expenses, after other items	<u>\$ 207,962</u>	<u>\$ 16,790</u>

See accompanying notes to consolidated financial statements.

LAURENTIAN UNIVERSITY OF SUDBURY

Consolidated Statement of Changes in Net Assets (Deficiency)

Year ended April 30, 2023, with comparative information for 2022
(thousands of dollars)

	Unrestricted	Employee Future Benefits	Internally Restricted (note 15)	Investment in Capital Assets (note 14)	Endowments (note 13)	Total
2023						
Net assets (deficiency), beginning of year	\$ (88,999)	\$ (19,351)	\$ 1,164	\$ 41,791	\$ 60,961	\$ (4,434)
Excess (deficiency) of revenue over expenses:						
Operating	57,362	–	–	(4,714)	–	52,648
Restructuring costs (note 19)	(11,108)	–	–	–	–	(11,108)
Recovery from CCAA Proceedings (note 11(c))	166,422	–	–	–	–	166,422
	212,676	–	–	(4,714)	–	207,962
Liabilities derecognized under CCAA Plan (note 2(b))	(105,265)	14,014	–	91,251	–	–
Transfer for capital transactions	(536)	–	–	536	–	–
Interfund transfers (note 15)	(311)	–	311	–	–	–
Excess of employer contributions over employee future benefits net benefit costs	(1,994)	1,994	–	–	–	–
Endowment contributions (note 13)	–	–	–	–	266	266
Net increase in endowments	–	–	–	–	534	534
Transfer of endowments to Northern Ontario School of Medicine (note 13)	–	–	–	–	(14,251)	(14,251)
Employee future benefits remeasurements and other items (note 6)	–	1,495	–	–	–	1,495
Net assets (deficiency), end of year	\$ 15,571	\$ (1,848)	\$ 1,475	\$ 128,864	\$ 47,510	\$ 191,572
2022						
Net assets (deficiency), beginning of year	\$ (112,524)	\$ (13,973)	\$ 3,302	\$ 46,347	\$ 61,482	\$ (15,366)
Excess (deficiency) of revenue over expenses:						
Operating	49,249	–	–	(4,700)	–	44,549
Restructuring costs (note 19)	(27,759)	–	–	–	–	(27,759)
	21,490	–	–	(4,700)	–	16,790
Transfer for capital transactions	(144)	–	–	144	–	–
Interfund transfers (note 15)	2,138	–	(2,138)	–	–	–
Other transfers	41	(41)	–	–	–	–
Endowment contributions (note 13)	–	–	–	–	6	6
Net increase in endowments	–	–	–	–	(527)	(527)
Employee future benefits remeasurements and other items (note 6)	–	(5,337)	–	–	–	(5,337)
Net assets (deficiency), end of year	\$ (88,999)	\$ (19,351)	\$ 1,164	\$ 41,791	\$ 60,961	\$ (4,434)

See accompanying notes to consolidated financial statements.

LAURENTIAN UNIVERSITY OF SUDBURY

Consolidated Statement of Cash Flows

Year ended April 30, 2023, with comparative information for 2022
(thousands of dollars)

	2023	2022
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 207,962	\$ 16,790
Non-cash items:		
Amortization of capital assets	10,310	10,321
Amortization of deferred capital contributions	(5,596)	(5,621)
Excess of employer contributions over employee future benefits net benefit costs	(1,994)	-
	210,682	21,490
Change in non-cash working capital (note 17)	11,218	5,642
Change in liabilities subject to the Plan (note 11(b)) (net)	(144,673)	5,399
	77,227	32,531
Cash flows from financing activities:		
Endowment contributions	266	6
Net increase (decrease) in endowments	534	(527)
Increase (decrease) in deferred contributions, net	(22,788)	4,243
Deferred capital contributions received	2,393	877
Increase in long-term debt	35,000	-
Repayment of long-term debt	(592)	-
Increase (decrease) in short-term loan	(35,000)	10,008
	(20,187)	14,607
Cash flows from investing activities:		
Purchases of capital assets	(1,958)	(368)
Change in long-term accounts receivable	(115)	-
Net decrease in investments	12,593	283
Transfer of endowments to Northern Ontario School of Medicine (note 13)	(14,251)	-
	(3,731)	(85)
Net increase in cash and short-term investments	53,309	47,053
Cash and short-term investments, beginning of year	84,018	36,965
Cash and short-term investments, end of year	\$ 137,327	\$ 84,018

See accompanying notes to consolidated financial statements.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

1. Description:

Laurentian University of Sudbury (the “University”) is incorporated by *An Act to Incorporate Laurentian University of Sudbury* under the laws of Ontario. The University is committed to strengthening the foundation of knowledge in higher education and research in order to offer an outstanding university experience in English and French with a comprehensive approach to Indigenous education.

The University is a registered charity and is exempt from the payment of income tax under section 149 (1)(f) of the *Income Tax Act*.

2. Basis of presentation:

(a) Basis of presentation:

The consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) in Part III of the CPA Canada Handbook – Accounting.

The amounts in the consolidated financial statements are presented in thousands of Canadian dollars.

(b) CCAA proceedings:

Due to historical financial and operational issues experienced by the University, on February 1, 2021, the University brought an application before the Ontario Superior Court of Justice (Commercial List) (the “Court”) for an initial order pursuant to the *Companies’ Creditors Arrangement Act* (the “CCAA”) to, among other things, obtain a stay of proceedings to provide the University with the platform and opportunity to financially and operationally restructure. On February 1, 2021, the Court granted the initial order (as amended and restated, the “Initial Order”) that, among other things, appointed Ernst & Young Inc. as Monitor of the University (the “Monitor”) and approved a stay of proceedings for an initial 10-day period.

The CCAA proceeding provided the University with a court-supervised platform for the University to restructure with the goal of becoming sustainable long-term, both financially and operationally. The University continues to operate and provide its educational services and programs.

On February 10, 2021, the Court approved a \$25,000 debtor-in-possession credit facility (“DIP Facility”). The DIP Facility was subsequently increased to \$35,000 on May 19, 2021 with a maturity date of January 31, 2022. On January 27, 2022, the Province of Ontario, as represented by the Ministry of Colleges and Universities (“MCU”), refinanced the DIP Facility through an advance under a credit facility in the principal amount of \$35,000 (the “MCU DIP Facility”) with a maturity date of September 30, 2022 which was subsequently extended to November 30, 2022. On November 28, 2022, the MCU DIP Facility was repaid in full and replaced with a long-term loan agreement with the Province of Ontario in the principal amount of \$35,000 (note 10).

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

2. Basis of presentation (continued):

(b) CCAA proceedings (continued):

During the CCAA proceedings, the University engaged in and completed a comprehensive operational and academic restructuring resulting in reduced programs and course offerings, a reduction of faculty and departments, amendments to the University's pension and post-retirement benefits plans, the termination of the University's historical relationships with Huntington University, the University of Sudbury, and Thorneloe University, and a renegotiation of existing collective bargaining agreements with its unions. These measures resulted in a significant reduction to the University's annual costs.

On May 31, 2021, the Court issued an order approving and establishing a claims process (the "Claims Process Order") whereby the Monitor, in conjunction with the University, would call for claims of creditors against the University and provide for a mechanism for the resolution and determination of such claims for voting and distribution purposes in relation to a Plan of compromise or arrangement pursuant to the CCAA to be presented by the University at a future date. Pursuant to the Claims Process Order, creditors had until July 30, 2021 to submit their claims to the Monitor. On August 17, 2021, the Court also granted an order approving a process and methodology to calculate and determine employee compensation claims and a process for notification and claims processing.

On December 16, 2021, the Ontario Government announced a package of support through the MCU that included the MCU DIP Facility, up to \$6,000 in COVID-19 relief grants (received in 2022-23) as well as enrolment and performance grant protection up to \$22,000. The MCU DIP Facility was approved by the Court on January 27, 2022, and the refinancing was completed on January 28, 2022.

The Plan of Compromise or Arrangement dated July 21, 2022 was accepted for filing by the Court on July 28, 2022 and on the same date, an order was issued by the Court authorizing one class of Affected Creditors (as defined in the Plan) and authorizing the University to call, hold and conduct a meeting of creditors for purposes of voting on the Plan (the "Meeting Order"). In accordance with its terms and the Meeting Order, the Plan of Compromise or Arrangement was amended on September 9, 2022 (the "Plan"). The Plan was filed with the Court, notice was provided to the Service List, and the Plan was posted on the Monitor's website.

As part of its support of the University, the Province of Ontario committed to purchase certain parcels of real estate owned by the University for an aggregate purchase price of up to \$53.5 million (note 7). This support is subject to conditions, including final government approvals and the implementation of the Plan. Under the Plan, the proceeds of sale will be paid into the Distribution Pool, which represents the funds available for distribution to creditors. The Plan provides that a minimum of \$45.5 million shall be realized from the sale of the real estate assets and transferred to the Distribution Pool. The Monitor shall receive all funds paid into the Distribution Pool and effect all distributions to creditors from the Distribution Pool.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

2. Basis of presentation (continued):

(b) CCAA proceedings (continued):

For clarity, Affected Creditors have no further recourse against the University beyond their entitlement to any pro rata share of the proceeds from the Distribution Pool. The Plan provides that any real estate sale transactions are to be completed and the funds transferred to the Distribution Pool within three years of the Plan Implementation Date such date being November 28, 2025.

A meeting of Affected Creditors was held on September 14, 2022, to vote on the Plan. At the meeting, the requisite majorities in number and value of Affected Creditors entitled to vote, voted in favour of the Plan. The Plan was approved by the Court on October 5, 2022.

Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims (all as defined in the Plan) were to receive payment in full upon implementation of the Plan. These amounts were paid during the year in the amount of \$5,954.

Pursuant to the Plan, Affected Creditors will receive one or more distributions from the Distribution Pool on a *pro rata* basis. The exact amount that will be distributed to Affected Creditors cannot be determined at this time.

The Plan was implemented on November 28, 2022, and at that time, all Secured Claims, CCAA Priority Claims, Vacation Pay Compensation Claims and claims of Affected Creditors were fully, finally and irrevocably released, discharged, cancelled and barred. Distributions were made in full payment of all Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims in the amount of \$5,954. In accordance with the Plan, distributions to Affected Creditors with unsecured Proven Claims will be made at a future date from the Distribution Pool.

Upon implementation of the Plan, the University recognized a payable to the CCAA Distribution Pool of \$47,546 (2022 - \$nil) (note 11(a)), reduced liabilities subject to the Plan to \$nil (2022 - \$192,219) (note 11(b)), and recorded a recovery from CCAA Proceedings of \$166,422 (2022 - \$nil) (note 11(c)). The University also derecognized pre-CCAA deferred contributions in the amount of \$26,193 (note 12(a)). Restructuring costs incurred of \$11,108 (2022 - \$27,759) (note 19) have been recorded in the Statement of Operations.

(c) Basis of consolidation:

These consolidated financial statements reflect the assets, liabilities, net assets, revenue, expenses and other transactions of all of the operations and organizations controlled by the University. The University has control or joint control over another entity when it has control or shared control over the power to determine its strategic operating, investing, and financing policies of the entity.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

2. Basis of presentation (continued):

(c) Basis of consolidation (continued):

These consolidated financial statements include the assets, liabilities, surplus/deficit and operations of the University's subsidiaries and joint ventures as follows:

- Mining Innovation Rehabilitation and Applied Research Corporation ("MIRARCO"), which is a wholly controlled entity and is consolidated by the University. The University is the sole voting member of this corporation. MIRARCO promotes research in and the development of the application of scientific and engineering techniques and policies to foster and enable the use of natural resources in a safe, sustainable, and economic manner.
- Sudbury Neutrino Observatory Laboratory ("SNOlab") which is a not-for-profit organization whose principal objective is the construction, operation and decommissioning of a deep underground science research facility. SNOlab is a partnership arrangement with four other universities. The University accounts for its 20% share of SNOlab using the equity method.

The University appoints one member to the Board of the Centre for Excellence in Mining and Innovation ("CEMI"), but does not control or have significant influence over this entity. As a result, these consolidated financial statements do not include the financial results of CEMI. See note 21 for additional disclosure relate to CEMI.

Various student organizations are not included in these consolidated financial statements as the University does not have control or significant influence over these organizations.

3. Significant accounting policies:

(a) Revenue recognition:

The University follows the deferral method of accounting for contributions for not-for-profit organizations.

Unrestricted contributions, including government funding and certain unrestricted donations are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection 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 endowments are recognized as deferred contributions 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.

Contributions restricted for endowment purposes are recognized as direct increases to endowment net assets.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

3. Significant accounting policies (continued):

(a) Revenue recognition (continued):

Pledges are not legally enforceable claims and therefore are not recorded in these consolidated financial statements until they are received.

Tuition and ancillary fees, other fees and income, and sales and services are recognized as revenue in the fiscal period when the respective courses and seminars are held, or the goods and services are provided.

(b) Investments and investment income:

Investment income arises primarily from the pooled fund investments held by the University, and can include changes in fair market value, realized gains and losses, dividends and interest.

Investment income related to unrestricted contributions is recognized when earned and included in other fees and income.

The University also recognizes as revenue an administration fee for managing the endowment funds. During the year, \$196 (2022 - \$ nil) of administrative fees were recorded in other fees and income.

Investment income related to endowments is recorded as a direct increase in net assets. Subsequent to initial income recognition, the University may allocate investment income earned that can be distributed for other purposes as stipulated by the external donor for another internally restricted purpose.

When the net investment income earned on externally restricted endowments is in excess of the amount made available for spending, the excess is recorded as a direct increase in endowment net assets. When the net investment income earned is insufficient to fund the amount made available for spending, the deficiency is recorded as a direct decrease in endowment net assets.

(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
Buildings components	20 years
Equipment and furnishings	7 years
Site improvements	15 years

Construction in progress is not amortized until the project is complete and the facilities are put in use. Expenditures on repairs and maintenance are expensed as incurred.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

3. Significant accounting policies (continued):

(d) Employee future benefits liabilities:

In the year, the University provided employee future benefits to its employees through the Retirement Plan of Laurentian University (the "Pension Plan"). During the CCAA restructuring and following negotiations with the relevant unions during a court-supervised mediation process, the University made substantial changes to its benefit plans as described in note 6.

The University accrues its obligations and related costs for the Pension Plan as the employees render the service necessary to earn the pension. The pension obligations are based on the latest going concern funding valuation. The actuarial determination of the accrued benefit obligations for pensions uses the projected method on service (which incorporates management's assumptions used for funding purposes, other cost escalation, retirement ages of employees and other actuarial factors). The actuarial valuation is performed at least every three years. In the years between valuations, pension plan results are prepared based on extrapolations of the latest available funding valuation results. The most recent actuarial valuation for the pension plan was as of January 1, 2023 and the next actuarial valuation will be completed effective January 1, 2026.

The Pension Plan's assets are measured at fair value at the date of the Consolidated Statement of Financial Position.

Current service and finance costs for the year are recognized as Salaries and benefit expense.

Re-measurements and other items comprise the aggregate of the difference between the actual return on plan assets and the return calculated using the discount rate; the actuarial gains and losses; the effect of any valuation allowance in the case of a net defined benefit asset; the past service costs; and the gains and losses arising from settlements and curtailments. Re-measurements are recognized directly in net assets.

The Pension Plan provides a provision against the pension plan's assets for benefit reinstatement in accordance with the Pension Plan's benefits and funding policy.

(e) Internally restricted net assets:

The University restricts use of portions of its operating net assets for specific future uses. When incurred, the related revenues and expenses are charged to operations, and the balance of Internally restricted assets is increased or decreased accordingly with a transfer to or from Unrestricted net assets (deficiency).

(f) Financial instruments:

All financial instruments are initially recorded on the Consolidated Statement of Financial Position at fair value.

Investments held in fixed income and equity pooled funds that trade in an active market, as well as investments held in real estate are subsequently recorded at fair value.

All other financial instruments are subsequently measured at amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

3. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of consolidated financial statements 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Items subject to such estimates and assumptions include the carrying value of accounts receivable, capital assets, obligations related to employee future benefits, vacation accrual, and contingencies. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are recognized in the consolidated financial statements in the year in which they become known.

(h) Key sources of measurement uncertainty:

During the CCAA proceedings, the University recognized restructuring costs (note 19) and liabilities that were subsequently compromised and extinguished under the Plan (note 11) subject only to the rights of Affected Creditors to receive distributions from the Distribution Pool. The final amount being transferred to the Distribution Pool is subject to the final determination of the proceeds of the sale of real estate assets to the Province of Ontario.

Prior year liabilities subject to compromise under the Plan were measured at the reporting date based on an analysis of the nature and carrying value of the underlying liabilities, proof of claim and the stage of advancement of the claim's identification, resolution, and barring process.

(i) Impairment of capital assets:

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of assets may not contribute to the University's ability to provide goods and services.

An impairment occurs when the carrying value of an asset is higher than the replacement value or fair value. Any impairment results in a write-down of the capital assets and an expense in the Consolidated Statement of Operations. An impairment loss is not reversed if the fair value of the related capital asset subsequently increases.

(j) Payable to CCAA Distribution Pool and Liabilities subject to the Plan:

As a result of the implementation of the Plan on November 28, 2022, all pre-filing liabilities as at February 1, 2021 as well as certain restructuring liabilities that arose following the commencement of the CCAA proceeding on February 1, 2021 were discharged. The discharge of Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims was subject to the right of these claimants to receive payment in full for the amount of their claims, which has occurred. These claims in the aggregate amount of \$5,954 were paid in full upon Plan Implementation. Distributions to Affected Creditors from the Distribution Pool will be made when funds are available and on a pro rata basis. For clarity, Affected Creditors have no further recourse against the University beyond their entitlement to any pro rata share of the proceeds from the Distribution Pool. Obligations for goods and services provided to the University after the filing date of February 1, 2021, were not compromised or released under the Plan, and will continue to be addressed in the ordinary course.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

3. Significant accounting policies (continued):

(j) Payable to CCAA Distribution Pool and Liabilities subject to the Plan (continued):

The measurement of Liabilities subject to the Plan in prior year was based on an analysis of the nature and carrying value of the underlying liabilities, proof of claims, and the claims identification and process.

In 2023, Liabilities subject to the Plan including certain pre-CCAA deferred contributions were derecognized when the liabilities were legally discharged upon implementation of the Plan, resulting in a recovery on the Statement of Operations (note 11(c)). A Payable to the CCAA Distribution Pool (note 11(a)) was recorded to reflect the maximum anticipated amounts payable to the Distribution Pool upon the sale of certain real estate assets. This amount has been calculated as the expected proceeds from the sale of assets of up to \$53,500 less payments made to holders of Secured Claims, CCAA Priority Claim and Vacation Pay Compensation Claims of \$5,954, in accordance with the Plan. The Monitor will make distributions to Affected Creditors from the Distribution Pool when funds are available and in accordance with the Plan.

4. Cash and investments:

	2023	2022
Short-term:		
Cash	\$ 112,992	\$ 83,660
Short-term investments	24,335	358
	\$ 137,327	\$ 84,018
Long-term:		
Equity	\$ 17,947	\$ 28,363
Fixed income	17,317	20,313
Global infrastructure	7,195	6,501
Structured credit	3,460	3,460
Real estate fund	3,380	3,255
	\$ 49,299	\$ 61,892

Included in the above are restricted cash and short-term investment amounts of \$15,161 (2022 - \$10,126) (note 12(a)). Segregated bank accounts were established in December 2020 to hold certain externally restricted funds advanced to the University prior to the related expenditures being incurred.

Long-term investments include externally restricted endowment investments of \$47,510 (2022 - \$60,961)(note 13).

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

5. Accounts receivable:

	2023	2022
Restricted grants and contracts	\$ 2,334	\$ 3,217
Tuition and ancillary fees	8,005	7,275
Operating grants	5,402	4,985
Government remittances receivable	833	944
Other	2,044	1,166
	\$ 18,618	\$ 17,587
Less allowance for doubtful accounts	(3,776)	(2,954)
	\$ 14,842	\$ 14,633
Current portion of accounts receivable	\$ 14,654	\$ 14,560
Long-term accounts receivable	188	73
	\$ 14,842	\$ 14,633

6. Employee future benefits:

In the year, the University provided employee future benefits to its employees through the Pension Plan. During the CCAA restructuring and following negotiations with the relevant unions as part of the court-supervised mediation, the University made substantial changes to its benefit plans as described below.

(a) Pension Plan:

Since July 1, 2012, the Pension Plan has provided for all future service to be earned as a defined benefit entitlement for all employees of the University. Prior to this, the Pension Plan provided pension benefits on a hybrid basis (a defined contribution pension with a guaranteed minimum defined benefit).

The University is the Principal Employer of the Pension Plan, which also includes other Participating Employers, being CEMI, SNOLab, and MIRARCO. Previous Participating Employers included Huntington University, the University of Sudbury, and Thorneloe University (collectively, the "Former Federated Universities"). Through amendments to the Pension Plan effected during the CCAA proceeding, the University terminated the future participation of employees of the Former Federated Universities in the Pension Plan during 2021. As part of a transition agreement between the University and Huntington University, Huntington University ceased its participation in the Pension Plan on June 30, 2021. The employees of the University of Sudbury and Thorneloe University terminated participation in the Pension Plan on December 31, 2021.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

6. Employee future benefits (continued):

(a) Pension Plan (continued):

In the prior year, as disclosed in note 2(b), the University amended the Pension Plan to enhance the long-term sustainability of the Pension Plan for all beneficiaries. Effective April 2021, the Pension Plan was amended to modify the rights of members to receive their pension entitlement as a lump sum value. Previously, the lump sum transfer election was available at any time between the end of employment and the end of the year in which a member or former member attained age 71 when a monthly pension commenced. The Pension Plan was amended such that members who remain in active employment until their early retirement date are no longer able to transfer lump sum values of their pension entitlement and a group of terminated members were given a final lump sum transfer option.

Effective July 1, 2021, the Pension Plan changed its name to the Retirement Plan of Laurentian University of Sudbury. In addition, the Pension Plan was amended such that future benefits are calculated based on a lower cost career average earnings formula instead of a final average earnings formula. The guaranteed post-retirement indexation was amended to conditional indexation for pensions earned after July 1, 2021. Amendments were also made to the early retirement provisions of the Pension Plan and the option to commence a pension while remaining employed was amended. Employee contributions were increased to an aggregate of 8% of pensionable earnings. Employer contributions are now also subject to a minimum of 8% of pensionable earnings. These amendments to the Pension Plan have been reflected in the actuarial valuation performed as at July 1, 2021.

Future benefit improvements under the Pension Plan are subject to plan sustainability measures under the terms of a Benefits and Funding Policy and no benefit improvements will be considered prior to July 1, 2025, unless the Pension Plan develops an excess surplus as defined under the Income Tax Act. An actuarial calculation of the future assets/liabilities including an allowance for benefit reinstatement was completed and forms the basis for the accrued benefit obligation. As at April 30, 2023, the University reflected a Pension Plan liability of \$1,848 (2022 - \$5,337).

The Pension Plan's assets are measured at fair value at the date of the consolidated Statement of Financial Position.

Past service costs, actuarial gains, and losses on plan assets or defined benefit obligations as well as gains and losses arising from the amendment and curtailments are recognized as remeasurements in net assets.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

6. Employee future benefits (continued):

(b) Retiree Health Benefit Plan:

The University previously sponsored a defined benefit health care plan for substantially all retirees and employees. Employees contributed to the plan, as did the University. The University accrued its obligations and related costs based on the latest actuarial valuation. The Retiree Health Benefit Plan was unfunded.

The retiree health benefit plan was terminated on April 30, 2021. This termination is considered a plan curtailment, and any related liabilities have been compromised and discharged pursuant to the Plan in the CCAA proceeding. Effective November 28, 2022, liabilities in connection with the Retiree Health Benefit Plan were discharged and any related claims are included in the claims of Affected Creditors entitled to receive distributions from the Distribution Pool.

Total liabilities of \$nil at April 30, 2023 (2022 – \$10,798) relating to retiree health benefit plan liabilities are included in Liabilities subject to the Plan (note 11).

(c) Supplementary Pension Plan:

The University previously had an unfunded supplemental pension plan for employees to provide them with certain benefits as calculated pursuant to the defined benefit pension plan formula assuming that Canada Revenue Agency tax limits did not exist. The University recognized the amount of the accrued obligation in the Consolidated Statement of Financial Position. Current service and finance costs were expensed during the year, while remeasurements and other items, representing the total of actuarial gains and losses, and past service costs, were recognized as a direct increase or decrease in employee future benefits net assets (deficiency). The accrued liability was determined using a roll-forward technique to estimate the accrued liability using funding assumptions from the most recent actuarial valuation report prepared at least every three years.

All payments from the supplementary pension plan were suspended on February 1, 2021, as a result of the commencement of the CCAA proceeding. Term sheets entered into with the University's labour unions during the CCAA proceeding and approved by the Court provided that the supplementary pension plan would be terminated effective April 30, 2021. No additional obligations were accrued after the termination for current or former non-union employees. Effective November 28, 2022, liabilities in connection with the supplementary pension plan were compromised and discharged, and any related claims arising from the termination are included in the claims of Affected Creditors entitled to receive distributions from the Distribution Pool.

Liabilities of \$nil at April 30, 2023 (2022 - \$3,216) relating to the supplementary pension plan are included in Liabilities subject to the Plan (note 11).

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

6. Employee future benefits (continued):

The breakdown of the plans is as follows:

	Pension Plan	Retiree Health Benefit Plan	Supplemental Pension Plan	2023 Total
Accrued benefit obligation	\$ (418,874)	\$ -	\$ -	\$ (432,888)
Fair value of plan assets	417,026	-	-	417,026
Employee future benefits liabilities	\$ (1,848)	\$ -	\$ -	\$ (1,848)

	Pension Plan	Retiree Health Benefit Plan	Supplemental Pension Plan	2022 Total
Accrued benefit obligation	\$ (418,342)	\$ (10,798)	\$ (3,216)	\$ (432,356)
Fair value of plan assets	413,005	-	-	413,005
Accrued benefit liabilities	\$ (5,337)	\$ (10,798)	\$ (3,216)	\$ (19,351)
Reclassified to Liabilities subject to the Plan (note 11)	\$ -	\$ 10,798	\$ 3,216	\$ 14,014
Employee future benefits liabilities	\$ (5,337)	\$ -	\$ -	\$ (5,337)

The reconciliation of the pension plan at April 30, 2023 is as follows:

	Fair value of plan assets	Accrued benefit obligation	Accrued benefit assets/ (liabilities)
Balance as at April 30, 2022	\$ 413,005	\$ (418,342)	\$ (5,337)
Contributions	9,851	(2,791)	7,060
Current period costs	-	(23,768)	(23,768)
Benefits paid	(21,105)	21,105	-
Actual return on plan assets	15,275	(3,186)	12,089
Actuarial gain	-	8,108	8,108
Balance as at April 30, 2023	\$ 417,026	\$ (418,874)	\$ (1,848)

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

6. Employee future benefits (continued):

The reconciliation of the pension plan at April 30, 2022 is as follows:

	Fair value of plan assets	Accrued benefit obligation	Accrued benefit assets/ (liabilities)
Balance as at April 30, 2021	\$ 461,738	\$ (452,203)	\$ 9,535
Transfer and plan amendments arising from Huntingdon University	6,188	(6,081)	107
Contributions	10,678	(3,268)	7,410
Current period costs	-	(23,068)	(23,068)
Transfers	(1,055)	1,055	-
Adjustment for plan amendments	(7,972)	-	(7,972)
Benefits paid	(58,760)	58,760	-
Actual return on plan assets	2,188	(23)	2,165
Actuarial gain	-	6,486	6,486
Balance as at April 30, 2022	\$ 413,005	\$ (418,342)	\$ (5,337)

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

	Pension Plan	
	2023	2022
Discount rate	5.80%	5.85%
Provision for adverse deviation (on non-indexed liabilities)	7.97%	10.28%
Expected long-term rate of return on Plan assets	5.80%	5.85%
Health care cost trend rate	-	-
Rate of inflation	2.00%	2.00%

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

7. Capital assets:

	Cost	Accumulated Amortization	2023 Net book Value	2022 Net book Value
Buildings	\$ 359,772	\$ 131,585	\$ 228,187	\$ 234,932
Equipment and furnishings	63,582	61,300	2,282	3,685
Site improvements	12,266	11,068	1,198	1,402
Land	13,413	-	13,413	13,413
	<u>\$ 449,033</u>	<u>\$ 203,953</u>	<u>\$ 245,080</u>	<u>\$ 253,432</u>

A total of \$34 (2022 - \$144) of buildings are under construction and not yet subject to amortization.

During the CCAA proceedings, the University reviewed their capital assets for indicators of impairment and determined that an impairment allowance was not required. The University's buildings are considered an integrated group of assets to provide post-secondary education to students and to support research activities. The overall service potential for the integrated asset group has not been significantly reduced and continues to be used to provide on-going and future services to support the University's academic and research operations.

The University has negotiated an agreement through a Term Sheet with the Province of Ontario for the sale of certain real estate with estimated proceeds of \$53,500. Upon closing of the real estate transaction(s) contemplated by the Term Sheet, the proceeds of the sale of the real estate will be paid into the Distribution Pool in accordance with the Plan and used to make distributions to the Affected Creditors pursuant to the terms of the Plan.

The total land identified in the Term Sheet covers 68.75 acres, which represents approximately 9% of the University's total 750+ acres. The five buildings located on the seven separate properties identified in the Term Sheet are as follows:

- East Residence
- Vale Living with Lakes Centre and Watershed Building
- Northern Ontario School of Medicine
- Health Sciences Building
- Security and Maintenance Building

After due diligence, including consultations with Indigenous communities, specific assets will be confirmed for sale. The University will explore the sale of these assets and work together with the province of Ontario to negotiate a purchase and sale agreement, with closing to occur and proceeds of sale paid to the Distribution Pool by no later than November 28, 2025, as required by the Plan.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

8. Accounts payable and accrued liabilities:

Included in Accounts payable and accrued liabilities are government remittances payable of \$2,057 (2022 - \$2,544), which includes amounts payable for payroll related taxes.

9. Short-term loan:

On January 27, 2022 the Province of Ontario, as represented by the MCU advanced a \$35,000 DIP Facility to replace the previous DIP Facility that had been granted during the CCAA proceeding, with a maturity date of September 30, 2022. On September 22, 2022, the maturity date was extended by MCU to November 30, 2022. The interest rate was 1.052% and the loan was secured by all of the University's property through a court-ordered super-priority charge in connection with the CCAA proceedings. Upon Plan implementation which occurred on November 28, 2022, a new loan was advanced by MCU to repay in full and replace the DIP loan with a long-term loan on terms outlined in note 10.

10. Long-term debt:

On November 28, 2022 upon implementation of the Plan in the CCAA proceeding, the University entered into a new secured long-term loan agreement with the Province of Ontario (the "Exit Financing"). During 2023, the University made principal payments totalling \$592 (2022 - \$ nil) as required by the terms of the Exit Financing. Total interest paid on long-term debt during the year was \$884 (2022 - \$nil). The University granted to the Province of Ontario a continuing security interest and a first-ranking lien in favour of the Province of Ontario over all of the collateral (subject only to Permitted Liens as defined in the loan agreement) of the University to secure the Exit Financing. The Exit Financing agreement contains a number of financial covenants that have to be maintained by the University over the life of the loan starting in 2023-24.

The University's indebtedness as of April 30, 2023 and 2022 consisted of the following:

	Rate	Fixed Maturity	2023	2022
Province of Ontario	6.11%	2038	\$ 34,408	\$ -
Less: Current portion of long-term debt			(1,466)	-
			\$ 32,942	\$ -

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

10. Long-term debt (continued):

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

2024	\$	1,466
2025		1,556
2026		1,651
2027		1,752
2028		1,859
Thereafter		26,124
	\$	34,408

Prior to the commencement of the CCAA proceeding, the University was a party to a number of long term loan agreements with various financial institutions. All amounts owing pursuant to the debt agreements were unsecured and were stayed pursuant to the Initial Order and the University ceased accruing interest expense on long-term debt as of February 1, 2021. In 2022, these obligations were classified as liabilities subject to the plan pursuant to the Plan. These liabilities were discharged upon Plan implementation on November 28, 2022. Any claims relating to these debt agreements are included in the claims of Affected Creditors entitled to receive distributions from the Distribution Pool (note 11(b)) when funds are available.

	Rate	Fixed Maturity	2023	2022
Unsecured loans with:				
Bank of Montreal	5.39%	2024	-	1,301
Royal Bank of Canada	4.30%	2040	-	12,881
Royal Bank of Canada	4.94%	2043	-	17,455
Royal Bank of Canada	3.90%	2023	-	2,555
Royal Bank of Canada	4.63%	2041	-	38,640
TD Canada Trust	4.97%	2036	-	10,538
TD Canada Trust	4.95%	2043	-	6,557
			\$ -	\$ 89,927
Less: Liabilities subject to the Plan			-	(89,927)
			\$ -	\$ -

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

10. Long-term debt (continued):

Prior to the commencement of CCAA proceedings, the University was a party to seven interest rate swap agreements to manage the volatility of interest rates. The University converted floating rate debt for fixed rate of debt. After the commencement of the CCAA proceeding, each of the lenders provided notice to the University that the interest rate swaps would be unwound. The calculation of the quantum of the lenders' claims against the University was determined in the Claims Process. As a result of the termination, the University ceased the application of hedge accounting for all the interest rate swaps and recorded an immediate loss incurred on termination amounting to \$24,700 in Restructuring costs on February 1, 2021. The liability in connection with this loss was recorded as Liabilities subject to the Plan in 2022. This liability was discharged upon Plan implementation and any related claim of those lenders is included in the claims of Affected Creditors entitled to receive distributions from the Distribution Pool (note 11(b)).

11. Payable to CCAA Distribution Pool, Liabilities subject to the Plan and Recovery from CCAA Proceedings:

(a) Payable to CCAA Distribution Pool:

The Payable to CCAA Distribution Pool (note 2(b)) represents the amount owing to the Distribution Pool pursuant to the Plan. The amount is equal to the expected proceeds from the sale of assets to the Province of Ontario of up to \$53,500 (note 10) less payments already made to holders of Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims in the amount of \$5,954.

(b) Liabilities subject to the Plan:

As a result of the Initial Order obtained on February 1, 2021, and subsequent amendments, the payment of all liabilities owing as of February 1, 2021 was stayed.

On May 31, 2021, the Court issued a Claims Process Order establishing the claims procedures for the identification and resolution or determination of claims. On August 17, 2021, the Court issued an order establishing the procedures for the identification and the methodology associated with the determination of employee compensation claims. Pursuant to the Claims Process Order, creditors were required to submit their claims to the Monitor.

Pursuant to the terms of the Plan, holders of Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims were entitled to payment in full upon Plan implementation. Payment in full of these amounts was made during 2023 in the amount of \$5,954.

Obligations for goods and services provided to the University after the filing date of February 1, 2021 are discharged in the ordinary course based on negotiated terms. These liabilities were not included as Liabilities subject to the Plan.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

11. Payable to CCAA Distribution Pool, Liabilities subject to the Plan and Recovery from CCAA Proceedings (continued):

(b) Liabilities subject to the Plan (continued):

Amounts recognized as liabilities subject to the Plan at April 30, 2023 were \$nil and in 2022 were as follows:

2022

	Employee future benefit remeasurements	Restructuring costs	Reclassification from existing liabilities	Total
Accounts payable and accrued liabilities	\$ –	\$ 6,076	\$ 10,891	\$ 16,967
Employee future benefits liabilities	14,014	704	233	14,951
Employee restructuring and termination costs	–	44,682	–	44,682
Short-term loan	–	–	1,324	1,324
Long-term debt	–	–	89,927	89,927
Interest rate swap termination obligation	–	24,368	–	24,368
	\$ 14,014	\$ 75,830	\$ 102,375	\$ 192,219

On November 28, 2022, Liabilities subject to the Plan were derecognized when the liabilities were legally discharged and released upon implementation of the Plan (note 2(b)).

(c) Recovery from CCAA Proceedings:

On November 28, 2022, Liabilities subject to the Plan as well as pre-CCAA deferred contributions were derecognized when the liabilities were legally discharged and released upon the implementation of the Plan (note 2(b)), resulting in a recovery on the Statement of Operations. At the same time, the University recorded a Payable to CCAA Distribution Pool (note 11(a)) in an amount equal to the expected proceeds from the sale of assets to the Province of Ontario of up to \$53,500 (note 10) less payments already made to holders of Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims in the amount of \$5,954.

A reconciliation of the Recovery from CCAA Proceedings recorded on the Statement of Operations is as follows:

	2023
Liabilities Subject to the Plan, beginning of year	\$ 192,219
Adjustments to Liabilities subject to the Plan	1,510
Pre-CCAA deferred contributions derecognized	26,193
Payments made re: Secured Claims, CCAA Priority Claims and Vacation Pay Compensation Claims	(5,954)
Payable to CCAA Distribution Pool	(47,546)
Recovery from CCAA Proceedings	\$ 166,422

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

12. Deferred contributions:

(a) Deferred contributions:

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

	2023	2022
Balance, beginning of year	\$ 40,607	\$ 36,364
Add contributions received in the year	19,100	21,367
Less amounts recognized as revenue	(15,695)	(17,124)
Less amounts derecognized in accordance with the Plan (note 2 (b))	(26,193)	-
Balance, end of year	\$ 17,819	\$ 40,607

Deferred contributions recognized in the year for all types of revenue was \$15,695 (2022 - \$17,124). Included in this amount is \$11,387 (2022 - \$12,759) of research income. The corresponding expenses related to this research activity are \$7,394 (2022 - \$8,429) in salaries and benefits expense; \$3,482 (2022 - \$3,659) in operating and research expense and \$511 (2022 - \$671) in scholarships and bursaries expense.

On November 28, 2022, the obligations associated with \$26,193 of pre-CCAA deferred contributions were legally discharged and released upon implementation of the Plan. These amounts have been derecognized as liabilities with an associated gain reported in the Statement of Operations (note 11c).

Deferred contributions consist of the following:

	2023	2022
Research grants	\$ 13,183	\$ 22,588
Other grants and contracts	4,184	14,676
Scholarships and bursaries	452	3,343
Balance, end of year	\$ 17,819	\$ 40,607

In December 2020, the University established separate bank accounts to hold future contributions received for restricted purposes. Previously, contributions received for restricted purposes were deposited in the University's operating bank account.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

12. Deferred contributions (continued):

(a) Deferred contributions (continued):

The table below shows the restricted deferred contributions balances held in a separate bank account at year end:

	2023	2022
Amount of deferred contributions held in separate bank accounts or short-term investment account:		
Unspent research grant account	\$ 13,183	\$ 8,623
Restricted funds account	1,978	1,493
Amount of deferred contributions not held in separate bank accounts or short-term investment account	2,658	30,491
	\$ 17,819	\$ 40,607

Cash balances in segregated bank and short-term investment accounts are transferred in a period subsequent to the deferred contributions spending.

(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:

	2023	2022
Unspent:		
Balance, beginning of year	\$ 3,134	\$ 2,481
Add contributions received in the year	2,393	877
Less amounts spent	(1,422)	(224)
Balance, end of year	4,105	3,134
Unamortized:		
Balance, beginning of year	120,390	125,787
Add contributions spent in the year	1,422	224
Less amount amortized to revenue	(5,596)	(5,621)
Balance, end of year	116,216	120,390
Total unspent and unamortized capital contributions	\$ 120,321	\$ 123,524

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

13. Endowments and investment income (loss):

Endowments consist of restricted funds received by the University and the accumulated investment income not yet distributed. Investment income generated from long-term investments earmarked for endowments is used in accordance with the various purposes established by the donors. In order to protect the value of endowment capital over time and to allow the University to distribute a consistent amount of income from endowments on an annual basis regardless of the investment income earned in the fiscal year, the endowments investment objective is to earn a rate of return at least equal to the total of the effects of inflation plus distributions and the costs of investing and administering the funds.

Only investment earnings generated from endowment contributions may be used to support the designated activity for each individual endowment. Distribution is conditional on having sufficient accumulated reinvested income. If the accumulated investment income is less than the pay-out, then the pay-out will be adjusted so as not to affect the capital balance.

The University reviews its distribution rate on an annual basis. In 2023, the University approved a distribution of up to 2.5% of the fair value of the endowments investment, subject to availability of earned investment income in each endowment account. Total actual amount distributed was \$401. During 2022, while under the CCAA process, there were no distributions.

The University charges an administrative fee against the investment income to recover costs incurred to fulfil the University's fiduciary responsibilities relating to investing and managing the endowment funds. The administrative fee is recorded as other fees and income in the Consolidated Statement of Operations. During the year, the University recognized an administrative fee of \$196 (2022 – \$ nil).

Details of the change in Net assets restricted for endowments are as follows:

	2023	2022
Balance, beginning of year	\$ 60,961	\$ 61,482
Endowment contributions	266	6
Net increase (decrease) in Endowments		
Investment income (loss)	1,357	(282)
Administrative fee	(196)	–
Investment management fees	(226)	(245)
Investment income available for distribution	(401)	–
	534	(527)
Transferred to Northern Ontario School of Medicine (NOSM)	(14,251)	–
Balance, end of year	\$ 47,510	\$ 60,961

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

13. Endowments and investment income (loss) (continued):

Long-term investments reflect funds earmarked for endowment balances. The equity funds, fixed income securities, structured credit funds and real estate funds are measured at market value.

Included in endowments are endowments to support students of NOSM University of \$nil (2022 - \$14,665). As a condition of the Plan (note 2b), on November 28, 2022 a transfer was made to NOSM University in the amount of \$14,251 which was equal to the cumulative endowment contributions and cumulative endowment investment income attributable to NOSM University related endowments at market value at the time of Plan implementation.

The Endowments balance consists of:

	2023		2022
Cumulative endowment contributions	\$ 36,348	\$	50,005
Cumulative reinvested investment income	11,162		10,956
	\$ 47,510	\$	60,961

The breakdown of investment income (loss) is as follows:

	2023		2022
Unrealized gains (losses)	\$ 3,694	\$	(2,030)
Interest income and dividends	4,283		2,196
Realized losses	(3,826)		(158)
	\$ 4,151	\$	8
Long-term investment gain (loss) related to endowments	956		(282)
Short-term investment gain recognized in other fees and income	3,195		290
	\$ 4,151	\$	8

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

14. Investment in capital assets:

The Investment in capital assets is calculated as follows:

	2023	2022
Capital assets	\$ 245,080	\$ 253,432
Less amounts financed by:		
Liabilities subject to the Plan (note 11)	-	(91,251)
Unamortized deferred capital contributions (note 12)	(116,216)	(120,390)
	\$ 128,864	\$ 41,791

On November 28, 2022, liabilities subject to the Plan were legally discharged and released upon the implementation of the Plan. This resulted in a reduction of \$89,927 of Long-Term Debt and \$1,324 of Short-Term Loans totalling \$91,251. These amounts are included in the claims of Affected Creditors entitled to receive distributions from the Distribution Pool, and therefore are no longer an adjustment to the investment in capital assets.

15. Internally restricted net assets:

	2023	2022
Departmental and subsidiary research funds	\$ 1,475	\$ 1,164

Departmental and subsidiary research funds relate to MIRARCO and other internally restricted research projects. During the year, the University transferred from the unrestricted fund \$311 of surplus for the purpose of future internal research spending.

16. Commitments and contingencies:

- 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.
- The University is involved in certain legal matters and litigation, the outcomes of which are not presently determinable. These claims are subject to measurement uncertainty. The loss, if any, from the determination of additional claims will be accounted for in the periods in which the claims are resolved and are presently assigned to its insurer.

Litigation claims existing at the time the CCAA proceeding was commenced were addressed as part of the Claims Process and were material. In 2022, The University recognized certain of these litigation claims as liabilities subject to the Plan in note 11, to the extent that they had been resolved or determined in the Claims Process.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

16. Commitments and contingencies (continued):

- (b) Some claims were subject to measurement uncertainty. Pursuant to the Plan, all claims of Affected Creditors against the University have been discharged and released. Certain litigation claims were designated as Insured Claims under the Plan and in the case of Insured Claims, the plaintiff's recovery is limited to the proceeds of insurance, if any, and not the University.
- (c) The University is the principal employer for the Pension Plan (note 6) which previously included the Former Federated Universities, SNOLAB, CEMI and MIRARCO. Effective June 30, 2021, all Huntington University active employees ceased to accrue any further entitlement in the pension plan.

Active employees of the University of Sudbury and Thorneloe University who continue to be employed after December 31, 2021 became suspended members of the Pension Plan effective December 31, 2021. The University of Sudbury and Thorneloe University continue as employers under the Pension Plan on and after December 31, 2021 and will have ongoing obligations to fund the benefits earned by their employees and former employees under the Pension Plan.

The University and its Unions have agreed to establish a Joint Committee on the pension benefits and funding policy and long-term sustainability. Conditions have been agreed that any improvements to the Pension Plan become conditional on the Pension Plan meeting agreed upon levels of funding.

- (d) As part of the Term Sheet for the sale of real estate assets to the Province of Ontario, the University and the Province of Ontario will enter into separate lease agreements on certain buildings and lands being sold to the Province of Ontario.

The future new leases between the Province of Ontario (as landlord) and the University (as tenant) are expected to provide that the University will be responsible for all operating and other costs in relation to the leased premises which will be payable as additional rent.

17. Change in non-cash working capital:

	2023	2022
Cash flows from operating activities:		
Accounts receivable	\$ (94)	\$ 1,160
Prepaid expenses	(1,696)	56
Accounts payable and accrued liabilities	9,250	2,955
Accrued vacation pay	130	260
Deferred revenue	3,628	1,211
	\$ 11,218	\$ 5,642

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

18. Other fees and income:

Details of the other fees and income are as follows:

	2023	2022
Administrative fees	\$ 4,028	\$ 3,423
Investment income	3,195	290
Scholarships, bursaries and other restricted contributions	3,733	3,014
Compulsory fees	2,796	2,807
Sponsored students	2,506	2,598
Course fees and other	3,724	3,800
	\$ 19,982	\$ 15,932

19. Restructuring costs:

As part of the restructuring and financial sustainability initiatives negotiated with stakeholders and approved by the Court, the University reduced the academic program offerings, disclaimed its historical agreements with the Former Federated Universities (including the Financial Distribution notices), terminated, or significantly reduced employee benefits and reduced faculty and other staff. In connection with the Plan and the CCAA proceeding, the following restructuring costs were recognized in the statement of operations.

	2023	2022
Termination of interest rate swaps	\$ -	\$ (332)
Employee restructuring and termination costs	836	25
Restructuring and settlement costs	-	6,041
Legal, Monitor, consulting, interest and finance costs		
Legal fees	6,171	10,634
Monitor fees	2,185	5,021
Consulting fees	810	3,533
Interest and finance costs	1,106	2,837
	10,272	22,025
	\$ 11,108	\$ 27,759

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

20. Financial risks:

The University is subject to the following financial risks from its financial instruments:

(a) Credit risk:

The risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The maximum credit exposure of the University is represented by the fair value of its cash, investments and accounts receivable as presented in the consolidated statement of financial position. Credit risk concentration exists where a significant portion of the portfolio is invested in securities which have similar characteristics or similar variations relating to economic, political, or other conditions. The University monitors the financial health of its investments on an ongoing basis with the assistance of its Finance Committee and its investment advisors.

The University assesses accounts receivable on a continuous basis and provides for any amounts that are not collectible in the allowance for doubtful accounts as disclosed in note 5.

(b) Interest rate risk:

The University has historically been exposed to interest rate risk with respect to its interest-bearing investments, long-term debt and interest rate derivative agreements as disclosed in the consolidated statement of cash flows and notes 3(f), 10 and 11. Pursuant to the Plan, the University's obligations to repay principal and interest in respect of certain pre-CCAA debt agreements were discharged.

At April 30, 2023, the University has long-term debt with the Province of Ontario in the amount of \$34,408 (2022 - \$nil) with a fixed interest rate of 6.11% and is therefore subject to interest rate risk (note 10).

(c) Currency risk:

The University believes that it is not exposed to significant currency risks arising from its financial instruments.

(d) Liquidity risk:

Liquidity risk is the risk that the University will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The University manages its liquidity risk by monitoring its operating requirements.

(e) Market price risk:

Market price risk is the risk that the fair value or cashflows of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. To manage this risk, the University maintains an investment policy approved by the Board of Governors that sets a target mix by investment types designed to achieve optimal return with reasonable risk tolerances. Investments are diversified based on approved investment classes, return targets, and the University's risk appetite. The University's investments are managed by external investment managers, and investment performance is reviewed by the Board.

LAURENTIAN UNIVERSITY OF SUDBURY

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023
(thousands of dollars)

21. Related party transactions:

The University has the following related parties:

(a) The Centre for Excellence in Mining and Innovation:

CEMI was created on April 23, 2007 to advance study, research, and innovation. The University contributed \$10,000 received from the Provincial Government to create and fund CEMI on its inception.

As described in the basis of consolidation, the financial results of CEMI are not included in these consolidated financial statements. Related party transactions and disclosures with CEMI, measured at their exchange amount, are as follows:

	2023	2022
Recoveries and charges for goods and services	\$ 821	\$ 649

At April 30, 2023 the University had \$130 (2022 - \$127) receivables from CEMI and had a payable of \$nil (2022 - \$ nil) to CEMI.

(b) Student associations:

The University has an economic interest in its student associations as it collects student fees on their behalf. Transactions with these related parties, unless disclosed otherwise, are considered to be in the normal course of operations and are recorded at their exchange amounts, which is the amount of consideration established and agreed to between the University and the related parties.

22. Comparative information:

Certain comparative balances have been reclassified to conform with the financial statement presentation adopted for the current year.



Laurentian University
Université **Laurentienne**

935 Ramsey Lake Rd., Sudbury ON Canada P3E 2C6 1-800-461-4030 laurentian.ca

**Board of Governors**

Agenda Title	Operating Budget Carry Forward Policy
Agenda Item No.	7.2
Date of Meeting	October 20, 2023
Open/Closed session	OPEN
Action Requested	<input checked="" type="checkbox"/> For Approval <input type="checkbox"/> For Information
Proponent	Michel Piche, Vice-President, Finance and Administration (Interim)
Presenter(s)	Michel Piche

1. PURPOSE

The purpose of this operating budget policy is to allow units receiving approved operating budget allocations to carry forward unspent balances at the end of the fiscal year. Providing a carry-forward option will provide budget managers with flexibility in managing multi-year operating commitments in line with the University's strategic priorities.

2. SYNOPSIS

Historically, Laurentian University did not have a formal Budget Carry Forward Policy, instead relying on practices that evolved over the years. When the University filed for CCAA protection in February 2021, all existing carry-forward internally restricted appropriations were eliminated. Following emergence from CCAA, Laurentian conducted a review of budget carry-forward best practices in the sector, which served to develop a formal policy. This Operating Budget Carry-Forward Policy presented to the Finance and Property Committee is based on key principles that will provide the University financial flexibility to address multi-year strategic initiatives.

3. RESOLUTION TO CONSIDER:

THAT the Board of Governors approve the Operating Budget Carry Forward Policy, as recommended by the Board Finance and Property Committee, and as presented at its meeting of October 20, 2023.

4. RISK ANALYSIS

Please note below the specific institutional risk(s) this proposal is addressing.	
<input type="checkbox"/> Enrolment Management	<input type="checkbox"/> Relationship with Stakeholders
<input type="checkbox"/> Faculty and Staff	<input type="checkbox"/> Reputation
<input checked="" type="checkbox"/> Funding and Resource Management	<input type="checkbox"/> Research Enterprise
<input type="checkbox"/> IT Services, Software and Hardware	<input type="checkbox"/> Safety
<input type="checkbox"/> Leadership and Change	<input type="checkbox"/> Student Success
<input type="checkbox"/> Physical Infrastructure	

5. RECOMMENDATIONS

That the Board of Governors approve the Operating Budget Carry Forward Policy at its meeting of October 20, 2023.

A Background/Issue Description

The proposed Operating Budget Carry Forward Policy was developed after an extensive environmental review of carry forward policies and procedures at other Canadian universities and through engagement with key internal stakeholders.

The universities that were reviewed can be found below. It's important to note that not all universities have publicly documented carry forward policies. Through this review process, universities were contacted directly to learn about their practices.

Key stakeholders within Laurentian were consulted, including the President and Vice-Presidents, financial services staff, information technology, academic faculties, ancillaries and facilities personnel.

Some of the key aspects of the Policy identified from the review from other universities include: Authorization, Accountability, Use of Funds, Limits, and Restrictions and Exceptions.

B Alignment with Strategic Objective or Plan of the University

This Policy will provide the mechanism to fund multi-year strategic initiatives as part of the regular operating budget planning process.

C Other options considered (where applicable)

N/A

D Risks including legislative compliance

There are no known legislative compliance requirements, however, an Operating Budget Carry Forward Policy ensures responsible spending from year to year and provides clarity on budget directives subject to the Board oversight.

E Financial Implications (where applicable):

Budget units are responsible to manage expenditures within approved annual resources allocation. In certain instances, budgeted commitments may be delayed or cross fiscal years. The Operating Budget Carry Forward Policy will allow budget units to retain unspent annual funding allocations (within limits) through internally restricted funds. These internally restricted funds will be associated to specific spending commitments and will form part of the annual planning and budget process. This Policy applies to Operating Funds and exclude ancillary and capital spending.

F Benefits

The Operating Budget Carry Forward Policy provides clear guidance to budget units and will help support multi-years spending commitments.

G Consultations (where applicable)

1. Universities (see Appendix A).
2. Ancillary Services
3. Academic units
4. Financial Services
5. Facility Management
6. Executive Team
7. Board Finance and Property Committee – October 2, 2023 (for recommendation)

H Communications Plan

Once approved by the Board of Governors, The Policy will be communicated to budget managers and posted to Laurentian's website.

J Next Steps

Implementation of the Policy, starting with the 2023-24 fiscal year.

I Appendix A – Universities Consulted

Policies and Procedures reviewed:

- Carleton University
- McMaster University
- Nipissing University
- Trent University
- University of Guelph
- University of Toronto
- University of Windsor
- Western University
- Dalhousie University
- University of Lethbridge
- McGill University
- University of New Brunswick

J Appendix

- ITEM 7.2 A - Proposed Operating Budget Carry Forward Policy



Operating Budget Carry Forward Policy

Administrative Authority:	Vice-President, Finance & Administration
Approval Authority:	Board of Governors
Approval Date:	October 20, 2023
Next Review:	October 2026
Review History:	

1. Purpose

1.1. The purpose of this budget policy is to allow units receiving approved operating budget allocations to carry forward unspent balances at the end of the fiscal year. Providing a carry forward option will provide budget units with flexibility in managing operating expenditures over fiscal years, in support of the University’s strategic, academic, and budget priorities.

2. Scope

2.1. This policy applies to all units approved operating budget allocations except for central administration expenses. This policy is limited to budget allocations under the operating budget only and does not apply to ancillaries or restricted funds such as capital and research.

3. Policy Statement

3.1. Carry Forward Funds:

- 3.1.1. Budget units may carry forward unused funds from one fiscal year to the next, subject to the limits described below.
- 3.1.2. Carry forward funds may be used to cover expenditures that are temporary in nature and aligned with the academic, strategic, and budget priorities of the University.
- 3.1.3. Carry-forward surpluses may not be used for recurring expenditures, such as base salaries and benefits. Such expenses will be managed through the regular annual budget process and subject to financial covenants of the University’s Ministry of Colleges and University (MCU) loan.

3.2. Budget Unit Deficits:

3.2.1. In the case of budget overspending in a given year, the deficit will be carried forward to the following year and will be the first charge against any current or future year's budget surplus. Managing ongoing operating budget deficits will be addressed in the annual budget planning process.

3.3. Limit on Accumulated Surplus Carry Forward:

3.3.1. The limit on the funds that can be carried forward annually cannot exceed 20 percent of a unit's operating budget. This ensures that units have the resources needed to fund short-term multi-year initiatives but do not become excessive.

3.3.2. Surpluses of more than 20% of a unit's budget approved allocation will be moved to a central reserve fund. Under exceptional circumstances, the Vice-President, Finance and Administration may approve budget surplus carry forward above the 20% limit. Exceptions will be considered only for specific committed projects that align with the University's strategic, academic, and budget priorities.

3.4. Reports on Use of Funds:

3.4.1. Budget units are required to report at the end of the fiscal year on the use of carry forward funds. These funds will be part of future year's budget plans. The report should detail how the funds will support short-term initiatives tied to Laurentian's strategic, academic, and budget priorities.

3.5. Approval and Accountability:

3.5.1. The Vice-President, Finance & Administration is responsible for approving carry forward funds. Sign-off by the Vice-President, Finance and Administration will serve to confirm that the carry forward funds align with academic and strategic priorities and budgetary considerations.

3.5.2. Carry forward funds will be accounted as internally restricted funds subject to review by the Board of Governors.

3.6. Policy Review:

3.6.1. This policy will be reviewed every three years to assess its effectiveness and make necessary updates or revisions.



Board of Governors

Agenda Title	EDHRO - Sexual Violence Annual Report 2022-23
Agenda Item No.	ITEM 8.1
Date of Meeting	October 20, 2023
Open/Closed session	OPEN
Action Requested	<input type="checkbox"/> For Approval <input checked="" type="checkbox"/> For Information
Proponent	Michel Piché, Interim Vice-President, Finance and Administration Dr. Brenda Brouwer, Interim Provost and Vice-President, Academic
Presenter(s)	Jennifer Dowdall, Interim Co-Director, EDHRO Shannon Goffin, Interim Co-Director, EDHRO

1. PURPOSE

Section 17 (7) of the *Ministry of Training, Colleges and Universities Act, R.S.O. 1990, c. M.19* states that:

Every college or university shall provide its board of governors with an annual report setting out, in respect of the preceding year, the information described in the following:

1. The number of times supports, services and accommodation relating to sexual violence are requested and obtained by students enrolled at the college or university, and information about the supports, services and accommodation.
2. Any initiatives and programs established by the college or university to promote awareness of the supports and services available to students.
3. The number of incidents and complaints of sexual violence reported by students, and information about such incidents and complaints.
4. The implementation and effectiveness of the policy. 2016, c. 2, Sched. 3, s. 1.

Pursuant to guidance received by the Ministry on February 28, 2022, institutions are required to share their annual sexual violence report with their Board of Governors and post the report on their website by November 1st of each year, as well as share a copy of the report with the Ministry.

2. SYNOPSIS

The 2022-23 Sexual Violence Annual Report (Annual Report) is being brought forward for review by the Board of Governors as an information item.

3. RESOLUTION TO CONSIDER:

N/A – Information item

4. RISK ANALYSIS

N/A

Please note below the specific institutional risk(s) this proposal is addressing.	
<input type="checkbox"/> Enrolment Management	<input type="checkbox"/> Relationship with Stakeholders
<input type="checkbox"/> Faculty and Staff	<input type="checkbox"/> Reputation
<input type="checkbox"/> Funding and Resource Management	<input type="checkbox"/> Research Enterprise
<input type="checkbox"/> IT Services, Software and Hardware	<input type="checkbox"/> Safety
<input type="checkbox"/> Leadership and Change	<input type="checkbox"/> Student Success
<input type="checkbox"/> Physical Infrastructure	

5. RECOMMENDATIONS

A Background/Issue Description

Section 17 (7) of the *Ministry of Training, Colleges and Universities Act, R.S.O. 1990, c. M.19* states that:

Every college or university shall provide its board of governors with an annual report setting out, in respect of the preceding year, the information described in the following:

5. The number of times supports, services and accommodation relating to sexual violence are requested and obtained by students enrolled at the college or university, and information about the supports, services and accommodation.
6. Any initiatives and programs established by the college or university to promote awareness of the supports and services available to students.
7. The number of incidents and complaints of sexual violence reported by students, and information about such incidents and complaints.
8. The implementation and effectiveness of the policy. 2016, c. 2, Sched. 3, s. 1.

Pursuant to guidance received by the Ministry on February 28, 2022, institutions are required to share their annual sexual violence report with their Board of Governors and post the report on their website by November 1st of each year, as well as share a copy of the report with the Ministry.

B Alignment with Strategic Objective or Plan of the University

C Other options considered (where applicable):

D Risks including legislative compliance

Legislative Compliance	<ul style="list-style-type: none">• <i>Ministry of Training, Colleges and Universities Act, 1990</i>
------------------------	--------------------------------------------------------------------------------------------------------------------

E Financial Implications (where applicable):

F Benefits

G Consultations (where applicable)

The Annual Report was reviewed and approved by Michel Piché, Interim Vice-President, Finance and Administration and Dr. Brenda Brouwer, Interim Provost and Vice-President, Academic

H Communications Plan

The Annual Report will be posted on the EDHRO website.

I Next Steps

The Annual Report will be posted on the EDHRO website and a copy will be forwarded to the Ministry.

J Appendices

- Item 8.1 A - 2022-23 Sexual Violence Annual Report

SEXUAL VIOLENCE RESPONSE AND PREVENTION ANNUAL REPORT

EQUITY, DIVERSITY AND HUMAN RIGHTS OFFICE

**For the period:
May 1, 2022 to April 30, 2023**

Equity	Équité
Diversity	Diversité
Human Rights	Droits de la personne

The following information is being presented by the Equity, Diversity and Human Rights Office (EDHRO) to the Board of Governors regarding matters dealt with under the Policy on Response and Prevention of Sexual Violence (Policy) as well as sexual violence prevention/awareness initiatives completed during 2022-23 fiscal year.

Case Contacts

A case contact is an individual who brings forward a complaint, consultation or enquiry to the EDHRO. In this context, the case contact does not need to have made a complaint to be named as such. “Case contact” is simply the term used for the individual/unit who initially makes contact with the EDHRO, which includes contact for the purpose of an enquiry, consultation, or complaint.

Case Contact Composition

Each case contact with the EDHRO can be broken down into the following three (3) categories:

- (1) **Complaint:** a written complaint received by the EDHRO by an individual who believes that they have been subjected to behaviour that may breach the Policy. Note that once the EDHRO receives a written Case Resolution Request Form, the case is categorized as a complaint. Complaints may be addressed both through formal and informal resolution processes;
- (2) **Consultation:** guidance and/or direction provided by the EDHRO on concerns, questions or potential complaints. Consultations may include (but are not limited to) requests for assistance or clarification from members of the Laurentian University community, including academic or administrative leaders (i.e. those with the authority or responsibility to address concerns), requests for information and/or assistance by third parties (i.e. friends, co-workers seeking assistance to support others), or the provision of information with appropriate guidance. Typically, this would entail a longer interaction or more than one meeting to address a possible concern relating to a matter falling under the EDHRO mandate. Some consultation services may also require follow up with other individuals or administrative or academic units.

*It is important to note that a Consultation can include a disclosure of sexual violence and the survivor has chosen not to engage the complaint process under the Policy, but is disclosing for the purposes of obtaining support and accommodations under the Policy.

- (3) **Enquiry:** a basic clarification, reference or provision of information.

There were 35 total case contacts with the EDHRO in 2022-2023 that were dealt with under the Policy. These case contacts were comprised of 2 complaints, 30 consultations, and 4 enquiries.

FIGURE 1 - CASE CONTACT COMPOSITION

Complaints Consultations Enquiries

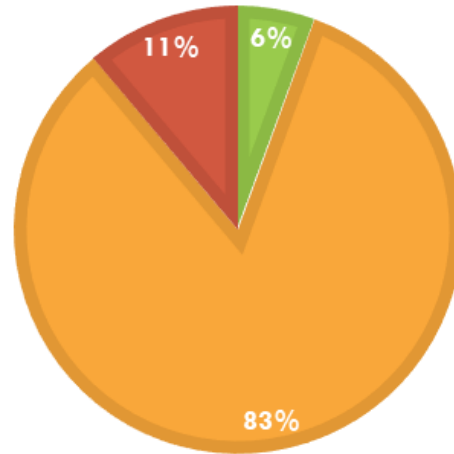


Figure 1 – Case contacts dealt with under the Policy on Response and Prevention of Sexual Violence

FIGURE 1(B) - COMPARATIVE STATISTICS FOR CASE CONTACTS 2019-2023

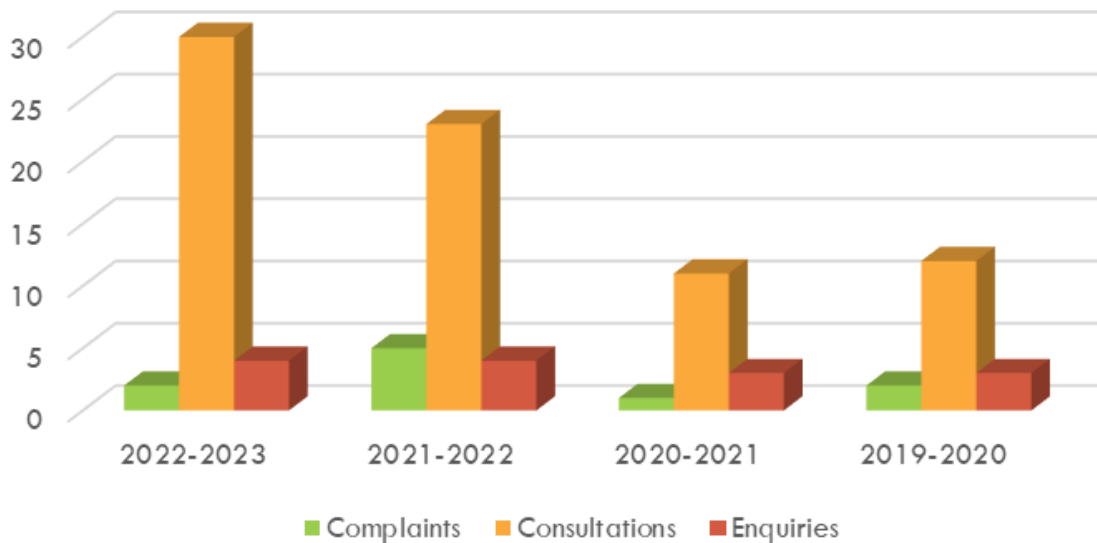


Figure 1(b) - Comparative statistics for case contacts: 2019-2023

Constituency Groups

The case contacts and respondents in each file are broken down into seven (7) constituency groups as follows:

- (1) **Faculty:** this group includes all members of the Laurentian University Faculty Association (LUFA) as well as department Chairs/Directors (who are members of LUFA);
- (2) **Faculty Unit/Department:** this group includes cases brought forward on behalf of or against a faculty unit or department as a whole and not by any one individual;
- (3) **Employees:** this includes all employees other than Faculty. Included are members of the Laurentian University Staff Union (LUSU), graduated teaching assistants represented by the Canadian Union of Public Employees (CUPE), and members of the Laurentian University Administrative and Professional Staff (LUAPS) who do not fall into the leadership group personnel category listed below as well as all other employees who do not belong to a union or association;
- (4) **Staff Unit:** this group includes cases brought forward on behalf of or against a staff unit or department as a whole and not by any one individual;
- (5) **Students:** this group includes all students at Laurentian University;
- (6) **Leadership group personnel:** this category includes all leadership personnel including Executive Team members, Associate Vice-Presidents, Deans and Directors. It does not include Directors and Chairs of departments as they are included as members of Faculty, as noted above, and;
- (7) **“Other”:** Included in this category are either case contacts or respondents who are not a member of the Laurentian University community or where the case contact did not wish to reveal the name of the respondent. This group may also include Laurentian University investigating or responding to a complaint as an institution.

The following is a breakdown by constituency group of case contacts who sought services from or consulted with the EDHRO under the Policy.

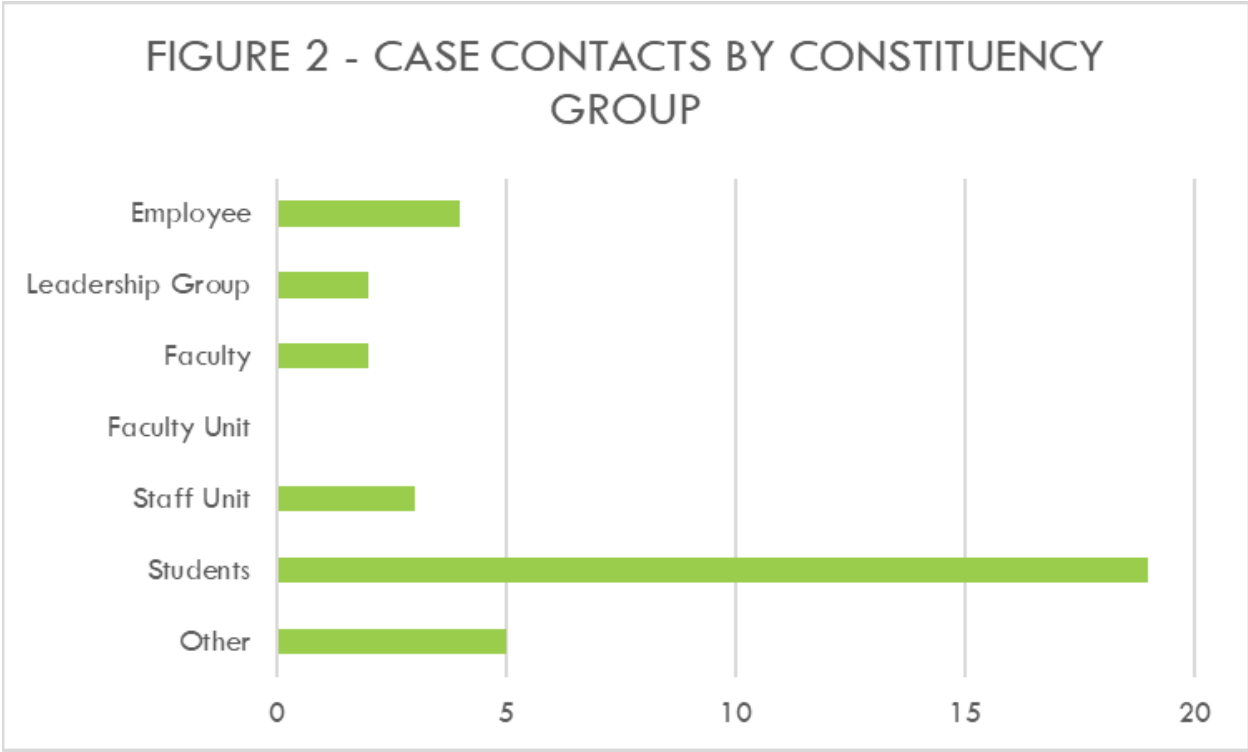


Figure 2 – Case contacts dealt with under the Policy broken down by constituency group

Resolution of complaints

Of the 2 complaints made in 2022-2023 under the Policy and 3 brought forward from 2021-22, there were a total of 5 complaints resolved in 2022-23. Of the resolved complaints, 3 were resolved by way of investigation, and 2 were abandoned or withdrawn.



Initiatives

Education and Training

Throughout the year, the EDHRO presented to various members (groups) of the Laurentian community (staff, students and faculty) on the role and mandate of the EDHRO which also included discussions regarding sexual violence response and prevention including:

- Definition of sexual violence
- Consent
- Responding to disclosures
- Resources on/off campus
- Laurentian's policies

EDHRO provided targeted training, including Upstander, to groups such as Residence Life staff, student athletes, student leaders, Peer Wellness student mentors, Pub Downunder staff and Residence students.

The EDHRO participated in new employee training on a monthly basis in which the above information was provided to new staff and faculty members.

The EDHRO also regularly promoted and strongly recommended that community members complete the Responding to Disclosures on Campus online training module.

EDHRO co-hosted with Pride Laurentian, Safe Space (together, making safe and inclusive spaces for people) training sessions for students, staff and faculty members.

Awareness and Community Engagement

The EDHRO continued to bring awareness of a consent culture to the university community throughout the year with its "Consent is Simple #iasK" messaging and branding, including t-shirts, coffee cups, lanyards, magnets, stickers and various other "swag items" for students.

The EDHRO has resource materials disseminated regularly by pamphlets as well as through online means focused on consent and sexual violence prevention and response.

During Orientation 2022, the EDHRO hosted a Consent Awareness Day in the Atrium and along with community partners, Greater Sudbury Police Services, Sudbury and Area Victim Services, Voices for Women, Centre Victoria pour femmes and the Laurentian Women's Centre, shared information and engaged the community in conversations focused on consent, healthy relationships and sexual violence response and prevention. The EDHRO also partnered with the

SGA to host sexologist, Dr. Stephen De Wit, who facilitated a session entitled: Tongue Tied: Untangling Communication around Sex, Consent and Healthy Relationships.

The EDHRO created new pamphlets on responding to disclosures and consent. These pamphlets were distributed in all kit bags provided to first year students. This also included the EDHRO partnering with the SGA to provide “Cup Cover scrunchies” (an item for prevention of drink spiking/drugging) in each of their students’ kits.

In September, 2022, EDHRO hosted the launch of the joint community video on consent that was created as a collaboration with the Greater Sudbury Police Service, Sudbury and Area Victim Services, Cambrian College and Collège Boréal which featured students from all three campuses (available here: <https://www.youtube.com/watch?v=XAKagytxX4Q>).

Also in September, 2022, the EDHRO shared information with students regarding drink spiking/drugging, including signs and symptoms to be aware of and safety and support measures both on and off-campus.

To increase visibility with students, posters were placed in the Great Hall to spread awareness about consent and responding to disclosures.

The EDHRO continued to support and collaborate with the Consent is Simple Action Team (CISAT), a student-led group formed to engage with their peers to create a consent culture on campus.

A new initiative that was launched in 2022-2023 in collaboration with CISAT and community partners was “Coffee Chats” hosted in the Atrium, including the following community partners and topics:

- Réseau Access Network - healthy sexuality
- Sudbury Women’s Centre and Centre Victoria pour femmes - healthy relationships
- Sudbury Women’s Centre - self-compassion

The CISAT hosted Consent Culture Awareness Week November 21 - 25, 2022 which included a Consent Heart Booth and Instagram activity and a "Conversation" couch, highlighting the Draw the Line campaign (<http://www.draw-the-line.ca/>), which were designed to engage students in conversations about consent and what it means to them. A coffee chat was co-hosted by community partners, Centre Victoria pour femmes and Voices for Women, and a Q & A game on healthy relationships and boundaries was hosted by the Sudbury Women’s Centre.

EDHRO and CISAT participated in the #16 Days of Activism Against Gender-Based Violence and planned various events held daily between November 25, 2022 through to December 6, 2022 including:

- “Wrapped in Courage” Purple Flag raising, highlighting the International Day for the Elimination of Violence Against Women in collaboration with community partners in the Atrium
- Purple tree lighting ceremony in Founder's Square in recognition of the National Day of Remembrance and Action on Violence Against Women
- A display in the Atrium, led by a group of students in the Social work program- “Why Don't You Just Leave” - a display describing the seven reasons why women remain in abusive relationships
- The Women's Basketball team and the Cheer team at a home game wore purple to raise awareness on gender based violence

Information was also shared throughout the #16 Days of Activism via social media promoting consent culture.

The EDHRO held its annual Consent Week from January 23 to 27, 2023. Consent Week provided an opportunity for Laurentian community members to engage in conversations focused on consent, healthy relationships and sexual violence response and prevention. Community members were encouraged to support and participate in the hybrid event by wearing Consent is Simple t-shirts, using a “Consent is Simple #iask” Zoom and social media account backgrounds and by attending the various sessions on offer including the following:

- Upstander training facilitated by the EDHRO: Bystander training for efficient responses and interventions for the prevention of sexual violence on campus.
- Draw-the-Line Panel Discussion with community partners: A panel discussion on various topics related to sexual violence prevention and how to draw-the-line
- Keynote address, “Reclaim Your Voice” by keynote speaker, Jungle Flower, boldly shared the major lessons she learned on her journey and healing from psychological abuse, physical abuse and sexual violence through a spellbinding combination of storytelling, spoken word and poetry.
- Survivor-Centered Art Workshop facilitated by keynote speaker and Reclaim Your Voice Founder, Jungle Flower: a workshop to empower participants to work through their trauma with creative exercises.
- Wellness Workshop facilitated by keynote speaker and Reclaim Your Voice Founder, Jungle Flower: included mindfulness practices, grounding techniques as well as self-expression exercises for mental and emotional wellbeing.
- Let's Talk about Gay Sex, Sexuality and Gender! - with your new queer friend Aspen - a workshop facilitated by Aspen Groom from Réseau ACCESS Network: provided for an open and frank discussion about queer sex, sexuality and gender.
- Consent Beyond Sex: a workshop which provided information about building confidence in setting boundaries and the importance of consent when interacting with others

Policy Review

The Ontario government passed the *Strengthening Post-secondary Institutions and Students Act, 2022, S.O. 2022, c. 22 - Bill 26* on December 8, 2022 to further protect students by providing measures for postsecondary institutions to address faculty and staff sexual misconduct toward students on campus.

In particular, the amendments:

- Strengthen the tools available to institutions to address instances of faculty or staff sexual misconduct against students (i.e., deeming sexual abuse of a student to be just cause for dismissal and preventing the rehiring of employees found to have committed sexual abuse of a student)
- Prevent the use of non-disclosure agreements to address instances where an employee leaves an institution to be employed at another institution and their prior wrongdoing remains a secret; and,
- Require institutions to have employee sexual misconduct policies in place that provide rules for behaviour between faculty, staff and students as well as disciplinary measures for faculty and staff who break these rules.

EDHRO commenced an extensive consultation process with community stakeholders and review of the Policy, with a particular emphasis on incorporating the proposed changes of the Ontario government, in preparation of the Policy being brought forward to the Board of Governors in June, 2023.

Concluding Comments

The 2022-2023 reporting year represented a return to fully in-person activities on campus, which permitted the EDHRO to further its community engagement and in particular build upon relationships with community partners to continue to build a consent culture and awareness of sexual violence prevention and response on campus. The EDHRO continues to appreciate the support and dedication of these community partners, along with Laurentian's staff, faculty and students - their engagement and collaboration helps to ensure that Laurentian remains an inclusive, welcoming, and safe environment for all members of the campus community.



BOARD AUDIT AND RISK COMMITTEE

SUMMARY OF INFORMATION REPORTS

The Audit and Risk Committee met in closed session on Wednesday, September 25, 2023 at 4:30 PM (via Zoom).

1. Orientation

University Secretary, Danielle Vincent, provided Committee members with an introduction to the new Committee's role and terms of reference. The Committee members were also advised of updates to the Board portal, which now includes a resource folder containing reference materials relevant to the Committee's role.

2. Status of Implementation of External Audit Recommendations

Interim Vice-President, Finance and Administration, Mr. Michel Piché, provided a status update regarding various steps undertaken by the University to address, mitigate, and implement solutions in response to External Auditors recommendations. In his report, Mr. Piché reviewed the status of progressing actions and success of completed outcomes.

3. Aide-Memoire

Interim Associate University Secretary, Ann Hodgson, provided an overview of the Aide-memoire and explained its purpose as a way for Committee members to track and schedule upcoming reporting items.

Prepared for: Vern Cameron, Chair
Board Audit and Risk Committee
By: Office of the University Secretary



BOARD FINANCE AND PROPERTY COMMITTEE

SUMMARY OF INFORMATION REPORTS

The Finance and Property Committee met on Monday, October 2, 2023 at 4:30 PM (via Zoom).

1. Orientation

University Secretary, Danielle Vincent, provided Committee members with an introduction to the new Committee's role and terms of reference. The Committee members were also advised of updates to the Board portal, which now includes a resource folder containing reference materials relevant to the Committee's role.

2. Tuition Framework Update

Interim Vice-President Academic and Provost, Dr. Brenda Brouwer, provided a status update regarding Governmental regulation of tuition fees in past and future years.

3. Financial Update (Cash Flow, Financial Forecast, Enrolment, Planning Framework, and Investment Returns, Pension and Endowments)

Michel Piché was joined by Shauna Lehtimaki, Director Institutional Planning to provide a comprehensive overview of the technical details which support the financial management of the University.

Members received a brief synopsis regarding cash flow, preliminary fall enrolment data, the University's Endowment Fund and Employee Retirement Fund.

4. Jeno Tihanyi Pool Report

Director, Operations and Maintenance (Facilities Services), Pierre Fontaine, provided the Committee with a progress report on the continued exploration and consultation to determine the scope of repair and restoration of the Jeno Tihanyi Pool. The Committee will continue to be kept abreast of any new developments in this regard.

In closed session, Committee members received a briefing on the following items:

5. Deferred Maintenance Projects

Pierre Fontaine, joined by Vice-President, Finance and Administration, Michel Piché briefed members on the upcoming work and planning schedules associated with the 23/24 deferred maintenance projects, repairs, upgrades, programs and designs.

6. Real Estate Sale Update

Committee members were updated in regards to negotiations with the Province regarding the sale of real estate. Committee members also received an update regarding the current RFP process used to determine a Real Estate Agent for the sale of the President's house.



BOARD GOVERNANCE COMMITTEE

SUMMARY OF INFORMATION REPORTS

A. The Governance Committee met on Wednesday, September 20, 2023 at 4:30 PM (via Zoom).

1. Orientation

University Secretary, Danielle Vincent, provided Committee members with an introduction to the new Committee's role and terms of reference. The Committee members were also advised of updates to the Board portal, which now includes a resource folder containing reference materials relevant to the Committee's role.

2. Draft Conflict of Interest Policy for Board of Governors

Danielle Vincent briefed the Committee on progress made to date with respect to preparing a new policy for the Board of Governors to address conflicts of interest, which formalizes and expands upon practices already in place. A final draft will be provided to the Committee in November for consideration of whether to recommend to the Board for approval.

3. Regulatory Compliance by Board

Danielle Vincent provided the Committee with an update on Governor compliance in signing the Roles and Responsibilities form and annual Conflict of Interest Declaration.

4. Governor Educational Strategies/Learning Sessions for 2023-24

Danielle Vincent provided an update on educational sessions being planned for the upcoming board cycles. Committee members were asked to think about the types of education sessions or Board leadership conferences they would like to attend and consider which topics to focus on.

In closed session, Committee members received a briefing on the following items:

5. Board of Governors Renewal/Succession Planning

As part of their tool kit, Members received a copy of an Outreach Tracker used to facilitate discussions and track outreach activities and interaction with potential new members. Members also received a copy of the current skills matrix to identify vacancies and to assess skills and requirements as part of the recruitment strategies. Danielle Vincent led a discussion regarding potential new skills which may be added to the matrix.

An early discussion took place regarding standardization and formalization to help streamline the process of recruiting and formalizing the Governors recruitment process.

6. In-year Appointments and vacancies

Angela Recollet was appointed to the Laurentian University Native Education Council and Aaron Barry was appointed to the Laurentian University Alumni Association for the 2023-2024 Board year.

B. *Electronic Resolution dated October 3, 2023.*

The Governance Committee also appointed David Harquail to the Presidential Search Committee by way of electronic resolution dated October 3, 2023.

Prepared for: Laura Kurkimaki, Chair
Board Governance Committee
By: Office of the University Secretary



BOARD HUMAN RESOURCES COMMITTEE

SUMMARY OF INFORMATION REPORTS

The Human Resources Committee met in closed session on Thursday, October 5, 2023 at 5:30 PM (via Zoom).

1. Orientation

University Secretary, Danielle Vincent, provided Committee members with an introduction to the new Committee's terms of reference and the scope of its role, which extends beyond University employees and includes a measure of oversight over the University's student population. The Committee members were also advised of updates to the Board portal, which now includes a resource folder containing reference materials relevant to the Committee's role.

2. Overview of Laurentian University's Employee Groups

Interim Vice-President, Finance and Administration, Michel Piché was joined by Associate Vice-President, Human Resources, Shelley Carpenter-Wright to provide an overview of the various employee groups at the University. In her presentation, Shelley Carpenter-Wright highlighted areas of HR focus that included: group compensation, collective bargaining, and grievances.

3. Annual Review of Succession Plans for Senior Leadership Administration

Interim President and Vice-Chancellor, Dr. Sheila Embleton reported on progress to date in renewal regarding Senior Leadership roles.

4. University Recruitment Strategy

Michel Piché was joined by Shelley Carpenter Wright and Interim Vice-President, Academic and Provost, Dr. Brenda Brouwer, to provide an update on the University's recruitment strategy. Shelley Carpenter-Wright reviewed the current areas of focus and upcoming efforts to refine recruitment and retention for non-faculty staff. Dr. Brouwer provided an overview of recent faculty hiring and strategy for future recruitment efforts. Members were interested to hear about the successes and challenges encountered in those efforts.

Prepared for: Aaron Barry, Chair
Board Human Resources Committee
By: *Office of the University Secretary*