



**BOARD OF GOVERNORS
SPECIAL MEETING
Approved Minutes**

June 4, 2018, 10:30 a.m.

Governors Boardroom A167

Members

Jill Wyatt, Chair
Steve Allan*
Rob Allen
Elizabeth Cannon
Hafeez Chishti
David Cramb
Frank Finley
Beverley Foy
Sagar Grewal
Mark Herman
Lawna Hurl*
Colin Jackson*
Allan Lyons
Mary Ellen Neilson*
Britney Paris
Margaret Patterson
Firoz Talakshi
Elaine Wong

Secretary

Susan Belcher

Scribe

Cherie Tutt

Regrets

Bart Becker, Vice-President (Facilities)
Kris Frederickson
Pam Krause
Ed McCauley, Vice-President, (Research)
Nuvyn Peters, Vice-President (Development and Alumni Engagement)
Robert Thirsk

Observers

Drew Scherban, Manager, Media Relations

Management

Linda Dalgetty, Vice-President (Finance and Services)
Karen Jackson, General Counsel
Kim Lawrence, Vice-President (University Relations)
Dru Marshall, Provost and Vice-President (Academic)

**by telephone*

The Chair called the meeting to order at 10:30 a.m. and confirmed quorum.

1. Approval of the Agenda

Moved/Seconded

That the Agenda for the June 4, 2018 Board of Governors meeting be approved.

Carried

2. Conflict of Interest Declaration

No conflicts were declared.

3. Chair's Remarks

The Chair made no remarks.

4. Approval of Internal Restriction of Net Assets (IRNA)

Documentation for this items was circulated with the Agenda. Linda Dalgetty presented this item.

Highlights:

- Management reported that the Board of Governors annually approves IRNA to support strategic initiatives and projects
- Management explained that the Executive Leadership Team regularly reviews the projects to be funded from IRNA and ensures that the funds are allocated to the highest priority initiatives
- Management then reported that the internal restriction of \$166.1 million will support a variety of academic, research and operating initiatives and is comprised of funds restricted from 2017-18 operating funds and funds that were previously misclassified as deferred revenue
- In response to questions, Management reported that:
 - The \$42.9 million for the Haskayne School of Business expansion has been reallocated from the Vice-President portfolios. Funds have been drawn from projects that are not current priorities or have come in under budget.
 - Funds from IRNA are not used directly to reduce deferred maintenance, but this can be a by-product of upgrades done through Classroom Alternation Requests and Facility Alteration Requests
- The Board discussed the internal control processes for overseeing the spending of IRNA
- The Audit Committee Chair reported that the Audit Committee reviewed and recommends the requested redirection and restriction

Moved/Seconded

That the Board of Governors approve:

1. the redirection of 42.9 million of internally restricted net assets to support specific capital initiatives funded by prior year faculty and department surpluses; and
2. the internal restriction of \$166.1 million of net assets in support of research, operating, and capital renewal building initiatives,

as presented to the Board and as recommended by the Audit Committee.

Carried

5. Approval of the 2017-2018 Consolidated Financial Statements and Management Discussion and Analysis

Documentation for this item was circulated with the Agenda. Linda Dalgetty presented this item.

Highlights:

- Management provided an overview of the Financial Statements, and discussed the misclassification for the prior period Financial Statements. Management then outlined the changes to the accounting standards that are reflected in the Financial Statements.
- The Audit Committee Chair reported that the Office of the Auditor General (OAG) has been provided with a detailed report about the misclassification, and that the OAG is satisfied with Management's report and will issue a clean audit opinion
- Management reported on the changes to the Financial Statements requested by the Audit Committee
- In response to a question about a response to the misclassification by the public, it was reported that the Financial Statements are public documents once they are approved, and that the OAG report released in the Fall may attract more public attention
- The Board then discussed the communications plan around the misclassification
- The Audit Committee Chair reported that the Audit Committee reviewed and recommends the Consolidated Financial Statements and the Management Discussion and Analysis

Moved/Seconded

That the Board of Governors approve the Consolidated Financial Statements and the Management Discussion and Analysis of the University of Calgary for the year ended March 31, 2018 in the form provided to the Board, and as recommended by the Audit Committee, with the reported amendments.

Carried

6. Other Business

There was no other business.

7. Adjournment

Moved/Seconded

That the Board of Governors adjourn the June 4, 2018 special meeting.

Carried

The meeting was adjourned at 10:55 a.m.