

Athabasca University

Students' Union

Annual Report 2015

Report for the Annual General Meeting
May 27, 2015

Audited financial statements for the fiscal year 2013-14
AUSU executive report to the membership, and activity
report for the last council term year.



Athabasca University
Students' Union

Financial Report and AGM Information

Financial data refers to the 2013/14 fiscal year spanning October 1, 2013 to September 30, 2014.

For verification and explanation of all financial data, contact the AUSU VP Finance at vpfa@ausu.org.

The Annual General Meeting will be held May 27, 2015, at: 5:30 pm MST, via teleconference. Inquire with ausu@ausu.org to book a line for the meeting.

Errors and omissions excluded.

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President's report

Fellow AUSU Members

Well, another year at AUSU has passed and a new one has begun. This past year has seen significant changes at AUSU. Last fall we said goodbye to our Executive Director, Tamra Ross, who served AUSU for around 10 years and had a significant impact on AUSU's membership during that time. We thank her for her service and wish her the best in her future endeavors. While change is sometimes hard, it also brings renewal and AUSU is looking forward to seeing what direction and impact our next Executive Director will have on our community. AUSU anticipates that a new Executive Director will be announced in the spring of 2015.

This last year also saw a general election at AUSU and 6 completely new councillors being elected to the 9 AUSU councillor positions in a highly contestant election. It was exciting to see so much interest in participating in AUSU's council and the highly talented AU students who put their names forward to serve their fellow students. The 2013/2014 year was a very busy year with a lot of focus on updating AUSU's operations, policies, and procedures. One of the largest policy projects over the last year was a complete revision of our AUSU elections policies, the development of staff succession plans, and organizational planning.

AU also replaced its President during the 2013/2014 year, appointing an interim President, Dr. Peter MacKinnon. Dr. Mackinnon immediately set to work on making changes to AU's executive group. He also reached out to student leadership shortly after his appointment and has actively worked to ensure much more consultation is taking place with AUSU and other stakeholders within the university. This new emphasis on working together and increased communication has allowed us to make significant progress on the ongoing major student issues related to E-text and the Student Support Centre. These issues are complicated because of the financial situation surrounding our university, and have taken longer to address than we would have liked. However, we are very confident that we are headed towards changes in these areas that will address AUSU's memberships concerns. This has been largely due to AU's new management's renewed focus on working together to solve problems.

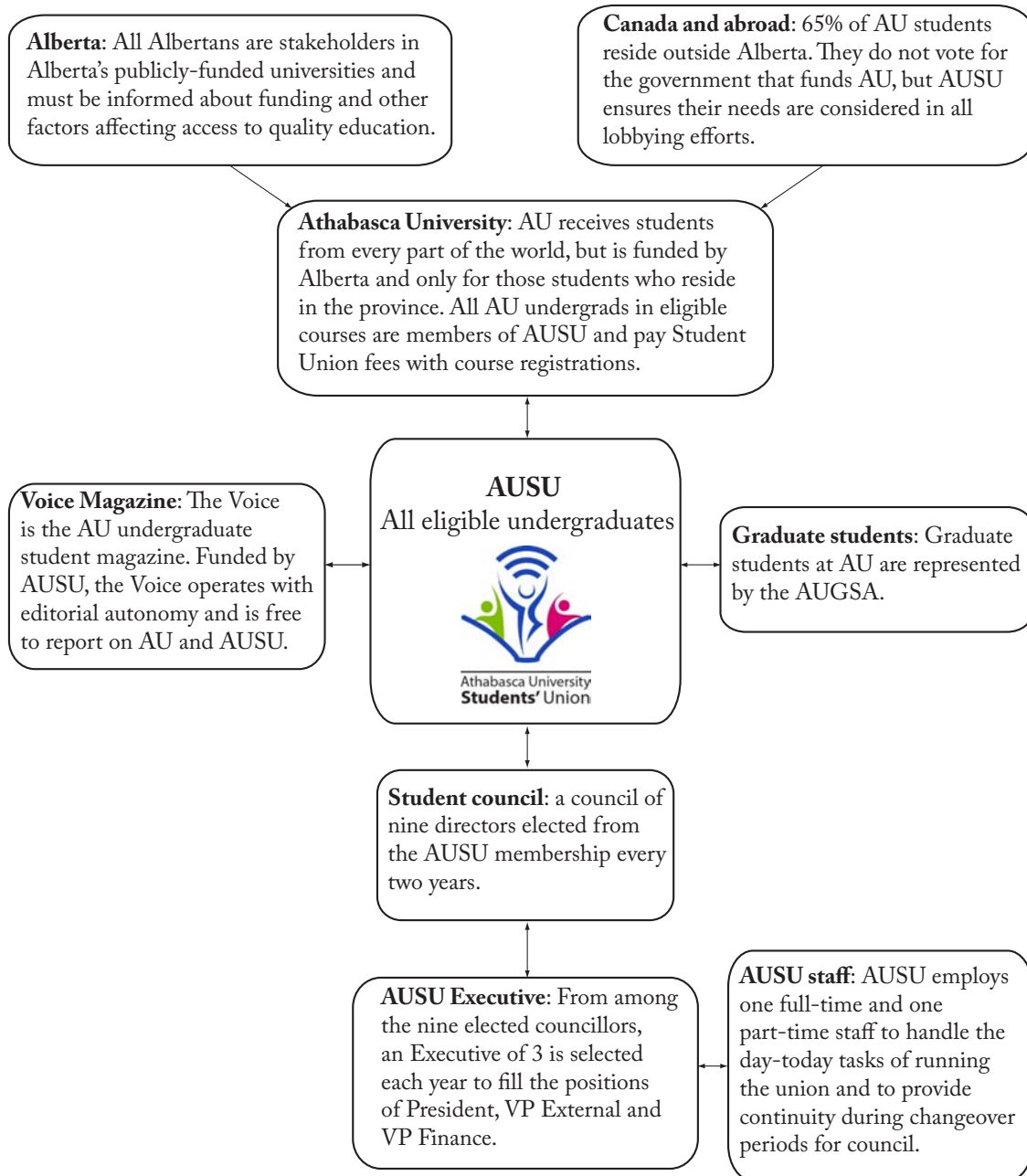
The financial situation at AU continues to cause problems for our university's community. This, as AUSU members who have been with AU for a few years will know, is not a new problem. This past year though the problem was magnified because of the financial situation in the province of Alberta and the budget constraints of the Alberta government. The ongoing issue is defined by AU's new President as a sustainability issue and has been identified by Dr. MacKinnon and the AU BOG as a top priority of the university to address. With this in mind, Dr. MacKinnon put together a small task force that is focused on addressing the issue of sustainability with the goal of providing recommendations on how to move forward at AU in the future. I am excited to have been chosen to participate in the task force and look forward to our final recommendations in June 2015. AUSU is very excited to see this issue finally being fully addressed by our university. While the task force is being purposely kept small to allow it to work efficiently during the process, it is essential that all members of the AU community have an opportunity to express their views—as individuals or in collectives—on the sustainability of our university. I encourage you to send the task force an e-mail with your thoughts or ideas for AU's sustainability to: taskforce@athabascau.ca, or communicate with me directly as the student representative on the task force. I am confident we will find a solution to keep AU moving forward and to continue to provide the best online education possible for our membership.

On the other hand, as you can tell from this annual report, AUSU's financial situation is excellent. We have many great opportunities, and with our excellent financial situation, we are in a position to take advantage of them. Our website is currently being re-designed to be more user-friendly and interactive, and we will be launching a new mobile app in partnership with our sister student association AUGSA. We will also be working to make our awards applications available in online formats, as well as bringing back the widely popular AUSU course evaluation system. We will continue to work hard to represent all of our membership at AU and look for new and better ways to engage with you in the future.

Jason Nixon



Board structure



AUSU membership: AUSU represents all students of Athabasca University enrolled in one or more undergraduate courses, with the exception of challenge registrations, audited courses, and courses that have a zero credit value.

Agenda and Minutes

AGM Agenda

- 1.0 Call to Order and President's Welcome
- 2.0 Approval of Agenda
- 3.0 Approval of March 26, 2014 AGM Minutes
- 4.0 Annual financial statements as at September 30, 2014
Motion: BIRT the membership receives and accepts the financial statements presented in the annual report as audited by Kingston Ross Pasnak.
- 4.1 Appointment of Auditor for 2014-2015 Fiscal year
Motion: BIRT AUSU appoints Kingston Ross Pasnak as the auditors for its financial records for the 2013-2014 fiscal year.
- 5.0 Approval of changes to Policy 3.04
Motion: BIRT AUSU membership approves the recommended changes to Policy 3.04 Referendum and Plebiscite.
- 6.0 Special Resolution Membership Standing
Motion: BIRT AUSU accepts and adopts the presented recommended revisions to Section 4.5 of AUSU's bylaws, in accordance with legal council's recommendations.
- 7.0 Presentation of AUSU Annual Activity Report
- 8.0 Adjournment

AGM Minutes

17:30 MST, March 26, 2014

Teleconference

Councillors Present: Toni Fox (m), Bethany Tynes (m), Jason Nixon (m), Kim Newsome (m), James Ramsbottom (m), Craig French, Ashley Charlton

Staff Present: Tamra Ross (m), Karyna McDonald (m), Sarah Maddock, and Karl Low

Other Members: Corrina Green (m), Bonita Arbeau (m), Megan Daigneault (m), Christine Villeneuve (m), Shawna Wasylyshyn (m), Alexander Poulton (m), Karen-Amy Linton (m), Barbara Lehtiniemi (m)

Record of Minutes: Sarah Maddock and Karyna McDonald

Call to Order: 17:38 MST

- 1.0 Call to Order and President's Welcome
- 2.0 Approval of Agenda
J.Ramsbottom/J.Nixon Carried 17/0
- 3.0 Approval of April 10, 2013 AGM Minutes
B.Tynes/J.Gaetan Carried 17/0
- 4.0 Annual financial statements as at September 30, 2013
032614.01 Motion: BIRT the membership receives and accepts the financial statements presented in the annual report as audited by Kingston Ross Pasnak.
J.Nixon/B.Lehtiniemi Carried 17/0
- 4.1 Appointment of Auditor for 2013-2014 Fiscal year
032614.02 Motion: BIRT AUSU appoints Kingston Ross Pasnak as the auditors for its financial records for the 2013-2014 fiscal year.
C.Green/B.Arbeau Carried 17/0
- 5.0 Presentation of AUSU Annual Activity Report
- 6.0 Adjournment
18:08 MST C.Green moved

This has been a year filled with changes for both AU and the Alberta government. These changes have impacted AUSU members and influenced the work of AUSU Council and Executive. AUSU Executive has worked to form new and lasting relationships and to create avenues to better advocate for AUSU members.

On July 1, 2014 AU welcomed Dr. Peter MacKinnon as their new interim President. Dr. MacKinnon has made himself available to meet regularly with the AUSU Executive. These meetings, as well as meetings with several AU Vice Presidents and Deans, have provided an opportunity to discuss the concerns of the AUSU membership such as the implementation of the Student Success Centre and the change from print texts to e-texts.

AUSU has worked very hard this year to develop new and existing relationships within the University and feels this has been successful. The open communication between AU and AUSU has proven valuable. Member concerns are being heard and considered as several new projects move forward. AUSU has been able to get answers to concerns expressed by members on the Student Success Centre and will be sharing this with the membership. Feedback on the change to e-text was passed on to AU and is being considered as several areas of this project are being reviewed.

In September of 2014, Jim Prentice won the PC leadership race and was subsequently sworn in as Alberta's new Premier. As the new Premier, Mr. Prentice has had to deal with a drop in oil prices down to a level that Alberta hasn't seen since 2009, resulting in a large revenue loss for the Provincial Government. Not surprisingly, speculation for the upcoming Alberta budget is not good and Mr. Prentice announced a 9% cut to provincial program spending back in December 2014.

At this point it is not definitive how the upcoming Alberta budget will affect PSE in Alberta but funding cuts are expected. AU is working toward making changes in their own budget to try and address any funding cuts as well as the ongoing internal financial challenges that are being faced. The AUSU Executive continues to remain informed on these issues as they develop.

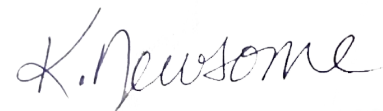
In the area of student affairs, AUSU has been focusing on providing quality services and enhancing communication with members. Over the past year AUSU has continued to update our website and has also made efforts to increase our presence on social media. E-newsletters were sent out regularly and the 2015 Student Planner was ready for distribution in early January 2015.

In the fall of 2014, AUSU introduced the new student health and dental plan. It was developed specifically for AU students. It is available to Canadian students under the age of 70 who have enrolled in at least 6 credits in the past 12 months.

Early in 2015, Council approved a joint project with AUGSA to develop a mobile app for members. Although this project is still in the early stages, Council and staff will be diligently working on this to have it ready for a September 2015 launch. The mobile app will be free to download and will be a quick and easy way to organize your courses, find out about upcoming events, and link to various AUSU services.

As you have read, AUSU Council and staff have been very busy over the past year. We are very happy with the progress we have made in solidifying key relationships and communicating on behalf of the membership. AUSU continues to encourage members to contact us with any comments or concerns and we look forward to serving our membership over the coming year.

Kim Newsome



AUSU committee seats

President committees

AU Board of Governors (BoG)
BoG: Academic Affairs
BoG: Institutional Advancement
AU General Faculties Council (GFC)
GFC Executive
Director of Library Services and Scholarly Resources Search Committee
Faculty of Health Sciences Council
AU Faculty of Humanities & Social Sciences (FHSS) Faculty Council
AU E-text advisory Committee
School of Business Faculty Council
AUSU Finance Committee
AUSU Media Engagement and Communications Committee (MECC)

VP Finance committees

AU Board of Governors (BoG)
AU Finance and Property Subcommittee
AU Honorary Awards Subcommittee
General Faculties Council Student Academic Appeals Committee
AU FHSS Faculty Council
AU FHSS Strategic Plan Steering Committee
AU Student Success Group
Service Standards and Handbook Working Group
AU Budget Committee
Information and Communication Technology (ICT) Governance Committee
Pedagogy and Research Service Advisory Group
Enterprise Resource Planning Service Advisory Group
Associate Vice President of Student and Academic Services Hiring Committee
Associate Vice President of Research Hiring Committee
Student Relationship Management Project
AUSU Finance Committee (Chair)
AUSU Awards Committee
AUSU MECC

VP External committees

AU General Faculties Council (GFC)
GFC Academic Learning Environment Committee (ALEC)
GFC ALEC Learner Support Working Group
GFC Student Awards Committee
AUSU Awards Committee
AUSU MECC

Investment highlights

AUSU monitors the performance of its investments annually and adjusts its strategy to maximize the security of its funds while taking advantage of current trends in interest rates and marketable securities.

Throughout 2014, many of our preferred shares were cashed in and resulting money was placed into Fixed and Money Market Mutual Funds. We have changed out investment advisor to someone more suited to a non-profit organization and we anticipate further adjustments in 2015 to accommodate the changing financial environment in Canada.

This page is a summary of our overall portfolio.

2013

\$409,000	SHORT TERM NOTES
\$144,000	MEDIUM TERM INSTRUMENTS
\$51,000	MONEY MARKET FUNDS
\$441,000	CASH
<hr/>	
\$1,045,000	

2014

\$202,000	SHORT TERM NOTES
\$248,000	CDN FIXED INCOME MUTUAL FUNDS
\$324,000	CDN MONEY MARKET MUTUAL FUNDS
\$301,000	CASH
<hr/>	
\$1,075,000	

VP Finance report

The following report is a summary of the annual financial statements for the fiscal year end ending September 30, 2014.

The principle basis of income for AUSU continues to be student fees. AUSU budgeted for a \$158,800 deficit during the 2013/2014 year. However, AUSU ended the fiscal year with only a small deficit of \$23,193.

The following is a breakdown of budgeted spending for the 2013/2014 year:

- Actual student fees were just slightly higher than budgeted by \$6036.
- The VOICE continues to be under their budgeted amount as set out in AUSU bylaws and as a result have been able to add to their reserves again this year.
- The student handbook was significantly under budget. Its popularity is waning, we believe in part to the changes in technology but it is a great way to provide information about the AU community to our members.
- Awards were under budget this year. This is due to the travel and emergency bursaries not being fully utilized. We were able to hand out all other awards this year and created a one-time award with some of the extra funds for e-readers.
- Newsletters were well under budget. This reflects that we now only send out newsletters by electronic means at a significantly reduced rate. We have also reduced our carbon footprint in doing so.
- Representation was significantly under budget this year due to withdrawing from Alberta Students' Executive Council part way through the year.

We have completed our 2013/2014 audit by the firm Kingston Ross Pasnak. We were satisfied with the dedicated and detailed work of the audit staff and we are pleased to note KRP's testing of AUSU's financial records did not reveal any illegal or possibly illegal acts. KRP did recommend that we get an official ruling from CRA on EI requirements for our elected councillors. We are pleased to report that this has been completed and there are no negative effects from the ruling.

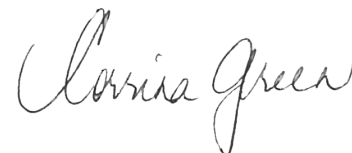
In keeping with AUSU's commitment to managing finances with the best business practices, council has chosen a new investment advisor that is better suited to AUSU's needs. As a result of this process, our investment advisors expect our reserve funds to achieve, once the full transition is done, an increase in our portfolio with minimal risk to the investment.

Council was able to conduct a complete review of all policies and position statements before their specified deadlines. This is an ongoing process yearly that is important to keep the policy manual relevant and current.

Overall, the 2013/2014 fiscal year was an immense success that included maintaining our current services like Lynda.com and Smartdraw for our members. We provided transportation to members free of charge from Edmonton to Athabasca for Convocation in June. The executive have worked hard this year to advocate for students on some of the major issues facing our university like e-text, the student success centre and the ever present government funding shortfalls.

AUSU will continue to work on behalf of our members to strengthen our reputation and presence within the AU community and the external communities associated with AU across the country and world. AUSU will continue to search out any new programs and services to ensure we're consistently meeting the growing and varying needs of our members. With our stable financial position our future continues to look positive, and we look forward to serving our members.

Corrina Green





KINGSTON
ROSS
PASNAK^{LLP}

2900 Bell Tower, 10104-103 Ave NW
Edmonton, Alberta T5J 0H8
T. 780.424.3000 | F. 780.429.4817 | W. krpgroup.com

Athabasca University Students' Union
#500 Energy Square
10109 - 106 Street
Edmonton, AB T5J 1L7

To the Members of the Board of Directors of Athabasca University Students' Union:

We are pleased to submit for your review our Final Audit Findings memorandum for the audit of the financial statements of Athabasca University Students' Union (the "AUSU") for the year ended September 30, 2014.

This document has been prepared in accordance with CAS 260 of the CICA Handbook, "Communications with Those Charged with Governance". This standard requires that we communicate with the Board of Directors on the following:

- Matters required to be communicated to the Board of Directors under generally accepted auditing standards including possible fraudulent activities, possible illegal acts, significant weaknesses in internal control and certain related party transactions;
- Matters that have a significant effect on the qualitative aspects of the accounting principles used in the AUSU's financial reporting;
- Other matters arising from the audit that, in our professional judgment, are important and relevant to the Board of Directors including our independence;
- Matters previously agreed with you to be communicated to the Board of Directors and management.

We express our appreciation for the cooperation and assistance received from the management and staff of the AUSU during the course of the audit.

We look forward to discussing any comments or concerns you might have at our scheduled meeting on December 11, 2014.

This document has been prepared solely for the use of the Board of Directors and management and others within the AUSU and should not be used for any other purposes. No responsibility to any third party is accepted as this document has not been prepared for, and is not intended for, any other purpose.

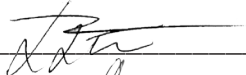
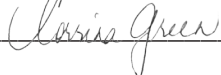
Yours sincerely,

Kingston Ross Pasnak LLP
Chartered Accountants

Statement of Financial Position
September 30, 2014

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 301,875	\$ 441,159
Marketable securities (Note 4)	776,643	606,001
Accounts receivable (Note 5)	63,108	62,043
Interest receivable	-	2,264
Prepaid expenses	3,417	2,391
	1,145,043	1,113,858
EQUIPMENT (Note 6)	17,860	22,538
INTANGIBLE ASSETS (Note 7)	57,167	106,167
	\$ 1,220,070	\$ 1,242,563
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 32,539	\$ 35,280
Employee benefits payable	3,060	-
Deferred student fees	94,452	94,071
	130,051	129,351
LEASE COMMITMENT (Note 8)		
NET ASSETS		
Unrestricted	761,693	730,432
Internally restricted (Note 9)	253,299	254,075
Invested in equipment and intangible assets	75,027	128,705
	-	-
	1,090,019	1,113,212
	\$ 1,220,070	\$ 1,242,563

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

Statement of Changes in Net Assets
Year Ended September 30, 2014

	Unrestricted	Internally restricted	Invested in equipment and intangible assets	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 730,432	\$ 254,075	\$ 128,705	\$ 1,113,212	\$ 1,126,615
Deficiency of revenue over expenses	32,480	-	(55,673)	(23,193)	(13,403)
Acquisition of equipment	(1,995)	-	1,995	-	-
Approved use of restricted funds	776	(776)	-	-	-
NET ASSETS - END OF YEAR	\$ 761,693	\$ 253,299	\$ 75,027	\$ 1,090,019	\$ 1,113,212

Statement of Cash Flow
Year Ended September 30, 2014

	2014	2013
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 605,427	\$ 616,521
Cash paid to suppliers and employees	(593,239)	(578,733)
Interest received	4,407	19,340
Interest paid	(900)	(1,196)
Cash flow from operating activities	15,695	55,932
INVESTING ACTIVITIES		
Purchase of equipment	(1,995)	(3,146)
Purchase of intangible assets	-	(147,000)
Dividend income	24,111	15,146
Purchase of marketable securities	(724,601)	(478,480)
Proceeds of disposal of marketable securities	547,506	765,948
Cash flow from (used by) investing activities	(154,979)	152,468
INCREASE (DECREASE) IN CASH FLOW	(139,284)	208,400
CASH (DEFICIENCY) - BEGINNING OF YEAR	441,159	232,759
CASH - END OF YEAR	\$ 301,875	\$ 441,159

Statement of Operations
Year Ended September 30, 2014

	Budget 2014	Total 2014	Total 2013
REVENUE			
Student fees (Note 5)	\$ 598,850	\$ 604,536	\$ 613,725
Merchandise	-	945	12
Advertising and promotion	450	630	405
The Voice	-	-	315
	599,300	606,111	614,457
EXPENSES			
Staff wages and benefits	221,500	184,605	164,413
Council wages and benefits (Note 5)	143,000	122,806	114,997
The Voice	75,000	56,792	45,316
Rental	60,000	53,932	53,795
Amortization of intangible assets	-	49,000	40,833
Student handbook	53,500	33,486	49,319
Awards	60,000	32,292	32,487
Professional fees	26,000	25,958	27,633
Representation	31,000	20,513	45,554
Office	14,500	13,937	14,097
Online and technology services	34,500	13,822	18,148
Investment fees	-	10,342	8,661
Administration	12,100	7,407	5,375
Amortization of tangible assets	14,000	6,673	7,519
Advertising and promotion	5,000	5,801	2,588
Events and programs	23,500	5,529	6,464
Newsletter	5,000	2,422	2,643
Teleconference meetings	2,000	1,996	1,538
Insurance	1,500	1,027	1,007
Interest and bank charges	1,000	898	1,196
	783,100	649,238	643,583
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	(183,800)	(43,127)	(29,126)
OTHER INCOME (EXPENSES)			
Dividend income	-	24,111	15,146
Unrealized gains (losses) on investments	-	8,178	(6,590)
Interest income	25,000	4,407	21,604
Unrealized foreign exchange gain	-	637	-
Loss on disposal of investments	-	(17,399)	(14,437)
	25,000	19,934	15,723
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (158,800)	\$ (23,193)	\$ (13,403)

Notes to Financial Statements
Year Ended September 30, 2014

1. AUTHORITY AND PURPOSE

On March 18, 2004, Athabasca University Students' Union ("AUSU") was incorporated under the Post Secondary Learning Act. AUSU is administered by a board of directors and its principal purpose is to provide for the administration of the affairs of the Athabasca University undergraduate students, including the development and management of student institutions, the development and implementation of a system of student governing principles, the promotion of the general welfare of Athabasca University undergraduate students and the furtherance of the values inherent in an open University as well as of life-long learning. AUSU is a non-profit organization under the Income Tax Act (Canada) and, as such, is not liable for payment of income taxes.

2. ECONOMIC DEPENDENCE

AUSU receives substantially all of its revenue from Athabasca University as legislated under the Alberta Post-Secondary Learning Act section 95(2)e that provides for the "maintenance of the association by the levy of membership fees on its members." Should Athabasca University substantially change its dealings with AUSU subsequent to legislative changes permitting such, management is of the opinion that continued viable operations would be doubtful.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Marketable Securities

Marketable securities are classified as held for trading and carried at fair value.

Equipment

Equipment is amortized on a straight line basis over estimated useful lives at the following rates:

Furniture and equipment	Ten years
Computer equipment	Three years

Intangible assets

The software license is being amortized on a straight-line basis over the three year life of the license.

Deferred student fees

The AUSU records student fees at the beginning of a course's progression. Some of the fees received prior to year end relate to courses which commence in the next fiscal year. These fees are classified as deferred and recognized as revenue one month subsequent to the start of the course to which the fees relate.

(continues)

Notes to Financial Statements
Year Ended September 30, 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Student fee revenue is recognized one month subsequent to the start of the course to which the fees relate once funds from the students have been received by Athabasca University and collection by AUSU is reasonably assured.

Investment earnings are recognized as revenue when earned and collection is reasonably assured.

Advertising and promotion revenue is recognized with the completion of the activity to which the revenue relates and collection is reasonably assured.

Merchandise sales are recognized when the goods are transferred to the customer at which time collection is reasonably assured.

The Voice income is recognized when the goods or services are performed or transferred to the customer at which time collection is reasonably assured.

Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the AUSU subsequently measures its financial instruments at amortized cost.

Not-for-Profit Financial Statement Presentation

The AUSU presents net assets invested in equipment and intangibles as a separate category of internally restricted net assets.

Measurement uncertainty

The preparation of financial statements in conformity with accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include the estimated useful lives of equipment, intangible assets, deferral of student fees and collectibility of accounts receivable. Actual results could differ from these estimates.

4. MARKETABLE SECURITIES

	2014	2013
Canadian money market mutual funds	\$ 324,822	\$ -
Canadian fixed income mutual funds	248,955	-
Canadian preferred shares (with dividend rates ranging from 5.75% to 7.25%)	202,866	409,845
Canadian short term notes	-	144,439
Canadian medium term instrument	-	51,717
	\$ 776,643	\$ 606,001

Notes to Financial Statements
Year Ended September 30, 2014

5. RELATED PARTY TRANSACTIONS

During the year, AUSU received \$604,536 (2013 - \$613,725) from Athabasca University related to student fees. Recorded in the accounts receivable is \$63,108 (2013 - \$62,043) receivable from the Athabasca University representing the September 2014 students fees receivable. The parties are related through their connection to the Athabasca University students. There was no requirement for an allowance as at September 30, 2014 (2013 - Nil).

AUSU provided \$4,320 (2013 - \$2,757) in tuition payments to cover the enrolment fee for one undergraduate Athabasca University course per councilor as per the AUSU compensation guidelines.

6. EQUIPMENT

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Furniture and equipment	\$ 31,482	\$ 15,139	\$ 16,343	\$ 18,499
Computer equipment	61,100	59,583	1,517	4,039
	\$ 92,582	\$ 74,722	\$ 17,860	\$ 22,538

7. INTANGIBLE ASSET

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Software license	\$ 147,000	\$ 89,833	\$ 57,167	\$ 106,167

8. LEASE COMMITMENT

AUSU leases premises under a long term lease that expires on March 31, 2017. Under the lease, AUSU is required to pay base rent and a proportionate share of utilities, property taxes, maintenance and other related costs for the leased premises. Future minimum lease payments are as follows:

2015	\$ 22,088
2016	22,088
2017	11,044
	<u>\$ 55,220</u>

9. RESTRICTIONS ON NET ASSETS

AUSU internally restricts net assets for the purpose of student development, special projects, infrastructure and research. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

Notes to Financial Statements
Year Ended September 30, 2014

10. FINANCIAL INSTRUMENTS

The AUSU is exposed to various risks through its financial instruments. The following analysis provides information about the AUSU's risk exposure and concentration as of September 30, 2014. Unless otherwise noted, the AUSU's risk exposure has not changed from the prior year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the market interest rates. The AUSU is exposed to interest rate risk primarily through its investment in marketable securities.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The AUSU is exposed to other price risk through its investment in quoted shares. The risk exposure has decreased in the year due to less investment in preferred shares and greater investment in fixed income securities.



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Budget 2014/15

REVENUE

Student Fees	\$610,827.00
Advertising	
Planner advertising	\$830.00
Interest	\$41,880.00
Other	
TOTAL REVENUE	\$653,537.00

EXPENSES

Fees	
Amortization	\$8,000.00
Bank Charges	\$500.00
Insurance Expenses	\$1,500.00
Investment Fees	\$11,000.00
Payroll Processing Fees	\$3,000.00
Total Administration Expenses	\$24,000.00
Technology Expenses	
Hardware	
Staff	\$3,000.00
Councillors	\$3,000.00
Software	
Staff	\$2,000.00
Councillors	\$1,000.00
Website Expenses	\$15,000.00
Total Technology Expenses	\$24,000.00
Administration Expenses	
Elections Expenses	\$2,000.00
Teleconference Meetings	\$2,000.00
Total Admin Expenses	\$4,000.00
Office Expenses	
Rent	\$60,000.00
Furniture	\$1,000.00
Supplies	\$2,500.00
Reference Materials	\$600.00
Subscription Fees	\$600.00
Postage & Courier	\$7,000.00
Telephone & Internet	\$6,500.00
Total Office Expenses	\$78,200.00
Professional Fees	
Accountant	\$20,000.00
Bookkeeper	\$3,000.00
Lawyer	\$3,000.00
Total Professional Fees	\$26,000.00

Councillor Salaries and Benefits

Councillor Salaries	
Executive	\$108,150.00
Councillor	\$18,000.00
Executive Benefits	\$9,000.00
AUSU Tax Portion	
Councillor	\$5,000.00
Total Councillor Salaries & Benefits	\$135,150.00

Staff Salaries and Benefits

Staff Training	\$4,000.00
Staff appreciation	\$3,000.00
Benefits	\$13,000.00
Staff	\$10,000.00
Staff Salaries	\$175,000.00
Total Salaries and Benefits	\$205,000.00

Promotional

Convocation	\$10,000.00
Newsletter	\$4,000.00
Informational/Promotional Publications	\$10,000.00
Student Handbook	\$45,000.00
Publication Supplies	\$2,000.00
Merchandise, Promotional & Advertising	\$7,500.00
Gifts & Donations	\$1,000.00
Contests	\$1,500.00
Total Promotional	\$81,000.00

Voice

All Voice Expenses	\$76,353.00
Total Voice	\$76,353.00

Awards

Student Awards	\$50,000.00
Total Awards	\$50,000.00

Representation Expenses

Advocacy & Lobbying	\$2,500.00
Professional Development	\$2,000.00
Membership Fees	-
Travel	\$5,000.00
Delegate fees	\$2,000.00
Total Representation Expenses	\$11,500.00

TOTAL EXPENSE **\$715,203.00**

TOTAL INCOME **\$653,537.00**

REVENUE OVER EXPENSES **(\$61,666.00)**

Contacts

MAIN OFFICE

AU Students' Union
500 Energy Square
10109 106 Street NW
Edmonton, AB T5J 3L7

Tel: 1.855.497.7003

Fax: 1.780.497.7003

Web: www.ausu.org

Email: ausu@ausu.org

Twitter: [@AthabascaUSU](https://twitter.com/AthabascaUSU)

Facebook: facebook.com/AthaUSU

2014/2015 COUNCIL

Jason Nixon, President
Kim Newsome, VP External
Corrina Green, VP Finance
Alexander Poulton
Bonita Arbeau
Christine Villeneuve
Megan Daigneault
Shawna Wasylyshyn

STAFF

Karyna Hoch - Office Coordinator
Karl Low - Voice Managing Editor



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AUSU serves nearly 39,000 Athabasca University undergraduates annually. AUSU members are defined as all students of Athabasca University who are currently enrolled in an AU undergraduate course (if extensions are purchased, the extended end date is used to calculate membership).

For more information about AUSU and its programs, please see www.ausu.org, or call our office.

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Athabasca University
Students' Union