



Annual Report 2010: Activities and 08/09 Financials



AU STUDENTS' UNION
UNITED BY DISTANCE

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AUSU

FINANCIAL REPORT AND AGM INFORMATION

All data refers to the 2008/09 AUSU fiscal year, beginning October 1, 2008, and ending September 30, 2009. Planning information is for the 2009/10 fiscal year, beginning October 1, 2009, and ending September 30, 2010.

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

The Annual General Meeting of AUSU will be held via teleconference on April 6, 2010, at: 5:00 pm MST at 1213, 10011 109th Street NW, Edmonton, AB. All members who live in a location with teleconference access may book a line. Special arrangements will be made for members overseas if we receive at least two business days notice of attendance. Inquire with ausu@ausu.org for more information or to book a line for the meeting.

Errors and omissions excluded.
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The background image shows a hand holding a pen, poised to write on a calendar. Several yellow sticky notes are attached to the calendar pages. One note has a triangle drawn on it, and another has the word 'CAREER' written on it. The calendar pages are visible, showing dates and some handwritten notes.

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PRESIDENT'S

message to the membership

Dear Members:

Over the 2008/2009 fiscal year, AUSU managed to hold its ground. In a year that saw many organizations close their doors, and during which even the university lost money on its investments (although AU, with its conservative investment strategy, performed much better than many other Universities across the country), this is something we can take some pride in. This is especially true when you consider the difficulties that AUSU encountered over the course of the year.

Last year we spoke about the difficulties we were having with the rapid expansion in the student body and our staff attempting to handle an ever increasing workload. Unfortunately, only a few short months after that meeting, just as we were preparing to bring in a third staff member to take some of the load, one of our administrative staff decided to leave us. Needless to say, this did not help the workload situation of our remaining administrative staff member, especially with the task of hiring and training for the other full-time position now added to the regular duties. Additionally, the hiring was not without hiccups, and cleaning up after a first hire that did not go well has taken a lot of additional energy from our staff.

Throughout this, however, AUSU's regular services continued unabated. Council continued to meet and consider plans and new programs which we might put in place once the outstanding work was caught up on. Many new projects were started, though not all were completed within the term. Work will continue under the new council. Sadly, however, more investigation showed that some of our plans are simply beyond AUSU's abilities at this time. We searched for a suitable partner that could provide fitness discounts to students across the country, but as of yet have not had any solid success. In discussing the requirements of an AUSU volunteer-driven radio station, we realized that we don't yet have the ability to maintain the type of quality control that we feel members deserve. Discussions with the Voice editing staff suggested that it was too soon to move forward with full Voice autonomy, although small steps are in the process of being made and the Voice finances have been largely separated from AUSU. Our next audit



will make this more clear. Our new website, something I personally had very much hoped to see before I left, was put on the back burner while we dealt with the more pressing issues of making sure the services we are already offering continue to be of sufficient quality. We have designed a points system to give members a little something extra when they provide a little something extra to AUSU, but full implementation is one of those items on the to-do list.

All that said, however, AUSU is not without its successes over the past year. Many of the programs that were in development over the last year will soon come to fruition. One of the key successes is that even as the university struggles with the difficult economy and a provincial government trying to cut costs wherever it can, AU did not raise the learning resources fee. AUSU has argued many times that this fee is arbitrarily set and stated that we would protest any increase to the fee without a full explanation of how it relates to the real cost of learning resources. It seems the university has listened.

Another success is that the AU Graduate Students' Association is finally running, and, with AUSU's assistance, seems to be starting off on a good note in their work for the Graduate Students; this can only work to enhance the desirability of an AU degree. We have high hopes that our support will translate into increased cooperation between AUSU and the GSA as we tackle issues that affect students at all levels.

I'm also happy to be able to report that our work on AU committees continues to bring benefits such as new AU awards being designed with significant input from AUSU. Our strong representation and advocacy of AUSU members is also increasingly recognized and appreciated within the university. We are slowly building up the variety of items available from our store, and will continue to apply very little markup to our costs when selling to members.

Politically, we continue to take a stance slightly different from other students unions – avoiding political issues that are not directly related to university studies, and putting a more positive

focus on our communications with the government so we might stand out and avoid being relegated in the Minister's mind as "just another students' group."

Financially, AUSU remains as strong as ever. Our cautious stance protected AUSU from any losses during the recession.

This leads me to the future. While the list of goals not met is far larger than I'd like to be reporting during an annual general meeting, this does not mean that these goals have been forgotten. Your new Council is soon to arrive, and I feel confident that we will see the realization of several of them over the next year. AUSU is in a strong position to tackle future challenges, and I can only see that our reputation and strength within the university will continue to grow.

It's been an honour to serve this membership, and this Council. I will miss it, but I feel confident that it will continue to move forward in all of our interests.

A handwritten signature in black ink, reading "Karl Low" with a long, sweeping horizontal line extending to the right.

Karl Low, President

Location: Suite 1213, Edmonton Learning Centre, Teleconference

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ILLUMINATION



- 8.0 Motion: BIRT AUSU amend the bylaw definition of Membership in the Society by:
CURRENT POINT: 4.2.1 Active Members are entitled to: (...) (d) receive, upon payment of full AUSU fees, AUSU publications and ...
AMENDMENT: Delete the words “upon payment of full AUSU fees” from 4.2.1(d)
C. Rielly/ S. Kertcher — Carried 12/0 —
- 9.0 Motion: BIRT AUSU amend the bylaw definition of Membership in the Society by:
AMENDMENT: Move points detailing the rights given to active members in 4.2.1(a), 4.2.1(b) and 4.2.1(d) to associate members in 4.2.2 and renumber both accordingly. Also, renumber points under active members.
S. Kertcher/ T. Ross — Carried 12/0 —
- 032309.02 Additional participants join meeting
- 10.0 Motion: BIRT AUSU amend the bylaw definition of Membership in the Society by:
AMENDMENT: Change 4.2.3 to read “All types of members are entitled to:”
H. Lodhi/ L. Fraser — Carried 14/0 —
- 11.0 Motion: BIRT AUSU amend the bylaw definition of Membership in the Society by:
AMENDMENT: Add the words “or currently enrolled in a multi-year AU undergraduate collaborative program offered at another post-secondary institution.” To the end of the first sentence in the definition of member.
C. Rielly/ S. Kertcher — Carried 14/0 —
- 12.0 Motion: BIRT AUSU changes its fee alteration requirement by replacing the words “a referendum of the members and in accordance with current AU policy” with the words “Special Resolution that must be announced to the membership at least 21 days prior to a General Meeting”
L. Fraser/ C. Rielly — Carried 14/0 —
- 13.0 Special Resolution: BIRT AUSU adjust its current fees by adding “Membership Fees are \$3 per credit hour for any AU undergraduate course” to the bylaws as article 4.4.2
H. Lodhi/ E. Dukeshire — Carried 14/0 —
- 14.0 Presentation of AUSU Annual Activity Report
Information was provided the following items:
- | | |
|------------------------------|----------------------------|
| Increased staffing | Tutor of the year contest |
| Arranging fitness discount | AUSU election |
| Complaint tracking database | Upcoming interim election |
| Returning student award | 2009 AUSU Handbook/Planner |
| Career Centre | Website changes |
| Student orientation sessions | AUSU brochure |
| Office furniture project | |
- 15.0 Meeting Adjourned at 19:03 (MST)
B. Rielly moved.

UP ~~EXTERNAL~~

activity report and notes to the members



Dear Members:

Politically speaking, this past year has essentially been more of the same. Parliament has been prorogued, and the Conservatives are still in power federally and provincially. As always, tuition increased and it will again next year as tuition increases seem as reliable as sunsets in the West. The recent federal budget offered undergraduate students little encouragement, though Alberta's budget raised the lifetime tuition cap and thus gave mature students a small break. However, Alberta also reduced the availability of student grants to offset the increase in loans. The government giveth and the government taketh away, but students continue to persevere and attain success, as evidenced by AU's ever-more-full convocation ceremonies. We must remain wary, however, as university funding remains stable while enrolments soar and collective agreements with faculty, tutors and service staff dictate that wage increases occur on schedule.

While we were not the worst hit, Canada has suffered in the aftermath of last year's global financial meltdown. Some sectors slowed and many jobs were lost. The federal government has gone into deficit and will continue for several years to accrue debt that will ultimately have to be repaid. But Canada is recovering better than most of its peers on the world stage, and investments have been made in graduate level studies and university infrastructure. However, this does little to directly help undergraduates at a time when we need more skilled graduates to ensure that our industry remains strong. At many universities across the country tuition is rising and we are seeing new fees that will put higher education even further out of the reach of aboriginal and disadvantaged students. Yet again, fees at AU have also increased.

AUSU has continued to be a strong voice for students at various Athabasca University committee tables. AU Academic Council Student Awards Committee (AUAC SAC) introduced a new suite of awards this year designed to address a wider portion of the student body, and we are proud to have been an active part of that process. At our urging AU has finally revised the Honours List for 2008 and 2009 to reflect the policy that AUSU urged and AU adopted in 2007. We're disappointed, however, that our attempts to arrange a meeting with tutor representatives to address student issues—still the single biggest area of student discontent—has yet to be granted by the tutor's union after more than a year of requests. We know that tutor issues are vitally important to student success, and we will continue to knock on that door until we get an answer. We believe, without question, that positive, open dialogue between the unions representing students and

tutors would be of significant benefit to the entire AU community.

Unfortunately the Coalition for Student Loan Fairness (CSLF), a much appreciated ally in combating the high cost of education, has ceased operations and now we must find other ways to advocate for AUSU members externally. However, we have seen a significant increase in awareness of student funding issues through that collaboration, and we thank the CSLF for bringing this important issue some much needed awareness. We plan to continue the awareness campaign with new media revealing the inequity of the Alberta university funding formula, in which AU receives far less per Alberta student than any other Alberta university.

Last year's letter from the Hon. Diane Finley assured us that the new-and-improved Canadian Student Loans Program to be introduced in 2009 would address the issues we raised. We continue to look forward to this new plan and are hopeful that it will increase financial accessibility to post-secondary education in the province. Until then, we will continue to demand attention to this matter and focus our efforts on urging our members to make the same demand of their local MPs. The current conservative governments do not seem to place much emphasis on higher learning at this time, favouring the creation of jobs that are cyclical but look good in bad times. If a new government is elected federally we stand a good chance of getting a government that is positive about higher education and understands the benefits that educated citizens can provide to the country.

AUSU has just recently completed a new election and has welcomed a new set of councillors. The new executive will have many opportunities as 2010 unfolds to examine avenues for advocacy at federal and provincial levels as well as within the university itself.



Barbara Rielly
Vice President, External

activity report and notes to the members



As expected, the main source of income for AUSU continues to be student fees, though we have made a modest income on advertising and merchandise sales, and advertising in our handbook exceeded projections.

The following is a breakdown of budgeted spending:

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- Awards were notably under budget again this year due mainly to ongoing issues in receiving our awards draw list from AU for the Academic Achievement award. As a result we are currently revising our awards policy to aid in the future disbursement of awards funds. This year, we have rerouted funding from the AA awards into other bursaries to ensure that all budgeted funds will be handed out.
- Professional fees were slightly lower than budgeted.
- Again this year, we realized a large surplus in representation amounting to roughly \$22,000. A contributor to this surplus was the Coalition for Student Loan Fairness ceasing operations. The CSLF was the recipient of the bulk of our external advocacy funding in 2008. A new campaign is in development for 2010 to address government under-funding of AU.
- Teleconference meeting costs were slightly lower than projected, though the addition of overseas councillors increased our costs over previous years.
- Amortization came in at roughly \$7,600 over projections due to the acquisition of many new capital assets over the previous year.
- Interest and banking charges were very slightly above budget. Staff and finance committee continue to explore means of cutting down costs in this category. As of April 2010, we will be with a new bank and will be consolidating investing and credit services.
- Interest income was very low this year due to low interest rates on our “prime-minus” based savings account. We are currently moving our funds to a new bank and seeking a better return on our investments, while protecting our principal.

We have just completed our 2008/2009 audit by the firm of Kingston Ross Pasnak. This is our third audit through this firm and we are very happy with their support and services. KRP’s testing of AUSU’s financial records did not reveal any illegal or possibly illegal acts. A few suggestions were made regarding improvements to our inventory systems, and we have made these corrections. KRP is also helping us to further separate out the Voice books, which will be more evident on our next audit.

This year we struggled with high staff turnover in the AUSU office; thankfully, we’ve added Karyna McDonald to our team in the role of Office Coordinator/Bookkeeper. We currently have two full-time AUSU staff, and a 3/4 time Voice editor. We continue the process of moving many of our services that students request on-line to improve efficiency for students. AUSU is still working on streamlining processes to add a part-time staff member to the office to help with staff burn-out. Our staff are vital to providing the majority of our services, from advocacy, to the shipping of planners and merchandise. Freeing up staff to do what they are trained to by adding part-time admin help will allow us to get more for our staffing dollar.

On the awards front, much of last year was spent struggling with obtaining a satisfactory awards draw list from the university for our Academic Achievement Awards, and as a result we have decided to divert the funds that would have been allocated to the AA Awards into our existing awards/bursaries, as well as some new and exciting awards/bursaries. Stay tuned to the ausu.org web site for more information regarding the new awards/bursaries.

Overall, the 2008/2009 financial year was another great year full of change within council, as well

as the world economy. The Canadian government has declared “the recession is over”, and while we still have a long way to go, we’ve seen a noticeable improvement in the markets, and the economy as a whole. We continually work to strengthen our reputation and presence within the university community, and are partnering, as well as looking for more opportunities to partner with, external lobbying groups.

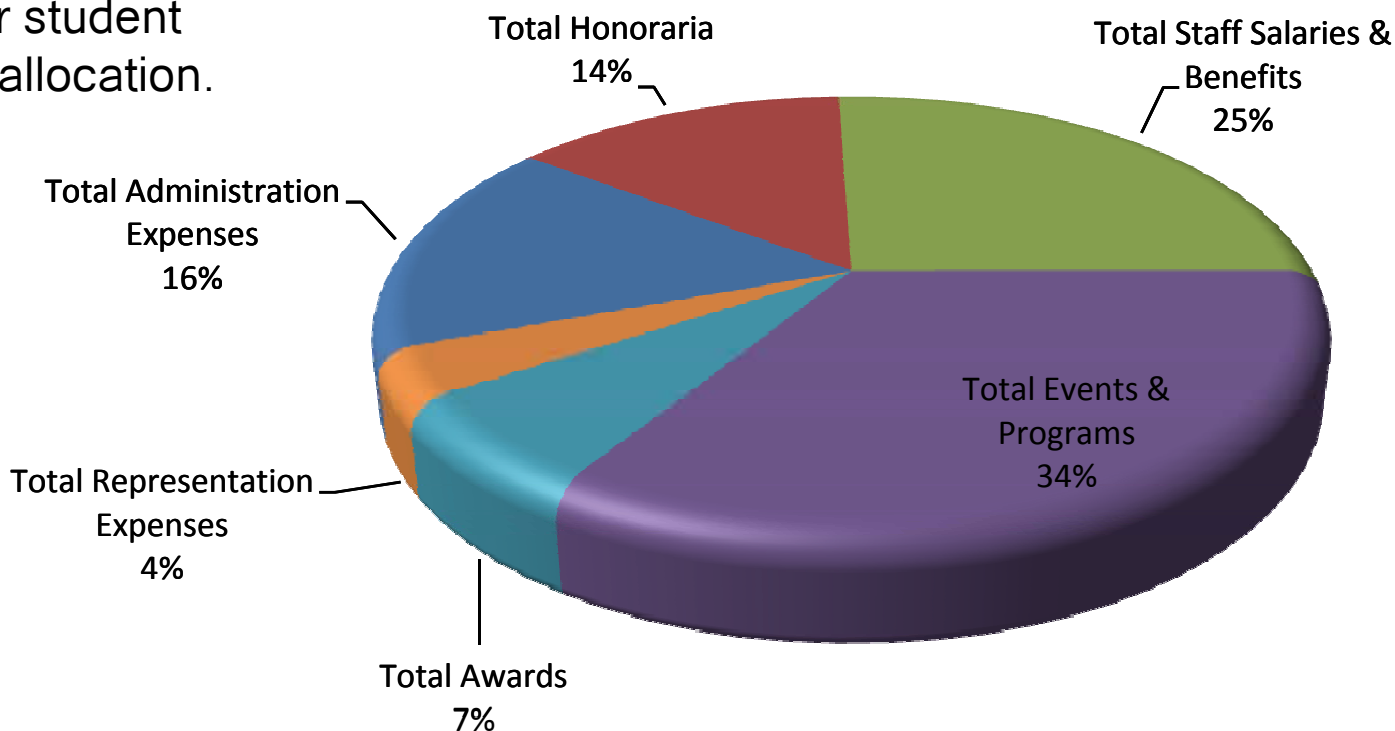
AUSU will continue to search out new programs to ensure we’re consistently meeting the growing and varying needs of our members. We have just completed our election that proved to be considerably less complicated than the last. I feel confident that both incumbent and new councillors have a positive outlook on the future, and look forward to serving our members.

A handwritten signature in blue ink that reads "Sarah Kertcher". The signature is fluid and cursive, with the first name "Sarah" and last name "Kertcher" clearly legible.

Sarah Kertcher
Vice-President, Finance & Administration

What does \$9 buy?

Breakdown of
your student
fee allocation.



At a General Meeting, all members have a vote and are encouraged to join in the discussion. Any member may attend for free via teleconference.

WHAT TO EXPECT AT THE MEETING

Members may attend any public council meeting by contacting our office and requesting an agenda and dial-in information. In a regular meeting, members are asked to mute their lines and reserve questions for e-mail or a question period.

At a General Meeting, all members may engage in discussion, suggest resolutions, and vote on motions. The AGM cannot be conducted without a minimum number of members present, so participation is not only permitted, it is strongly encouraged.

After the Call to Order, the President directs the meeting by announcing each agenda item and moderating discussion and voting. New motions will require a mover and a seconder. A motion is not open for discussion until it is seconded by another

member; however, seconding does not indicate agreement. You may second a motion to open it for discussion and voting, but opt to vote against the motion.

Once a motion is seconded, discussion opens. Please wait until this time to present suggestions—everyone will have a chance to speak. You may ask questions or suggest amendments to the motion. When discussion concludes, voting will open and you may vote “aye” or “nay”.

Once the meeting adjourns, there will be an opportunity for an open discussion period. You may comment on any issue that is not on the agenda at this time. All comments and suggestions are welcome.

FINANCIAL REPORT: Statement of Financial Position

THE FOLLOWING FINANCIAL STATEMENTS REPRESENT THE FINANCIAL POSITION OF AUSU AS AT THE END OF THE 2008/09 FISCAL YEAR

The AUSU fiscal year runs from October 1st though September 30th. Our audit was completed in February 2010 by the firm of Kingston Ross Pasnak of Edmonton, Alberta. This year we began the process of separating the Voice books from AUSU to reflect the guaranteed Voice funding provided for in our bylaws. In the coming year, AUSU will pursue increased investment income to build our reserves and develop new projects to provide enhanced services to our members.

MAJOR AREAS OF SURPLUS AND SPENDING

AUSU operated under a tight budget in 2008/09, caused by a decrease in interest income and student fee revenues that were lower than estimates due to slowing enrollment growth. While we budgeted for an overall \$49,000 deficit with plans of a balanced budget at year end, delayed hiring of a new position helped us remain \$45,000 under budget.

SURPLUS AREAS

- NEWSLETTER
- AWARDS
- REPRESENTATION

AREAS OF HIGHER SPENDING

- SALARIES
- PROFESSIONAL FEES
- TELECONFERENCES



GLOBAL COMMUNITY



ATHABASCA UNIVERSITY STUDENTS' UNION

Financial Statements

Year Ended September 30, 2009

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AUDITORS' REPORT

December 9, 2009
Edmonton, Alberta

To the Members of Athabasca University Students' Union

We have audited the statement of financial position of Athabasca University Students' Union as at September 30, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

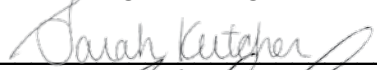
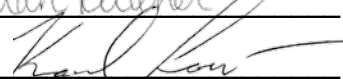
In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Kingston Ross Pasnak LLP
Chartered Accountants

ATHABASCA UNIVERSITY STUDENTS' UNION
Statement of Financial Position
September 30, 2009

	2009	2008
ASSETS		
CURRENT		
Cash (Note 5)	\$ 730,803	\$ 684,385
Accounts receivable	61,410	55,389
Inventory (Note 6)	12,913	5,102
Prepaid expenses	3,000	3,000
	808,126	747,876
EQUIPMENT (Note 7)	26,725	26,018
	\$ 834,851	\$ 773,894
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 20,096	\$ 18,639
Deferred student fees	87,615	77,336
	107,711	95,975
NET ASSETS		
Unrestricted	224,985	174,901
Internally restricted (Note 8)	475,430	477,000
Invested in equipment	26,725	26,018
	727,140	677,919
	\$ 834,851	\$ 773,894

ON BEHALF OF THE BOARD

 Director
 Director

ATHABASCA UNIVERSITY STUDENTS' UNION
Statement of Changes in Net Assets
Year Ended September 30, 2009

	Unrestricted	Internally restricted	Invested in equipment	2009	2008
NET ASSETS - BEGINNING OF YEAR	\$ 174,901	\$ 477,000	\$ 26,018	\$ 677,919	\$ 651,906
Acquisition of internally funded equipment	-	(10,316)	10,316	-	-
Internally imposed restrictions	(8,746)	8,746	-	-	-
Excess of revenue over expenditures	58,830	-	(9,609)	49,221	26,013
NET ASSETS - END OF YEAR	\$ 224,985	\$ 475,430	\$ 26,725	\$ 727,140	\$ 677,919

ATHABASCA UNIVERSITY STUDENTS' UNION
Statement of Cash Flow
Year Ended September 30, 2009

	2009	2008
OPERATING ACTIVITIES		
Cash receipts from Athabasca University	\$ 509,653	\$ 503,893
Cash paid to students, suppliers and staff	(452,919)	(478,147)
Cash flow from operating activities	56,734	25,746
INVESTING ACTIVITIES		
Purchase of equipment	(10,316)	(24,946)
Proceeds on disposal of equipment	-	611
Cash flow used by investing activities	(10,316)	(24,335)
INCREASE IN CASH	46,418	1,411
CASH - BEGINNING OF YEAR	684,385	682,974
CASH - END OF YEAR	\$ 730,803	\$ 684,385

ATHABASCA UNIVERSITY STUDENTS' UNION
Statement of Operations
Year Ended September 30, 2009

	Budget 2009 (Unaudited)	2009	2008
REVENUE			
Student fees	\$ 497,129	\$ 495,167	\$ 478,544
Advertising and promotion	10,000	4,842	7,925
Interest	20,000	4,331	20,189
Merchandise sales	2,500	870	-
Voice income	-	185	-
	529,629	505,395	506,658
EXPENSES			
Staffing	144,540	124,553	116,497
Council wages	90,283	83,264	87,241
The Voice	62,141	58,235	51,224
Student handbook	43,500	46,664	32,692
Administration	41,651	36,726	34,968
Awards	43,196	24,963	19,553
Newsletter	50,000	22,016	73,626
Professional fees	17,000	15,750	17,760
Advertising and promotion	45,000	12,690	12,071
Amortization	2,000	9,609	6,275
Teleconference meetings	8,500	7,187	6,618
Events and programs	5,300	6,860	10,780
Representation	27,500	5,279	9,300
Interest and bank charges	900	1,276	784
Insurance	1,500	1,102	1,216
	583,011	456,174	480,605
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	(53,382)	49,221	26,053
Loss on disposal of equipment	-	-	(40)
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	\$ (53,382)	\$ 49,221	\$ 26,013

ATHABASCA UNIVERSITY STUDENTS' UNION

Notes to Financial Statements

Year Ended September 30, 2009

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

Significant accounting policies observed in the preparation of the financial statements are summarized below. These policies are in accordance with Canadian generally accepted accounting principles.

Inventory

Inventory is recorded at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis.

Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over their estimated useful lives at the following rates and methods:

Furniture and equipment	Ten
Computer equipment	Three

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 and thus, to be consistent with generally accepted accounting principles, these revenues from student fees are classified as deferred and recognized as revenue one month subsequent to the start of the course to which the fees relate.

(continues)

ATHABASCA UNIVERSITY STUDENTS' UNION

Notes to Financial Statements

Year Ended September 30, 2009

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.

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

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

Merchandise sales are recognized when the goods are transferred to the customer and collection is reasonably assured.

Financial instruments

Financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the Statement of Financial Position at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in excess of revenue over expenditures. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in the statement of changes in net assets until the instrument is derecognized or impaired.

AUSU has made the following classifications:

- Cash is classified as financial asset held for trading and is measured at fair value.
- Accounts receivable are classified as loans and receivables and are recorded at amortized cost using the effective interest method.
- Accounts payable and accrued liabilities are classified as other liabilities and are measured at amortized cost using the effective interest method.

AUSU has chosen to continue to apply Section 3861, Financial Instruments - Disclosure and Presentation, instead of adopting Section 3862, Financial Instruments - Disclosure and Section 3863, Financial Instruments - Presentation.

Statement of Cash Flow

AUSU is using the direct method in its presentation of the Statement of Cash Flow.

(continues)

ATHABASCA UNIVERSITY STUDENTS' UNION

Notes to Financial Statements

Year Ended September 30, 2009

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 providing for amortization of equipment and collectibility of accounts receivable. Actual results could differ from these estimates.

Capital disclosures

In the current fiscal year, the Company adopted new CICA Handbook Section 1535, "Capital Disclosures." This Section establishes standards for disclosing information about the entity's capital and how it is managed, in order for a user of the financial statements to evaluate the entity's objectives, policies and processes for managing capital.

The required disclosures have been included in Note 11 to the financial statements.

Changes in accounting policies

Effective October 1, 2008, AUSU adopted Canadian Institute of Chartered Accountants (CICA) Handbook Section 3031, "Inventories", which supersedes Section 3030. The new standard introduces significant changes to the measurement and disclosure of inventory and provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. In addition, in certain circumstances, write-downs of inventory previously recognized may be reversed. The adoption of Section 3031 resulted in no material impact to the measurement of inventory.

FINANCIAL REPORT: 2009/10 Annual Budget

THE FOLLOWING PAGES CONTAIN THE ANNUAL BUDGET FOR AUSU'S 2009/10 FINANCIAL YEAR. INCLUDED FOR COMPARISON IS THE 2008/09 BUDGET.

Council again opted to budget for a deficit budget in 2009/10 with the understanding that overall expenditures are likely to be at least slightly below the maximum budget amount in many categories. A balanced or surplus budget at year-end is anticipated. Allocations are based on expected expenditures plus additional funding to cover normal fee increases and to provide a small amount of flexibility in each area. Expected revenue is based on enrollment projections developed by AU's institutional studies department. An expected hire this year will likely reduce this year's surplus.

	2008/2009	2009/2010
REVENUE		
Revenues		
Student Fees	497,129.49	537,660
Advertising	10,000.00	
<i>Planner Advertising</i>		3,000
<i>Newsletter Advertising</i>		0
<i>Other Advertising</i>		200
Interest and Investment Income	20,000.00	6,000
Events	0.00	0
Vending	0.00	0
Merchandise Sales	2,500.00	500
Other	0.00	35
TOTAL REVENUE	529,629.49	547,395
EXPENSES		
Administration		
Amortization	2,000.00	2,000.00
Bank Charges	500.00	900.00
<i>Technology Expenses</i>		
<i>Hardware</i>		
<i>Staff</i>	2,000.00	2,000.00
<i>Councillors</i>	1,500.00	2,000.00
<i>Services</i>	2,000.00	3,000.00
<i>Software</i>		
<i>Staff</i>	2,250.00	2,000.00
<i>Councillors</i>	600.00	600.00
Total Technology Expenses	8,350.00	9,600.00
Elections Expenses	3,000.00	3,000.00
Teleconference Meetings	6,500.00	7,500.00
Insurance Expenses	1,500.00	1,300.00
Licence and Permits	2,800.00	2,800.00
Merchandise & Promotional & Advertising	15,000.00	10,000.00
Miscellaneous Expense	0.00	-
<i>Office Expenses</i>		
<i>Furniture</i>	1,500.00	1,500.00
<i>Supplies</i>	6,500.00	4,500.00
<i>Postage & Courier</i>	8,500.00	9,000.00
<i>Telephone</i>	1,500.00	1,500.00
Total Office Expenses	18,000.00	16,500.00

Payroll Processing Fees	2,300.00	2,300.00
<i>Professional Fees</i>		
Accountant	16,000.00	16,000.00
Lawyer	1,000.00	1,000.00
Other	0.00	-
Total Professional Fees	17,000.00	17,000.00
Publication Supplies	1,000.00	1,000.00
Reference Materials	600.00	600.00
Subscription Fees	300.00	500.00
Training	2,000.00	2,000.00
Storage Space	1,400.00	1,400.00
Travel	5,000.00	5,000.00
Website Expenses	12,000.00	12,000.00
Total Administration Expenses	99,250.00	95,400.00
Salaries and Benefits		
<i>Councillor Salaries</i>		
Executive	50,608.21	51,114.29
Councillor	33,335.00	33,091.97
Total Honoraria	83,943.21	84,206.26
Councillor Benefits	6,340.00	6,601.00
<i>Staff Salaries & Benefits</i>		
Staff appreciation	1,500.00	1,800.00
Benefits	11,000.00	11,000.00
AUSU Tax Portion		
Councillor	4,800.00	3,800.00
Staff	7,440.00	6,000.00
Staff Salaries	117,500.00	130,000.00
Total Staff Salaries & Benefits	142,240.00	152,600.00
Total Salaries and Benefits	226,183.21	236,806.26
Events and Programs		
Special Event Expenses	0.00	-
Convocation	5,000.00	15,000.00
Newsletter	80,000.00	75,000.00
Informational/Promotional Publications	0.00	-
Student Handbook	35,000.00	45,000.00
Voice	62,141.19	67,207.50
Service Recognition	300.00	300.00
Total Events & Programs	182,441.19	202,507.50
Awards		
Contests	500.00	500.00
Gifts & Donations	500.00	500.00
Student Awards	40,180.00	40,980.00
Total Awards	41,180.00	41,980.00
Representation Expenses		
Advocacy & Lobbying	20,000.00	20,000.00
Professional Development	2,500.00	1,500.00
Membership Fees	0.00	-
Travel	0.00	-
Total Representation Expenses	22,500.00	21,500.00
TOTAL EXPENSE	571,554.40	598,193.76
NET INCOME	529,629.49	547,395.00
DEFICIT OR SURPLUS	-41,924.91	-50,798.76

STRENGTH IN NUMBERS



PRIORITY ACTIVITIES: What we're doing for you

THE FOLLOWING PAGES DETAIL PROJECTS THAT AUSU HAS COMPLETED SINCE OUR LAST AGM, PROJECTS IN PROGRESS, AND PLANS FOR THE FUTURE

Project planning is a core duty of AUSU council, to ensure that member funds are used to the greatest benefit of the membership as a whole, and to use the economies of scale to our best advantage. The annual project report provides a checkpoint for our members, so you can keep track of what we are doing for you, and what we have in store. Comments are always welcome and encouraged.

PROJECT HIGHLIGHTS

COMPLETED PROJECTS

AUSU completed several initiatives in 2009, including harvesting the initial results of our student issues data-base, upgrading our discussion forums system, and building an inventory for our student store.

- INVENTORY BUILDING
- SMARTDRAW LICENSE
- TRACKING RESULTS
- ELECTION 2010
- MORE NEW AWARDS
- GRAD SOCIETY HELP

KEY PROJECTS IN PROGRESS

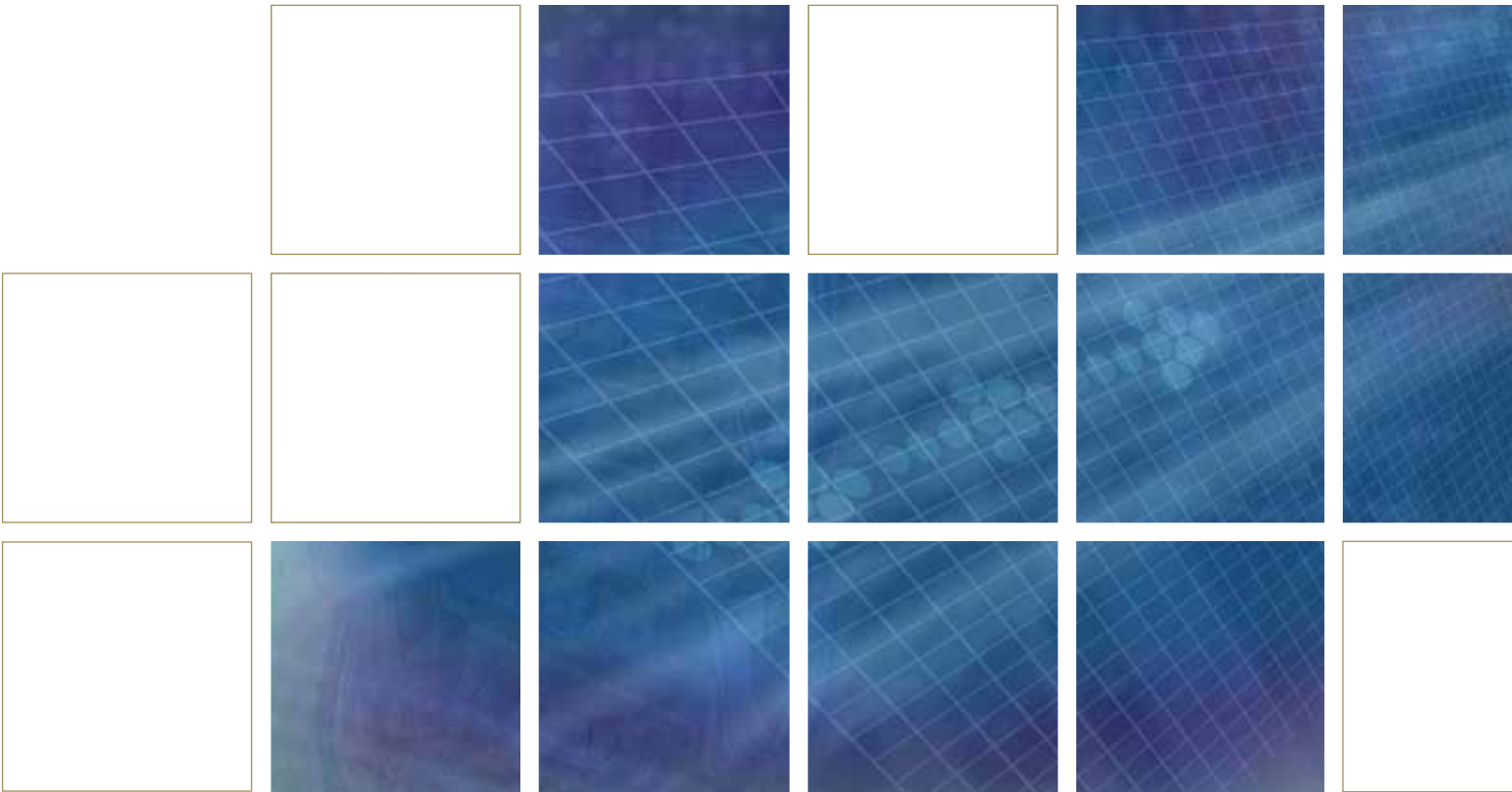
Some projects can be completed in a year, but many are ongoing and constantly revised, while others take more than a year to complete. Ongoing projects form the core of AUSU's work.

- REWARD POINTS
- NEW WEB SITE
- CONVOCATION VIDEO
- STUDENT ORIENTATION
- CLUBS UPGRADES
- ON-LINE STORE

PROPOSED OR PLANNED PROJECTS

With established reserve funds for future projects, AUSU begins acting on a new investment policy to increase our holdings and develop new projects for our members. Some are merely proposed at this time.

- NEW CLUBS
- PODCASTS
- FITNESS DISCOUNTS
- STUDENT ID CARDS
- ATHLETE FUNDING
- NEW STAFF





AUSU 2008/10

Priority Activities and Planning

In April 2010 a new council will take office. This report coincides with the changeover period for the new council. Some completed projects and projects in progress were initiated by the 2008-2010 board; the 2010-2012 board will develop new projects in the coming year, and continue work on those in progress.

GENERAL ELECTION 2010

STATUS: Completed

The 2010 election closed with the announcement of the results on March 11, 2010. This election was the first test of our new acclamation system, in which all candidates on an acclamation ballot must pass a vote of the members and receive more YES votes than NO votes. Of the nine candidates on the ballot, eight were elected to the new council. The executive council has not been elected as of this report. The new council consists of: Sarah Kertcher (Surrey, BC), Barbara Rielly (Westport, ON), Bethany Porter (Nova Scotia/Alberta), Kim Newsome (Digby, NS), Ashely Seely (Rotterdam, ND), Joel Benitez (Edmonton, AB), John Palmer (Nepean, ON), and Toni Fox (Lethbridge, AB).

INCREASED STAFFING

STATUS: In Progress

The addition of a new part-time position was planned for 2009, but was delayed due to the replacement of one of our key administrative/bookkeeping staff.

TUTOR OF THE YEAR

STATUS: Ongoing

The third annual Tutor of the Year will run this summer. Winners names will be printed in the upcoming edition of AUSU news, mailed to all current members and available on-line in PDF format.

AUSU RADIO/POD CAST

STATUS: Delayed/In Progress

While an AUSU radio station is still desired, it was not found to be feasible in the last year. However, video was shot at last convocation and podcasts of this material on the AUSU website are pending. The new council will reassess this project.

FITNESS DISCOUNTS

STATUS: Planned

Fitness discounts for members remain a priority. It has proven difficult to find a facility that can provide discounts to our members across the country, but we continue to investigate and hope to be able to provide our members with a discount opportunity in the near future.

COMPLAINT TRACKING

STATUS: Ongoing

AUSU continues to log all contacts in our secure database to statistically track complaints and concerns from students. This system has helped us ensure that we are addressing areas of current, ongoing concern, and to confirm when issues are resolved. Over the last 120 reports:

56 are related to tutor concerns (46.6%). Of these,

- 6 reported tutor replies taking longer than 10 days
- 8 reported tutor replies taking longer than 20 days
- 6 reported tutor replies taking longer than 30 days
- 3 reported tutor replies taking longer than 45 days
- 22 reported problems getting e-mail replies from tutor
- 13 reported no learning support provided despite requests/no feedback on papers

These issues remain largely associated with specific tutors/courses, so we hope to soon be able to communicate with the union about this matter as the feedback on the majority of tutors is overwhelmingly positive, yet students complaints about specific courses/tutors remain unaddressed.

The other area of high concern was examinations. However, to our surprise, exam request times were only cited by a couple of students. Most the the issues were related to exams being sent to the wrong invigilator (3 reports), the wrong exam being sent out (2 reports, far fewer than we received in the past), and lost exams (4 reports).

Students also complained about several courses having outdated materials, or courses being very difficult, high workload, or poorly explained.

On a good note, the database revealed that areas where we used to receive many complaints have greatly improved. Specifically:

- Student finance advisor/policy issue -- we reported in the past that many students had problems here, but these seem to be largely resolved.
- Students used to report being denied registration to more than 6 courses though those not on student loans shouldn't have been held to this policy. We no longer receive these complaints.
- Slow processing of exam requests was a common problem that is no longer being reported.
- Students often used to report that they were often unable to register in a course as the university was unable to procure materials. This is no longer being reported.

AWARDS

STATUS: Complete

AUSU gave out its first Returning Student awards in the last year, and is adding several new awards to be available by summer of 2010. Applications and information can be found on ausu.org in the financial assistance section under Student Services. Due to ongoing difficulties getting lists for our Academic Achievement awards, these funds were redistributed this year by increasing the number of other bursaries available. This resulted in considerably more funds being distributed to students for the year.

AUSU PLANNER/HANDBOOK 2010

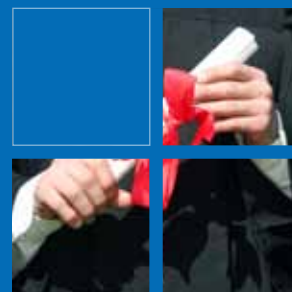
STATUS: Complete

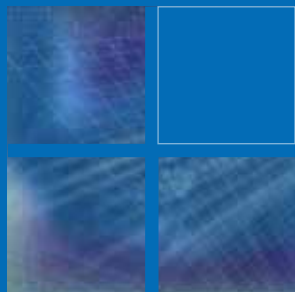
For the second year, the planner was printed in full colour with an added divider and a flap to hold notes. Ad sales in this years planner exceeded our expected income by 25%.

SMART DRAW

STATUS: Ongoing

In late 2007, AUSU purchased a mass user license to the popular SmartDraw software package. At





the end of the term, usage of the program was evaluated and council determined that it was both cost-effective and a value-added benefit to members. A license for the 2010 version of the software was purchased and is now available for members.

STUDENT ORIENTATION MEETINGS

STATUS: Suspended

In late 2008 a member on our website asked that AUSU be more accessible for teleconference discussion with students. Council thought it was a good idea, so for the year of 2009 a chat and orientation session was scheduled for the last day of each month and advertised on ausu.org and through our planner. Unfortunately, we had almost no attendance so council decide to discontinue the monthly meetings in favour of less frequent sessions with dates to-be-announced. Council continues to welcome student observers at all public council meetings, and to encourage participation in the AGM held each spring. Should interest in the chat sessions increase, a regular schedule may be reinstated.

STUDENT ORIENTATION BOOKLET

STATUS: In Progress

To further assist new AU students, AUSU has developed a new student orientation booklet that will strive to answer many of the common questions that new students are asking. To make this publication truly outstanding, we will be seeking feedback from students to find out what would make the book more useful to them. A first draft is circulating council as of the writing of this report, and a draft for student review will be available this spring or summer.

NEW SERVICES BROCHURE

STATUS: Completed

AUSU offers a wide range of services, and it can be difficult for students to learn about everything in their first months. AU staff and facilitators of on-campus, collaborative AU programs have also said that they need an easy way to keep up-to-date with all that we do. In response, we created a new brochure listing our current services in point form with directions to further information on each service. It is being distributed to tutors and AU staff, and students may pick one up in our office or at select exam centres.

ON-LINE STORE

STATUS: In Progress

AUSU continues to purchase merchandise to stock our new on-line store. A PDF catalogue of currently available items is on our site. In the coming year we plan to enhance the store so that students can order on-line. Watch for new items coming in throughout the year, and an announcement of our new shopping site. Feedback on our current items is welcome and encouraged!

GRAD SOCIETY LIAISON

STATUS: In Progress

AUSU is delighted that AU now has a dedicated graduate students' association (the AUGSA), and that this group is now working closely with AUSU. We were pleased, this year, when our staff agreed to assist the GSA with their election by taking votes over the phone and providing arms-length reporting on the final numbers. With strength in numbers, we believe that a good working relationship between the SUs is vital for all students, and that areas of mutual concern will benefit from a joint effort. After all, many of our members will go on to enrol in a graduate program after their undergrad studies are

completed! We will continue to provide any support we can to this new group, and assist with the development of programs if needed. We look forward to forging a relationship with the new grad council and finding ways that students at all levels can work together to enhance their studies.

POINTS PROGRAM

STATUS: In Progress

Student feedback is council's most important resource. It drives the development of programs, targets our lobby efforts, and lets us know how we're doing. Over the last year, we've also come to realize that we can be a significant resource to the university by helping to collect feedback and reporting statistically to departments that provide student services and learning materials. To encourage this kind of feedback, and to enhance the sense of an AU student community, AUSU is developing a points program for our members. Points will be earned for all sorts of participation opportunities, including filling out surveys, contributing to student clubs, and more. They will be redeemable for merchandise, forums tweaks, and more. Watch our site for information on this new program, coming soon!

STUDENT PRICE CARDS

STATUS: In Progress

AUSU offered Student Price Cards a few years ago and uptake was low. We noted at the time that many of the discounts were not of interest to adult students as they had a very strong youth focus. However, the stores associated with the card are now more diverse, so we may offer these again in the near future. Pricing and ordering details will be on our web site.

PHOTO GALLERY

STATUS: In Progress

We installed a photo gallery on our site last year and encouraged students to submit photos to get it started. So far we haven't had any uptake, but we'll try offering some bonus points to contributors in the coming year to get the project jumpstarted.

FEE INCREASE

STATUS: Completed

Though our fees had not increased since 2002, AUSU's income has diminished over the years due to high inflation. A below-inflation increase was proposed for September 2009 and approved at the March 2009 AGM by a unanimous vote of the members. New fee also equalizes payment per credit to ensure that all students pay the same amount. Before the increase members paid \$8 per 0, 3 or 4-credit course, \$16 for a 6-credit course, and \$24 for a 9-credit course. Now the fee is an even \$3 per credit, or \$9 for a 3-credit course.

COUNCIL WAGE AND DISCIPLINE RESTRUCTURE

STATUS: Completed

In 2010, AUSU made councillors more responsible to council and members by tying pay to service. The overall council wage was found to be too high, so it was cut by 50% and instead a pay structure was put in place for committee work that allows councillors to receive pay for extra work, while never exceeding the original wage. The savings from this pay cut were used to provide the executive with needed raises without taking more money from AUSU income. We also made councillors more responsible to members by putting measures in place for discipline and dismissal for failing in their responsibilities, and clarifying the remedies for violations of the attendance and councillor responsibilities policies.





Representation

On external, AU committees

COMMITTEE	STUDENT REPRESENTATIVE
AU Governing Council (AUGC)	Karl Low and Sarah Kertcher
Finance Subcommittee	Karl Low (AU Appointed)
Strategic Budget Advisory Subcommittee	Sarah Kertcher (AU Appointed)
Honorary Awards Subcommittee	Karl Low (AU Appointed)
Institutional Advancement Subcommittee	Sarah Kertcher (AU Appointed)
Hiring for VP Finance (ad hoc)	Karl Low
AU Academic Council (AUAC)	Barb Rielly
Student Academic Appeals Committee	Tamra Ross
Student Awards Committee	Barb Rielly
Student Services Group (SSG)	Sarah Kertcher
Miscellaneous Ad Hoc Committees	
1234 Course Renumbering Committee	Tamra Ross (committee is dormant)
Moodle Implementation Committee	Tamra Ross
My AU Steering Committee	Awaiting news of restructuring
Second Life Project	Tamra Ross and Karl Low
MSCHE AU Accreditation Task Forces	Karl Low, Tamra Ross, Sarah Kertcher
AUAC Structural Review	Karl Low, Barbara Rielly (completed)
Miscellaneous Standing Committees	
AU Staff Awards Committee (SDRMASE, PATME & CCMATE)	Tamra Ross
Bryon Paege Memorial Award (CUPE)	Barb Rielly
Integrated Learning Centres Steering	Sarah Kertcher
Sustainability Committee	Zil-e-Huma Lodhi (committee is dormant)
School for Computing and Information Systems Program Council	Kevin Gates
School of Business Program council	Tyler Nagel

AUSU Council

Internal Committees

COMMITTEE	CHAIR	MEMBERS
Finance	Sarah Kertcher	Emily Dukeshire, Barb Rielly, Zil-e-Huma Lodhi, Karl Low, Tamra Ross (ex officio), Karyna McDonald (ex officio)
Awards	Bethany Porter	Barbara Rielly, Emily Dukeshire, Zil-e-Huma Lodhi, Karl Low, Tamra Ross (ex officio)
Media	Karl Low	Emily Dukeshire, Bethany Porter, Zil-e-Huma Lodhi, Sandra Livingston, Tamra Ross.

Representation

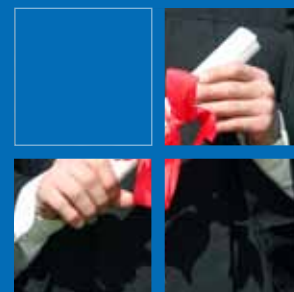
Other areas where we have input

AU EXECUTIVES WE MEET WITH ON A REGULAR SCHEDULE

Dr. Frits Pannekoek	AU President
Dr. Margaret Haughey	AU Vice President Academic
James D'Arcy	AU Registrar

OTHER WORKING GROUPS COUNCIL AND STAFF MEET WITH

au.world Editorial Group	Tamra Ross (publication recently discontinued)
AU Web Authors Group	The AU web authors hold regular meetings about web standards, design principles, accessibility, etc. Our webmaster is included in this very informative group.

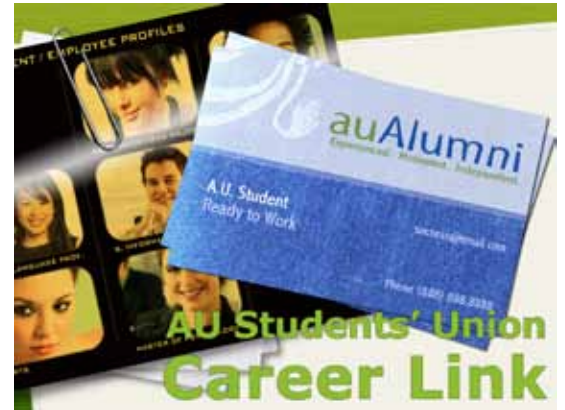


Services for our members

Some of the services and publications students receive from AUSU

Career Link

In conjunction with the Personnel Department of Edmonton, AUSU has a career site at goodstaff.jobs. A work-in-progress, this site allows both students and employers to create accounts. Students can both post their resumes on-line for employers to view, and print one off as needed. To promote the site, an information sheet highlighting the benefits of hiring AU students was sent out to more than 200 employment centres across Canada in 2008.



Smart Draw License

A \$297 USD value, the Smart Draw package now includes all editions and allows students to create a wide range of graphics including charts, graphs, time lines, flowcharts, and more, plus a wide range of health care charts and documents. These graphics can be automatically output to Word, Excel and many other programs, so students can submit them to tutors who do not have Smart Draw. Since 2007 AUSU has purchased an annual license so that all of our members can download and install this software for free for one year. The license was renewed for 2010.

AUSU Merchandise

In 2008, AUSU began building up a stock of custom merchandise sporting AUSU and Voice Magazine branding for our planned on-line store. To encourage a sense of student community, all items are being sold at prices that are very near our cost, plus actual shipping rates. New items will be added over the coming year.



Publications

being in touch with students



AUSU Handbook/Planner

Still our most popular service, our free planner is in full colour, and has an added tabbed divider with a slot for notes and small loose papers. We've also added more course planning pages and a clip in page marker ruler. More than 700 pre-orders had been received as of our January 5th ship date, and orders continue to come in. We obtained more paid advertising for the planner last year than projected and hope to continue to add features that students demand. This publication is so popular that we've also offered it for sale this year to graduate students and alumni to quench ongoing demand and to offset production costs. Students tell us they can't wait each year to get the new edition.

AUSU News

The only publication automatically mailed to all members, *AUSU News* reaches more than 40,000 undergraduates annually. The newsletter helps us stay in touch with our members, ensures that important news reaches members in all locations, and provides a link for members who are not on-line or who have not yet found our web site.



GREEN



MAIN OFFICE

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ausu@ausu.org

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Karl Low, President
Sarah Kertcher, VP Finance
Barb Rielly, VP External
Zil-E Huma Lodhi
Emily Dukeshire
Bethany Porter
Shaun Driscoll

STAFF

Tamra Ross - Executive Director/Voice Editor-in-Chief
Karyna McDonald - Office Coordinator/Bookkeeper
Sandra Livingston - Voice Managing Editor

AUSU serves more than 40,000 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.

This booklet prepared for AUSU by Tamra Ross.
Errors and omissions excluded.

Graphics and design by Tamra Ross © AUSU, 2010

WE WELCOME ALL QUESTIONS AND COMMENTS FROM OUR MEMBERS.
CONTACT US FOR MORE INFORMATION: 1.800.788.9041 X 3413

AUSU serves more than 40,000 undergraduate students annually across Canada and around the world. We offer advocacy, support, and services needed by students. The AUSU web site contains information on all of our services, including our financial aid options, student clubs and course reviews.



AU STUDENTS' UNION
UNITED BY DISTANCE

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Edmonton AB T5J 3S8