

Transcript of September 19, 2018 Students' Council meeting

Speaker Key:

CC	Councillor
CSH	Councillor Vanessa Sheppard
CRU	Councillor Luis Ruiz
CMA	Councillor Sylvie Masson
CSTE	Councillor Alycia Stewart
CSTR	Councillor Kent Strayer
CRU	Councillor Luis Ruiz
CH	Chair
PM	Patrick Moore
PS	President Parvin Sedighi
VPOF	Vice President Operations & Finance Emma Patterson

00:00:00

CH Order. Thank you, I call this meeting to order. Item 1: Treaty 6 Land Recognition. We would like to acknowledge that this meeting of the Students' Association of MacEwan University is taking place on the traditional territories of the people of the Treaty 6 region in Central Alberta.

The Students' Association of MacEwan University is situated in the centre of what we call the city of Edmonton, which is called Amiskwaciy Waskahikan or Beaver Hill House in Nehiyawewin (Cree). This is the traditional home of the Nehiyaw (Cree) and Michif (Métis), and meeting place for many Indigenous peoples including the Nakawe (Saulteaux), Siksika (Blackfoot), Nakota Sioux (Stoney) and other nations. Item 2, approvals 2.1, we have a motion, Councillor Sheppard.

CSH I move to approve the agenda for September 19th.

CH 2018.

CSH 2018, sorry.

CH Thank you, Councillor to the second, thank you, Councillor Millions, it has been moved and seconded to approve the agenda for September 19th, 2018. Is there any debate? Questions on the [unclear] the motion to approve the agenda for September 19th, 2018. All those in favour, thank you. Opposed? Motion carries. Item 2.2, we have motion, Councillor Ruiz.

00:01:14

CRU Thank you, Chair. I move to approve the minutes of July 18th, 2018, and August 15, 2018.

CH Thank you, Councillor. And the second, Councillor Yanish, thank you. It has been moved and seconded to approve the minutes of July 18, 2018 and August 15, 2018. Is there any debate? Questions on the [unclear] option, the motion to approve the minutes of July 18th, 2018 and August 15th, 2018. All those in favour? Thank you, opposed? Motion carries. Before we get to presentations, I think the President is calling in. President, can you hear okay?

PS Yes, I can, Chair, thank you.

CH Excellent. Where are you calling in from?

00:01:56

PS I'm calling in from [unclear].

CH Fantastic. I'd say the weather is better there, but today was a nice day. So joke's on you. Item 3, presentations, I'm assuming Vice President of Operations, you're introducing the guest.

VPOF Thank you, Chair. So today, we have Patrick. He is here from MNP. They're an auditing firm. They audit our financial statements. And so he is here to do a presentation on the completed audit, the financial statements, and he's here to answer any questions. You received all of the information in your agenda package. So he will be going through that for us, and yes, that's all I have. Take it away.

PM Perfect, thank you very much for that introduction. So as mentioned, my name is Patrick Moore, I am the audit partner that deals with the audit of SAMU. In my audit practice, I primarily deal with public sector organisations, non-profit entities, municipalities, school boards and things like that.

So this is the type of organisation that I mostly deal with. For those of you that have been here for this presentation before in the past, as I've mentioned previously, SAMU holds a special place in my heart as far as clients go. When I was in university, I was quite involved with student groups as well. So this has been a nice, natural fit for me in terms of an audit client.

However, it's starting to feel more and more like it was a million years ago when I was sitting in your shoes on the other side of the table here, but I guess it wasn't so long. So for our agenda tonight, we will review some items that will be of interest to you as members of student council, being the audit objectives, the responsibilities. And then ultimately, the status of the audit.

00:03:43

Once we've discussed that, I'll provide a brief overview of some of the key items of the financial statements, just the highlights. And then from there, we can address any questions that you might have.

So I'd like to begin just by discussing why we are here in the first place. So the objective or the purpose of the audit, ultimately, is to enhance the confidence of the reader of your financial statements. And so for SAMU of course, that would be primarily your student body, your members of this organisation.

The audit then is meant to assess whether or not the financial statements are fairly stated or fairly presented, and our opinion provides a high level of assurance or a high level of confidence to the readers of your financial statements.

In terms of audit responsibilities, it is a three-legged stool involved in this audit process. It's not just me and my team on our own pounding away doing nerdy things in deep, dark rooms with boxes of information. First and foremost is student council involved in this process. So council is responsible for reviewing the statements, which we will do here tonight. Council would be also responsible for general oversight of SAMU and of SAMU's management to ensure that the strategic direction and the plans that you have set out are being executed appropriately.

00:05:01

And then lastly would be the responsibility of council to be vigilant for any indicators or concerns that you might have with respect to matters of fraud or things like that, that should be discussing as part of our relationship. Secondly, would be management, and in our process, that means that we primarily deal with Justin as well as with Gwen.

Management is responsible for the numbers that go into the financial statements and the initial recording of those transactions. Management would also be responsible for establishing controls, policies and procedures to put in place to ensure that the assets of SAMU are appropriately protected.

Then lastly, as the Auditor MNP or me in this case representing MNP, our responsibility is really pretty simple. That is to carry out the audit in accordance with Canadian auditing standards and to provide our opinion on the financial statements at the conclusion.

So in terms of audit status, as you've probably guessed since we're here talking about this tonight, we have completed our audit for the June 30th, 2018 financial statements. And following the completion of some administrative matters, some signatures that we'll need to collect, we will be prepared to issue and finalise our audit report.

For the current year, our audit report will provide a clean, unqualified opinion to the members of SAMU. That means that we don't have any modifiers to our report. It's a clean opinion, which is ultimately what you would like that to have.

00:06:58

Part of our responsibility is to report to SAMU any areas where we think that controls could be enhanced, and we certainly strive to go above and beyond that responsibility to recommend any best practices or efficiencies, opportunities that we might see based on our experiences.

A draft of that letter has been provided to management, but in terms of this discussion for tonight and what I would need to report to you as members of council, there were no issues that we identified in the course of the audit that need to be raised here for this meeting.

As part of our audit, we would also report any adjusted and unadjusted differences to the in-term [?] financial statements that we would have received. A summary of those is included in the full version of the audit findings document that you were provided with. Overall, the adjusted differences related to certain items around accounting for

health and dental matters, but were ultimately not significant to the final financial statements.

And any unadjusted differences were not material, either individually or in aggregate. And therefore, had no impact on our final audit report. So as a result, as mentioned, overall we concluded that the financial statements are fairly stated and our opinion on the statements then is a clean one. So from here, I would just like to touch on some of the highlights and key components of the financial statements themselves.

00:08:33

These charts and graphs that we will look at just here briefly contain exactly the same information as the audited financial statements. It's just presented in a slightly different way that maybe makes it a little bit more user-friendly. So we'll begin with the statement of financial position. This would provide some details around the assets and the liabilities of SAMU.

Just remember that these items that we'll discuss are at a point in time. So in other words, these are the items at June 30th. So the balances would have changed between that point in time and today. So first of all, looking at current assets, current assets are items that will be turned into cash or used up within the next year.

There was a decrease in current assets in the current year of about 3.5 million, largely due to a decrease in short-term investments. And those short-term investments would have been used to fund expenditures related to the building, of course. And we can see that then in the next column looking at the capital assets. There is an increase in capital assets of about \$5.9 million in the current.

Again, that primarily relates to the building. And as you would obviously be aware, we would expect those capital assets to continue to grow significantly into the next year, into 2019 as the building project then is ultimately completed.

Current liabilities then represent amounts that are owed to other parties that will be paid or will be settled within the next year. There was an increase of about 1.9 million in accounts payable compared to the prior year.

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But ultimately, primarily relating to timing differences and things of that nature. So then when we look at the overall net assets, net assets represents the equity in the organisation. So in other words, what would be left over after all the liabilities were settled, what assets would be left. And so in total, the net assets of the organisation are obviously very healthy, very positive.

However, I do think it is important to point out that about 85% of that equity is either related to capital assets. So primarily, the building, or is being internally restricted in the building funds for a very specific future use. There is only about \$88,000 of unrestricted net assets. That's not a problem necessarily. That just means that most of the equity that's been built up within SAMU has been allocated for a specific purpose, whether that's the contingency fund or the building fund as it may be.

Looking then at the revenue and expenses of the organisation, so of course, the majority of SAMU's revenue comes from student fees as well as from health and dental

fees. As note one to the financial statement indicates, SAMU is of course then dependent on the university as its primary source of revenue.

00:11:46

And really what that means is because the revenue comes from students, without the university, there is no SAMU. So that's the dependence that is being disclosed there. Overall, total revenue in the year by about 4% or \$281, 000.

So looking then at the statement of operations as a whole, as mentioned, revenue increased by about 4%, expenses increased at about the same rate year over year. So as a result, SAMU generated a significant excess of revenue over expenditure. So in other words, a significant surplus for the year. However, again, that surplus has been earmarked primarily for specific programmes such as the building fund, the health and dental reserve and for future contingencies.

So lastly then, looking at some of the cashflow highlights, so the ins and outs of the bank account, where did the cash actually come from, how was it generated and what it was used for. So first of all, cash from operations would represent the cash generated from the day-to-day activities of SAMU.

So the student fees that you would be generating, the programmes you would be putting on, things like that. So cash from operations generated a cash inflow of about \$2 million. That increase over the prior year really relates to the change in accounts payable that I mentioned previously. So in other words, because there is a more amount in accounts payable at year end, there is also more cash available at year-end because it hadn't been converted to pay off those balances as of yet.

Looking then at the cash from investment activities, so as mentioned, there was investments that were used to make purchases of capital assets. So in total, there was net investments of about \$3.5 million that were used up to acquire capital assets.

00:13:59

The remaining balance, which is that last significant blue bar of almost \$6 million, 5.9 as I mentioned, that would have been paid using just cash from general operations out of the general bank account. So as a result, year over year, there was a total decrease in cash of about \$324,000.

So that covers the highlights of the audit process itself as well as some key components of the financial statements. So from there, I would open it up to any questions that you might have, what clarifications that I can provide. Please.

VPOF Thank you, Patrick. I've raised my [unclear], but I guess it's not necessary. Just in reference to, this is page four of the financial statements, the statement of cashflow, I'm hoping for some clarification because it does say that the organisation has a surplus of approximately a million dollars. And it was the same the year prior. If you wouldn't mind just clarifying what the million dollars entails, what is made up in that million dollars and how we reached that.

PM Sorry, on page four, you're referring to the bottom line where it says cash resources end of year?

VPOF Yes.

00:15:22

PM Okay, so that's really very straightforward. So that line is literally the cash in the bank at the end of the year, at the end of June 30th for SAMU. So the way that that would have been generated would have been through all the history of SAMU.

There's been surpluses of cash year over year that are left over once the expenses are paid. So for the current year, as I have mentioned, that cash actually went down a little bit. So at the end of 2017, there was about 1.2 million dollars available in the bank, there was 324,000 used up throughout the year of 2018, leaving that balance of 960,000 at the end of the year.

So that change then is the summation of all those things that I mentioned. So the cash from operations, the net disposal of investments, and then really the purchase of capital assets is the primary driver in that decrease in a year.

VPOF Okay, so just to clarify, that also includes the restricted funds etc. within that 960 [overtalking].

PM For sure, absolutely, that's right. Yes, that's everything.

VPOF Thank you very much.

PM Any other questions, yes.

CC Is it normal for organisations to have that sum of money sitting there? And is that literally just a big lump [?] of cash assets?

00:16:52

PM So is it normal, I guess there's not an easy answer to that question. SAMU is a little different than a lot of other public sector, not-for-profit organisations that I would work with in that you have a massive project that's going on right now, being the construction of that building.

So there are some very significant cash requirements coming up for that, not only for the development of the building, but the ongoing operation of the building every year into the future.

So when I look at this, although there's a significant balance of cash in the bank, when we look further down that page on the statement of financial position, a significant amount of that is restricted for the building fund or the contingency fund. Those net assets are not available just for general day-to-day use. They've been allocated for a specific purpose.

So as to whether or not it's normal, I don't know if there's an easy answer to that, but I think I would say it's healthy or it's necessary for this organisation because of the future commitments that you ventured into. In terms of whether or not that's cash that's actually in the bank, so the investment of 5.2 million that you would see just below is the balance of cash that would be generating a higher return.

The amount of \$960,000 really would be primarily cash in a bank. However, I don't know that that's necessarily of concern to me either because the day-to-day cash needs of the organisation are also significant.

00:18:52

There's significant programmes, significant payroll, significant building-relating expenses. So it's not as though that that cash is just sitting there unused, I guess to answer your question. Does that help clarify that?

CC It does, yes.

PM Anything further? Okay, well, if there's no other questions, thank you for having me here tonight. Certainly, I would just close by saying as Auditors and part of this relationship, certainly we're always available should anything arise during the course of the year. We're happy to attend meetings, provide additional clarifications as necessary.

My contact information is there and available. Or your VP Ops and Finance certainly also has a direct link to me. Regularly so, don't hesitate to reach out if there's anything further that we can assist with.

VPOF Perfect, thank you.

PM Thank you.

CH All right, Councillors, I think I said this last year, but I think that's one of the better audit presentations that I've [unclear]. You guys are lucky to have Patrick in MNP. He presented in an interesting way, and you get about twice as many questions as a normal audit meeting, I guess. Item 4, for your information, item 4.1, reports 4.1.1. President, any oral supplements.

00:20:50

PS Yes, thank you, Chair. I was also advised to yell as loudly as I can so the folks can hear me. There's a lot that's going [unclear] after the meeting or just in writing [?]. The two items that I'll update you on since the report was typed [?] out, the team and I did meet with the MacEwan [unclear]. So everyone [unclear] obligation.

We [unclear] conversations around some of the growing [?] relationships with the university, particularly around the building. [Unclear] some of the updates that are coming [unclear] changes.

For example, [unclear] and so on. The team and I also attended [unclear], which included a pipe ceremony, which was [unclear]. It was quite a positive experience for us to be able to continue that bridge-building. I would keep [unclear] to ensure that we're supporting [unclear] as best as we can [unclear]. Thank you.

CH Thank you, President. Item 412, Vice President Academic, any oral supplements?

VPA Yes, thank you, Chair. On Monday, I mentioned in my report that I held the [unclear] expenditure campaign graph project on Monday. I haven't had an opportunity to go over the data, but we had a pretty good turnout from students. We probably had, just by guessing, about 150 to 200 participants.

So I look forward to compiling that data and seeing what comes out of it. Thank you, Chair.

CH Thank you. Item 413, Vice President External, any oral supplements?

00:22:26

VPE Yes, thank you, Chair. Last Thursday, I was interviewed on Alberta Primetime on behalf of [unclear] talking about tuition, mental health and student employment. And that aired [?] last Friday. That's it, thank you, Chair.

CH Thank you.

VPE Oh, sorry.

CH Go ahead.

VPE And also this Tuesday, the President and I participated in rewriting the CAUS bylaws, amending [?] them, I guess [unclear]. Thank you, Chair.

CH Thank you. Vice President Operations and Finance. Any oral supplements?

VPOF Yes, thank you, Chair. I attended the MacEwan Community on Internalization earlier this morning. They were setting their strategic direction as a committee for the year. So they were working with the new institution strategic plan framework to see where efforts at MacEwan International could best fit within that plan. It was my first meeting. So I look forward to report on it in future. Thank you, Chair.

CH Thank you. 415, Vice President Student Life, any oral supplements.

00:23:32

VPSL Yes, thank you, Chair. Even though the weather [unclear] and pulled tricks on us, we had [unclear] this past week. A huge thanks to the staff [?] and [unclear] teams for sticking it out in the [unclear] cold in making sure that all the students had a wonderful experience with our [unclear] end of the year. So I'm really glad that it went off with relatively no hitches, except for the weather. Thank you, Chair.

CH Thank you. The audit report, item 416, is in your package for your information. Item 42, executive committee minutes, the minutes of August 8th, 15th, 22nd, 29th and September 5th, 2018 are provided in your package.

For your information, item 5, question period, no written questions this time around. So we'll move to oral questions. Questions, Councillor Masson [?].

CMA My question is for the VP of Academic regarding the [unclear]. How does the [unclear] compared to [unclear]?

CH Thank you, Councillor. Vice President.

VPA Sure, well, this is the first time that, in my knowledge, we've done something more broadly. I can't comment, I guess, exactly on the differences and potential benefits.

But I guess from my point of view, it provided more of the individual representation on a graph as to how much students were spending per faculty versus the individual ones that we used to do where the student would hold a sign that said, I spent X on textbooks when I could have spent it on Y.

Which was beneficial and did personalise it. However, that data, or wasn't even really data, it was more of an awareness campaign in the school. The textbook expenditure graph was to hopefully compile something a little substantial. Thank you, Chair.

00:25:44

CH Thank you, Vice President. Councillor Masson, anything further?

CMA This is another question for the VP of Academic. Do you think there's a way that you all get that [unclear] interaction with the students to have [unclear].

CH Thank you [overtalking].

VPA Oh, sorry.

CH Thank you, Councillor. Vice President.

VPA Thank you, Chair. I think besides [?] spending five hours on that Monday out at my project and engaging with students, I do think that that was a beneficial way to engage with students on that subject matter. I did have a lot of conversations with students about how much they were spending, what they were spending it on.

And if they had any ideas on things that could potentially reduce the prices of textbooks, we had some really thoughtful conversations with students at varying [?], different programmes. So in my eyes, I thought that it was successful in [unclear]. Thank you, Chair.

CH Thank you, Vice President. Councillor Masson, anything further?

CMA I had another question for the VP of Operations and Finance, just around the building. Do you have a completion date, approximate time [unclear]?

CH Thank you, Councillor. Vice President.

00:27:05

VPOF Thank you, Chair. If Councillor Masson is referring to an in camera item that was discussed at the last meeting, given the building update that was provided, I think it is best to discuss with Councillor Masson one on one outside of this meeting. Thank you, Chair.

CH Thank you, Vice President. Councillor Masson, anything further?

CMA No, thank you, Chair.

CH Thank you. Other questions, Councillor Stewart.

CSTE I have a question for the President, if that's possible. I was curious if they would be able to provide any information at this time on the [unclear] CASA policies about undergrad research, financial aid and post-secondary data, especially around undergraduate research. [Unclear] at the moment or [unclear].

CH Okay, thank you, Councillor Stewart. President.

PS Thank you, Chair. Yes, so with the CASA policies in particular, the financial aid policies around the payment [unclear] programme, which is a federal programme that's jointly [?] operated with the provinces that allows students to not be paying their loans [unclear] post-graduation until they make \$25,000 a year.

00:28:22

We're looking at [unclear] some of the gaps in that programme and looking at advocating on some items that are left out. In particular, we're looking at things like

when students take time off to be parents. For example, if they have a child, how is [unclear] looking at the \$25,000 that [unclear], looking at whether or not that's a feasible number for us to be [unclear] on as a cut-off essentially. For the undergraduate research policies, [unclear] at MacEwan.

And essentially, this is [unclear] opportunities for under-graduates, just ensuring that we're not pigeonholing under-graduates [unclear] institutions that provide graduate opportunities.

With post-secondary data, particular things around how we [unclear] national bodies that collect data on post-secondary institutions. So we don't have any body that can tell us what students pay for tuition [unclear]. You have to gather those particular things [?] independently and do your own comparison. There's nothing to compare, for example, what are [unclear] so on and so forth.

So there really are no ways to measure success or look at strategies that are working in other jurisdictions. So what we're looking at doing is advocating for some kind of tax [?] [unclear] strategy. We're looking at [unclear] and having them be a body that focuses on this.

So we're looking at whether or not it's viable for us to be lobbying the government, making it mandatory reporting [unclear]. But obviously, that's going to have to happen in [unclear]. So those are things that are being worked on at the moment, but [unclear].

00:30:19

CH Thank you, President. Councillor Stewart, anything further?

CSTE No, just thank you very much, that sounds really exciting.

CH Thank you, Councillor. Other questions. Councillors, Councillor Strayer.

CSTR Thank you, Chair. This question is for the VP of Academic. I would see open education resources as a big part of your portfolio. Can you tell me more about the OER fellowship programme just in a little bit more detail?

CH Thank you, Councillor. Vice President.

VPA Thank you, Chair. So at this time, I was just notified that it would be going forward. I don't have a ton of details at the moment. Essentially what it is, is it's going to be similar to a research grant that faculty can apply for. We're interested in developing something that is open access. Either open access within the MacEwan community or open access outside of the community as well, if that answers your question. Thank you, Chair.

CH Thank you, Vice President. Councillor Strayer, anything further?

CSTR Yes, thank you, Chair. Just a quick follow-up question, VP of Academic didn't tell you specifically which departments would be doing this fellowship programme. Thank you, Chair.

00:31:40

CH Thank you, Councillor. Vice President.

VPA No, I don't have that information at the time, and I'm not sure if it's going to be like targeted at a certain department or faculty first or if it's just going to be who's interested [unclear]. Thank you, Chair.

CH Thank you, Vice President. Councillor Strayer, anything further?

CSTR No, OER is a good thing. Thank you.

CH Thank you. Other questions, Councillors. Okay, item 6, in camera period, nothing for that today. Item 7, motions and business orders of the day, nothing there either. Eight, consultation, nothing there. Item 9, evaluation [unclear].

[General asides 00:32:21 - 00:36:15].

Councillors, is anyone still filling out the form? Nobody listens to me. Thank you. Order, thank you. Item 10, recognition, [unclear]. Vice President.

00:36:52

VP Thank you, Chair. I would just like to recognise my team. Everyone in the executive that stuck it out often until like ten o'clock at night moving all of the Fall Fest things in the freezing cold and ensuring that we had an excellent programme for the students. So a huge round of applause for those fine folks.

CH Councillor Masson.

CMA I would like to thank Patrick, who is gone. That's okay anyways, for the [unclear] graphs, the visual was beneficial, and I would like to thank Councillor Marler because [unclear] him out during [unclear] welcome and being in there for Fall Fest and stuff. So good job being there, out there, yes.

CH Vice President.

VP Thank you, Chair. Along with Fall Fest, I would like to recognise two members of the university community who helped us make some adjustments to allow Fall Fest to happen inside on that Thursday.

So John McGrath, who is the Vice President of Resources and People, and Chris Brookman [?], I don't know, who oversees [unclear] services.

These two individuals, we called them in the very last minute and they made huge accommodations to allow us to have that space. So I want to recognise them in a formal setting to thank them for that.

CH Councillor Ruiz.

CRU Thank you, Chair. I would like to also recognise our guest, Patrick, for having done an excellent presentation like always. And I am pretty happy to see that we have some more guests and they are looking to potentially run [?] into council. So thank you, Chair.

CH Thank you, Chair. Councillor Stewart.

00:38:53

CSTE I would just like to recognise the Vice President of Academic for her work on, I guess, the open resources and like as well as the event on Monday, I believe, that she ran to accumulate data to help support that cause.

CH Other recognition, Vice President.

VP Thank you, Chair. I'd also just like to recognise Mike and Natalie, the events team who worked tirelessly as well to make Fall Fest happen.

CH Other recognition. Okay, item 11, adjournment motion. Anyone [unclear] made a motion? Vice President.

VP I would like to move to adjourn.

CH Thank you. That motionally requires one mover, and it's not debatable. The motion is to adjourn. All those in favour? Thank you, opposed? Motion carries this meeting is adjourned.

00:40:05