

The McMaster Students Union

PRESIDENT'S PAGE



VP (Finance)

SCOTT MALLON

vpfinance@msu.mcmaster.ca
ext. 24109

Over the past week, there has been a lot of talk about the McMaster Students Union (MSU)'s financial affairs. Words such as surplus, expenditures, allocations, and reserves have been tossed around endlessly. For many, these words do not carry a lot of meaning. It was fantastic to see so many MSU members engaged in the conversation, but the recent events have highlighted the need

for MSU members to learn more about the financial standing of the organization.

At the Student Representative Assembly (SRA) meeting of September 29, the Assembly voted in favour of passing the 2013-2014 Audited Financial Statements for the MSU, which can be viewed in its entirety at msumcmaster.ca.

Every year, the MSU receives an external audit of all finances and spending from the previous year. The auditors then compile and submit a report with recommendations to the Board of Directors, which is then passed on to the SRA.

Last year, the MSU ran a surplus of \$286,024. This means that in our yearly operations (which include services, clubs, admin-

istration, etc.) the MSU generated more money than was spent. When the MSU carries a surplus, the money is put into reserve which is invested in capital improvements, one-time expenses, and/or kept as back-up funds if the organization was to ever run a deficit.

Although the MSU is carrying a surplus from last year, it is important to know that the organization is taking steps to decrease this sum in 2014-2015. Recently, via referendum, the MSU reduced the CFMU 93.3 FM fee by nearly one third. Additionally, this past year the MSU froze its own fee. We intend to continue to freeze the fee again this year. The MSU is able to do all of this while simultaneously increasing the operations and scope of our services. We will continue to strive to provide as much value as possible to the undergraduate students of McMaster University. In terms of value, last year the MSU generated two and a half times the value of student fees invested into the

organization.

As for the auditors' recommendations – there were a mere few, including minor tweaks to the way in which the MSU tracks intercompany transactions, and suggests conducting inventory spot checks at Union Market more often.

The bottom line is that the MSU sits in an excellent financial position, thanks to the diligent leadership of our staff and service managers. We are able to fund a growing amount of services, while creating opportunities for students to succeed and enjoy their time at McMaster. This year's surplus represents 2% of the organization's total budget. An auditor's report indicating a surplus equal to 2% of the organization's operations and only minor recommendations to alter current financial practices, is a strong indication that the organization is in excellent financial health. The MSU will continue to look for ways to keep our spending and services running as efficiently as possible.

in terms of equivalent value

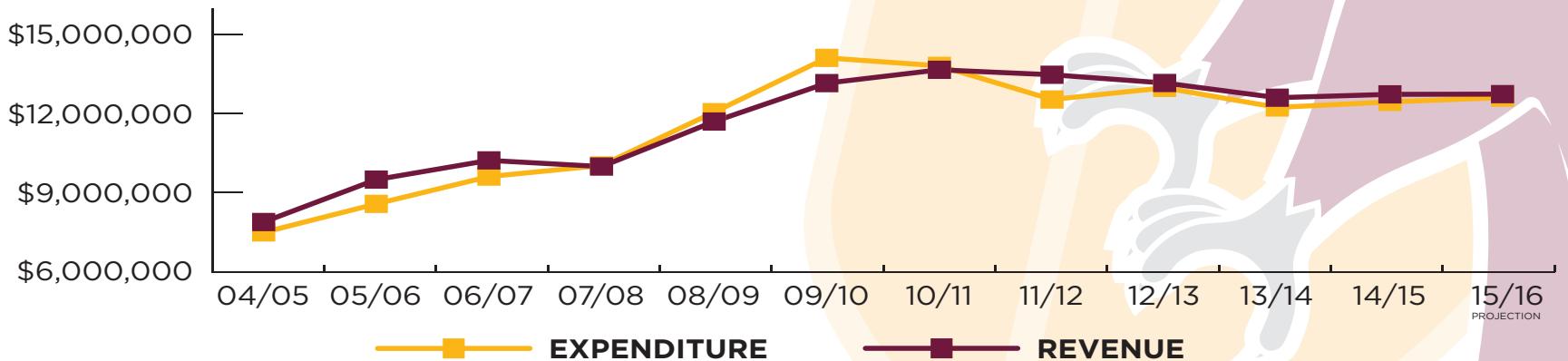
YOU PUT **75¢** INTO THE **McMaster Students Union MSU** & GET BACK OVER **\$2.00**

but what's the real breakdown?

MSU STUDENT FEES ACCOUNTED FOR **\$2,475,609** OF THE TOTAL 2013-2014 REVENUE BUT MSU EXPENDITURES TOTALLED **\$9,069,791** OVER THE COURSE OF THE FISCAL YEAR MEANING THE MSU ADDED A VALUE OF **\$6,594,182**

without generating a deficit

MSU EXPENDITURE VS. REVENUE SINCE 2004



The President's Page is a space sponsored and used by the McMaster Students Union (MSU) Board of Directors (BoD) to communicate with the student body. It functions to highlight the Board's projects, goals, and agenda for the year, as well as the general happenings of the MSU.

