

# MAUT Fall General Meeting, November 17, 2017

Report of the Vice-President, Finance

Ken Hastings

## *MAUT Financial Snapshot*

The MAUT financial picture continues on a sound and stable footing.

As in every year, the vast bulk of our annual revenues (~\$730k in fiscal year 2017) comes from the fees collected from our members. Another small amount (\$45k) comes from the McGill administration to finance teaching releases/research assistance for members of the MAUT Executive. In addition, we accrued ~\$4k in investment income, making total revenues of ~\$780k.

On the spending side, the single largest item is the dues we pass on to the CAUT and the FQPPU (~ \$300k in FY2017). The other large annual expenditure item is salaries and benefits for the MAUT staff – ~\$227k in FY2017).

Over the past 6 years we posted an annual operating surplus ranging up to \$96k (in FY2015 and FY2016). In FY 2017 we had a surplus of ~\$68k.

The existence of annual surpluses leads to the accumulation of financial assets. As of August 31 2017 MAUT had ~ \$781k in accumulated assets. Given our past experience, it seems that this level of accumulated assets is an appropriate one for our association and accordingly Council reduced membership dues from 0.65% of salary to 0.58%, effective September 2017. This dues rate reduction, partly offset by an academic staff salary increase that took effect June 2017, would be expected to reduce our FY2018 revenues by ~\$53k. This, coupled with the increase in MAUT staff salaries/benefits due to the hiring of Membership Engagement Officer in August 2017, means that we could expect a deficit of roughly ~\$64k during FY2018. The longer-term financial plan is that such deficits would, in a few years, be completely offset by the increase in membership that we believe could be generated through the efforts of the Membership Engagement Officer working with the Membership Committee and Executive. We estimate that an increase in membership of 150 members, which seems feasible, would make the new position revenue-neutral. Thus, the cost of the Membership Engagement Officer is an investment in MAUT's future and it is expected that we will within a few years return to a balanced (or small surplus) budget, but with an augmented, more effective, staff able to do more for our members.

## *MAUT Finance Committee*

During FY 2017 the Finance Committee met on October 14 2016, and June 29 and August 2, 2017. At the October 14 2016 meeting the Committee discussed the

organizational and financial issues regarding the hiring of a Membership Engagement Officer, and also the financial implications of a membership dues reduction. Several reports were made and circulated to Council before its October 26, 2016 meeting which explored the financial impacts over a three year horizon of various scenarios of membership dues reduction and new staff member salary ranges. The meeting of June 29 2017 considered the nature of the records of the association and how to assess our record-keeping needs in terms of digital resources, an ongoing project to assemble a written overview of MAUT financial procedures, and the size of the cash reserve that we should maintain. The meeting of August 2 2017 was at the office of Mr loan Jurjan, Royal Bank of Canada, where we discussed the distribution and management of our investments, including information on the availability of fossil-fuel-free investment funds, and the advisability of maintaining some part of the cash reserve as an "instantly cashable" GIC.

The current members of the Finance Committee are: Joan Bartett, Mo Chaudhury, Ken Hastings (Chair), Alenoush Saroyan, Renée Sieber, Axel van den Berg,