1. CALL TO ORDER: The meeting was called to order by NICOL at approximately 1510h.

2. APPROVAL OF AGENDA

   NICOL moved to approve the agenda as tabled.

   Seconded by UNKNOWN (information lost prior to minutes being reviewed).

   Vote on Motion 5/0/0.

   CARRIED.

3. SPECIAL ORDERS

   Item 5.1: “Approval of the Students’ Union Audited Financial Statements” as several individuals were in attendance for this item.

   Some highlights from the discussion with the auditor are highlighted below.

   Executive summary:

   • Waiting on signed representation letter, approval of financial statements by Audit Comm and Students’ Council

   Scope of the Audit – p 4
• Brief overview of what was completed – audit procedures and check

• Looking at Council resolutions; investment account that doesn’t flow through the income statement

• Student fee revenue confirmed with the University

**Results – p 5**

• A few small matters noted in the current year audit

• Errors in financial position classification – presentation item that doesn’t affect net income
  
  o Noted in the past, showed up again this year

• “Control deficiency” – recommendations to management

• Leases – capital versus operating leases; management should be looking at lease criteria upfront

• Reliance on the University of Alberta; should have some independent check

• Last year there was a concern regarding studentcare.net/works and having reliance on them that once students have been enrolled, that they have appropriately bought insurance to cover the students – something to think about

• Realized gains and losses had an error in the prior year that flowed through – sitting uncorrected at the end of the year
  
  o Corrected in the current year
  
  o Not enough to go back and change the previous year

• SU -> SIEF; only impacted SIEF statement - $2.8m revenue eliminated on consolidation

**Other matters – p 6**

• Accounting policies – appropriately described

• No illegal or fraudulent activity noted

• Management worked with the auditor

*NICOL*, responding to a prompt by the accountants from KPMG, mentioned that we have not found any instances of fraud; mentioned speeding ticket as closest example of an instance which did not amount to fraud or criminal activity, but simply an error.

**P. 7**

• Materiality – the threshold where a matter is determined to be significant enough to affect someone who is looking at the statements; based on a balance sheet or income statement measure.
Control deficiencies – p 8

• No significant control deficiencies that would have a material impact

• A few performance improvement suggestions – most fully implemented in the year

Appendix 1 – engagement letter
Appendix 2 – independence letter
Appendix 3 – management representation letter
Appendix 4 – management letter

Only change to the statements – adding the management representation and reporting letter; no number changes

Question: who should sign the financial statements – right now president and vice-president operations and finance. Typically the statements are provided by management who run the day to day operations; signed by management and the auditor signs the report. Not required to have the management accountability statement – provides a good opportunity for Peter and Marc to directly sign to Counsel. Best solution – someone entirely independent of the executive would sign on behalf of Students’ Council.

• One of the typical signors would be the Audit Committee chairman

Financial statements: In the basic same format as last year. There are some dramatic changes in accounting standards coming down the road – because of IFRS. Now multiple sets of rules depending on the type of organization you are.

• Public – IFRS

• Private – ASPE

• Not-for-profit – Public sector accounting standards existing for fed, prov, and local governments along with university like organizations
  o Now, those that are part of government
  o And those that are private entities

• Pension plan

• If you are in the United States, another set of rules

Will have to decide what type of not-for-profit we are. Will affect how things are presented. Most sources of data won’t change – it is things on a balance sheet itself and how they are put together

Financial Statements:
Statement of Financial Position

• Nothing significant has changed;

• Big amount of cash in the bank is largely because of fee collection at this time
• A/R – doesn’t know the significant receivables
  o Peter: Coca Cola is about $100,000
  o Sponsorship arrangements
• Merchandise inventory – all the various stores
  o Not significantly different
  o Did do some test counts
• Investment portfolio
  o A little bit of stock and bonds that are relatively conservative
  o Capital assets – generally this building and its contents

Liabilities
• A/P – outstanding bills at the end of the year; nothing special
• Deferred revenue – amounts collected relating to future years - e.g. a deposit for pre-paid rent
• Remaining debt on the building itself – will be paid off in another two years
• Fund balances (RE) – approximately $15m
  o Invested in the building itself
  o Three blocks of restricted funds – resources placed aside for some future use
  o At the end of last year, $2.3m not dedicated to a future use
• Year over year, amount of RE up by about $0.5m

Income Statement
• Nothing there in terms of day to day operations changes from what is seen every month from management

Additional descriptions in the financial statement notes; but generally a pretty typical year; nothing unusual that is noteworthy.
STELTER: satisfied that the statements tell a fair story.

FERGUSON moved to go in-camera.
The motion was seconded by NICOL.

Vote on Motion 5/0/0.
CARRIED.
NICOL moved to go ex-camera. The motion was seconded by FERGUSON.

Vote on Motion 5/0/0. CARRIED.

NICOL moved to approve the financial statements and present them to council, recommending that Students’ Council approve the same. The motion was seconded by LIANG.

Vote on Motion 5/0/0. CARRIED.

4. APPROVAL OF MINUTES

NICOL moved that the September 26 minutes be approved. The motion was seconded by LIANG.

Friendly amendments:
1. Names should be in italics.
2. Change times to the 24-hour clock.
3. Correct spelling of Mallory and Amélie’s names.

Vote on Motion 5/0/0. CARRIED.

5. ANNOUNCEMENTS NIL

6. REVIEW OF ACTION ITEMS NIL

7. OLD BUSINESS

1. Review of credit card statements March to July 2011.

Packages reviewed and had significant number of explanation documents but all transactions were accounted for. All packages were reviewed and did not raise concerns with audit committee.

2. Review of credit card statements July to August 2011, if available.

The statements were unavailable.

8. NEW BUSINESS

2. Approval of the Augustana Students’ Association fee disbursement.
Documents were unavailable and will be brought to the next meeting.

3. Discussion of the ISSS report.
Documents were unavailable and will be brought to the next meeting.

9. DISCUSSION AND INFORMATION ITEMS

10. REPORTS NIL
11. CLOSED SESSION  NIL

12. NEXT MEETING  October 24, 2011 at 1500h.

13. ADJOURNMENT  

NICOL moved that the meeting be adjourned. The motion was seconded by MACGILLIVARY.

Vote on Motion 5/0/0. CARRIED.

Meeting adjourned at 1649h.