

## Report to MAUT AGM – April, 2015

### MAUT VP Finance

#### Financial Snapshot

The budget of the MAUT is relatively simple. The vast bulk of our annual revenues (roughly \$682,000) comes from membership fees. Another significant amount (\$40,000) comes from the McGill Administration to finance teaching releases for members of the MAUT Executive. On the spending side, the single largest item is the dues we pass on to the CAUT and the FQPPU (roughly \$274,000 annually). The other large annual expenditure items are (1) salaries for the MAUT staff, roughly \$212,000 per year, and (2) funds used for teaching/research relief for MAUT Executive members, roughly \$65,000. For the past few years, the MAUT has had an average operating surplus of roughly \$50,000.

The MAUT has also accumulated some financial assets. As of March 23, 2015, the MAUT had roughly \$550,000 in accumulated assets. This overall amount was divided between cash accounts at McGill (\$59,000) and at the Royal Bank of Canada (\$92,000), and holdings in four selected mutual funds (\$398,000).

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There has been some discussion of whether the annual MAUT membership fees (\$0.65 per \$100 of salary) should be reduced, as many MAUT members recall the fee increase a few years ago being instituted as a temporary measure. Discussion of this issue at the MAUT Finance Committee resulted in the conclusion that while a decrease in fees would be possible, it might be more prudent to consider such a change after MAUT's accumulated assets are approximately \$600,000, an amount likely sufficient to finance potential future legal challenges. All things considered, it was felt that the question of reducing membership fees would likely become more germane and realistic in a year or two.

For completeness, the following four scenarios are illustrative of the budgetary implications of possible fee reductions. In each case, it is assumed that MAUT's membership remains unchanged, that its main budgetary expenses remain as shown in the current 2014-15 budget, and that \$15,000 per year is spent on recruiting events (which do not currently appear in the 2014-15 budget).

**Budgetary Implications of MAUT Fee Reductions**

<b>Scenario</b>	<b>Projected Annual Membership Dues</b>	<b>Projected Annual Surplus</b>
<b>No change in fees (\$0.65 per \$100)</b>	\$682,000	\$65,000
<b>Reduce fees to \$0.625</b>	\$656,000	\$39,000
<b>Reduce fees to \$0.60</b>	\$630,000	\$13,000
<b>Reduce fees to \$0.575</b>	\$603,000	-\$14,000

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