

Annual Report 2017

AYY – the best student’s life in the world

Defining activities, branding work, changes in the University leadership and Finland’s centenary celebrations colored the Aalto University Student Union’s (AYY) year 2017. According to earlier strategic changes, the activities of the Student Union were developed on three fields: community, advocacy and services.

A brand strategy was created for AYY, continuing the development directions decided last year. The strategy defines the vision of the Student Union’s activities, the outlook it has on the Aalto identity, and what the different sections of the operations aim towards. In addition, a new visual outlook was chosen for the Student Union and implemented at the start of 2018.

When Tuula Teeri, the first Rector of the Aalto University, moved from her position to that of CEO of the Swedish Royal Institute of Technology, it marked a turning point for the development of the community and the University. Ilkka Niemelä, who previously worked as the Provost of the Aalto University, was chosen as the new Rector, starting in his new post in July. The call for applications for a new Provost was sent out in the autumn, and Kristiina Mäkelä was chosen, starting in her post in December. The appointments were made by the Aalto University Board, based on the proposal by the application committee. The Student Union Board had representatives in both committees. In addition, the Student Union gave statements regarding the Aalto University Board members replacing the ones up for resignation at the end of their terms.

The significant change was duly noted in the Aalto community. The Student Union organized both Rectors tours amongst the student community. The fresh Rector hopped from door to door at the new Jätkäsaari building and was flown to visit the Mikkeli campus on a helicopter.

Finland’s centenary celebrations in Otaniemi were lavish, as the Student Union’s volunteers organized the Dipoli Independence Day celebrations together with the alumni. The same party was organized last time by KY, TKY and TOKYO 30 years ago. Over 2000 students and alumni showed up to party, and the event proved to be a significant milestone for the entire Aalto community. The renovations to Dipoli, the old Teekkari student union house, were completed during the summer, and its opening celebrations as the new Aalto University main building were held in tandem with the start of the academic year in September.

General

The AYY staff saw several changes throughout the year. A new Service Manager was chosen into the administrative staff of the Student Union. The posts previously offered as non-military service jobs were

replaced by hiring a full-time Maintenance Worker and an AD. All in all, there were over a dozen calls for application, and there were a lot of staff changes. At the end of the year, a call for applications went out for the new post of Advocacy and Communications Manager.

The largest financial changes occurred in real estate ownership. The Student Union bought plots in Otaniemi from Senaatti Kiinteistöt (Senate Properties). 122 new student apartments were completed, and several renovations and one new construction project are now under way.

The Representative Council elections for the term 2018-2019 were undertaken in November. The voting activity rose to a record of 33.7% with electronic voting. In addition, the Honorary Delegation of AYY saw two new members join its ranks, when Linda Liukas and Timo Löyttyniemi were chosen to join for the term of 2018-2020.

Community

The tradition of high-quality events continued when AYY's sections and committees along with volunteers organized traditional and new events for the community to enjoy. Volunteers throughout the Aalto community are an irreplaceable resource in organizing the events and community activities of the Student Union.

Some examples of events included the traditional Declaration of the Wappu Rowdiness by the Campus Section, opened by President of the Republic Sauli Niinistö, the first Academic Quidditch World Cup organized by the Community Committee Aava, the Teekkari Tradition Week to celebrate 145 years of technical students organized by the Teekkari Section, My Career in Finland career event for international students organized by the Corporate Relations Section, World Dinners by Mosaic, and the Museum Section's birthday party for the 90-year old Marmon car.

In issues pertaining to the community, discussion arose on associations supported by the Student Union and particularly decisions regarding the Teekkari culture. The discussion on defining the tasks of the sections was also opened. Significant changes were not made during the year, and the discussions are expected to continue.

The largest long-term project related to the development and support of the community is the planning work of the Student Center, together with the Aalto University Business Students (KY) and Teknologföreningen (TF). When completed, the building would present the Aalto community with excellent facilities to conduct its activities in a central spot in Otaniemi. The project has the support of the University and the City of Espoo.

The Aalto University alumni activities got a new start when noteworthy alumni, the Rector and the Student Union began a joint venture to develop the Aalto alumni activities. A working group, headed by the Rector and consisting of alumni, started its activities early in 2018, with an AYY representative present as one of its members.

The Student Union also prepared for the coming of diverse artistic and creative activities as the School of Arts, Design and Architecture is about to move to Otaniemi, into the Väre building, in 2018.

Advocacy and influencing

The Board of the Student Union met actively with the University's administration on all levels. In addition to regular meetings, the methods of operation turned more and more into everyday encounters. The transfer of the University's administration closer to Dipoli, well-functioning interpersonal relations and several common goals contributed to the improvement of collaboration and dialogue. Involving students in the work of the Aalto University Board was also more intense than before. The students gained a place in the administration's recruitment committees and expert status in the Board's nomination committee, but no seat in the University's management team or Board.

In addition, the Student Union had particularly good contacts to the politicians and officials of the City of Espoo, the Academic Engineers and Architects in Finland (TEK), the Finnish Business School Graduates, major wielders of influence in the Finnish economic life, and noteworthy alumni. AYY fostered international contacts when students from the Tsinghua University in Beijing and from the Chalmers University visited Otaniemi. In turn, AYY's Board built new relationships and sought ideas from the most successful Nordic universities and their student communities.

The University and the Student Union took a mutual stand on the national debate and the preparation of legislative changes several times. Statements were issued on topics such as the Vision for Higher Education, the better utilization of the matriculation examination, and the changes to the Universities Act concerning the teaching cooperation between higher education institutions. AYY was critical of the University's decision to award scholarships to improve the fluency of studies. In addition, the University's administration and the Board of the Student Union represented Aalto in the SuomiAreena event in the summer.

Student well-being became a key area for development when the results of the AllWell? well-being survey were published. According to the survey, one-fifth of Aalto University students suffer from burnout or are in the burnout risk group, which is higher than the average for higher education students. The work done to improve the situation continues in cooperation with the University.

At the beginning of the academic year 2017–2018, tuition fees for students outside the EU/EEA were implemented. In the first autumn, the number of international students that started their studies at the Aalto University was 20% lower than the previous year. The proportion of applicants from EU/EEA countries increased significantly.

Cuts to the livelihood of students that were decided earlier were now implemented. Students with a family received an increase to their support, promoted by various student organizations. The general housing allowance and the related definition of a household created practical challenges for students. AYY sought to communicate the impact of the change to its members and to improve its own housing practices.

The municipal elections, held in the spring of 2017, were visible in the Student Union's communications in many ways. AYY's advocacy themes included student housing, public transport, contraception for young people and entrepreneurship. The aim of the advocacy work was to increase the voting activity of the members of the Student Union and to convince the candidates and elected local councilors of the goals of the Student Union.

For 2018, preparing for the parliamentary elections and the EU parliamentary elections held the following year was considered as a current topic. The National Union of University Students in Finland (SYL) as well as political organizations and parties will decide on their electoral goals during the year. As part of this work, AYY felt that it was necessary to continue to review and update its policies.

Services

Offering affordable student housing for its members is one of the most important services provided by the Student Union. Associations are provided clubrooms and one-time rental facilities to help them organize their activities. There are clear targets particularly for the development of these services up until 2020. In 2017, however, the resources were focused on taking control of external changes, such as the transition to the general housing allowance.

In addition to the 122 student apartments that were built in Jätkäsaari, AYY decided to build nearly 300 student apartments to Otaniemi together with the Foundation for Student Housing in the Helsinki Region (Hoas). Half of the property will be transferred under AYY's ownership. The project was started in the summer, and the laying of the cornerstone on the site of the old Police Academy was celebrated in the autumn.

The most significant future projects are the student apartments planned to Otakaari, the Kemisti block and the head of Servinniemi. These would provide over a thousand new homes for students, which are very much needed as the number of students on the Otaniemi campus has increased significantly.

Services provided to members are extremely important for the Student Union. In order to achieve the set goals, AYY decided to reserve additional resources for the development work in 2018. Sustainable properties and good services will guarantee the future of the Student Union also economically.

FINANCIAL REVIEW

Structure of the AYY group

In addition to the Student Union, the group includes 14 fully owned and four partly owned companies. The new company Kiinteistö Oy Espoon Miestentie 2B was registered in August 2017 for the new residential building project. Residential properties owned by the Student Union in the Helsinki area shall be administered as separate property companies. In addition to the property companies, the 100%-owned AYY-Palvelu Oy provides property management services for the group's own property companies and publishes the student magazine Aino.

Organizational activities

The full expenses of organizational activities in 2017 were 2,650K € in all, which is 5% less than in the previous year (the corresponding expenses in 2016 were 2,791K €). The decrease in expenses was primarily due to the fact that the amount of support granted was 42% smaller than the previous year.

39% of organizational activity expenses, 1,031K €, were personnel expenses, and 10%, 272K €, were support for associations. Other expenses include rent, event-related costs and membership fees (e.g. SYL).

The total profit from organizational activities was 744K € (724K €). The profits came from corporate partnership agreements, one-time rentals of premises and tickets for events.

As a fundraiser, membership fees worth a total of 848K € (860K €) were collected. The decreased profit from membership fees was due to a slight decrease in the number of members.

Other expenses from organizational activities that were not covered by membership fees were covered using profits from investments.

In 2017, a total of 272K € (471K €) was handed out to students in the form of scholarships and grants.

The Student Union has two non-independent foundations, Teekkaritoiminnan edistamisrahasto (TTER) and Teekkarikylän kappelirahasto. In 2017, TTER handed out a total of 113K € (304K €) and Kappelirahasto 13K € (8K €) in grants. The assets of the foundations were managed as part of AYY's outsourced financial management. On December 31st, 2017, the capital of Teekkaritoiminnan edistamisrahasto was 4,883K € (4,723K €). The other grants and scholarships were operating grants for associations and scholarships for students.

Student housing

The Student Union owns approximately 82,500 m² worth of residential properties. There are about 2,500 apartments. All residential buildings in Espoo but one are owned directly by the Student Union. One property in Leppävaara and the properties in Helsinki are owned by subsidiaries.

The full profit from residential properties in 2017 was 12,885K € (12,365K €), and accounting expenses were 11,502K € (11,225K €). The profit increased by 4% compared to the figures for the reference year 2016. This was mostly due to the fact that a new residential building with 122 apartments was completed in Jätkäsaari, Helsinki, in autumn 2017. The new tenants moved in on the 1st of September 2017, and rental income was accumulated for four months.

All management costs related to housing increased by 2.5% overall. The increase compared to the previous year was due to the growing costs in properties in Helsinki. The new residential building in Jätkäsaari raised the costs when compared to the previous year. In addition, the network connections in the buildings in Helsinki were improved by installing optical fiber connections and by replacing the network switches. Thanks to this, the connections are now on par with those found in Espoo.

The large basic renovation to the properties Jämeräntaival 3,5,7, located in Otaniemi, which was started in 2016, progressed as planned. The total project will take 36 months (the project started in late autumn 2016), and the total, ARA-subsidized costs for the project are estimated to be 20.7M €. The first renovated house, Jämeräntaival 7, was completed in January 2018.

In the beginning of 2017, when some of the long-term fixed-term rental agreements were terminated, the Student Union had to decide whether it would renew the agreements at a much more expensive price than before or whether to purchase the three plots from Senate Properties. Residential buildings owned by the Student Union are located on the plots, located at Servin Maijan tie. The issue was discussed at several meetings and prepared for a long time. At its meeting 5/2017, held in May, the Representative Council decided that the Student Union would buy the plots from Senate Properties for approximately 9M €.

In May 2017, after lengthy preparations, the Representative Council also decided to construct a new residential building to Miestentie in Otaniemi. Jatke Uusimaa Oy won the competitive bidding process. A building with 131 apartments will be built on the plot, most of which will be studio apartments. The building is due to be completed at the turn of 2018 and 2019.

Investments

Investments include the profit and expenses from property, interest and stock investments. The group's overall profit from investments was 1,269K € (4,639K €). Last year, the majority of the profit (4M €) came from the sale of shares of Kiinteistö Oy Aalbergintie to Sato Oyj. No similar property transactions were conducted in 2017. Other investment income came from financial management and was 1,299K € (676K €) in total.

The Student Union has three full-mandate financial managers whose investments are guided by the same investment policy and allocation goal.

Funding

At the end of the year, total long-term interest-bearing debt was 90,974K € (71,011K €). These are long-term, residential property-related, mostly interest-subsidized loans. New loans worth a total of 22,252K € (11,900K €) were taken in 2017. The new loans were used to finance the purchase of plots, the renovation of Jämeräntäival 3, 5, 7, and the Jätkäsaari project. On the group level, loans were amortized by 1,290K € (1,284K €).

The solvency of the Student Union and the Group is at a good level, and the Group's solvency ratio is 35.6% (40.8% in 2016).

Profit for the fiscal period

The year of operations for the Aalto University Student Union ended with a group income of 1,108K € (+ 4,151K €) before fund transfers. The accounting result after fund transfers was a profit of 892K € (+ 4,315K €). The consolidated balance sheet grew by 17% due to the completion of the new building in Jätkäsaari, and the total sum was 148,729K € (126,895K €).

The Student Union's profit for the fiscal period before fund transfers was 1,175K € (+ 4,094K €), and the surplus after fund transfers was 946K € (+ 4,274K €). The Student Union's final balance was 102,860K € (86,234K €).

Events after the accounting period

In early 2018, the Student Union has continued its planned strategy work under the leadership of the new Board. The focus areas for 2018 include improving the well-being of students, the Year of Arts project and the Student Center project.

The work of the committees of the Representative Council will continue as in the previous year. The Representative Council elected new compositions for the following committees for 2018: the Financial and Real Estate Committee, the Societal Influence Committee and the Community Committee.

Future prospects

In 2018, the Student Union will focus on the implementation of the selected strategies. A key goal for the Student Union is to further increase the construction of student housing in Otaniemi and in the surrounding areas. A project to plan new student apartments in Otakaari will be promoted during 2018. The zoning work is planned to continue in the spring.

Future risks and uncertainties are related to rental activity. If the occupancy rate of the apartments falls significantly, it would have an impact on the Group's result. However, the occupancy rate of the Group's apartments has remained at a very good level except for a few individual properties. We will actively influence the desirability of our properties with the development of the property stock and other real estate strategy measures.

Administration 2017

The AYY Board

| | |
|-----------------|--|
| Joona Orpana | Chair |
| Petteri Heliste | Vice Chair |
| Katariina Helin | Educational Policy and Artistic Activities |
| Pyry Huhtanen | Corporate Relations, Zoning and Alumni Affairs |
| Konsta Huuki | Community, Volunteers and Events |
| Emmi Kosomaa | International Affairs and New Students |
| Onni Lampi | Housing and Real Estate |
| Ville Myllylä | Organizational Affairs and Facilities |
| Oskar Niemenoja | Social Policy, Municipal Advocacy and Sports |
| Noora Vänttinen | Communications and Brand |

Presiding officers of the Representative Council

| | |
|-----------------|----------------------------|
| Ilkka Särkiö | Chair |
| Tapio Hautamäki | 1 st Vice Chair |
| Säde Palmu | 2 nd Vice Chair |

Financial Committee

| | |
|--------------------|------------|
| Jukka Havia | Chair |
| Kari Vatanen | Vice Chair |
| Hanna Hiidenpalo | |
| Joona Reunanen | |
| Mika Savolainen | |
| Petri Valkama | |
| Valtteri Ahonen | |
| Olli Halminen | |
| Heikki Koponen | |
| Joonas Tietäväinen | |

Auditors

Auditing firm KPMG Oy Ab.
Auditor with principal responsibility Heidi Vierros, KHT

The Board's proposal for using the surplus from 2017

The Board proposes that the surplus of 946,442.95 euros from 2017 be put on the surplus/deficit account.

Aalto University Student Union**Y 0101365-5****Financial statement 31st Of December 2017****Signature for the financial statement and annual report**

Espoo, _____ of _____ 2018

Aalto University Student Union

Noora Vääntinen
Chair of the BoardTapio Hautamäki
Vice Chair of the BoardHilja Korhonen
Member of the BoardMikhael Koufos
Member of the BoardMikael Liimatainen
Member of the BoardJulius Luukkanen
Member of the BoardEmma Savela
Member of the BoardLauri Seppäläinen
Member of the BoardNoora Tanska
Member of the BoardSuvi Vendelin
Member of the Board**Auditor's note**

An auditor's report has been issued today.

Espoo, _____ of _____ 2018

Auditing firm KPMG Oy Ab

Heidi Vierros, KHT