



Student Society of UBC Vancouver

Q1 | Financial Report: May 1st – July 31st 2018

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SUMMARY

The quarterly financial reports of the Society provide the membership of the Alma Mater Society of the University of British Columbia (UBC AMS) Vancouver with an overview of the Society's financial operations and general performance for the duration of each quarter. These reports include the expenses, contribution from the businesses, and returns from investments of the society, in comparison to current Fiscal Year budget (target). The reports focus on expenses from student government, student and ancillary services, and events. The Society is expected to have a surplus of \$127,362 for the Fiscal Year 2018 - 2019. This surplus will be used to pay part of the society accumulated operational deficit.

The Vice President Finance and Managing Director of the Society prepare these financial reports for presentation to AMS Council (the Board), and ensure that the reports are available publicly for the general membership of the Society. The reports cover the performance of the Society in four periods: Q1(May - July), Q2 (August - October), (Q3 November - January) and Q4 (February - April). While the first three reports are disseminated upon conclusion of each quarter, the Q4 report is presented along with the audit at the Annual General Meeting (AGM) in October every year to allow for the completion of any outstanding transactions.

This quarter, the financial performance of the Society indicates that the capital and funding allocations are on track, with the expenditures on target as budgeted at the beginning of the 2018/19 Fiscal Year. The business contributions met the anticipated budgetary forecasts and the investment exceeded the expected returns for the first quarter. The budget allows for flexibility for the Society to make adjustments to spending services as supported and approved by the membership and AMS Council. Accordingly, the AMS has been able to re-allocate \$69,559 from funding reductions across 15 areas, which, along with \$59,106 from the Sexual Assault Initiatives Fund (SAIF), has allowed us to meet the unexpectedly high operational budget of the Sexual Assault Support Centre (SASC), which was \$310,000 for the year. The executive team, with the support of the management and administrative staff, are on track to successfully complete the projects, goals and objectives outlined for the 2018/2019 Fiscal Year.

Prepared by Kuol Akuechbeny, AMS Vice-President Finance

Date: August 29th, 2018

AMS Revenue

The Alma Mater Society generates revenues from three main areas: student fees, businesses and investments. The estimated revenue from student fees for the 2018-2019 Fiscal Year is \$21,743,940. AMS businesses, catering & conferences, and property rentals are expected to generate a net revenue of \$61,435 after all the indirect overheads such as administration and human resources. The investment returns are expected to be \$375,000. The total estimated revenue for the student society for Fiscal Year 2018 - 2019 is \$22,180,375.

However, \$19,709,440 (88.8% of total revenue) is non-discretionary revenue, meaning this money is automatically given to AMS subsidiary organizations that receive student fees and constituencies which are responsible for how that money is spent. Therefore, the net discretionary revenue estimate for the AMS this Fiscal Year is \$2,747,883 (11.2% of the total revenue). This is the amount AMS budgets to provide services such as the Food Bank and sexual assault support services, organize events like Welcome Back BBQ and Block Party, and general AMS general operations.

Table 1: Summary of Revenue

Source of Revenue	Q1: Actual Revenue (\$)	Q1: Budgeted Revenue May - July (\$)	Q1: Variance: Actual - Budget (\$)	Q1: Variance (%)	Budget Revenue FY 2018 - 2019 (\$)
Student Fees	N/A	N/A	N/A	N/A	21,743,940
Business Operations	(63,549)	(124,623)	61,074	49.0	61,435
Investments	158,130	93,750	64,380	68.7	375,000
Total	N/A	N/A	N/A	N/A	22,180,375

INVESTMENTS

AMS investments performed very well and the expected returns exceeded the target for the first quarter. The investment returns come from the interest income, dividend income, and market valuation growth. The new AMS investment policy, effective August 15th, is expected to deliver about the same on the investments in the next quarters of this Fiscal Year.

<http://www.ams.ubc.ca/wp-content/uploads/2018/08/I-8-AMS-Investment-Policy-1-August-2018.pdf>

Table 2: AMS Investment Returns (May - July 2018)

	Actual Returns (\$)	Q1 Variance: Actual - Budget (\$)	Q1 Variance (%)	Q1 Budget Target Returns: May 1- July 31 (\$)	Budget Revenue FY 2018 - 2019 (\$)
Investments	158,130	64,380	68.7	93,750	375,000

BUSINESS OPERATIONS

AMS businesses delivered a solid return for the first quarter of Fiscal Year 2018/19, exceeding the budgeted contribution by 2.9%. This was in part due to stronger than expected performance of the AMS Conference & Catering division, as well as the success of the Porch, the AMS' vegetarian and vegan outlet.

The iconic Pit Pub delivered a stronger than expected return due to the great performance of the Summer Pit nights. However, the negative effects of the added competition both on University Boulevard and in the UBC Life building continue to be felt. These problems are being addressed through installation of a more efficient new sales system and more staff training programs and support. With the upcoming replacement of the aging Point of Sale system with the new Point of Sale system which Council approved over \$150,000 from the Capital Project fund account in the first quarter, as well as many menu redesigns, AMS Businesses are in an excellent position coming into the Fall. Table

Table 3: AMS Business Operations (May - July 2018)

Business Name	Actual Revenue (\$)	Q1 Budget: May 1- July 31 (\$)	Q1 Variance: Actual - Budget (\$)	Variance (%)	Budget Revenue FY 2018 - 2019 (\$)
Blue Chip Cafe	50,398	81,227	(30,829)	(38.0)	613,947
Pit	(4,038)	(14,895)	10,857	(72.9)	134,337
Iwana Taco	(7,570)	3,872	(11,442)	(295.5)	151,725
Gallery Patio & Lounge	(2,492)	(20,594)	18,102	(87.9)	121,890
Grand Noodle Emporium (GNE)	(10,549)	(14,510)	3,961	(27.3)	110,585
Honour Roll	6,749	25,545	(18,796)	(73.6)	230,350
Porch	97	\$ 761	(664)	(87.3)	67,103
Pie R Squared	29,536	41,947	(12,411)	(29.6)	421,012
Ph T	739	\$ 398	\$ 341	85.7	38,137
Conference & Catering	233,347	309,694	(76,347)	(24.7)	795,102
Property Services	90,493	117,539	(27,046)	(23.0)	478,003
Sub-Total	386,710	533,608	(146,898)	(27.5)	3,162,191
Direct & Indirect Overhead	(450,259)	(902,948)	207,972	(31.6)	3,100,756
Net Business Contribution	(63,549)	(124,623)	61,074	49.09	61,435

AMS Expenses

This part of the report focuses on expenses from student government, student services, ancillary students services and events.

STUDENT GOVERNMENT

Overall, the student government departments are on track with this year's budget. The student government budget includes items such as AMS Council, the ombudsperson, elections and referenda, and the Executive's budgets. The Q1 actuals and budget are described within Table 1 below.

A notable discussion among stakeholders during the first quarter led to AMS Council identifying the need to strengthen the Sexual Assault Support Centre (SASC) and expand its services, which has led to the need for creative re-allocation of parts of the budget. Hence, underspending in this quarter is desired.

AMS Council also passed several new policies throughout Q1. These include an investment policy that outlines the AMS's approach to divestment and ESG (environment, social and governance) investment, the Environment and Climate Change Advocacy Policy, and Mental Health Advocacy Policy.

There are several staff positions which have not been hired for this quarter, both within Executive budgets as well as within line items, such as the ombudsperson and elections positions. These reflect the lighter operations of the Society during the summer months. It is expected that many of these positions will be filled for September.

COUNCIL

The Student Council spent about \$1,500 on food and refreshments. The Council budget expenses for the 2018/19 Fiscal Year are for legal fees, team building, staff appreciation and food & refreshments.

OMBUDSPERSON

The ombudsperson's budget is mostly to cover their salary. The position has been vacant for the entire duration of the Q1, and thus the only expense (about \$100) was for the telephone line.

ELECTIONS & REFERENDA

The election & referendum positions have been vacant for the entire duration of the Q1, and thus the only expense (about \$300) was for refunding a candidate that was not reimbursed in the last fiscal year. The Fiscal Year budget for election & referendum will cover the cost of the staff wages and benefits, and on advertisement and promotions.

EXECUTIVE COMMITTEE

The Executive Committee spent over \$1,000 on an executive retreat at Whistler in early May 2018. The retreat created an amazing opportunity for the newly elected executives and student services manager to get to know one another better, work together to set executive goals for the year, and developed team spirit while having a little bit of fun. This budget line is divided among the cost for the retreat, an All Presidents' Dinner, and team building activities.

PRESIDENT

In the President's portfolio, most of the expenses (\$12,000) are related to the wages of the two executive president assistants. Other expenditures related to conference attendance at the annual AMS/GSS Health and Dental Student Care stakeholder meeting. This was held in Montreal in late May 2018, and is a critical part of AMS negotiations of the Health & Dental plan.

Major expenditures from the portfolio are expected throughout the next quarter with student life initiatives during the school year. An additional staff member will be hired as one of the president's assistants whose role will be dedicated to supporting the president on student life initiatives programs and administrative matters.

VP ACADEMIC & UNIVERSITY AFFAIRS

The Vice-President Academics and University Affairs' portfolio expenses relate to the wages and benefits for the two Associate Vice-Presidents and the Campaigns and Outreach Commissioner.

Major expenditures from the portfolio are expected throughout the Fiscal Year as VP Academics will hire an Academic Affairs and an University Affairs commissioner in September 2018 to support the VPAUA and the two Associates on various projects throughout the academic year.

VP EXTERNAL

The Vice-President External portfolio expenses relate to the wages and benefits for the Associate Vice-President, two coordinators and the commissioner, and the Student Union Development Summit (SUDS) conference that took place on August 17 - 20. The portfolio expenses are above the budget by about \$17,000 for the first quarter as a result of SUDS event expenses. However, SUDS raised over \$15,000 in revenues as of August 17. The revenues to be collected are expected to increase and shall be sufficient to cover the event cost and achieve the break-even target.

VP ADMINISTRATION

The Vice-President Administration's portfolio expenses relate to the wages for the Associate Vice-President and eight staff members. In Q1, the administration portfolio finalized the new SUB project and launched a Mugshare program with no financial cost to the portfolio. The portfolio expenditures are expected to increase for the next quarter as the result of filling a vacant position in September. The portfolio full team shall be ready to support clubs during the Imagine Day and throughout the academic year.

VP FINANCE

The Vice-President Finance portfolio expenses relate to the wages and benefits for the Associate Vice-President and five staff. The portfolio expenses are expected to be steady in the upcoming quarters. The portfolio, along with the AMS Sustainability Coordinator, developed an investment policy which ensures the AMS meets its divestment mandate as per the 2014 referenda. The portfolio also expanded the credit card program (available for certain staff/departments, constituencies, and clubs).

Table 4: AMS Student Government Operations (May - July 2018)

Account Description	Current Actuals: Q1 May 1- July 31 (\$)	Budgeted: Q1 May 1- July 31 (\$)	Q1: Variance: Budget -Actual (\$)	Q1: Variance (%)	YTD Spent (%)	Budget FY 2018 - 2019 (\$)
Council	1,964	12,501	10,538	84.3	3.9	50,004
Ombudsperson	108	3,700	3,592	97.1	0.6	17,461
Election & Referenda	334	12,555	12,222	97.3	0.7	50,288
Executive Committee	1,951	6,863	4,912	71.6	7.1	27,450
President	12,032	24,591	12,559	51.1	12.6	95,742
Vice-President Academic and University Affairs	15,955	34,243	18,288	53.4	11.6	137,973
Vice President External	39,044	21,602	(17,442)	(80.7)	45.2	86,409
Vice-President Administration	28,902	\$52,966	24,064	45.4	13.6	211,865
Vice-President Finance	22,868	32,933	10,64	30.6	17.4	131,731
Total	99,509	201,953	95,485	39.0	12.3	808,923

STUDENT SERVICES

Student Services are on track with this year's budget. There are seven AMS services: Advocacy, the Foodbank, Safewalk, Vice, e-Hub, Speakeasy, and Tutoring. Only Safewalk and the Foodbank have been active throughout the first quarter. Most of the expenditures for the Student Services portfolio are wages and benefits for the seven coordinators and the student services manager, and three assistants. The expenses will increase in the upcoming quarters as result of hiring more tutors and trainings for the staff.

Table 5: AMS Student Services Operations (May - July 2018)

Account Description	Current Actuals Q1 May 1- July 31 (\$)	Budgeted Q1 May 1- July 31 (\$)	Q1: Variance Budget -Actual (\$)	Q1: Variance (%)	YTD Spent (%)	Budget FY 2018 - 2019 (\$)
Student Services Manager	21,293	25,000	3,708	14.8	21.3	100,002
Advocacy	3,069	4,904	1,834	37.4	15.6	19,611
Foodbank	3,161	7,126	3,965	55.6	11.1	28,503
Safewalk	18,128	26,5976	8,469	31.8	17.0	106,386
Vice	3,198	6,122	2,924	47.8	13.1	24,486
E-Hub	3,793	5,428	2,230	41.1	17.5	21,711
Speakeasy	8,032	10,851	2,819	26.0	18.5	43,405
Tutoring Services	5,050	25,750	20,700	80.4	4.9	103,002
Total	61,931	111,777	49,846	44.6	13.9	447,108

ANCILLARY STUDENT SERVICES

Ancillary Student Services are on track with this year's budget. Recent successes in the department include creation of the new Senior Manager Student Services role and filling the position of the Policy Advisor. The recruitment process of the Senior Manager Student Services accounts for current costs during the first quarter. The Communications & Design Manager and the Senior Manager Student Services will be hired by mid-September 2018.

SASC spent about \$53,000 on salaries, wages and benefits from the budget for the first quarter. SASC manager, coordinators and support workers are expected to be hired in September and the departmental expenses are expected to increase. SASC was over budget at the beginning of the 2018/19 fiscal year as the result of the reversed decision to end support services. To resolve the SASC over budget, budget cuts were proposed to other AMS departments in order to shift \$69,759 to SASC. More significantly, the transfer of SAIF funds to SASC operations will enable SASC to meet its budget for the year (See Table 7).

Table 6: AMS Ancillary Services Operations (May - July 2018)

Account Description	Current Actuals Q1 May 1- July 31 (\$)	Budget Q1 May 1- July 31 (\$)	Q1: Variance (Budget -Actual) (\$)	Q1: Variance (%)	YTD Spent (%)	Budget FY 2018 - 2019 (\$)
Senior Manager Student Services	28,446	30,978.13	2,533	8.2	23.0	123,912
Sexual Assault Support Centre	52,882	62,195	9,313	15.0	21.3	248,780
Communications & Design	25,648	64,983	51,023	78.5	9.9	259,933
Policy Advisor	7,849	20,626	12,777	61.9	9.5	82,502
Archives & Research	16,059	20,505	3,911	19.1	19.6	82,019
Total	131,417	199,287	67,869	34.1	16.5	797,146

The AMS departments listed below have accepted budget cuts proposed in order to shift \$69,759 to SASC. The President's department will hire one less staff, but shall operate and run its activities as expected. The student government departments such as Council and others reduced their budget expenses on special projects and team building activities. Ancillary Student services raised about \$26,000. This has no impact on the budget expenses for the Fiscal Year 2018 - 2019 because Communication Manager and Policy Advisor positions have been vacant in most of the first quarter giving room to re-allocate the amount that was budgeted to spend on salaries and benefits for that period to SASC. Investments in the first quarter performed very well and they are estimated to continue to do well in the next quarters and are expected to raise an additional \$5,000 that can be put into the SASC budget. The businesses performed well in the first quarter and are expected to absorb an additional \$15,000 expenses. The event department is putting in more effort to achieve the First Week goals and plans using \$10,000 less expenses.

Table 7: Adjustments to account for Increased SASC Expenditure for FY 2018 - 2019

Area	Amount Cut (\$)	Budget: New for the FY 2018/19 (\$)	Budget: Beginning of the FY 2018/19 (s)
Business	15,000	76,435	61,435
Investment Returns	5,000	380,000	375,000
President	5,009	93,355	98,364
Council	5,000	45,004	50,004
Academics & University Affairs	1,000	136,973	137,973
Finance	500	131,231	131,731
First Week Event	10,000	51,823	61,823
Student Services	2,250	444,858	447,108
Communications & Design	15,000	244,933	259,933
University and Government Relations	9,000	73,502	82,502
Senior Management Student Services	2,000	121,913	123,913
Total	69,759		
SAIF Funds	59,106		
SASC Fee	181,500		
Grand SASC Total Budget	310,365	310,365	248,780

EVENTS

The AMS Events department spent about \$36,000 during the first quarter. The Events Department is at 70% of its sponsorship target for orientation week. Overall, ticket sales are expected to increase once the First Week newsletter is sent out.

About \$14,000 has been spent on the Welcome Back BBQ. The BBQ Sales are relatively slow during summer time but have sold over 1,200 out of 5,000 tickets so far. Due to the change of the Showpass service fee, the Event Department is expecting a decrease in the overall revenue for the BBQ event. However, with the inaugural partnership with Simon Fraser Student Society, Events are expecting an increase of 500 - 1000 ticket sales compared to last year BBQ. The Events Department have already secured 75% of the sponsorship target.

The AMS Events Department has spent about \$25,000 on the First Week event preparations. The AMS Events Team have planned two shows for the Pit in the first month of first semester. DJ Grandtheft will be performing on September 6th, and the next show will be on September 21st (the Events Team would like the artist for this event to be a surprise to everyone). Overall, the AMS Events Team is on target with the budget. The Events Team will also begin planning more events for the fall after First Week. AMS will no longer run Farmade but \$577 was spent to pay unpaid expenses from the previous Fiscal Year.

Table 8: AMS Events Operations (May - July 2018)

Account Description	Current Actuals Q1 May 1- July 31 (\$)	Budgeted (Q1 May 1- July 31) (\$)	Q1: Variance (Budget -Actual) (\$)	Q1: Variance (%)	YTD Spent (%)	Budget FY 2018 - 2019 (\$)
Events Department	36,138	71,656	35,518	49.6	12.6	286,624
Block Party	14,003	8,938	(5,065)	(57.7)	39.2	35,750
First Week Event	24,769	15,456	(9,314)	(60.3)	40.1	61,823
Farmade	577	0	(577)	-	-	0
Welcome Back BBQ	14,003	8,750	(5,253)	(60.0)	40.0	35,000
Total	89,488	104,799	15,310	14.6	21.3	419,196

Conclusion

The AMS is on track with its budget for the first quarter (May - July 2018), and the Society is expected to have a surplus of \$127,362 for Fiscal Year 2018 - 2019. The surplus is a result of business contribution and investment returns doing well, an increase in student enrolment, and AMS expenses being under control. It is worth noting, however, that the surplus will likely be lower than last year's surplus. This is partly due to the provincially mandated minimum wage increase, while prices for the AMS businesses remained relatively stable in order to maintain affordability for students. There has also been a dramatic increase in competition from the UBC Student Life Building and along the University Boulevard. Also, the AMS is recruiting for a number of positions which will be filled in the next quarter. The AMS will use the surplus to pay part of the Society's accumulated operational deficit.