AMS Businesses
Life After Covid
AMS Businesses
A brief history

AMS Businesses Revenue/Contribution
10 year trend


Revenue
Contribution
AMS Businesses
Covid effect

AMS Businesses Revenue/Contribution
10 year trend including Covid

Budget 2021/22
Reforecast 2020/21
Actual 2019/20
Actual 2018/19
Actual 2017/18
Actual 2016/17
Actual 2015/16
Actual 2014/15
Actual 2013/14
Actual 2012/13
Actual 2011/12

(2,000,000)
What we are doing now...

• Member safety
• Focus on reducing member isolation
• Limited outlet opening as a service
• Working on new menu items
• New digital menu boards
• Fit out of Blue Chip patio
• Leasing
• Loyalty & Gift cards
• Contacting all clients that have booked in last 3 years
• Contacting all Film productions
What we will be doing....

• A staggered reopening
• September 2021 current outlets
• Jan 2022 remaining outlets reopen
• Conference & Catering off campus
• Blue Chip Patio
• Digital Menu Boards
• Revised menus
• New types of food
• Value items on all menus
• Estimated recovery 2024
AMS Debt

Debt: Borrowed money (loan) owed to external party

- Building loan of $68,000,000 @5.75% taken from UBC for 35 years
- Building refinanced in Nov 2017 into $70,150,000 loan @3.2%
- Current Balance: $58,888,000
- Will be repaid in approx. 15 years
UBC vs RBC
Interest on Loan

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>UBC Interest</th>
<th>RBC Interest</th>
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<tbody>
<tr>
<td>$20,000,000</td>
<td>$92,682,934</td>
<td>$20,760,560</td>
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<td>$100,000,000</td>
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AMS Deficit

Deficit is an Excess of Expenditure over Revenue

• Current deficit $4,247,405, of which $4,051,786 relates to the renovation of the lower level of Life building
Debt & Deficit repayment

• Debt repayment will occur over next 14 years, paid for by SUB Renewal Fee of $100 per student per year

• Deficit will be repaid from excess business contributions in 2022, 2023, 2024, & 2025
To Summarize.....

- Deficit $4,247,405
- Debt $58,888,000
Why is repaying the deficit important?

- **A solid fiscal foundation leads to expansion/growth**

  Paying down the deficit strengthens our financial position. In the past years, it is because of that strong fiscal position, we were able to expand the services our members need.

- **A solid fiscal outlook provides a foundation for a thriving AMS.**

- **Putting the AMS on a sustainable fiscal path creates a positive environment for growth, opportunity, and prosperity.**

- **With a strong fiscal foundation, the AMS will have increased access to capital, more resources for growth and expansion, improved consumer and business confidence, and a stronger safety net.**
Why is repaying the Deficit important?

Less flexibility to respond to crisis:

Higher amounts of debt / deficit will put us at a greater risk of a fiscal crisis with less flexibility to deal with unexpected events e.g. COVID.

For e.g. During COVID - these uncertain times, we have to be prepared for the future ahead, which entail businesses not doing well, that means no contributions from the businesses towards services.

The student fees collected does not cover the AMS services, business contributions are important. With no business contributions, this will take us into a further deficit.
What should we do?
What should we do?

• Reimagine the businesses (already happening)

• Maximise sources of Revenue (Tutoring, Investment returns, more off campus)

• Look at all expenses Society wide

• Repay the deficit

• Fee restructure
Why we are in Deficit

AMS Revenue

- Discretionary Student Fees
- Business Contribution
- Investment Income
Why we are in deficit

AMS Expenses

Reforecast 2020/21  Actual 2019/20  Actuals 18/19  Actual 17/18  Actual 16/17  Actual 15/16

- Student Government
- Overhead
- Student Services
- Communications
- Events
Why we are in Deficit

Combined Revenue & Expenses

- Total Revenue
- Total Expenses

- Reforecast 2020/21
- Actual 2019/20
- Actuals 18/19
- Actual 17/18
- Actual 16/17
- Actual 15/16