



**ams**

— EST. 1915 —

# **AMS Financial Results 2020/21**

# The facts

## **Total Assets : \$125M**

Composed of:

- Lease on Nest (55 years)
- Art Collection (cost, not market value)
- Investments
- Property & Equipment
- Funds
- Cash & Other

# The facts

## **Total Liabilities : \$88M**

Composed of:

- Debt (Nest building loan)
- Owing to Clubs & Constituencies
- Deferred Capital Contribution from UBC
- Accumulated Deficit

## The Good news.....

2020/21 Surplus was :

**\$5,588,426**

This is the highest surplus in Society`s history

# Background to the good news

- Health & Dental Fees underutilized
- Canada Emergency Wage Subsidy
- Unrealised Gain in Investments
- Operational expenses underspent
- Businesses underperformed
- Funds underutilized

# And now the bad news.

## AMS Deficit

Deficit: Expenses exceed income (revenue)

Year	Revenue	Income	Operational		Overall
	Surplus/(Deficit)		Expense/ (Deficit)		(Deficit)
2016		(248,982)		(1,553,059)	(1,153,059)
2017		(708,174)		(1,939,230)	(1,939,230)
2018		916,705		(1,022,525)	(5,044,308)
2019		1,969,233		946,708	(4,019,932)
2020		2,250,851		(227,473)	(4,247,405)
2021		5,588,426		264,879	(3,982,526)

**2018 Deficit Increase:**  
renovation of lower level of Life Building

# Background to the 20/21 Surplus

- AMS Deficit decreased by \$264,789 in Fiscal 20/21

Due to:

- Unrealized Gain on investments
- Decreased expenditure
- Canada Emergency Wage Subsidy

Partially offset by :

- Reduced contribution in Business Operations

# Deficit Repayment Plan

- Current deficit is \$3,982, 526
- Deficit will be repaid from excess business contributions in 2023, 2024, 2025, & 2026
- Caveat: Ongoing effects from Covid may affect this



# What is the difference between a Deficit and a Debt

## **Difference between Debt and Deficit**

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- A Deficit is an excess of expenditure over income.

**Deficit:** Expenses exceeds income (revenue).

(e.g. operating expenses, if businesses underperform, expenses not budgeted for)

- A Debt is a Loan from an external party

**Debt:** Borrowed money (loan) owed to external party

(e.g. building loan from the bank)

# AMS Debt

Previous deal:

- 35 year loan from UBC @ 5.75%, on loan of \$68M

Current deal:

- 3.2% on interest rate swap arrangement, repayable over 19 years, on \$70M

Overall Saving :

**\$70M (approx.)**

# AMS Debt

- Initial loan balance \$68,055,818 June 1st 2015
- Repayments:

2016	\$ 812,845
2017	\$ 617,332
2018	\$2,694,303
2019	\$2,776,080
2020	\$2,971,879
2021	\$3,082,172
- Current balance : \$55,762,467
- Loan will be repaid in 14 years

# To Summarize.....

- Deficit \$3,982,526
- Debt \$55,762,467

