Date: October 17, 2019

To: Members of the Finance and Investment Committee

Mr. Scott Apel

Dr. Wendy Reiboldt

Dr. Praveen Soni

From: Robert de Wit, Controller

Subject: Operating Statement – August 2019

August results were below plan overall but included key budget timing differences in both Sales and expense.

Sales came in at $4,218,296 and $221,128 (5.0%) below budget. Retail Foods and ID Card Office experienced shortfalls with the latter the result of pending pass through billings for the annual Blackboard maintenance contract budgeted at $175K. Bookstore was on plan although a shortage in Textbooks of $168K was off-set by a gain of $165K in Computer Store sales.

Gross Margin dollars were down proportionally with both decreased sales and mix towards lower margin computer sales. Similarly, Operating Expenses were reduced by the same $175K ID Card maintenance plan that did not materialize.

Netting out the ID Card activities the Operating Income came in at $389,928 and $103,342 under plan. G&A expenditures were favorable by $187,071 primarily due to budget timing for campus donations that have yet to materialize. In addition, the financial markets saw a downturn resulting in an investment loss of $194,327 and a Negative Net Contribution of $204,897 for the month. (See Table 1).

Capital Expenditures for the month were $47,134 for Point of Sale equipment in support of PCI compliance. In combination with the above operating results, this netted a cash flow of $110,343 for the month.

Table 1 below highlights the August and Year-to-Date Operating Statement summary while table 2 provides the corresponding divisional breakdown.



Table 1



Table 2

Table 3 below provides a comparison with prior year that revealed a flat sales pattern in all areas with a declining Textbook trend.



Table 3