Date: January 21, 2020

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 – December 2019

December financial results were below plan during the holiday period as sales were down significantly across the board. In turn, Margins and Operating income were proportionately impacted.

Sales came in at $1,983,421 and $444,245 (18.3%) below plan. Residential Dining was down by 7% while both Bookstore services and Retail Food Services were off by 24%.

Cost of Goods percentage came in .9 points better overall despite lower sales volumes but were buoyed by the 2 point improvement within Residential Dining.

Operating Expenses came in at $1,373,998 and $55,804 (3.9%) better than budget which was attributed to reduced discounts and softening of supplies. The month did include a campus true up for prior year utility billings which had a negative impact of $26,747 Credits & Revenues came in at $46,005 and $52,966 short of plan primarily due to commission payment timing differences that still has us ahead of plan year-to-date.

In summary, Operating Income came in at a negative (38,659 and $263,091 unfavorable to plan. G&A continues to run under budget with expenditure $98,785 less than planned.

Investments remained on the upswing and saw a $287,896 gain thereby resulting in an overall Net Contribution of $981 compared to a budget of negative $77,609. (See Table 1).

Capital Expenditures for the month were $29,829 for hardware associated with the Micros Point of Sale PCI compliance project. This combined with the above resulted in operational Cash Flow of negative ($6,982) for the month.

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



Table 1



Table 2

Table 3 and 4 below provides a similar comparison with prior year in summary and divisional format. Both reveal current year operating results trailing in sales and margins while operating expenses are increasing due to minimum wage hikes. The one area showing a major positive shift are investments with the markets at an all-time high.



Table 3



Table 4