Date: March 27, 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 – February 2020

February results came in below plan primarily due to a prior period adjustment for Textbook Cost adjustments.

Overall Sales came in at $3,466,709 and slightly above budget by benefitting from deferred ID Card past through Sales that were budgeted earlier in the year. These sales are in support of annual Blackboard software maintenance costs.

Cost of Goods percentage was up 3 points for the month due to above mentioned Textbook adjustment but has maintained its year to date margins. Operating Expenses came in over plan by $166,100 (10.2%) driven by the Blackboard maintenance fees of $117,094.

Credits & Revenues came in at $200,445 and $29,048 above plan thanks to a $24,556 catch up payment from Learfield for licensing commissions.

The above resulted in positive Operating Income of $509,172 but $206,346 (28.8%) below budget.

G&A expense continues to run below plan due to reduced staffing and favorable by $42,837 while Investments were down by $508,614 as the Covid-19 Pandemic was starting to spook the markets.

There were no Capital expenditures in February leading to a net negative cash flow of $208,259 for the month.

Table 1 below highlights the February 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 total year 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. With the current market down turn investments have taken a similar route in comparison.



Table 3



Table 4