Date: September 22, 2019

To: Members of the Finance and Investment Committee

Mr. Scott Apel

Ms. Reyalyn Villegas

Dr. Wendy Reibodt

Dr. Praveen Soni

From: Robert de Wit, Controller

Subject: Operating Statement – July 2019

Typically a negative and low volume month due to minimal campus activity, July results came in below plan but within expectations.

Sales came in at $1,506,911 and $133,924 (8.2%) below budget. Bookstore traffic was a little light while summer programs for Residence Halls brought in outside groups as anticipated. All other activity was minimal as expected heading into the summer.

Gross Margin was unfavorable in terms of volume and 4 points below plan given the below optimum business volume in general.

Operating expenses were in line as reduced staffing benefitted labor expenditures while fall recruiting efforts and planning expenditures are running at minimum. In addition, G&A came in below plan primarily due to payment timing differences of planned events and campus donations.

The financial markets remained volatile but saw a mild upswing for the month resulting in a net investment gain of $45K. As a result, July realized a negative net contribution of ($740,406) compared to a budget of negative ($768,922). (See Table 1)

Capital expenditures for the month were just $17,969 in support of UDP renovation that got underway. In addition, there was a $425,857 cash outlay to PERS for annual payment of the unfunded liability per Actuarial requirement. This did not affect the Operating Statement but is noted in the Cash Flow statement. As a result, this along with the above operating results netted a negative cash flow of ($1,093,617) for the month.

Tables 1 & 2 below depict the Operating Statement summary and the corresponding divisional breakdown.



Table 1



Table 2

Comparison to prior year (Table 3) revealed a sales improvement but slight reduction in bottom line performance skewed by low margin Computer Store sales.



Table 2