Date: April 14, 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 – March 2020

March results came in below plan as the start of the Corona Virus “Covid-19” pandemic came into play. In response, the campus moved toward a virtual learning environment in compliance with “Stay Safe” orders. These actions forced the Shops to close all its customer facing operations as of March 18, 2020 until further notice. This was coupled with Residential Hall consolidation activity that had all but a few students remaining on campus as of March 27, 2020. As a result, the Shops took an operating downturn along with hits in the financial markets due to the pandemic.

Overall Sales came in at $1,847,037 and $1,816,249 (49.6%) below plan as all revenue generating entities stopped doing business as of mid-month.

Cost of Goods percentages were estimated for the food service entities and do not reflect final inventories resulting from consolidation activities and foodbank donations of perishable goods upon facility closures. Inventory counts will be conducted in April to adjust for margin loss.

Operating Expenses came in at $1,596,741 and a misleading $39,704 better than plan. Payroll was up by $102,779 due to employee termination costs while sales related commissions and supplies came down dramatically.

Credits & Revenues came in at $82,594 and $44,929 below plan primarily due to timing of Grad Fair activity that will be booked in April upon reconciliation with vendor.

The above resulted in positive Operating Income of negative $275,535 and $1,137,302 (131.9%) below budget.

G&A expense continues to run below plan as well while Investments took a $1,309,135 hit as the Covid-19 Pandemic rattled the financial markets. This resulted in a negative contribution of $1,914,139 for the month.

Capital expenditures in March included deferred patio table billings and additional cash outlay for CalPERS unfunded liability payments of $500K. This combined with the above resulted in a net negative cash flow of $2,318,771 for the month.

Table 1 below highlights the March 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 given the March pandemic impact. Both reveal current year operating results trailing in all aspects.



Table 3



Table 4