Date: November October 20, 2020

To: Members of the Finance and Investment Committee

Mr. Scott Apel

Ms. Adriana Andrade

Dr. Wendy Reiboldt

Dr. Praveen Soni

From: Robert de Wit, Controller

Subject: Operating Statement – October 2020

October results were below plan as covid-19 mandated housing reductions continued to be the primary impact while post rush bookstore activity is running at 60% of plan.

Sales came in at $680,181 and $538,576 (44.2%) below budget with all areas trailing and only the Outpost remaining open on the Retail Dining side. Gross Margin rates were 10 points below plan as minimal purchase volumes has impacted the economy of scale savings historically achieved across product lines.

Operating Expenses continue to run below plan coming in at $914,242 and $105,320 (10.3%) lower, all within the employee expense category. Credits & Revenues started trailing budgets as well with vendor commissions reduced from pre-covid minimum targets.

As a result of the above, Operating Income came in at negative $535,067 and $303,511 (131%) unfavorable to budget.

G&A expense remains below budget as limited staffing and expense control remains the norm with campus and legal obligations an ongoing commitment. On the investment side, the markets took another downturn this month in the amount of $128,925. Combined with Operating results this resulted in a negative Net Contribution of ($923,742) and $415,830 below budget. (See Table 1).

Capital Expenditures for the month were $42,587 for a Bookstore HVAC repair and ongoing Point of Sale (POS) project

In combination with the above this netted a negative cash flow of $877,942 for the month.

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



Table 1



Table 2

Tables 3 and 4 below provides a similar comparison with prior year that revealed a historical sales pattern at semester start with Housing occupancy at capacity dining areas opening.



Table 3



Table 4