Date: 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 – September 2020

September results were below plan due to covid-19 mandated housing reductions along with decision to close Convenience Stores. Under the current climate only one retail food outlet remained open along with the Bookstore.

Sales came in at $895,797 and $1,250,338 (58.3%) below budget with traditional Textbook volume down $672,992 (73.9%) along with retail products (down $228,213, 66.7%) as foot traffic was all but minimal. In addition, Residential dining is experiencing less than a third of the budgeted occupancy of 1,075.

Gross Margins were 4 points below plan with volume down in proportion to sales along with lower percentage of higher margin retail sales.

Operating Expenses continue to run below plan coming in at $689,724 and $285,103 (29.2%) lower with staffing and expense reductions aligned with reduced business commissions. Credits & Revenues are the one bright area as digital textbook volumes continue to increase but are coming at the expense of higher margin traditional textbook sales. As a result of the above, Operating Income came in at negative $164,659 and $267,550 (260%) unfavorable to budget.

G&A expense remains below budget as limited staffing and expense control remains the norm. On the investment side, the markets remain volatile and took a downturn this month in the amount of $231,584. Combined with Operating results this resulted in a negative Net Contribution of ($583,022) and $470,796 below budget. (See Table 1).

Capital Expenditures for the month were $2,541for ongoing Point of Sale (POS) project In combination with the above this netted a negative cash flow of $495,553 for the month.

Table 1 below highlights the September 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