

# Trustee Business Affairs Committee UNCW Financial Update Bookstore & Dining



July 27, 2017



UNIVERSITY *of* NORTH CAROLINA WILMINGTON

# Financial Update: Bookstore

- Bookstore is operated by Barnes & Noble
- Fund balance of \$3.6 million at end of fiscal year 2017
- Operating Revenues
  - Commissions from textbooks, apparel and other store merchandise
  - Receive commission on \$6.5 million in sales, about 67% of sales are textbooks
  - Commission rate of 14.6% to 16.6%
  - New textbook sales are declining as rentals and digital books increase
  - Barnes & Noble provides \$5,000 a year to support student textbook scholarships
  - In fiscal year 2018, UNCW will receive \$100,000 and new store furnishings when contract is renewed

# Financial Update: Bookstore

- Operating Expenses
  - Insurance and internal services from facilities, security, and ITS
  - Utilities
  - Supplies and furniture
- Non-Operating Expenses
  - Revenues in excess of expenses are invested back into university
    - Student scholarships: \$568,000 in fiscal year 2018
      - Steadily increasing, \$100,000 more projected for FY19
    - Infrastructure, including Student Center and parking

# Financial Update: Bookstore

Condensed Statement of Revenue and Expenditures for Bookstore

For Year Ended June 30, as indicated

Reported on Cash Basis

	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Projected	FY19 Projected
<b>Operating Revenues</b>						
Gifts-Non-Capital; Support & Contract Revenue	5,000	5,000	5,000	12,500	105,000	5,000
Commissions	880,804	936,224	1,035,915	1,006,683	1,023,500	1,052,438
<b>Total Operating Revenues</b>	<b>885,804</b>	<b>941,224</b>	<b>1,040,915</b>	<b>1,019,183</b>	<b>1,128,500</b>	<b>1,057,438</b>
<b>Operating Expenditures</b>						
Personnel Compensation	20,387	-	-	-	-	-
Administrative & Contracted Services	292,468	298,855	354,115	315,267	337,273	346,042
Utilities & Supplies	74,087	28,122	34,096	31,607	34,200	35,089
<b>Total Operating Expenditures</b>	<b>386,942</b>	<b>326,977</b>	<b>388,211</b>	<b>346,874</b>	<b>371,473</b>	<b>381,131</b>
<b>Net Operating Income</b>	<b>498,862</b>	<b>614,247</b>	<b>652,704</b>	<b>672,309</b>	<b>757,027</b>	<b>676,307</b>
<b>Other Non-Operating Expenditures</b>						
Scholarship	125,270	115,722	119,078	120,529	118,000	118,000
Diversity Scholarship	50,000	50,000	50,000	50,000	50,000	50,000
Chancellor's Distinguished Merit Scholarship	-	-	-	50,000	400,000	500,000
<b>Total Scholarship Support</b>	<b>175,270</b>	<b>165,722</b>	<b>169,078</b>	<b>220,529</b>	<b>568,000</b>	<b>668,000</b>
Support to Fisher Student Center Repairs & Renovation	-	-	-	70,000	-	-
Support to Parking	-	-	100,000	-	-	-
<b>Total Other Non-Operating Expenditures</b>	<b>175,270</b>	<b>165,722</b>	<b>269,078</b>	<b>290,529</b>	<b>568,000</b>	<b>668,000</b>
<b>Beginning Fund Balance</b>	<b>2,076,882</b>	<b>2,400,477</b>	<b>2,849,002</b>	<b>3,232,628</b>	<b>3,614,408</b>	<b>3,803,435</b>
<b>Ending Fund Balance</b>	<b>2,400,477</b>	<b>2,849,002</b>	<b>3,232,628</b>	<b>3,614,408</b>	<b>3,803,435</b>	<b>3,811,742</b>
<b>Addition to Fund Balance</b>	<b>323,595</b>	<b>448,525</b>	<b>383,626</b>	<b>381,780</b>	<b>189,027</b>	<b>8,307</b>



# Financial Update: Dining

- Dining is contracted with Aramark
- Fund balance of \$6.4 million at end of fiscal year 2017
- Operating Revenues
  - Steady increase in operating revenues
  - 94% from meal plan sales
  - 4% from commissions on catering, camps and register sales
  - Aramark provides:
    - \$11 million infrastructure investment
      - \$8.1 million used to date
        - Hub (\$5.6M), Pod, Subway, Einstein's, Dubs, Chick-fil-A, Hawks Nest
    - \$150,000 enhancement funds annually
    - Gift-in-kind catering
    - Vendor food rebates



# Financial Update: Dining

- Operating Expenses
  - UNCW Personnel who provide business services and maintain facilities and equipment
  - Administrative and contracted services
    - Payments to Aramark for services
    - Equipment repairs
    - Internal services for facilities, security and ITS
    - Point of sale system and network upgrade
  - Utilities
  - Supplies and materials

# Financial Update: Dining

- Debt Service for Wagoner Hall
- Capital Expenditures
  - Seating, flooring, equipment, repairs and maintenance
  - Fiscal year 2017: Hub Support, Wagoner Infrastructure, Randall Library
  - Fiscal year 2018: Hawks Nest, Madeline Suite Renovation, Fisher Student Center
- Program Support for Osher Lifelong Learning Institute (OLLI)

# Financial Update: Dining

Condensed Statement of Revenue and Expenditures for Dining Services  
For Year Ended June 30, as indicated  
Reported on Cash Basis

	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Projected	FY19 Projected
<b>Operating Revenue</b>						
		New Dining Contract				
Enhancement & Catering Support	100,000	215,675	243,679	246,026	247,997	250,012
Vendor Rebates & Reimbursements	-	-	79,032	89,511	101,074	118,525
Commissions on Non Meal Plan Sales	643,311	539,354	554,843	557,074	615,000	632,663
Meal Plan Sales	13,963,155	14,134,154	13,768,268	15,027,299	15,946,594	16,414,578
<b>Total Operating Revenues</b>	<b>14,706,466</b>	<b>14,889,183</b>	<b>14,645,822</b>	<b>15,919,910</b>	<b>16,910,665</b>	<b>17,415,779</b>
<b>Operating Expenditures</b>						
Personnel Compensation	262,235	266,327	232,555	320,836	405,249	412,543
Administrative & Contracted Services	12,883,909	12,264,686	12,458,857	13,348,920	13,955,673	14,542,001
Utilities	335,876	337,829	325,255	324,517	380,500	388,110
Supplies & Materials	166,510	98,958	127,671	115,183	120,000	124,200
<b>Total Operating Expenditures</b>	<b>13,648,530</b>	<b>12,967,800</b>	<b>13,144,338</b>	<b>14,109,456</b>	<b>14,861,422</b>	<b>15,466,854</b>
<b>Net Operating Income</b>	<b>1,057,936</b>	<b>1,921,383</b>	<b>1,501,484</b>	<b>1,810,454</b>	<b>2,049,243</b>	<b>1,948,924</b>
<b>Debt Service</b>						
Debt Service	444,407	444,063	443,294	440,942	413,151	412,971
<b>Total Debt Service</b>	<b>444,407</b>	<b>444,063</b>	<b>443,294</b>	<b>440,942</b>	<b>413,151</b>	<b>412,971</b>
<b>Capital Expenditures</b>						
Capital Expenditures	89,891	526,152	203,667	615,411	1,174,819	580,000
<b>Total Capital Expenditures</b>	<b>89,891</b>	<b>526,152</b>	<b>203,667</b>	<b>615,411</b>	<b>1,174,819</b>	<b>580,000</b>
<b>Other Non-Operating Expenditures</b>						
Program Support	20,731	152,700	154,347	182,321	201,081	199,704
<b>Total Other Non-Operating Expenditures</b>	<b>20,731</b>	<b>152,700</b>	<b>154,347</b>	<b>182,321</b>	<b>201,081</b>	<b>199,704</b>
<b>Beginning Fund Balance</b>	<b>3,781,281</b>	<b>4,284,189</b>	<b>5,082,657</b>	<b>5,782,833</b>	<b>6,354,612</b>	<b>6,614,804</b>
<b>Ending Fund Balance</b>	<b>4,284,189</b>	<b>5,082,657</b>	<b>5,782,833</b>	<b>6,354,612</b>	<b>6,614,804</b>	<b>7,371,053</b>
<b>Addition to Fund Balance</b>	<b>502,907</b>	<b>798,468</b>	<b>700,176</b>	<b>571,780</b>	<b>260,192</b>	<b>756,249</b>

