

ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS
Finance Committee
September 22, 2017
11:00 a.m.
Kerckhoff Hall 152

PRESENT: Donna Baker, Alexandra Latshaw, Navi Sidhu, Jesse Torres,
and Bob Williams

LATE: Kevin Eagan and Andrew Lewis

MANAGEMENT: Cindy Bolton, Food Service Director
Sandi Gillespie, Association Affairs Manager
Patrick Healey, UCLA Store Director-General Merchandise
Michelle Moyer, Director of Business Affairs and Compliance

GUESTS: Nathan Glovinsky, ASUCLA Board Member
Tracy Hensley, KPMG
Kevin Kato, ASUCLA Board Member
Kristen Olko, KPMG

CALL TO ORDER

Mr. Sidhu called the meeting to order at 11:02 a.m.

APPROVAL OF AGENDA

Mr. Sidhu called for consent to approve the Associated Students UCLA Board of Directors' September 22, 2017 Finance Committee Agenda. There being no objections, the motion was approved by unanimous consent.

EXTERNAL AUDITOR'S (KPMG) REPORT

Ms. Hensley and Ms. Olko from KPMG briefly reviewed the audit plan for the fiscal year ending July 2017 including scope of service, KPMG process and responsibilities, management's responsibilities, areas of audit emphasis, and audit timetable. The audit will cover all four entities of ASUCLA: Service & Enterprises, GSA, USAC, and Student Media.

Ms. Hensley reported that fieldwork should conclude at the end of October. The final report will be presented to the Finance Committee at their January meeting.

EXECUTIVE DIRECTOR'S REPORT

Mr. Williams reported on the following topics:

- August financial results were ahead of plan with strong BearWear sales and savings in expenses.
- The Chancellor's letter regarding FY 17-18 budget was received and sent out to the full board.
- The Association is getting ready for the fall quarter with the ASUCLA Job Fair that will be held on September 26 along with the After Hours Sale.
- UCPath is ongoing and is requiring a lot of time with many staff members.
- The signs announcing Veggie Grill have been installed on the construction wall and there will be a grab & go sandwich cart added to the area to assist during peak lunch hours.
- Blaze Pizza construction is underway and most of the demolition has been completed.
- The first two football games went well and sales are reasonable.
- The dining room products are on order and there will be a schedule update next month.

FINANCIAL STATEMENTS

Student-Run Enterprises August 2017 Financial Statements

Gross income for the Association was negative to plan by (\$106,000). Net income for the month was positive by \$56,000.

The Store was negative in gross income by (\$67,000) and positive \$11,000 in contribution. UCLA Restaurants were negative by (\$14,000) in gross income and positive \$14,000 in contribution.

The Services Division was negative to plan by (\$2,000) in gross income and (\$3,000) in contribution due to less than anticipated licensing promotional royalties and international licensing.

The Student Union was negative by (\$23,000) in gross income and (\$18,000) in contribution due to a reservation cancellation of a large client.

The Association reported a cash book balance of \$12,544,000 for the month. Of this balance, \$1,473,000 has been reserved for capital projects, leaving \$12,562,000 in uncommitted cash which is (\$1,567,000) less than the board-required cash reserve.

Past due accounts receivables were at roughly \$124,000 or 4%. Store inventories at cost were \$6,100,000; while inventory turns were at 4.5.

September 2017 Month-to-Date Preliminary Sales

September sales figures in the Store are negative to plan by (\$313,909). The negative sales are due to dental kits which are (\$490,304) negative to plan. BearWear is positive to plan by \$32,558. The Hilltop Shop is negative to plan by (\$16,137) and MTW is positive by \$64,087. Estimated Gross Margin for September is negative by (\$26,606).

Food Service is positive to budget in sales for September by \$16,000. Catering is positive to plan by \$6,000 and Concessions is negative (\$10,000). Court of Science Student Center is (\$20,000) negative to plan due to the delay in opening the pizza concept. Wetzel's/Lollicup is (\$15,000) due to an aggressive budget. Wolfgang Puck and Kikka are well above plan.

Communications Board June and July 2017 Financial Statements

The Communications Board was negative to plan in June by (\$33,602) and positive in July by \$16,003. They ended the fiscal year \$46,942 better than plan due to receiving the 2016 and 217 summer PLEDGE fees.

AGENDA AMENDMENT

Ms. Latshaw made a motion, seconded by Mr. Eagan that the Associated Students UCLA Board of Directors' Finance Committee table Agenda Item VII C and VII D until next month. Mr. Sidhu called for a vote. The motion was approved by a vote of 3 yeas and no nays.

FIRST FLOOR DINING ROOM ELECTRONIC WALL

Mr. Williams described the three options for the electronic wall and explained that the Services Committee went to the first floor dining room for a demonstration of the laser projector. The Committee was impressed with the quality of the laser projector and agreed that it was the best option. A formal agenda will go to both Services and Finance Committee next month for approval.

DOMESTIC LICENSING

Cindy Holmes, the ASUCLA Licensing Director, gave an introductory presentation to the committee that covered the basics of the Association's licensing strategy and corporate responsibility. It was the first in a series of licensing presentations that the committee will receive.

EXECUTIVE SESSION

Mr. Sidhu called for consent for the Associated Students UCLA Board of Directors' Finance Committee to enter into Executive Session. There being no objections, the motion was approved by unanimous consent.

The Committee entered into Executive Session at 12:56 p.m.

Mr. Sidhu called for consent to exit the Associated Students UCLA Board of Directors' Finance Committee Executive Session. There being no objections, the motion was approved by unanimous consent.

The Committee exited Executive Session at 12:58 p.m.

Mr. Eagan made a motion, seconded by Mr. Sidhu that the Associated Students UCLA Board of Directors' Finance Committee approve all actions taken in Executive Session. Mr. Sidhu called for a vote. The motion was approved by a vote of 4 yeas and 0 nays.

ADJOURNMENT

Mr. Sidhu called for consent for the Associated Students UCLA Board of Directors' Finance Committee to adjourn the September 22, 2017 Meeting. There being no objections, the meeting was adjourned at 12:59 p.m.