

ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS
Finance Committee
November 17, 2017
10:30 a.m.
Kerckhoff Hall 152

PRESENT: Donna Baker, Kevin Eagan, Alexandra Latshaw, Navi Sidhu,
and Bob Williams

ABSENT: Jesse Torres

LATE: Andrew Lewis

MANAGEMENT: Cindy Bolton, Food Service Director
Roy Champawat, Student Union Director
Sandi Gillespie, Association Affairs Manager

GUESTS: Michaela Boster, ASUCLA Board Member
Doria Deen, Student Media Director
Kristen Olko, KPMG

CALL TO ORDER

Mr. Sidhu called the meeting to order at 10:32 a.m.

APPROVAL OF AGENDA

Mr. Sidhu called for consent to approve the Associated Students UCLA Board of Directors' Finance Committee, November 17, 2017 Agenda. There being no objections, the motion was approved by unanimous consent.

APPROVAL OF MINUTES

Mr. Sidhu called for consent to approve the Associated Students UCLA Board of Directors' Finance Committee October 20, 2017 Minutes. There being no objections, the motion was approved by unanimous consent.

EXTERNAL AUDITOR REPORT

Ms. Olko from KPMG stated that they are now completing their fieldwork for the external audit and will have a final report to present at the January Finance Committee meeting. She did, however, want to update the committee on two items that were discovered and will be researched further:

1. USAC-Endowment from the UCLA Foundation from 2013 and how it was entered in the books.
2. Communication Board-In 15-16, revenue was recorded for advertisements but the ads were canceled and were written off in 16-17.

EXECUTIVE DIRECTOR'S REPORT

Mr. Williams reported on the following:

UC Path

Staff is diligently working on UC Path and is still planning to go live in December.

Branding RFP

Multiple proposals were received and the ad-hoc committee will be reviewing them at their meeting today.

Financial Summary

The first quarter was okay financially. BearWear did well; however, e-commerce is struggling. Textbooks were ahead of plan and course readers were down. Food is still behind plan.

Poké at North Campus

Poké concept at North Campus is now open and doing very well.

Taco Bell

Construction is scheduled to occur in December and be completed during the break.

Veggie Grill

New signage has been placed on the construction wall.

AU 1st Floor Dining Room

Construction is ongoing and on schedule.

Blaze Pizza

Construction has been delayed. Completion is now expected for February or March.

Employee Appreciation Sale

The sale begins today, November 17 and goes through November 22.

FINANCIAL STATEMENTS

Student-Run Enterprises October 2017 Financial Statements

Gross income for the Association was negative to plan by (\$338,000). Net income for the month was positive by \$15,000.

The Store was negative in gross income by (\$276,000) and negative (\$75,000) in contribution due to slow sales in BearWear both in-store and online as well as course readers. UCLA Restaurants were negative by (\$99,000) in gross income and negative (\$39,000) in contribution due to the delayed opening of Blaze Pizza and Veggie Grill. Catering is still struggling. There is a new catering team that will be in place next week.

The Services Division was positive to plan by \$40,000 in gross income and \$21,000 in contribution due to domestic licensing specifically the Costco apparel program.

The Student Union was negative by (\$3,000) in gross income and (\$9,000) in contribution due to planned revenue for an increase in Undergraduate Admissions events that did not occur.

The Association reported a cash book balance of \$12,478,000 for the month. Of this balance, \$1,273,000 has been reserved for capital projects, leaving \$10,167,000 in uncommitted cash which is (\$4,391,000) less than the board-required cash reserve.

Past due accounts receivables were at roughly \$115,000 or 2%. Store inventories at cost were \$6,200,000; while inventory turns were at 4.5.

November 2017 Month-to-Date Preliminary Sales

November sales figures in the Store are negative to plan by (\$19,178). However, \$65,000 in sales from the Rosebowl has not been included. The markets are down in the outlying areas. Textbooks in Ackerman are positive to plan by \$10,469. The Health Science Store is positive to plan by \$74,043. The Hilltop Shop is negative to plan by (\$5,296) and MTW is positive to plan by \$9,807. Estimated Gross Margin for October is negative by (\$15,753).

The calendar adjusted Food Service sales are negative to budget by (\$57,326). Catering is negative to plan by (\$656) and Concessions is positive by \$2,289. Court of Science Student Center is (\$25,232) negative to plan due to the delay in opening Blaze Pizza.

Communications Board August 2017 Financial Statements

The Communications Board was positive to plan by \$22,187 due to higher than planned national color advertising and lower wages.

DRAFT AUDIT REPORT-NORTH CAMPUS

Ms. Bolton explained that based on the results of the work performed within the scope of the audit, the North Campus Restaurant Division has established adequate internal controls and business practices to help ensure that ASUCLA's business objectives are

met. The audit identified the following areas where internal controls could be further strengthened:

1. Kronos time sheets manual adjustment should be reviewed to ensure that edits reconcile to the log.
2. Timesheets should be properly approved by the Division Manager.
3. Paychecks that could not be delivered should be returned to the payroll office. and paycheck sign-out sheet should be revised to only include the names of employees who are awaiting checks.
4. Employee training should be adequately documented.
5. Management should research all significant daily cash register overages and shortages.
6. The issuance of food storeroom keys should be documented.

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 11:39 a.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 11:53 a.m.

ADJOURNMENT

Mr. Sidhu called for consent for the Associated Students UCLA Board of Directors' Finance Committee to adjourn the November 17, 2017 Meeting. There being no objections, the meeting was adjourned at 11:53 a.m.