

**ASSOCIATED STUDENTS UCLA  
BOARD OF DIRECTORS  
Finance Committee  
January 19, 2018  
9:00 a.m.  
Kerckhoff Hall 152**

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

**ABSENT:** Kevin Eagan

**MANAGEMENT:** Roy Champawat, Student Union Director  
Sandi Gillespie, Association Affairs Manager

**GUESTS:** Teni Adewumi-Gunn, ASUCLA Board Member  
Doria Deen, Student Media Director  
Tracy Hensley, KPMG  
Kevin Kato, ASUCLA Board Member

**CALL TO ORDER**

Mr. Sidhu called the meeting to order at 9:08 a.m.

**APPROVAL OF AGENDA**

Mr. Sidhu called for consent to approve the Associated Students UCLA Board of Directors' Finance Committee, January 18, 2018 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 November 17, 2017 Minutes. There being no objections, the motion was approved by unanimous consent.

**EXTERNAL AUDITOR REPORT**

Ms. Hensley reviewed the required communications to the Finance Committee including auditors' responsibility under Generally Accepted Auditing Standards, Management's Judgments and Estimates, and any pertinent findings - such as potential audit adjustments, material uncertainties or disagreements with management.

Ms. Hensley explained that all Associated Students entities received clean reports, or unqualified opinions, with no material weaknesses. The audit team did want to point out that USA's endowment with UCLA Foundation distribution function should have been administered differently. Ms. Hensley also pointed out that there is an Emphasis of Matter paragraph regarding the Communications Board that states that there are doubts that the entity has the ability to continue as a going concern for a reasonable period of time.

Ms. Henley informed the committee that there are several new tax laws for 2019 and 2020 that may or may not affect the Association. KPMG will be consulting with the ASUCLA Finance Director on these new standards

At this point, as is standard practice during the report of audited financial statements, management exited to allow the committee time to consult privately with the auditors.

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 9:17 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 9:32 a.m.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Williams reported on the following:

### UC Path

UCPath has now been live for one month. There are still some issues to work through, but there doesn't seem to be too many concerns.

### Financial Summary

December was a difficult month for the Association. Food Service was impacted by the fire, closure for the first floor dining room remodel, and the rain. January is off to a slow start specifically with textbooks. Food Service is slow and was negatively affected by the rain.

### Taco Bell

The Taco Bell refresh is complete and cost was less than expected. The new menu board is still being assembled.

### AU 1<sup>st</sup> Floor Dining Room

The new floor installation is complete and the furniture will be installed during President's weekend, February 17-19. The first floor restrooms will also be remodeled during this project.

### Veggie Grill

Veggie Grill has completed their preliminary plans.

### Blaze Pizza

The entire space had to be retrofitted which added to the construction timeline. The staff has been trained and management is hoping for a spring quarter opening.

### Health Science Store

The small remodel is complete, which included moving the textbooks and gaining more space for general merchandise.

### Budget Process

The 18-19 budget process has begun and the tentative budget assumptions will be presented to the committee in February.

## **FINANCIAL STATEMENTS**

### Student-Run Enterprises November 2017 Financial Statements

Gross income for the Association was negative to plan by (\$56,000); however, net income for the month was positive by \$10,000.

The Store was negative in gross income by (\$65,000) and positive by \$10,000 in contribution. UCLA Restaurants were negative by (\$12,000) in gross income and negative (\$5,000) in contribution due to the delayed opening of Blaze Pizza and Veggie Grill.

The Services Division was positive to plan by \$26,000 in gross income due to domestic and international licensing and negative (\$5,000) in contribution due to leased operations specifically the vacant Kaplan's space.

The Student Union was negative by (\$5,000) in gross income and (\$10,000) in contribution due to less scheduled events.

The Association reported a cash book balance of \$11,034,000 for the month. Of this balance, \$1,256,000 has been reserved for capital projects, leaving \$8,511,000 in uncommitted cash which is (\$6,044,000) less than the board-required cash reserve.

Past due accounts receivables were at roughly \$147,000 or 3%. Store inventories at cost were \$6,200,000; while inventory turns were at 4.5.

Student-Run Enterprises December 2017 Preliminary Financial Statement

Gross income for the Association was negative to plan by (\$359,000); and net income for the month was negative by (\$52,000).

The Store was negative in gross income by (\$349,000) and (\$77,000) in contribution due mainly to the Computer Store and Academic Materials, specifically Used Text. UCLA Restaurants were negative by (\$22,000) in gross income due to the Skirball Fire and the closure for the dining room remodel. However, the Restaurants were positive \$1,000 in contribution.

The Services Division was negative to plan by (\$11,000) in gross income and negative (\$10,000) in contribution due to International Licensing and Leased Operations.

The Student Union was positive by \$23,000 in gross income and \$6,000 in contribution due to increased events.

January 2018 Preliminary Sales

January sales figures in the Store are negative to plan by (\$223,556). Most of the negative sales are from Academic Materials. The Computer Store had a positive month with \$93,427 in sales. The Health Science Store is negative to plan by (\$79,990) due to the timing of dental kits. The Hilltop Shop is positive to plan by \$3,757 and MTW is negative to plan by (\$5,694). Estimated Gross Margin for January is negative by (\$79,247).

Food Service sales are negative to budget by (\$50,826). Catering is positive to plan by \$3,920 and Concessions are negative by (\$6,013). Court of Science Student Center is (\$20,389) negative to plan due to the delay in opening Blaze Pizza and Veggie Grill is also negative to plan by (\$35,619) also due to their delayed opening.

Communications Board Financial Statements

In the interest of saving time, Mr. Williams stated that the Communication Board is doing well and is currently positive \$80,000 year-to-date.

**APPROVAL OF FY 16-17 AUDITED FINANCIAL STATEMENTS**

Mr. Sidhu made a motion, seconded by Ms. Latshaw to approve and recommend to the ASUCLA Board of Directors the approval of the FY 16-17 Audited Financial Statements for Student-Run Services and Enterprises, Communications Board, Graduate Student Association, and Undergraduate Student Association. Mr. Sidhu called for a vote. The motion was approved by a vote of 4 yeas and 0 nays.

## **APPROVAL OF THE FIRST FLOOR ELECTRONIC WALL**

Management brought several options to the Services Committee at its last meeting including a demonstration of a set of two laser projectors to encompass this wall. The Committee found the Ultra Short-Throw Laser Projector to be a good solution for this space. The wall coverage is seamless, with no bezels (or small frame around each screen) as are present in the other two options considered. The primary concern related to the laser projector was that it can be subject to ambient room light encroaching upon, and deteriorating the quality of the image. The demonstration of the laser projector on the subject wall shows this to not be a real concern in this case.

Management asks that the Finance Committee recommend to the Board of Directors a capital budget of \$135,000 to bid, install, and program such a laser projector, including processor, graphics computer and software, projection screen, installation and electrical infrastructure.

Ms. Latshaw made motion, seconded by Mr. Lewis that the Finance Committee approve and recommend to the Board of Directors a capital budget of \$135,000 to install a laser video wall on Ackerman Union first floor dining room west wall. Mr. Sidhu called for a vote. The motion was approved by a vote of 4 yeas and 0 nays.

## **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 11:07 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 11:14 a.m.

## **ADJOURNMENT**

Mr. Sidhu called for consent for the Associated Students UCLA Board of Directors' Finance Committee to adjourn the January 19, 2018 Meeting. There being no objections, the meeting was adjourned at 11:14 a.m.