

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS
Finance Committee
September 20, 2019
12:00 p.m.
Ackerman Union 3508**

PRESENT: Adewunmi Adelaja, Donna Baker, Sienna Villegas, Alexis Wells,
and Steve Yu

ABSENT: Pouria Abbassi

LATE: Frank Wada

MANAGEMENT: Cindy Bolton, Director, Food Operations

GUESTS: Kristen Olko, KPMG Senior Audit Manager
Brienne Wiese, KPMG Managing Director

CALL TO ORDER

Ms. Villegas called the meeting to order at 12:04 p.m.

APPROVAL OF AGENDA

Ms. Villegas called for consent to approve the Associated Students UCLA Board of Directors' Finance Committee September 20, 2019, Agenda. There being no objections, the motion was approved by unanimous consent.

APPROVAL OF MINUTES

Ms. Villegas called for consent to approve the Associated Students UCLA Board of Directors' Finance Committee August 19, 2019, Minutes. There being no objections, the motion was approved by unanimous consent.

Ms. Olko and Ms. Wiese from KPMG reviewed the audit plan for the fiscal year ending July 2019, including the 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. Wiese reported that fieldwork should conclude at the end of October. The final report will be presented to the Finance Committee at their January meeting.

FINANCIAL STATEMENTS

August 2019 Financial Results

Gross income for the Association was negative to plan by (\$258K). Net income for the month was favorable by \$112K due to strong controllables.

The Store was negative in gross income by (\$190,000) and negative (\$3K) in contribution. LuValle Textbooks was the main contributor to the negative income due to the late start of the law school.

UCLA Restaurants were negative by (\$42K) in gross income and negative(\$16K) in contribution. The Anderson Café is below plan, as the opening was the second week of the month, and sales were lower than estimated due to no historical data for the first year of the budget.

The Licensing and Services Division was negative to plan by (\$11K) in gross income and positive \$16K in contribution. Domestic Licensing is below plan as royalty income to the UCLA Store was down 25% to the prior year, mainly in Under Armour.

The Student Union was negative by (\$15K) in gross income and positive \$6K in contribution due to positive controllables.

The Association reported a cashbook balance of \$13M. The required cash reserve is \$6.6M leaving a \$6.4M surplus.

Past due accounts receivables were roughly \$120K or 3%. Store inventories at cost were consistent at \$5.5M; while inventory turns were 4.4.

July 2019 Communications Board Financial Statements

Net Revenue for the month is positive to plan by \$516 positive plan and \$162K positive year-to-date.

DRAFT AUDIT REPORT-RESTAURANT CENTRAL DIVISION

Ms. Bolton explained that based on the results of the work performed within the scope of the audit, The ASUCLA Restaurants Central 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. Division Management should document significant overages and shortages (exceeding \$20) with an explanation and corrective actions (if any) in the comment column on the Over/Short spreadsheet.
2. Management should establish clear written procedures for performing physical inventory counts, and add controls to endure that inventory count records are

accurately entered into the inventory documents and reported accurately in the month-end analysis reports.

3. Employee Kronos timecards should be approved by an ASUCLA Restaurant Manager on a timely basis.
4. To maintain individual accountability, users should have their own systems accounts and passwords, which should not be shared.

ADJOURNMENT

Ms. Villegas called for consent for the Associated Students UCLA Board of Directors' Finance Committee to adjourn the September 20, 2019, Meeting. There being no objections, the meeting was adjourned at 12:45 p.m.