

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Finance Committee

April 17, 2015

9:00 a.m.

Kerckhoff Hall 152

PRESENT: Mike Anderson, Carly Calbreath, CJ Gabbe, Agnes Warren, and Bob Williams

MANAGEMENT: Donna Baker, Finance Director
Roy Champawat, Student Union Director
Sandi Gillespie, Association Affairs Manager
Neil Yamaguchi, Academic Support Director

GUESTS: Hossain Albgal, Communications Board
Avinoam Baral, USAC President
John Bollard, ASUCLA Board of Director
Steve Greim, Communications Board
Sam Hoff, Daily Bruin
Andre Jones, Communications Board
Jener Sakiri, Communications Board
Arvli Ward, Student Media Director
Cindy Wong, USAC Community Service Commissioner
David Zeke, ASUCLA Board of Directors

CALL TO ORDER

Mr. Gabbe called the meeting to order at 9:01 a.m.

APPROVAL OF AGENDA

Mr. Gabbe called for consent to approve the Associated Students UCLA Board of Director's Finance Committee, April 17, 2015 Agenda. There being no objections, the motion was approved by unanimous consent.

APPROVAL OF MINUTES

Mr. Gabbe called for consent to approve the Associated Students UCLA Board of Directors Finance Committee March 6, 2015 Minutes. There being no objections, the motion was approved by unanimous consent.

FINANCIAL STATEMENTS

Services & Enterprises March 2015 Financial Statements

Financial results for the Association in March were ahead of plan. Overall net income for the month exceeded budget by \$86,000. For the year, the Association is still showing a negative net income of (\$406,000) but this result is better than budget by \$614,000 and ahead of last year by \$186,000.

The Store had a good month showing a positive variance in sales and contribution by \$69,000 and \$32,000, respectively. It should be noted that some of this positive variance is a budget timing issue in Course Readers which will reverse as a negative next month.

The Food Service Division had another solid month exceeding budget by \$54,000 in contribution. The results are consistent with the patterns of the past few months with all of the 1st floor units tracking ahead of plan. In addition, all of the outlying major units of the Court of Sciences Student Center, LuValle Commons, and North Campus Student Center saw positive results versus plan for the month.

The Services Division fell short of budget for the month by \$46,000 with slower than anticipated results in both Domestic and International Licensing. Photography is also seeing some decline in sales.

The Student Union Division was on plan for the month as the result of cost control in events. There was a positive adjustment in Utilities but continue to see higher maintenance wages as the Association tries to improve facilities conditions. These results, along with a positive variance in Depreciation, led to an overall solid month for the Association.

Ms. Baker explained that in terms of cash, the Association reported a book balance of \$10,338,000 for the month. Of this balance, \$2,975,000 has been reserved for capital projects, leaving \$6,167,000 in uncommitted cash which is \$3,381,000 less than the board-required cash reserve.

Past due accounts receivables were at roughly \$230,000. This balance is higher than prior month and some of this is due to timing. Store inventories at cost were \$6,900,000; while inventory turns were at 4.3.

April Month-to-Date Preliminary Sales

Initial April sales figures are slightly stronger approximately \$150,000 positive to plan. The Store is tracking ahead of plan with a more favorable mix and Food Service is also showing a positive variance of \$110,663.

PRELIMINARY FY 15-16 BUDGET AND FIVE-YEAR FORECAST

Mr. Williams provided the committee with a preliminary income statement. It was noted that the debt service coverage would be adequate for the five-year forecast. However, with all the capital expenditures that are scheduled, FY 18-19 will fall to a negative \$3,061,000 cash book balance.

Mr. Williams presented another version of the income statement that reduces the capital expenditures by \$1,175,000. Under this scenario the Association would have a better cash book balance in the outer

years; however, there will be concerns especially from the University about the condition of ASUCLA's facilities.

The third version of the budget and five-year forecast still has the reduced capital expenditures as well as a Communications Board subsidy. In this version the debt service cover will not be adequate and the Association will be in violation of the University Advance Agreement.

COMMUNICATIONS BOARD JOINT FINANCE COMMITTEE DISCUSSION

Communications Board February 15 Financial Statements

Student Media is negative to plan by \$5,048.00 with most of the loss due to lower Yearbook sales.

Review of Cash Forecast

Student Media will need a deferment sooner than originally planned. Both committees discussed extending the current deferment until August 31, 2015. The Communications Board will continue to develop strategies for next year.

Alternate Operating Models

Mr. Ward presented a draft budget that includes rental income from the University for a Veteran's Center (approx. 1000 square feet). The committee felt that it would support Student Media receiving the rental income as a special circumstance.

Ms. Calbreath made a motion, seconded by Ms. Warren to approve and forward to the ASUCLA Board of Directors an extension to defer Student Media's administrative and support services payments for a maximum of \$100,000 until August 31, 2015. Mr. Gabbe called for a vote. The motion was approved by a vote of 3 yeas and 0 nays.

STUDENT INTERACTION FUND

Mr. Baral and Ms. Wong provided the committee with a presentation on the current ASUCLA funding of the Interaction Fund. The group will have a Student Group Referendum on the spring ballot. They are asking for \$3.00 per student to increase the USAC contingency Fund, ASUCLA Interaction Fund, and Community Activity Committee Fund.

The group is requesting ASUCLA's support and would also like ASUCLA to increase its contribution the Interaction Fund specifically for the funding to be tied to inflation.

The committee will discuss the request at its budget meeting on May 8.

MISCELLANEOUS

Mr. Williams made a motion, seconded by Mr. Anderson to table Agenda Items: VII.B, VII.C, and VII.D until next month. Mr. Gabbe called for a vote. The motion was approved by a vote of 3 yeas and 0 nays.

ADJOURNMENT

Mr. Gabbe called for consent for the Associated Students UCLA Board of Directors Finance Committee to adjourn the April 17, 2015 Meeting. There being no objections, the meeting was adjourned at 11:16 a.m.