

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Finance Committee

October 24, 2014

9:00 a.m.

Kerckhoff Hall 152

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

LATE: Carly Calbreath

MANAGEMENT: Donna Baker, Financial Planning and Treasury Director
Cindy Bolton, Food Service Director
Roy Champawat, ASUCLA Student Union Director
Rich Delia, Chief Finance Officer
Sandi Gillespie, Association Affairs Manager

GUESTS: Hossain Albgal, Undergraduate Representative, Communications Board
J.P. Cavendar, Daily Bruin
Steve Greim, Communications Board Finance Committee Member
Jener Sakiri, Communications Board Finance Committee Chair
Arvli Ward, Student Media Director
David Zeke, ASUCLA Board of Director

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, October 24, 2014 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 September 19, 2014 Minutes. There being no objections, the motion was approved by unanimous consent.

EXECUTIVE DIRECTOR'S REPORT

Mr. Williams updated the committee on the following projects:

1. Computer Store: Great results due to remodel and online sales.
2. Optometry Store: Nice fit in the Store and is performing well.
3. Ostin Music Café: Doing well and beginning to exceed budget.
4. Coffee House: New layout is working well and is also exceeding budget.
5. LuValle: Results are positive.
6. Sweet Spot: Doing very well.
7. Kikka: Construction is still delayed. Tsunami will remain open.

Mr. Anderson asked the why Wolfgang Puck has shortened their hours. Ms. Bolton explained that as their sales slowed they asked to reduce their hours of operation. Ms. Bolton will confirm that they have an events calendar, so they can coordinate their hours with special events on campus.

FINANCE DIRECTOR'S REPORT

Services & Enterprises September 2014 Financial Statements

Gross income for the Store was positive by \$119,000; however, the remaining operations were negative to plan leaving a \$0 variance for the month.

Wages and benefits were positive to plan by \$60,000 and allocated expenses were positive by \$40,000. Net income for the Association as a whole was positive to plan by \$44,000.

In terms of cash, the Association reported a book balance of \$10,695,000 for the month. Of this balance, \$3,158,000 has been reserved for capital projects, leaving \$5,735,000 in uncommitted cash which is \$2,837,000 less than the \$8,572,000 board-required cash reserve.

In September, past due accounts receivable were at roughly \$135,000 or 4% of total accounts. Store inventories at cost in September were \$7,300,000; while inventory turns were at 4.1, which is lower than the same period in the prior year.

October Month-to-Date Preliminary Sales

Current month-to-date sales are positive \$323,804 to plan primarily due to the Computer Store which is \$421,755 positive to plan. The LuValle Store is positive to plan by \$35,878 which could be a timing issue with textbooks. The Health Science Store is positive to plan by \$7,374 and MTW is negative to plan by \$49,325.

Due to these results, management is expecting the gross margin to close to plan.

The UCLA Restaurants are currently \$64,083 positive to plan primarily due to Catering.

UCLA Audit Report- Restaurants-Central Division

Mr. Delia briefly reviewed both the auditor recommendations and management responses for recent audits of the Restaurants-Central Division which include the following:

1. Strengthen controls over voided and refund business practices.
2. Safe keys should be stamped "Do Not Duplicate."
3. Monitor the temperature logs so they are accurately completed.
4. Ensure that significant overages and shortage be properly resolved.

EXECUTIVE SESSION

Mr. Gabbe 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 9:47 a.m.

Mr. Gabbe 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 10:05 a.m.

COMMUNICATIONS BOARD & ASUCLA JOINT COMMITTEE DISCUSSION

Communications Board August 2014 Financial Statements

Net revenue for the month was positive to plan by \$6,904 and gross income was positive to plan by \$5,296. Year-to-date, total income was better by \$5,296.

In terms of cash, the Communication Board has \$109,000; however, total liabilities are over \$359,000. Updated cash forecast is currently being compiled, but the initial indication is that Student Media will run out of cash by February 1.

September/October Forecast

The Registration Issue fell into October; however, was budgeted for September. Therefore, September financials will appear worse than budget, which will turn in October.

Contract Negotiations Update

Discussions are still ongoing.

Alternate Operating Models

Mr. Ward explained that Student Media mobile App sales having been increasing. He also explained

the goal of the App development for Student Media is to monetize sponsorships sold to local advertisers. ASUCLA Finance Committee members expressed their desire to review project analysis for ventures that that Student Media may be considering, so they can better understand the revenue payback.

Potential Funding Models

Ms. Calbreath explained that she has been in contact with the Director of Development for Student Affairs and members of the Daily Bruin and feels that there is potential to establish an endowment for Student Media. Mr. Ward explained that there is already a Memorandum of Understanding with Communication Studies and Social Sciences to devote fundraising for the Student Media Advisor. This endowment would be in direct conflict with current contract. Ms. Calbreath and members of the Communication Board will meet and investigate if there is an alternate route the endowment could take.

The Committee asked if Student Media could provide the group with the Memorandum of Understanding for the next meeting.

The Committee suggested at the next meeting that Student Media provide the group with various funding/theoretical models (short-term, immediate future, and long-term).

ADJOURNMENT

Mr. Gabbe called for consent for the Associated Students UCLA Board of Directors Finance Committee to adjourn the October 24, 2014 Meeting. There being no objections, the meeting was adjourned at 11:32 a.m.