

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Finance Committee

November 21, 2014

9:00 a.m.

Ackerman Union 2408

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

LATE: Carly Calbreath

MANAGEMENT: Donna Baker, Financial Planning and Treasury Director
Rich Delia, Chief Finance Officer
Sandi Gillespie, Association Affairs Manager
Dave Hager, Director of Business Affairs

GUESTS: Hossain Albgal, Undergraduate Representative, Communications Board
Steve Greim, Communications Board Finance Committee Member
Jango Sircus, PricewaterhouseCoopers LLP
Jener Sakiri, Communications Board Finance Committee Chair
Arvli Ward, Student Media 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, November 21, 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 October 17, 2014 Minutes. There being no objections, the motion was approved by unanimous consent.

EXTERNAL AUDITOR'S REPORT

Mr. Delia introduced Mr. Sircus from PricewaterhouseCoopers LLP, who provided a brief update on the status of the audit of FY 13/14 financial statements.

Mr. Sircus explained that the audit was going very smoothly and that their field work is now complete. The audit is now in the review phase and Mr. Sircus noted that the auditors raised some concerns about future liquidity of the Communications Board that had been raised during the audit of FY 12/13 financial statements.

FINANCE DIRECTOR'S REPORT

Services & Enterprises October 2014 Financial Statements

Gross income for the Association was \$473,000 positive to plan with \$386,000 coming from the Store. Gross margin was positive to plan by \$195,000 and contribution was positive by \$126,000. Net income for the Association as a whole was positive to plan by \$174,000.

In terms of cash, the Association reported a book balance of \$11,740,000 for the month. Of this balance, \$3,158,000 has been reserved for capital projects, leaving \$6,082,000 in uncommitted cash which is \$2,671,000 less than the board-required cash reserve.

In October, past due accounts receivable were at roughly \$140,000 or 3% of total accounts. Store inventories at cost in September were \$6,500,000; while inventory turns were at 4.2, which is similar to the same period in the prior year.

November Month-to-Date Preliminary Sales

Current month-to-date sales are positive \$330,163 to plan primarily due to the Computer Store which is \$265,843 positive to plan. The LuValle Store is positive to plan by \$16,533 and the Health Science Store is negative to plan by \$20,077 which could be a timing issue with dental kits. Hilltop Shop is positive to plan by \$17,810 and MTW is negative to plan by \$42,791.

Due to these results, management is expecting the gross margin to be positive by \$32,677.

The UCLA Restaurants are currently positive to plan by \$134,060 which is \$141,028 better than last year. Catering had another great month and is \$24,917 positive to plan. All third party operations are close or better than plan for the month.

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 9:38 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 9:46 a.m.

Ms. Warren made a motion, seconded by Ms. Calbreath that the Associated Students UCLA Board of Directors Finance Committee approve all actions taken in Executive Session. Mr. Gabbe called for a vote. The motion was approved by a vote of 4 yeas and 0 nays.

COMMUNICATIONS BOARD & ASUCLA JOINT COMMITTEE DISCUSSION

Communications Board September 2014 Financial Statements

Net revenue for the month was negative to plan by \$69,594; however, Mr. Ward is certain that they will recover \$62,000 in November and should be on plan for the month.

In terms of cash, the Communication Board has \$170,000; however, total liabilities are over \$413,000. An updated cash forecast was distributed and it indicated that Student Media would have a positive cash balance through July 2014; however, there may be a few incidents were they would need to defer their payments to ASUCLA for a few weeks as to not have a low bank balance.

Mr. Ward explained to the committees that Student Media was a member of a class action lawsuit regarding LCD flat panels. The lawsuits claim that the Defendants conspired to fix, raise, maintain or stabilize prices of TFT-LCD Flat Panels resulting in overcharges to consumers who bought TVs, monitors or notebook computers containing the Flat Panels. Student Media's settlement was for \$178,000 and after fees they received a check for \$142,000. Mr. Ward has contacted various parties involved to confirm the validity of settlement and it seems to be valid thus far. It was also explained to him that the total amount of the settlement was a calculation based on the amount of employees in the organization. Ms. Baker and Mr. Williams asked for copies of the documentation.

Mr. Ward also stated that there is a possibility of a \$50,000 donation to the Daily Bruin.

ADJOURNMENT

Mr. Gabbe called for consent for the Associated Students UCLA Board of Directors Finance Committee to adjourn the November 21, 2014 Meeting. There being no objections, the meeting was adjourned at 10:26 a.m.