

**ASSOCIATED STUDENTS UCLA  
BOARD OF DIRECTORS**

**Finance Committee**

February 19, 2016

9:00 a.m.

Kerckhoff Hall 152

- PRESENT:** Mike Anderson, Alumni Representative  
Donna Baker, Finance Director  
JC De Vera, Graduate Representative  
Arielle Mokhtarzadeh, Undergraduate Representative  
Apsara Perera, Undergraduate Representative  
Bob Williams, Executive Director
- ABSENT:** Kirk Koenig, Alumni Representative
- MANAGEMENT:** Sandi Gillespie, Association Affairs Manager  
Michelle Moyer, Director of Business and Legal Affairs
- GUESTS:** Sam Hoff, Daily Bruin  
Justin Kumar, Communications Board  
Ashly Mohankumar, Communications Board  
Arvli Ward, Student Media Director

**CALL TO ORDER**

Mr. De Vera called the meeting to order at 9:06 a.m.

**APPROVAL OF AGENDA**

Mr. Williams made a motion, seconded by Mr. Adler that Agenda Item IV and VII.D be deleted from the agenda.

Mr. De Vera called for consent to approve the Associated Students UCLA Board of Director's Finance Committee, February 19, 2016 Agenda as amended. There being no objections, the motion was approved by unanimous consent.

**APPROVAL OF MINUTES**

Mr. De Vera called for consent to approve the Associated Students UCLA Board of Directors Finance Committee January 22, 2016 Minutes. There being no objections, the motion was approved by unanimous consent.

Approved: March 4, 2016

## FINANCIAL STATEMENTS

### Services & Enterprises January 2016 Financial Statements

Gross income for the Association was \$451,000 negative to plan with \$342,000 coming from the Store.

Gross margin was negative to plan by \$133,000 and contribution was negative by \$92,000. Net income for the Association as a whole was negative to plan by \$49,000; however, year-to-date the Association was better than plan by \$355,000 and \$336,000 better than last year.

Course Reader Solutions were below plan due to higher royalty costs from third party digital sales and LuValle Books were below plan due to lower law school textbook sales over last year coupled with their late start date. In the Restaurants, the Court of Sciences Student Center was negative to plan due to the closing of Southern Lights. Internationally Licensing was below plan mostly due to the poor performances in Europe.

In terms of cash, the Association reported a book balance of \$11,659,000 for the month. Of this balance, \$3,489,000 has been reserved for capital projects, leaving \$7,769,000 in uncommitted cash which is \$2,474,000 less than the board-required cash reserve.

Past due accounts receivables were at roughly \$102,000 or 3% of total accounts. Store inventories at cost were \$5,700,000; while inventory turns were at 4.5.

### February Month-to-Date Preliminary Sales

Current month-to-date sales are negative \$84,133 to plan primarily due to Books and BearWear. The LuValle Store is negative to plan by \$13,116 and the Health Science Store is negative to plan by \$16,350 which is due to slower dental kit sales. Hilltop Shop is negative to plan by \$10,348 and E-commerce is positive to plan by \$1,054.

Due to these results, management is expecting the gross margin to be negative by \$22,822.

The UCLA Restaurants are currently negative to plan by \$106,782 due to concessions, the closure of Southern Lights, and the rain. Several third party operations are below plan as well including Panda Express and Wolfgang Puck.

### Communications Board December 2015 Financial Statements

The Communications Board net revenue for December was positive by \$26,146 and positive by \$54,440 year-to date. Mr. Ward contributes the positive revenue to higher print and digital display advertising as well as classified advertising.

## **COMMUNICATIONS BOARD OPERATING AND REFERENDUM PLAN**

Mr. Ward, Mr. Kumar, and Mr. Hoff explained that Student Media would be joining a coalition with a total of seven partners to add a fee referendum on the spring ballot. Several committee members questioned what the common thread between all partners were and whether or not student media should remain independent from the political bodies. Mr. Hoff felt confident that student media could remain independent and felt a common thread could be established. Committee members were also concerned about the timeline since the coalition was not presenting the referendum to USAC until March 1 or March 8. Mr. Hoff also felt confident with the timeline.

## **STUDENT MEDIA DEFERMENT**

The Committee discussed at length Student Media's current cash flow and determined that since there is a referendum strategy in place; they felt confident approving another deferment.

Mr. Anderson made a motion, seconded by Ms. Perera that Associated Students UCLA Finance Committee approve and forward to the ASUCLA Board of Directors a deferment of Student Media's administrative and support services payments for a maximum of \$250,000 until May 31, 2016. Mr. De Vera called for a vote. The motion was approved by a vote of 4 yeas and 0 nays.

Ms. Mokhtarzadeh took over the committee chair responsibilities due to Mr. De Vera's departure.

## **FY 16-17 TENTATIVE BUDGET ASSUMPTIONS**

The Committee briefly discussed the tentative assumptions noting two significant items:

1. Minimum Wage Increase
2. UC Path

Mr. Anderson made a motion, seconded by Ms. Perera to approve and forward to the ASUCLA Board of Directors the FY 16-17 Tentative Budget Assumptions. Ms. Mokhtarzadeh called for a vote. The motion was approved by a vote of 3 yeas and 0 nays.

## **EXECUTIVE SESSION**

Ms. Mokhtarzadeh 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 10:55 a.m.

Ms. Mokhtarzadeh 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 11:34 a.m.

### **ADJOURNMENT**

Ms. Mokhtarzadeh called for consent for the Associated Students UCLA Board of Directors Finance Committee to adjourn the February 19, 2016 Meeting. There being no objections, the meeting was adjourned at 11:34 a.m.