

**ASSOCIATED STUDENTS UCLA  
BOARD OF DIRECTORS**

**Finance Committee**

September 18, 2015

9:00 a.m.

Kerckhoff Hall 152

**PRESENT:**

Mike Anderson, Alumni Representative  
Donna Baker, Finance Director  
JC De Vera, Graduate Representative  
Kirk Koenig, Alumni Representative  
Arielle Mokhtarzadeh, Undergraduate Representative  
Apsara Perera, Undergraduate Representative  
Bob Williams, Executive Director

**MANAGEMENT:**

Cindy Bolton, Food Service Director  
Roy Champawat, Student Union Director  
Sandi Gillespie, Association Affairs Manager  
Neil Yamaguchi, UCLA Store General Manager/Director of Academic Support

**GUESTS:**

Tracy Hensley, KPMG  
Natalie Kashefi, KPMG  
Sheeya Maskara, Daily Bruin

**CALL TO ORDER**

Mr. De Vera called the meeting to order at 9:00 a.m.

**APPROVAL OF AGENDA**

Mr. Williams made a motion, seconded by Mr. Anderson to add two discussion items to the agenda, Ackerman Union 1<sup>st</sup> Floor Restroom and Ackerman Union Project-Phase One.

Mr. De Vera called for consent to approve the Associated Students UCLA Board of Director's Finance Committee, September 18, 2015 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 August 21, 2015 Minutes. There being no objections, the motion was approved by unanimous consent.

## **KMPG-EXTERNAL AUDITOR'S REPORT**

Ms. Hensley and Ms. Kashefi from KPMG briefly reviewed the audit plan for the fiscal year ending July 25, 2015 including scope of service, KPMG process and responsibilities, management's responsibilities, areas of audit emphasis, and audit timetable.

Ms. Hensley reported that fieldwork for the audit would begin on September 30 and should conclude at the end of October; however, the process could take longer than previous years since this ASUCLA's first audit with KPMG.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Williams reported on the following:

- Management is attempting to solve as much of the KH patio leak problem as soon as possible. This will require a sizable repair investment of approximately \$40,000, but management is hopeful it will hold off the problem until a reasonable long-term solution can be developed.
- All-Gender restroom is moving forward.
- Shrinkage in August was higher than expected and management will be investigating.
- Hill Top Shop is now open

## **FINANCIAL STATEMENTS**

### **Communications Board July Financial Statements**

Total income for the month is positive to plan by \$16,126 and negative \$15,196 for the year. Yearbook sales are negative by \$6,236 for the month and \$12,265 for the year. Actual net revenue was positive \$82,788 for the month and negative \$55,146 year-to-date.

### **Services & Enterprises August Financial Statements**

Overall net income for the month exceeded budget by \$244,000. Gross income in the Store was positive by \$424,000; however, contribution was only positive by \$9,000 due to higher than expected shrinkage results.

UCLA Restaurants were positive by \$362,000 in gross income and \$186,000 in contribution. The positive results were due to the Special Olympics.

The Services Division was negative to plan by \$11,000 in gross income and \$4,000 in contribution. The negative results were due to Domestic Licensing.

The Student Union was negative by \$48,000 in gross income \$34,000 in contribution due to the loss of a primary client in the summer to have the venues available for the Special Olympics.

The Association reported a cash book balance of \$12,654,000 for the month. Of this balance, \$3,858,000 has been reserved for capital projects, leaving \$7,844,000 in uncommitted cash which is \$1,607,000 less than the board-required cash reserve.

Past due accounts receivables were at roughly \$130,000. Store inventories at cost were \$5,400,000; while inventory turns were at 4.5.

#### September Month-to-Date Preliminary Sales

September sales figures in the Store are negative to plan by \$73,168, but ahead of last year by \$772,105. Most of the negative sales were in used text, Computer Store, and medical supplies. The Store lost the Riverside medical supply contract. MTW is negative to plan by \$57,198 for the month and \$74,926 for the year. Estimated Gross Margin for September is negative by \$14,533.

Food Service is also tracking ahead of budget in sales for September by \$13,291. Kikka is performing well and is positive to plan by \$13,299.

### **COURT OF SCIENCES STUDENT CENTER DRAFT AUDIT REPORT**

Ms. Bolton briefly reviewed the above-referenced audit report and management response, noting that the audit stated that internal control processes could be further strengthened by implementing the following:

1. Individual accountability should be maintained through the cash handling process.
2. Overages and shortages exceeding \$20 should be investigated and documented.
3. Voided receipts should be approved by a supervisor and retained for audit and reconciliation purposes.

### **ACKERMAN UNION FIRST FLOOR RESTROOMS**

Mr. Williams explained that there is a TGIF grant to install low-flow fixtures in the Ackerman Union 1<sup>st</sup> floor restrooms. As part of that project, management would like to add some additional capital to replace the tile. Ms. Mokhtarzadeh suggested and the committee agreed that management delay the project until after phase one of the Ackerman Union Project is complete.

### **ACKERMAN UNION PROJECT-PHASE ONE**

Mr. Williams explained that the cost of the Ackerman Union Project-phase one (staircase) which includes a feasibility study will be \$90,000; however, if the study demonstrates that the project is not feasible, Mr. Williams would like to then stop the project before creating any design concepts.

### **EXECUTIVE SESSION**

Mr. De Vera 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 10:42 a.m.

Mr. De Vera 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 11:27a.m.

Ms. Perera made a motion, seconded by Ms. Mokhtarzadeh that the Associated Students UCLA Board of Directors Finance Committee approve all actions taken in Executive Session. Mr. De Vera called for a vote. The motion was approved by a vote of 5 yeas and 0 nays.

### **ADJOURNMENT**

Mr. De Vera called for consent for the Associated Students UCLA Board of Directors Finance Committee to adjourn the September 18, 2015 Meeting. There being no objections, the meeting was adjourned at 11:28 a.m.