

**ASSOCIATED STUDENTS UCLA  
BOARD OF DIRECTORS**

**Finance Committee**

November 20, 2015

12:00 p.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  
Sandi Gillespie, Association Affairs Manager

**GUESTS:** Elisa Lee, Daily Bruin

**CALL TO ORDER**

Mr. De Vera called the meeting to order at 12:02 p.m.

**APPROVAL OF AGENDA**

Mr. De Vera called for consent to approve the Associated Students UCLA Board of Director's Finance Committee, November 20, 2015 Agenda. 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 October 23, 2015 Minutes. There being no objections, the motion was approved by unanimous consent.

**EXTERNAL AUDITOR REPORT**

Representatives from KPMG stated that they are now completing their fieldwork and will have a final report to present at the January Finance Committee meeting.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Williams updated the committee on the following:

- October financials for the Association were better than expected with good cost control and margin mix.
- November trends are sluggish as there seems to be less campus traffic.
- Concessions are now in full operating mode.
- Kerckhoff Hall patio project is moving forward; however, there may be an additional problem that may cost more to repair.
- Management continues to look at the Ackerman Union project and is awaiting some initial cost estimates for various approaches. All components of this project will be brought to the various committees for approval.
- The variable speed drives have been delivered and the installation has begun.
- Management is moving forward with the new network infrastructure.
- The food service division will be replacing the kitchen dishwashing machine which will be smaller and more efficient.
- The tunnel continues to be reconfigured.

## **FINANCIAL STATEMENTS**

### Communications Board September Financial Statements

Total income for the month was positive to plan by \$67,134 and \$52,065 year-to-date. Print display was higher than plan due to more publication days and timing. Classified and kiosk advertising were also higher than plan due to more advertising days.

### Services & Enterprises October Financial Statements

Overall net income for the month was \$4,000 negative to plan. Gross income in the Store was negative by \$228,000 and positive by \$19,000 in contribution due to good cost control and margins.

UCLA Restaurants were negative to plan by \$36,000 in gross income and positive by \$14,000 in contribution. The negative results were mainly due to the loss of Training Table.

The Services Division was negative to plan by \$100,000 in gross income and \$52,000 in contribution. The negative results are a timing issue with an adidas payment that was received in September.

The Student Union was negative by \$18,000 in gross income \$1,000 in contribution due to the timing of several annual events.

The Association reported a cash book balance of \$12,604,000 for the month. Of this balance, \$3,425,000 has been reserved for capital projects, leaving \$6,485,000 in uncommitted cash which is \$3,428,000 less than the board-required cash reserve.

Past due accounts receivables were at roughly \$225,000. Store inventories at cost were \$6,100,000 or 5%; while inventory turns were at 4.5.

### November Month-to-Date Preliminary Sales

November sales figures in the Store are negative to plan by \$456,619, but ahead of last year by \$285,295. Most of the negative sales are in BearWear and the Computer Store. MTW is positive to plan by \$23,217 for the month and negative \$34,975 for the year. Estimated Gross Margin for November is negative by \$85,493.

Food Service is tracking behind budget in sales for November by \$75,552 due to catering. Kikka is performing well and is positive to plan by \$25,121. Panda is negative to plan for the month by \$12,732.

## **STUDENT MEDIA BUDGET STRATEGY**

Mr. Williams and Ms. Baker reviewed the FY 15-16 Communications Board Budget for the newer members of the committee.

## **ASUCLA RESTAURANTS-OPERATIONS DIVISION 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. Username and passwords should be removed from all written procedures.
2. Procedures should be updated to reflect all significant business practices.
3. Group coupons should be physically secured at all times to prevent unauthorized use.
4. Management should continue with their efforts to ensure that there is a designated back-up for the POS System.
5. Management should discontinue the practice of sharing login information with student staff.
6. Payroll checks should be physically secured at all times to help prevent loss or theft.

## **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 1:33 p.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 1:52 p.m.

Mr. Koenig made a motion, seconded by Mr. Anderson 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 November 20, 2015 Meeting. There being no objections, the meeting was adjourned at 1:52 p.m.