



UWF Business Enterprises, Inc. Board of Directors Meeting
University of West Florida
Virtual Meeting
November 15, 2021

Present

Chair C. Ray Jones, Treasurer Chula King, Member Jerry Maygarden, Member Robert Sires, Member SGA President Ruben Gardner and UWF President Martha Saunders. Also attending were Vice President Betsy Bowers, General Counsel Susan Wolf, Carolyn Eaton, Chief Executive Officer Ed Ranelli, and Accountant Carole Reed

Guests: James Adams and Cynthia Talbot

Absent

Judge Collier, Susan O'Connor

Welcome/Opening Remarks

Chair Jones called the meeting to order at 1:00 p.m. He welcomed all attendees to the virtual meeting. He asked Carole Reed to call the roll and confirm that a quorum was present.

Approval of Minutes

September 27, 2021 BEI Board Meeting.

Chair Jones asked if there were any changes or corrections to the minutes. None were noted.

Motion to approve: Treasurer Chula King

Second: Member Jerry Maygarden

Motion passed.

University Update

President Saunders provided brief University highlights. She stated that UWF is wrapping up a very eventful year. Currently, there is a lot of activity occurring in athletics. Many of the UWF athletic teams are in playoff games. Some teams are hosting the games and others will travel. Regarding COVID-19, UWF is successfully continuing to meet the challenge to balance campus protocols to requirements issued by various agency sources. These issues and concerns related to Covid-19 seem to be trending downward and it is hoped that COVID-19 will be a non-issue in the new year.

Treasurer's Report

Treasurer King reported the following financial activity for fiscal year July 1 – September 30, 2021:

- Follett reported bookstore commissionable sales of \$1.162 million yielding a 10.25% commission of \$119,115 to date. This represents a sales decrease of \$13,093 compared to prior year first quarter sales which were \$1.175 million with a commission of \$120,457.

- Aramark reported commissionable sales of \$1.043 million and paid a 6% commission of \$62,674 for the first quarter of fiscal year ending June 30, 2022. This is greater than prior year July through September commissionable sales of \$557,849 million with commission of \$33,471. Recall that Aramark closed service on campus during July and August of prior year due to COVID 19 and limited services throughout the rest of the year due to University operations being conducted mostly online. In 2020 (pre-COVID) the sales for this time period were \$1.059 million.
- All the bookstore and dining commissions received to date will be provided to auxiliary services for their support functions.
- BEI received \$51,251 for rent and CAM (common area maintenance) fees from tenant leases at Argonaut Village. Rent revenues in the same time prior year were \$60,102. The decrease is mostly due vacancy for suites 200 and 600 for the entire first quarter. Two months prepaid rent has been received for suite 600 and will be earned upon occupancy in 2022.
- Under the lease for Building 8, rent revenue received was \$7,521. Prior year revenue was \$7,377. The increase in rent revenue is due to the annual July lease rate per square foot increase of 2%.
- BEI reported net income of \$126,399 for the first quarter of 2022 compared to prior year income of \$195,445. The reduction is due largely to the change in computed deferred revenue related to dining services and the vacancies at Argonaut Village.
- Adjusting net income for depreciation and deferred vendor revenues, the cash inflow was approximately \$29,226 for the first quarter of fiscal year ending June 30, 2022 compared to \$53,560 in the prior year. At the end of September 30, 2021, BEI's ending cash balance was \$969,147 compared to 837,830 prior year.
- In closing, I have reviewed the year to date cash activity of BEI as of September 30, 2021.

CEO's Report

Dr. Ranelli informed the BEI Board of Directors that the Florida Board of Governors, in response to a specific event, have selected Crowe, LLP to conduct an audit of internal controls of all the Florida University Direct Support Organizations. BEI and the other two UWF DSO's have completed a comprehensive questionnaire under the oversight of the UWF internal audit department, and these will be submitted to Crowe prior to our audit date in February 2022. Dr. Ranelli itemized some of the BEI internal control procedures that make BEI's internal controls strong. As such management does not anticipate any issues to arise with this audit. Dr. Ranelli provided more detail to the financial data reported in the Treasurer's report and the informational comparison of actual activity to budgeted activity report noting occupancy level at Argo Village is being proactively addressed.

Auxiliary Director Report

Dining services sales are improved over last year, but UWF is still experiencing a low number of students on campus. Bookstore sales are lagging in book sales but making it up in retail sales due to extended athletic events. At Argo Village all of the annual services and maintenance have been met. Regarding the two unoccupied spaces, a Vietnamese cuisine restaurant should open in February 2022 and a marketing and promotional card is being sent to area business to find a tenant for the remaining unoccupied unit.

Public Comments

None

Action Item

1. Form 990 – CEO Ranelli informed the BOD that the 2020 form 990 included with their meeting materials was prepared by James Moore & Co. He recommended that the BEI Board approve the tax returns as electronically submitted to the Internal Revenue Service by the accounting firm. Chair Jones cited the importance of this public document.

Motion to approve: Treasurer Chula King

Second: Member Jerry Maygarden

Motion passed unanimously.

Informational Item

1. BEI Budget to Actual – Carole Reed explained that the Budget to Actual Chart, provided in the BOD meeting materials packet, represented a summary of the actual revenue and expense transactions for the first quarter of fiscal year ending June 30, 2022. (July 1, 2021- September 30, 2021) This data was compared to the revenue and expense budget established for the fiscal year. Variances between budget and actual data were noted and explained.

Other Business

None

Adjournment

There being no further business, Chair Jones adjourned the meeting at 1:25 p.m.

Respectfully submitted,
Carole Reed, Accountant