



Board of Directors Agenda Report

MEETING DATE: JUNE 25, 2020 ITEM NUMBER: 10E

SUBJECT: Presentation of Final 2020 Budget Reforecast, 2020 Cash Flow Projections and Revised 2020 Capital Projects List and Vote on Whether or Not to Approve

DATE: June 19, 2020

FROM: Michele Richards, CEO

PRESENTATION BY: Michele Richards, CEO

RECOMMENDATION

At the Board of Directors' discretion.

BACKGROUND

Per the request of the Board of Directors during the 2020 budget process, staff is presenting the following mid-year reports for the Board's consideration and approval:

1. Updated 2020 budget reforecast
2. 2020 cash flow projections
3. Revised 2020 capital projects list

The above reports are attached.

OCFEC - Business Unit Budget Analysis
2020 Budget vs. Forecast

Dept #	Description	2020 Original Approved Budget		2020 YTD Reforecast NO Fair NO Fall Events	
		Rev	Exp	Rev	Exp
Attractions:					
05	Market Place	2,172,919	-	130,000	2,042,919.00
06	Administration	1,234,400	1,556,723	1,564,614	(1,886,937.04)
07	Human Resources	-	848,789	209,600	(1,058,389.29)
08	Technology	-	350,335	503,090	(853,425.10)
09	Presentation	-	381,145	91,065	(472,210.42)
10	Accounting	20,000	659,429	278,050	(917,479.44)
11	Heroes Hall	47,115	254,164	223,900	(430,948.65)
12	Business Services	-	445,408	44,650	(490,057.91)
14	Exhibit & Education	-	811,610	4,775	(816,385.39)
15	Marketing	-	441,811	2,052,776	(2,494,587.24)
18	Comm/Info	-	379,941	71,461	(451,402.13)
19	Production	-	32,405	1,142,635	(1,175,039.96)
20	Operations	-	2,502,345	845,330	(3,347,674.73)
21	Creative Services	1,000	527,758	43,745	(570,503.13)
22	Facilities	8,000	312,161	1,323,445	(1,627,606.27)
23	Safety & Security	-	1,221,083	56,350	(1,277,433.07)
25	EQC - Boarding	177,950	-	50,200	127,750.00
27	Cent Farm - Admin	66,457	491,207	79,774	(504,524.39)
28	Cent Farm Ops	-	575,883	75,200	(651,082.93)
29	Culinary - Fair	-	111,276	97,374	(208,649.68)
30	Event Services	8,736,081	994,315	631,100	7,110,666.14
31	Event Admissions	-	197,927	4,940	(202,866.53)
32	Event Parking	-	512,153	58,700	(570,852.53)
33	Event Operations	-	1,149,078	559,600	(1,708,678.32)
34	Year Round - PacAmp	3,419,184	-	2,164,768	1,254,416.00
38	Event Parking Sales	-	250,936	17,599	(268,534.99)
41	Imaginology	62,375	23,954	229,450	(191,029.12)
42	Cent Farm - Fair	-	95,390	80,240	(175,630.46)
43	Youth Program	-	100,586	47,445	(148,030.94)
44	Visual Arts	-	140,405	65,532	(205,937.15)
46	Exhibits - Fair	79,570	23,534	278,005	(221,969.11)
47	Guest Services	-	326,315	60,150	(386,465.10)
48	Box Office	20,000	226,398	70,620	(277,018.20)
49	Cash Operations	-	88,268	54,574	(142,842.65)
50	Admissions - Fair	8,400,000	169,160	128,034	8,102,806.56
51	Parking - Fair	-	457,322	1,272,625	(1,729,947.30)
52	Safety & Security - Fair	-	991,753	1,414,750	(2,406,503.24)
53	Home Arts	-	102,403	34,630	(137,033.38)
58	Carnival	4,109,750	410,581	252,400	3,446,768.89
59	Audit	-	21,058	9,050	(30,107.62)
62	Livestock	19,527	96,183	213,578	(290,233.72)
63	Maintenance - Fair	-	543,775	1,632,200	(2,175,975.26)
64	Conc/Comm - Fair	9,937,400	373,664	191,400	9,372,336.48
66	Gate Operations - Fair	-	176,876	17,719	(194,595.42)
67	Parking Sales - Fair	2,232,000	120,580	25,059	2,086,360.34
69	OCFEC Produced Events	182,250	-	199,188	(16,937.63)
70	Attr/Grnds - Fair	1,171,820	492,643	1,669,311	(990,133.63)
72	PacAmp - Fair	7,956,065	-	5,145,192	2,810,873.00
74	PacAmp FOH - Fair	-	143,407	8,500	(151,907.07)
78	Gate Ops - Pac Amp - Fair	-	37,816	-	(37,816.32)
82	Junior Livestock Auction	301,195	-	298,057	3,138.00
84	Feature Exhibit - Fair	-	225,822	213,907	(439,729.23)
87	Sales	1,882,550	5,799	226,250	1,650,501.16
88	Community Outreach	-	-	57,450	(57,450.00)
97	Major Projects	-	-	511,000	(511,000.00)
99	Depreciation	-	-	3,300,000	(3,300,000.00)
Total OCFEC		52,237,608	20,401,577	30,031,057	1,804,974
				3,082,638	13,219,733
				7,959,863	(18,096,958)

Assumptions:

1. This reforecast includes 5 months of actuals (Jan - May), and 7 months (June - Dec) of projected revenues and expenses.
2. This reforecast is based on no fair, and no post-fair events.

**32nd District Agricultural Association
OC Fair & Event Center**

**Statement of Cash Flows (Unaudited)
Estimate for Year Ending 12/31/2020**

2020	
CASH FLOWS FROM OPERATING ACTIVITIES	
Excess of Expenses Over Revenues	<u>\$ (18,473,921)</u>
Adjustment to Reconcile Excess of Revenue Over Expenses to Net Cash Provided by Operating Activities:	
Non-Cash Charges (Credits) to Net Income	\$ 3,300,000
Depreciation Expense	\$ 3,300,000
(AIncrease) Decrease in Assets	698,871
(AIncrease) Decrease in Accounts Receivable	698,871
(AIncrease) Decrease in Prepaid Expenses	103,825
(AIncrease) Decrease in Deferred Outflows - Pension	0
Increase (Decrease) in Liabilities	(567,889)
Increase (Decrease) in Accounts Payable	(2,852)
Increase (Decrease) in Deferred Revenue	(87,149)
Increase (Decrease) in Payroll Liabilities	18,700
Increase (Decrease) in Deposits	0
Increase (Decrease) in Other Liabilities	(52,136)
Increase (Decrease) in Compensated Absence Liability	0
Increase (Decrease) in Deferred Inflows - Pension	0
Increase (Decrease) in Net Pension Liability	0
Total Adjustments	<u>\$ 3,411,370</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (15,062,551)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
(AIncrease) Decrease in Capital Projects in Progress	\$ (2,488,000)
(AIncrease) Decrease in Building & Improvements	0
(AIncrease) Decrease in Equipment	0
(AIncrease) Decrease in Equipment	0
Net Cash Provided (Used) by Investing Activities	<u>\$ (2,488,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Net Cash Provided (Used) by Financing Activities	<u>0</u>
NET INCREASE (DECREASE) IN CASH	
Cash and Cash Equivalent - Beginning of Period	<u>54,936,116</u>
Cash and Cash Equivalent - End of Period	<u>\$ 37,385,565</u>

2020 Capital Expenditures & Major Projects Schedule

PROJECT	BUDGET	DEFERRED	CURRENT SPEND	BALANCE	PROJECT			PROJECT NOTES
					start	projected comp.	Complete	
Carry Forward Projects								
Storm Water Infrastructure	251,000		61,000	190,000	8/1/2020	9/1/2020		5/11- working with CCA to develop bid docs and begin project 5/11-continuing prelim work
Property Signage	200,000	100,000		100,000				4/28-looking to have the electrical complete early May. Permit is complete and should have commissioned by end of May
Emergency back-up generator	450,000		255,498	194,502	1/1/2020	6/1/2020		4/28-Architec has come back with design proposal however this project will be cancelled do to revenue saving needs
Awning - Box Office	64,000	64,000		0				
Capital Projects								
Office Improvements - Admin Building	58,000	58,000		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Light Pole Replacement - Pac Amp	21,000			21,000	4/1/2020	6/30/2020		4/17-looking to have this project complete in June
Fire Sprinkler Repair - Costa Mesa Building	12,000			12,000	4/20/2020	4/29/2020		4/28- This project is complete, should be getting final inspection on the 29th of April
Fire Sprinkler Repair - Huntington Beach Building	7,000			7,000	4/20/2020	4/29/2020		4/28- This project is complete, should be getting final inspection on the 29th of April
Fire Sprinkler Repair - OC Promenade	8,000			8,000	N/A	N/A		4/28- This project is complete, should be getting final inspection on the 29th of April
Fire Sprinkler Repair - Santa Ana Pavilion	8,000			8,000	4/20/2020	4/29/2020		4/28- This project is complete, should be getting final inspection on the 29th of April
Fire Alarm Panel - Costa Mesa Building	6,000			6,000	4/20/2020	6/1/2020		4/28- Project has been presented to Gov Motus (Cal Fire). The drawings needed some adjustments, this has been done and re submitted
Roof Replacement - Box Office	40,000			40,000	8/1/2020	9/1/2020		4/28- Spoke to Trimco- they have walked the project and are willing to help the OCFFC self perform the repair instead of a complete replacement.
Roof Replacement - Education & Exhibits	13,000			13,000	4/13/2020	5/14/2020		4/28-project looking to start May 11th - complete May 18th
HVAC (2) - Huntington Beach Building	55,000			55,000	6/15/2020	7/1/2020		4/28- Contract has been let. Waiting for units to be fabricated. Installation date looking to be June 15th
HVAC (1) - Costa Mesa Building	40,000			40,000	6/16/2020	7/1/2020		4/28- Contract has been let. Waiting for units to be fabricated. Installation date looking to be June 15th
Utilities - Lot G	220,000			220,000	7/1/2020	9/1/2020		4/17-this project can not be complete until we are all back to work and we can power down the Admin building to install wire.
Electrical Upgrade - Administration Building	32,000			32,000	2/15/2020			4/17- the underground is complete. Waiting for the distro box
Electrical Upgrade - Judging Area	13,000		3,871	9,129	5/1/2020			
Electrical Upgrade - ASA	30,000	30,000		0	NA			4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Transformer Replacement - Gate 1	35,000			35,000	5/1/2020	9/1/2020		4/17-on order, possibly (2) months out - should be here by June
Storm Water Pumps - Pac Amp	80,000	80,000		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Landscape - Business Development Area	250,000		160,000	90,000	6/1/2020	6/30/2020		4/28- We have LOU with CCA and they have bid out the project. The contract was awarded and work has started on the turf only. The development of the landscaping has been put on hold.
Seal & Stripe - Parking Lot Maintenance	100,000			100,000	8/1/2020	10/1/2020		5/11-developing a strategy to crack repair parking lots
Parking Lot Repairs - Exterior	150,000			150,000	7/1/2020	12/30/2020		5/11-looking in project development and areas needed
Parking Lot Repairs - Interior	100,000			100,000	7/1/2020	11/1/2020		5/11-looking in project development and areas needed
Back Flow Valve Replacement - All Grounds	30,000			30,000	7/1/2020	8/30/2020		4/17- start in July
Resurface Exterior Walls - Administration	30,000	30,000		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Strom Water Mgmt. - Desilting Basin	75,000			75,000	6/15/2020	7/30/2020		3/17-project is in to the city for permits, and at CCA for bid release and LOU draft with CCA
Major Projects								
Curb Painting - Fire Lanes	50,000	50,000		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Fumigation - Millennium Barn	10,000			10,000	8/1/2020	8/30/2020		4/28-Omar is getting bids on the project.
Landscape Exterior Parking Perimeter	30,000	30,000		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Retrofit Tower Lights - Main Mall	20,000	20,000		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Resurface Floor - Heroes Hall	14,000			14,000	5/1/2020	5/7/2020		Complete
Berm Renovation (Landscape) Pac Amp	15,000	15,000		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Replace In-ground Electrical Boxes	30,000			30,000				4/17- purchased some product - will use these to perform the Pre Fair CFSAs report repairs needed.
Replace AC Units - Ticket Booths	30,000			30,000				4/28- complete
IT Upgrades - Ticket Booths	22,000			22,000				5/11-
Portable Handwashing Station	7,000			7,000				3/1/2020 Complete
Umbrellas	10,000	10,000		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Cable Ramps	10,000			10,000	3/10/2020			4/17-Complete
Picnic Tables	20,000	20,000		0				4/28- this project will be cancelled do to revenue saving needs
Aluminum Barricades	20,000	20,000		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Storage Containers - Electrical	5,500			5,500	3/1/2020			4/17-complete
2-Yard Dumpsters	25,000		25,000	0	3/7/2020	6/1/2020		4/28-Linx has only (2) more to complete, will be here week of May 4th to pick up the balance
Stanchions	10,000	10,000		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Portable Electric Panels	25,000			25,000	2/15/2020	8/1/2020		4/17-ordered, should be here by June
Fair Materials	20,000	20,000		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Exhibit Equipment	37,500	37,500		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Infrastructure Audit - All Grounds	100,000			100,000	1/1/2020			4/28- Have draft of all zones, working on getting reviewed.
Equipment								
Portable Rolling Bleachers (4)	28,000	28,000		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Utility Cart - Heroes Hall	12,000	12,000		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Wi Fi - All Grounds	45,000		30,000	15,000	1/1/2020			5/11-still working on project
40-Yard Storage containers (3)	15,000			15,000				4/17-looking into installing humidifiers on a few of the storage units
Handwashing Station - Centennial Farms	7,000			7,000	2/12/2020	6/15/2020		4/28- utilities are in, shed built. Completion looking to be around July
Large Format Printer	13,000		13,000	0				3/17/2020 Complete
Generator - Costa Mesa Building	16,000			16,000				3/17/2020 4/28- 95% complete
CAD Plotter	5,500		5,500	0				3/17/2020 Complete
Surveillance System	37,000		5,000	32,000	2/1/2020			5/11-Security cameras - we have only spent \$2k of the \$37k
PA Sound System - All Grounds	30,000		30,000	0	1/1/2020	2/1/30		Complete
Utility Cart - Maintenance	15,000		15,000	0	3/1/2020	7/1/2020		4/17- cart ordered
Exhibit Equipment	37,500	37,500		0				4/28- this project has been determined to not be essential and will be cancelled do to revenue saving needs
Temporary Gallery Walls - Heroes Hall	30,000	20,000	10,000	0	6/1/2020	7/1/2020		5/11-This project may still have expense in the exhibit coming in June.