

1. Requests for Financial reports and audit reports:
  - Can you please provide copies of the 2018 Financial audit and related compliance and internal control (IC) reports.
  - Can you forward a 12/31/2019 Statement of Net Assets (Balance Sheet)?
  - Does OCFEC and the District have a report template (Combined Word and Excel Document of the 2018 financial statements and reports) to help them prepare the 2019 financial report?
  - Audited Financial Statements with the Opinion
  - Management Report
  - Can you please provide the most recent audited financial statements?
  - Can you please provide the most recent report on internal controls (AU-C 265)?
  - If you have not been audited in the past, can you please provide the balance sheet for 2019 and 2018?
  - Can you provide a copy of the 2018 audited financial statements?
    1. Please see attachment for these documents. I have included 2018 financial statement, however, the audit has not been completed.
2. How many hours were spent on last year's audit?
  1. We do not know the total hours spent by CDFA audit team on audit.
3. What were their fees?
  1. \$39,500
4. When will they be ready for audit?
  1. We are currently ready, pending our return to work protocols due to COVID19.
5. Is the staff experienced using secured electronic document sharing programs like ShareFile, etc.?
  1. Yes
6. Who maintains the general ledger? What accounting system do they use?
  1. Our General Ledger is maintained by the Finance Department. We use nQativ software for all accounting functions.
7. Who maintains the collection of cash and oversees the internal control over cash and cash receipts?
  1. The CFO is responsible for all internal controls over cash and cash receipts.
8. Who pays OCFEC bills and payables and maintain cancel check? Also, who is responsible for the IC over cash disbursements?
  1. The accounting department (A/P accountant) pays all OCFEC bills and payables. Physical cancelled checks are kept by the bank, our Senior Accountant reconciles all bank accounts. The CFO is responsible for all Internal Controls over cash disbursements.
9. Who pays payroll and what system do they use?
  1. We have a dedicated payroll staff person who prepares all payrolls on our nQativ software.
10. Are they connected with any of Orange County's financial systems?
  1. No, our accounting systems are for the OCFEC solely, and are not connected to any other agencies.
11. Have any internal auditors from Orange County and the District recently performed an audit of the OCFEC?
  1. No. All past audits were conducted by a member of the California Department of Food and Agriculture.
12. Where are the professional services agreements filed?

1. All Professional Service agreements are filed on-site.
13. Do they bid out for Equipment Rental vendors, Trash Waste Removal, Advertising, and Sponsorships? Where are these records maintain?
  1. We have a dedicated Contract Manager who is responsible for preparing all bids – formal and informal – for all services. In addition, we have a separate Purchasing Department that assists in this process. All records are maintained on-site.
14. Who is their bank?
  1. We bank with CBB – Citizens Business Bank.
15. Do they have depreciation schedules to share with the auditor?
  1. Yes, detailed schedules can be shared with auditors.
16. Questions about previous auditors
  - Why are you out for Bid?
  - Were you happy with the prior year Auditor and they invited to provide a quote for the 2019 audit?
  - Who performed the prior three years of audits?
    1. We have been audited in the past by the California Department of Food & Agriculture. We are happy with our past auditor. They provide us with guidance and advice when asked. Due to COVID, and other factors, we were notified that all CDFA auditors were being deployed into other positions, and that we would need to go outside for our annual audit.
17. When is the audit work performed?
  1. Normally, all on-site audit work is performed in April.
18. How long did the audit work last?
  1. On-site field work normally lasts about 3 weeks. Questions and additional documents if needed are sent electronically.
19. How many employees are in the Finance department?
  1. There are seven (7) employees in the Finance department on a regular basis.
20. Is there a deadline to complete the audit and issue the audited financial statements?
  1. There is no official deadline to complete the audit. We will look to the winning audit firm to expedite the process as needed.
21. Can you clarify the DBVE and Small Business section of the RFQ – are these a requirement of the bidder or a requirement to obtain a subcontractor that meets these qualifications.
  1. These statements are a required part of every contract or bid issued. They are not a requirement of the bidder, but are a notice that preference is given to firms that meet these classifications in the event all other requirements are equal.
22. Does the Event Center have any debt? Long-term employee related obligations (i.e. pension, post-retirement plans, etc.)?
  1. We have one (1) long term employee related obligation – this is related to our pension funding. We have no other debt.
23. Attachment D references to consolidated statements – are each entities maintained on separate trial balances?
  1. The reference to consolidated statements is in reference to our various functions within the fair. All entities are maintained on one trial balance, identified by unique codes.

Attachments:

12/31/2019 Balance Sheet

<b>32nd D A A - OC Fair &amp; Event Center</b>		
<b>Balance Sheet (Unaudited)</b>		
<b>December 31, 2019 and 2018</b>		
	2019	2018
<b>Assets</b>		
Cash	\$ 1,504,707	\$ 1,279,737
Investments	53,431,409	48,951,014
Accounts Receivable	1,646,430	988,933
Reserve for Bad Debt	(47,559)	(26,779)
Prepaid Expenses	159,741	140,471
Deferred Outflows - Pension	4,984,585	5,488,718
<b>Total Assets</b>	<b>61,679,313</b>	<b>56,822,094</b>
Capital Projects in Process	968,808	140,946
Land	133,553	133,553
Buildings and Improvements	96,735,428	95,875,663
Equipment	8,053,898	7,509,743
Accumulated Depreciation	(57,866,990)	(54,449,983)
<b>Total Capital</b>	<b>48,024,697</b>	<b>49,209,922</b>
<b>Total Assets</b>	<b><u>\$ 109,704,010</u></b>	<b><u>\$ 106,032,016</u></b>
<b>Liabilities</b>		
Accounts Payable	1,114,197	1,231,161
Deferred Revenue	1,502,852	890,628
Payroll Liabilities	637,149	624,393
Deposits	43,743	151,300
Loan Payable - SB84	1,739,579	-
Compensated Absences Liability	1,171,786	1,078,416
Deferred Inflows - Pension	630,841	163,845
Pension Liability	15,722,914	17,556,172
<b>Total Liabilities</b>	<b>22,563,061</b>	<b>21,695,915</b>
<b>Net Resources</b>		
Investment in Capital Assets	48,024,697	49,209,922
Net Resources - Designated Use	504,460	563,003
Net Resources - Available for Operations	47,189,114	43,097,041
Unrestricted Net Position - Pension	(11,369,170)	(12,231,299)
Net Resources - Auction Fund	(17,315)	(5,824)
	84,331,786	80,632,843
Net Proceeds from Operations	2,809,163	3,703,258
<b>Total Net Resources</b>	<b>87,140,949</b>	<b>84,336,101</b>
<b>Total Liabilities and Net Resources</b>	<b><u>\$ 109,704,010</u></b>	<b><u>\$ 106,032,016</u></b>

2. 12/31/2019 Financial Statement

32nd D A A - OC Fair & Event Center					
Statement of Operations - Detailed (Unaudited)					
December 31, 2019 and 2018					
	2019	Budget		2018	Year
	Year to Date	Year to Date	Budget	Year to Date	Over Year
	Amount	Amount	Variance	Amount	Variance
<b>OCFEC-PRODUCED EVENT REVENUE</b>					
ADMISSIONS TO GROUNDS					
Gate Admissions	\$ 8,372,132	\$ 8,428,000	\$ (55,868)	\$ 8,426,468	\$ (54,336)
Advance Admissions	2,890,344	3,289,772	(399,428)	2,754,432	135,912
Subtotal	11,262,476	11,717,772	(455,296)	11,180,900	81,576
COMMERCIAL SPACE RENTALS	1,398,550	1,418,410	(19,860)	1,397,229	1,321
CARNIVAL & CONCESSIONS					
Carnival	4,101,685	4,086,571	15,114	3,898,744	202,941
Concessions	8,741,786	8,681,975	59,811	8,536,043	205,743
Subtotal	12,843,471	12,768,546	74,925	12,434,787	408,684
EXHIBITS REVENUE					
Entry Fees	85,599	87,085	(1,486)	86,602	(1,003)
Exhibit Awards	3,832	3,878	(46)	3,878	(46)
Garden Classes & Misc Sales	24,816	26,882	(2,066)	32,517	(7,701)
Subtotal	114,247	117,845	(3,598)	122,997	(8,750)
ATTRACTIONS REVENUE	7,269,215	8,356,635	(1,087,420)	7,372,536	(103,321)
MISC OCFEC-PRODUCED EVENT REVENUE					
Parking	2,558,231	2,569,825	(11,594)	2,595,133	(36,902)
Sponsorships	1,866,583	1,819,150	47,433	1,942,175	(75,592)
Livestock Auction Receipts	293,609	288,595	5,014	312,298	(18,690)
Camping	118,755	99,700	19,055	95,940	22,815
Exhibitor Fees	44,800	39,700	5,100	41,625	3,175
Miscellaneous Other Self Produced Revenue	510,000	293,660	216,340	91,666	418,334
Subtotal	5,391,978	5,110,630	281,348	5,078,837	313,141
<b>TOTAL OCFEC-PRODUCED EVENT REVENUE</b>	<b>38,279,938</b>	<b>39,489,838</b>	<b>(1,209,900)</b>	<b>37,587,286</b>	<b>692,652</b>

<b>RENTAL REVENUE</b>					
<b>RENTAL OF FACILITIES</b>					
Grounds Wide Rentals	25,150	29,500	(4,350)	24,500	650
Building 10	293,900	373,000	(79,100)	328,825	(34,925)
Building 12	174,300	216,900	(42,600)	168,305	5,995
Building 14	111,563	131,000	(19,438)	104,400	7,163
Building 16	86,450	78,500	7,950	106,468	(20,018)
The Hangar	142,200	319,500	(177,300)	234,878	(92,678)
Parade of Products	91,838	104,100	(12,263)	96,267	(4,429)
Breezeway	42,088	38,700	3,388	77,905	(35,818)
Wine Courtyard	2,625	8,100	(5,475)	3,500	(875)
Silo Building	2,960	3,400	(440)	1,170	1,790
Memorial Gardens	-	-	-	2,716	(2,716)
Millennium Barn	2,100	8,300	(6,200)	3,000	(900)
Little Theater	15,625	10,100	5,525	5,600	10,025
Baja Blues Restaurant	7,225	16,100	(8,875)	15,045	(7,820)
Parking Lot	1,960,482	2,131,754	(171,272)	2,175,430	(214,948)
Lawns	5,625	23,700	(18,075)	13,300	(7,675)
Event Camping	82,681	76,200	6,481	87,237	(4,557)
Festival Grounds	4,313	44,400	(40,088)	42,583	(38,270)
Mall	27,225	68,200	(40,975)	70,230	(43,005)
Grandstand Arena	20,800	32,200	(11,400)	31,200	(10,400)
Trailer Rallies	2,150	400	1,750	3,530	(1,380)
Individual Camping	61,340	47,200	14,140	56,748	4,592
Pacific Amphitheater	5,750	19,300	(13,550)	33,850	(28,100)
Subtotal	3,168,387	3,780,554	(612,167)	3,686,685	(518,298)
<b>OTHER RENTAL EVENT REVENUES</b>					
Interim Admissions	391,286	515,100	(123,814)	292,052	99,234
Interim Parking	2,232,239	2,615,346	(383,107)	2,470,041	(237,802)
Revenue from Personnel Services	1,777,126	1,920,225	(143,099)	1,816,732	(39,606)
Equipment Rentals	825,710	889,525	(63,815)	890,972	(65,262)
Year-Round Concessions	1,041,858	930,800	111,058	1,285,477	(243,619)
Outside Caterers	229,914	296,100	(66,186)	312,290	(82,376)
Outdoor Signs	48,540	48,630	(90)	48,810	(270)
Subtotal	6,546,673	7,215,726	(669,053)	7,116,374	(569,700)
<b>EQUESTRIAN CENTER REVENUES</b>					
Stall Rentals	121,178	138,580	(17,402)	134,239	(13,062)
Subtotal	121,178	138,580	(17,402)	134,239	(13,062)
<b>OTHER RENTAL REVENUES</b>					
Miscellaneous Rental Revenues	270,592	373,018	(102,426)	463,103	(192,511)
Subtotal	270,592	373,018	(102,426)	463,103	(192,511)
<b>TOTAL RENTAL REVENUE</b>	<b>10,106,829</b>	<b>11,507,878</b>	<b>(1,401,049)</b>	<b>11,400,401</b>	<b>(1,293,571)</b>
<b>TOTAL OPERATING REVENUE</b>	<b>48,386,768</b>	<b>50,997,716</b>	<b>(2,610,948)</b>	<b>48,987,687</b>	<b>(600,919)</b>
<b>NON-OPERATING REVENUE</b>					
Interest Earnings	1,282,118	959,633	322,485	935,382	346,736
Discounts Earned	31,718	30,417	1,301	38,567	(6,849)
Grants	101,663	41,087	60,576	52,992	48,672
Sale of Assets	4,452	-	4,452	14,089	(9,637)
Donations	8,402	148,393	(139,991)	31,916	(23,514)
Prior Year Revenue	118,655	591	118,064	6,613	112,043
<b>TOTAL NON-OPERATING REVENUE</b>	<b>1,547,009</b>	<b>1,180,121</b>	<b>366,888</b>	<b>1,079,558</b>	<b>467,450</b>
<b>TOTAL REVENUE</b>	<b>49,933,776</b>	<b>52,177,837</b>	<b>(2,244,061)</b>	<b>50,067,245</b>	<b>(133,469)</b>

OPERATING EXPENSES					
Payroll and Related:					
Salaries/Wages - Permanents	6,851,356	7,050,757	199,401	6,192,660	(658,696)
Salaries/Wages - Overtime	90,161	72,027	(18,134)	101,719	11,558
Salaries/Wages - Temporaries	6,657,966	6,243,084	(414,882)	6,113,620	(544,346)
Employee Benefits	5,082,501	5,127,369	44,868	4,428,267	(654,234)
Travel Expense	48,983	131,155	82,172	82,748	33,765
Training and Recruiting Expense	64,819	99,704	34,885	79,721	14,902
Subtotal	18,795,786	18,724,096	(71,690)	16,998,735	(1,797,052)
Professional Services:					
Professional Services	6,050,790	6,783,899	733,109	5,712,685	(338,105)
Judges	40,690	42,351	1,661	41,962	1,272
Subtotal	6,091,480	6,826,250	734,771	5,754,647	(336,833)
Directors Expense:					
Directors Expense	1,676	3,040	1,364	6,081	4,405
Directors Mtg Expense	24,410	16,807	(7,603)	37,915	13,505
Subtotal	26,086	19,847	(6,239)	43,996	17,909
Insurance Expense	482,929	407,583	(75,346)	384,324	(98,605)
Telephone & Postage	209,922	190,815	(19,107)	217,042	7,120
Supplies and Equipment:					
Office Supplies	170,506	198,766	28,260	257,123	86,616
Signs/Banners	151,391	130,712	(20,679)	165,265	13,873
Decorations/Props	284,531	261,728	(22,803)	300,143	15,612
Small Equipment	28,295	50,029	21,734	53,344	25,050
Audio Visual	15,077	29,013	13,936	40,896	25,818
Software	27,401	21,975	(5,426)	26,839	(561)
Computer Hardware & Peripherals	15,426	33,400	17,974	44,967	29,541
Farm	98,003	82,950	(15,053)	85,671	(12,331)
Ticketing/Wristbands	96,530	101,589	5,059	93,932	(2,598)
Equipment Rental	2,612,100	2,083,551	(528,549)	2,673,015	60,914
Equipment Maintenance & Supplies	253,116	210,926	(42,190)	295,084	41,968
Uniforms & Laundry	94,781	114,217	19,436	133,402	38,621
Subtotal	3,847,157	3,318,856	(528,301)	4,169,680	322,523
Facility and Related:					
Maintenance of Buildings/Grounds	387,247	353,800	(33,447)	578,306	191,059
Utilities	1,213,775	1,259,655	45,880	1,273,434	59,659
Trash/Waste Removal	1,705,256	1,827,505	122,249	1,579,572	(125,684)
Rental of Facilities	-	800	800	-	-
Special Repairs	743,389	559,000	(184,389)	935,092	191,703
Subtotal	4,049,667	4,000,760	(48,907)	4,366,404	316,736

<b>Publicity and Related:</b>					
Photography	20,013	18,306	(1,707)	19,025	(988)
Newsletters	-	850	850	-	-
Contests	996	1,778	782	1,775	779
Printing	88,784	133,371	44,587	143,079	54,295
Advertising - Outdoor	291,376	251,502	(39,874)	266,817	(24,559)
Advertising - Radio	293,739	175,000	(118,739)	307,382	13,643
Advertising - TV	511,937	500,000	(11,937)	500,215	(11,721)
Advertising - Print	125,551	178,860	53,309	154,161	28,610
Advertising - Online	304,432	262,974	(41,458)	356,013	51,580
Promotional Expense	82,107	85,315	3,208	113,858	31,752
Brochure Printing	18,165	7,500	(10,665)	-	(18,165)
Buttons Printing	7,806	6,100	(1,706)	7,758	(48)
Media Relations	1,507	12,000	10,493	8,486	6,979
Public Relations Expense	132,859	112,053	(20,806)	134,566	1,707
Design & Production	699	1,200	501	-	(699)
Sponsorships	393,232	337,700	(55,532)	389,539	(3,692)
Special Projects	43,863	183,303	139,440	179,893	136,030
<b>Subtotal</b>	<b>2,317,064</b>	<b>2,267,812</b>	<b>(49,252)</b>	<b>2,582,567</b>	<b>265,503</b>
<b>Self-Produced Events Attractions Expense:</b>					
Arena/Hangar Acts	665,157	650,000	(15,157)	623,510	(41,648)
Grounds Acts	482,344	592,229	109,885	649,220	166,876
Major Acts	4,152,745	4,990,000	837,255	4,475,545	322,800
Attractions Expense	125,544	166,190	40,646	232,640	111,701
Attractions Hospitality	125,388	166,190	40,802	129,993	4,605
<b>Subtotal</b>	<b>5,425,790</b>	<b>6,398,419</b>	<b>972,629</b>	<b>5,980,915</b>	<b>559,729</b>
<b>Other Self-Produced Event Expense:</b>					
Competition Handbook	-	3,349	3,349	1,249	1,249
Jr. Livestock Auction Costs	281,042	298,738	17,696	298,738	17,696
<b>Subtotal</b>	<b>281,042</b>	<b>302,087</b>	<b>21,045</b>	<b>299,987</b>	<b>18,945</b>
<b>Premium Expense:</b>					
Cash Premiums	114,356	105,000	(9,356)	115,073	717
Trophies, Ribbons	27,637	29,738	2,101	32,186	4,549
<b>Subtotal</b>	<b>141,993</b>	<b>134,738</b>	<b>(7,255)</b>	<b>147,259</b>	<b>5,266</b>
<b>Other Operating Expenses:</b>					
Cash Shortages/(Overages)	14	17,330	17,316	20,269	20,255
Dues & Subscriptions	50,403	59,248	8,845	62,174	11,771
Bad Debt Expense	20,779	-	(20,779)	4,588	(16,191)
Bank Charges	515,047	375,748	(139,299)	459,393	(55,654)
Miscellaneous Expense	182,618	247,236	64,618	169,083	(13,535)
<b>Subtotal</b>	<b>768,862</b>	<b>699,562</b>	<b>(69,300)</b>	<b>715,507</b>	<b>(53,355)</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>42,437,781</b>	<b>43,290,825</b>	<b>853,044</b>	<b>41,661,064</b>	<b>(776,717)</b>
<b>Non-Operating Expenses</b>					
Depreciation Expense	3,080,000	3,360,000	280,000	3,446,526	366,526
Major Projects	999,498	1,547,169	547,671	401,710	(597,788)
Loss on Sale of Asset	-	-	-	975	975
Net Pension Adjustment - GASB 68	877,450	900,000	22,550	609,476	(267,974)
Prior Year Expense	44,094	-	(44,094)	244,235	200,141
<b>TOTAL NON-OPERATING EXPENSE</b>	<b>5,001,043</b>	<b>5,807,169</b>	<b>806,126</b>	<b>4,702,923</b>	<b>(298,120)</b>
<b>TOTAL EXPENSES</b>	<b>47,438,823</b>	<b>49,097,994</b>	<b>1,659,171</b>	<b>46,363,987</b>	<b>(1,074,836)</b>
<b>NET PROCEEDS</b>	<b>\$ 2,494,953</b>	<b>\$ 3,079,843</b>	<b>\$ (584,890)</b>	<b>\$ 3,703,258</b>	<b>\$ 941,368</b>

3. Audit report for FYE 12/31/2017. Audit is still pending for FYE 12/31/2018.



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