



Board Committee Report

MEETING DATE: JANUARY 28, 2021 ITEM NO: 10A(ii)

SUBJECT: Financial Monitoring and Audit Committee

DATE: January 22, 2021

FROM: Directors Pham and Bagneris

PRESENTATION BY: Directors Pham and Bagneris

Purpose:

This committee monitors the organization's financial position and ensures financial controls are in place.

Focus:

- *Monthly financial oversight*
- *Annual budget review*
- *Annual audit process*

Special Projects:

- *2019 Audit (see agenda Item 10B)*

SUMMARY OF COMMITTEE MEETING

- The Committee and staff met on January 22nd and reviewed the preliminary December/year-end financial statements.
 - Staff indicated that total preliminary year-end revenue was \$3.66M which was unfavorable to budget by \$48.5M. The full impact of the COVID-19 pandemic on operations in 2020 can now be fully seen.
 - Operating expenses were favorable to budget by \$29.3M. Cost control was more important than ever last year, helping to contribute to lower than expected losses in 2020.
 - As a result, the period ending December 31, 2020 resulted in a net deficit of \$16.5M, an improvement over the original year-end reforecast net deficit of \$18-\$20M.
 - The preliminary 2020 year-end Statement of Cash Flows reports cash and cash equivalents at the end of the year to be \$41.4M, an improvement over the original forecast of \$38M.

- The committee also received the final 2019 audit and Management Discussion & Analysis (MD&A) from Lance, Soll & Lunghard and will present this agenda item for approval at the January 28 Board of Directors meeting.
- Staff presented recommendations for general admission ticket pricing for the 2021 OC Fair. This agenda item will also be presented by the committee for Board approval at the January 28 Board of Directors meeting.
- Staff also reviewed a list of past due items – each under \$500 – which have gone uncollected. Per CDFA code, these items will be presented to the Board for write-off approval at the January 28 Board meeting.

FOLLOW-UP

The next Financial Monitoring and Audit Committee meeting is scheduled for February 19, 2021.