



Board Committee Report

MEETING DATE: FEBRUARY 25, 2021 ITEM NO: 10D(ii)

SUBJECT: Financial Monitoring and Audit Committee

DATE: February 19, 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:

- *2020 Financial Audit*

SUMMARY OF COMMITTEE MEETING

- The committee and staff met to review the revised preliminary 2020 year-end financial statements.
 - Staff indicated that revised total preliminary year-end revenue was \$3.66M which was unfavorable to budget by \$48.5M.
 - Revised operating expenses were favorable to budget by \$28.6M. As a result, the period ending December 31, 2020 resulted in a revised net deficit of \$17.3M.
- The committee was briefed on 2021 YTD revenue being favorable to budget by \$42K. This was due to higher than projected event rental activity.
- Staff also indicated that YTD expenses were favorable to budget by \$1.09M.
- As a result, the YTD period ending January 31, 2021 resulted in net proceeds that are favorable to budget by \$1.13M. Several department expenses for the year are front-loaded in the budget for January, so this favorable amount will

normalize throughout the year. The best example of this is the \$825K budgeted in January for Major Projects.

- The staff also informed the committee that CDFA has confirmed that OCFEC is free to use an outside audit firm again for the 2020 financial audit. Staff will begin the bid process.
- Lastly, staff reported that it is in the process of developing a second reforecast of the 2021 budget based on a Fall fair, as well as Fair P&L projections for both a Summer and Fall fair. These reports will be presented during the 2021 OC Fair Planning presentation at the February Board of Directors meeting.

FOLLOW-UP

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