



Board Committee Report

MEETING DATE: OCTOBER 28, 2021 ITEM NUMBER: 8G(ii)

SUBJECT: **Financial Monitoring and Audit Committee**

DATE: October 15 and October 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:

- *2020 Financial Audit*

SUMMARY OF COMMITTEE MEETING

- The committee met on October 22 to review September financials, which include the full impact of the 2021 OC Fair.
 - YTD September 2021 revenue is favorable to budget by \$23.6M. While the receipt of funds under AB1499 (\$830K), the CDFA allocation (\$1.5M) and the SBA grant award (\$4.9M) have contributed to a healthy bottom line, the greatest impact on revenue was from the 2021 OC Fair.
 - Operating expenses for YTD September 2021 are also favorable to budget by \$660K. Various expense categories were over budget, but that budget was based on a 30,000 per day attendance at the 2021 OC Fair, rather than the actual 45,000 per day attendance. Prudent fiscal management by staff also contributed to the favorable variance.
 - For the YTD period ending September 30, 2021, net proceeds are favorable to budget by \$24.6M.

- As of September 30, 2021, cash and investments are \$62.8M, an increase of \$17.7M over September 2020.
- As of September 30, 2021, utilizing nine months of actuals and four months of budgeted revenue and expenses, we are now reforecasting year-end net proceeds of \$12.9M, compared to the \$11.8M loss projected in the original 2021 budget.
- Staff reviewed the final carnival services RFP with the committee on October 15, which was released on October 18 after internal and legal review.
- The 2020 financial audit is now complete and we're expecting the final report shortly.

FOLLOW-UP

The next Financial Monitoring and Audit Committee meeting is 11/12/2021.