



BOARD OF DIRECTORS COMMITTEE REPORT

MEETING DATE: **APRIL 28, 2022** ITEM: **8G(ii)**

SUBJECT: **Financial Monitoring and Audit Committee**

DATE: April 25, 2022

FROM: Directors Kovacevich and Bagneris

PRESENTATION BY: Directors Kovacevich 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*
- *Participate in the scoring process for key RFPs, including for Carnival Services*

Special Projects:

- *2021 Financial Audit*

SUMMARY OF COMMITTEE MEETING

The committee met on 4/22/2022 to review March financials:

- The District continues to demonstrate favorable performance against the 2022 budget.
- YTD March 2022 revenue is \$1.49M and is favorable to budget by \$262K. Revenue for the month of March was a bit short of budget, mainly due to events that were either canceled or moved to other dates, but this will normalize later in the year as these and other events are rescheduled.
- Operating expenses for YTD March 2022 are \$4.67M and are favorable to budget by \$1.5M. Much of this positive variance is reflected in payroll and related expenses. While staff is doing a great job of keeping expenses low, there are several unfilled positions due to recruiting difficulties, adding to the variance.

- For the YTD period ending March 31, 2022, net proceeds are \$2.08M favorable to budget.
- As of March 2022, cash and investments are \$60.8M.
- The 2021 audit is underway with about 20% completion.
- Staff also shared an accounting error discovered for 2021 which was caused by a number of general ledger entries being duplicated. This caused revenue to be over-stated by approximately \$690K for the year. Staff has made the appropriate adjustments, shared with the auditors, and the reporting is now up-to-date. In reviewing the situation, staff has concluded that reconciliation and review procedures were done incorrectly, leading to the error not being discovered until now. Proper controls and procedures have been put in place to ensure compliance moving forward.

Follow-up

- The next meeting of the Financial Monitoring and Audit Committee is scheduled for 5/20/2022.