



BOARD OF DIRECTORS COMMITTEE REPORT

MEETING DATE: **JUNE 22, 2023** ITEM: **8E(ii)**

SUBJECT: **Financial Monitoring and Audit Committee**

DATE: June 19, 2023

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:

- 2022 financial audit

SUMMARY OF COMMITTEE MEETING

The committee met on June 16, 2023 to review the May 2023 financial reports:

- Revenue for the month of May 2023 was \$1,203,301 and was favorable to budget by \$183,397, mainly due to Ticketmaster commission from concert tickets sold for the 2023 season, as well as the increase in interest rates on our LAIF investment account.
- Operating expenses for the month of May were \$2,149,379 and were favorable to budget by \$386,386.
- For the YTD period ending May 31, 2023, net losses are \$6,368,484 and are favorable to budget by \$3,231,043.
- Cash and cash equivalents as of May 31, 2023 are \$69,212,989.

The committee also reviewed the Department 25 (Equestrian Center) financial report for the period ending May 31, 2023. Revenue for the month was \$99,797 which was \$17,625 unfavorable to budget. Expenses were \$190,616, favorable to budget by \$34,156. (It

should be noted that expenses did not include the cost of dedicated overnight security staff which totaled \$4,809 for the month of May and \$23,422 YTD.) Net losses YTD are \$476,177 compared to a budgeted loss of \$698,932.

Staff also presented the committee with several preliminary financial scenarios for the equestrian center in preparation for the discussion item by the full Board. The scenarios provided a forecast of revenues and operating expenses for the equestrian center through the end of the year utilizing various assumptions.

The committee was informed that staff is exploring potentially acquiring a cyber insurance policy and a proposal has been requested.

Follow-up

- The next meeting of the Financial Monitoring and Audit Committee will be held in July, however a date has not yet been established.