



BOARD OF DIRECTORS COMMITTEE REPORT

MEETING DATE: **SEPTEMBER 28, 2023** ITEM: **8H(ii)**

SUBJECT: **Financial Monitoring and Audit Committee**

DATE: September 25, 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 process*

Special Projects:

- 2022 financial audit
- Cyber insurance proposal

SUMMARY OF COMMITTEE MEETING

The committee met on September 15, 2023 to review the August 2023 financial reports. Due to a number of delayed invoices related to fair activities, revised August 2023 financial reports were provided to the Committee on September 25, 2023 :

- Revenue for the month of August 2023 was \$22,735,803 and was unfavorable to budget by \$353,756, mainly due to overstatement of paid fair attendance in the 2023 budget and fewer than budgeted Pacific Amphitheatre concerts.
- Operating expenses for the month of August 2023 were \$13,267,764 and were unfavorable to budget by \$135,659.
- For the YTD period ending August 31, 2023, net proceeds are \$13,738,834 and are favorable to budget by \$2,507,152.
- For the period ending August 31, 2023, cash and cash equivalents are \$84,398,967.

The committee also reviewed the Department 25 (Equestrian Center) financial report for the period ending August 31, 2023. Revenue for the month was \$93,003 which was \$24,419 unfavorable to budget. Expenses were \$186,503, favorable to budget by

\$38,672. Overall, net losses for the month of August came in at \$93,501. Net losses YTD are \$698,486 compared to a budgeted loss of \$899,904.

Staff also reviewed a preliminary unaudited P&L statement from the 2023 fair.

The committee was provided with a brief overview of the 2024 budget process. The 2024 budget study session has been confirmed with the committee and is scheduled for November 7, 2023.

The committee was also informed that a draft of the 2022 audit has been submitted to staff and will be reviewed with the committee at its October meeting.

As a follow-up to the June 2023 committee meeting, the committee was provided with two cyber insurance policy proposals for review. Staff was directed to move forward with binding coverage for the district.

Follow-up

- The next meeting of the Financial Monitoring and Audit Committee is scheduled for October 20, 2023.