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## BOARD OF DIRECTORS COMMITTEE REPORT

MEETING DATE: **OCTOBER 26, 2023** ITEM: **8F(ii)**

SUBJECT: **Financial Monitoring and Audit Committee**

DATE: October 23, 2023

FROM: Directors Kovacevich and Bagneris

PRESENTATION BY: Directors Kovacevich and Bagneris

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### ***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

## **SUMMARY OF COMMITTEE MEETING**

The committee met on October 20, 2023 and discussed the following items:

- Representatives from Lance, Soll & Lunghard provided an overview of and reviewed the 2022 audit report with the committee and staff. The auditors stated the report indicates that the financial statements present fairly, in all material respects, the financial position of the organization. Additionally, the independent auditors did not identify any deficiencies in internal control that were considered material weaknesses. The committee will present the audit to the Board on 10/26/23 for review and approval for filing with CDFA.
- Staff reviewed the September financial reports with the committee:
  - Revenue for the month of September 2023 was \$2.64M and was favorable to budget by \$539,282 mainly due to the rescheduling of the Chicago concert from August to September.
  - Operating expenses for the month of September 2023 were \$4.3M and were unfavorable to budget by \$1.08M mainly due to late invoices related to the 2023 OC Fair.

- For the YTD period ending September 30, 2023, net proceeds are \$11.8M and are favorable to budget by \$2.18M.
- For the period ending September 30, 2023, cash and cash equivalents are \$59.1M. The decrease is due to the \$22M contribution to the Administration building expansion project.
- The committee also reviewed the Department 25 (Equestrian Center) financial report for the period ending September 30, 2023. Revenue for the month was \$98,698 which was \$18,724 unfavorable to budget. Expenses were \$171,187, favorable to budget by \$55,988. Overall, net losses for the month of September came in at \$72,489. Net losses YTD are \$770,975 compared to a budgeted loss of \$1,227,547.
- The committee and staff confirmed the date and time of the upcoming public budget study session, to be held on Tuesday, November 7 at 3:00 p.m.

#### **Follow-up**

- The next meeting of the Financial Monitoring and Audit Committee is scheduled for November 10, 2023.