



BOARD OF DIRECTORS COMMITTEE REPORT

MEETING DATE: **APRIL 27, 2023** ITEM: **8E(ii)**

SUBJECT: **Financial Monitoring and Audit Committee**

DATE: April 24, 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 4/21/2023 to review the March 2023 financial reports:

- Revenue for the month of March 2023 was \$1.2M and was favorable to budget by \$332K, mainly due to Ticketmaster commissions and signing bonus, and additional events not originally budgeted. In addition, several events outperformed budget in terms of parking, equipment rentals and concessions. The interest rate on our LAIF investment account continues to increase.
- Operating expenses for the month of March were \$1.9M and were favorable to budget by \$470K.
- For the YTD period ending March 31, 2023, net losses are \$3.3M, and are favorable to budget by \$2.26M.
- Cash and cash equivalents as of March 31, 2023 are \$69.8M.

The committee also reviewed the Department 25 (Equestrian Center) financial report for the period ending March 31, 2023. Revenue for the month was \$119,184 which was

\$1,762 favorable to budget. Expenses were \$226,096, unfavorable to budget by \$1,325. (It should be noted that expenses did not include the cost of dedicated overnight security staff which totaled \$4,798 for the month of March and \$13,966 YTD.) Net losses YTD are \$295,501 compared to a budgeted loss of \$357,049. Staff also indicated that a flat rate of \$3,000 for utility costs has been allocated monthly to the equestrian center for many years, in spite of the steady increase in utility costs for the entire property. Staff will assess overall utility costs and allocate a more accurate amount to the equestrian center beginning in April.

Staff also reported to the committee that CEO Richards and Chief Administrative Officer Au-Yeung attended a luncheon hosted by Citizens Business Bank on 4/18/2023. CEO David Brager reviewed the bank's financial position and ranking, which was very impressive.

The team from Lance Soll & Lunghard have begun their on-site work with the 2022 audit.

Follow-up

- The next meeting of the Financial Monitoring and Audit Committee is 5/19/2023.