

## **Commissioner Provided Items**

**Disclaimer:** The following information is provided by an individual Finance Commissioner for discussion purposes only. The content has not been reviewed, verified, or endorsed by City finance staff and does not represent official City data, analysis, or policy.

# Request for Audits

Commissioner Dave Chennault

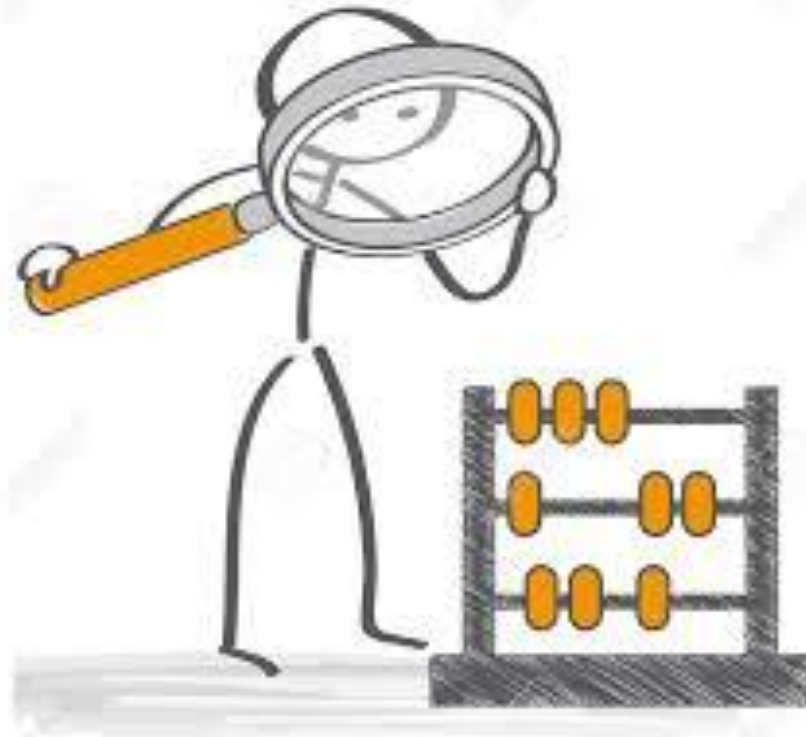
Disclaimer: The following information is provided by an individual Finance Commissioner for discussion purposes only. The content has not been reviewed, verified, or endorsed by City finance staff and does not represent official City data, analysis, or policy.

# Request for Commission Recommendation to Audit Major Recreation Assets of the City

- Request full financial and operational audit of the following for the last 5 years
  - Equestrian center including Free Rein and Therapeutic Riding Center financials and rent paid, compliance with agreements with city
  - Sports Complex including concessions, sports complex operation, and field maintenance services financials and rent paid versus agreement
  - Yacht Club including all financials, compliance with ABC licensing, and rent paid and obligations versus agreement
- Suggest a subcommittee to define scope of audits
- Request funding in current budget for audit services – Need assistance from Finance Dept with proper budgets
- Can we use Davis Farr due to conflict of interest with current acting CFO
  - Acting CFO used to work for Davis Farr

Disclaimer: The following information is provided by an individual Finance Commissioner for discussion purposes only. The content has not been reviewed, verified, or endorsed by City finance sta and does not represent official City data, analysis, or policy.

# Let's take a closer look



Disclaimer: The following information is provided by an individual Finance Commissioner for discussion purposes only. The content has not been reviewed, verified, or endorsed by City finance staff and does not represent official City data, analysis, or policy.

# Reasons For Audit Request – Trust, but Verify

- Sports Complex

- In November, 2025 Director Wysocki presented headcount and expense information regarding the operators of the sports complex shown on the next page
- I asked Director Wysocki for a report showing the operators expenses to validate the info reported – here is her response
  - “Various areas of Section 6 of the Operational agreement requires operator to maintain and provide evidence of gross sales. The agreement does not include requests for annual expenses.”
- The Operational Agreement DOES allow for auditing with the following language – City has the right to audit

---

File #: 21-598

MEETING DATE: 9/7/2021

---

- Shall have the right, upon reasonable notice, during the Agreement Term and any extension thereof, and within three (3) years after Expiration or Termination of this Agreement to inspect and audit CONTRACTOR's books and records.

Disclaimer: The following information is provided by an individual Finance Commissioner for discussion purposes only. The content has not been reviewed, verified, or endorsed by City finance staff and does not represent official City data, analysis, or policy.

# HBSC Partners Expenses as Reported by Director to Finance Commission on 11/19/2025

## Budget & Revenue Analysis

FY 2018/19 City Operated: \$17,237 Net Revenue

Expenses Type	Expense Amount	Revenue Type	Revenue Amount
Adult Sports Includes • 2 FT and PT Staff	\$545,941	Adult Sports	\$498,896
Adult Soccer	\$12,200	Batting Cages	\$48,432
<b>Total</b>	<b>\$530,091</b>	<b>Total</b>	<b>\$547,328</b>

Disclaimer: The following information is provided by an individual Finance Commissioner for discussion purposes only. The content has not been reviewed, verified, or endorsed by City finance staff and does not represent official City data, analysis, or policy.

### HBSC Management Agreement

	CY 2022	CY 2023	CY 2024
HBSC Total Expenditures →	\$908,750	\$889,708	\$808,519 ←
HBSC Total Revenue	\$1,089,702	\$1,169,859	\$1,043,142
HBSC % Revenue to City	\$130,764 (12%)	\$163,780 (14%)	\$166,902 (16%)
City Contract Outfield Maintenance Cost	\$119,381	\$120,905	\$148,432
<b>Total</b>	<b>\$11,383</b>	<b>\$42,875</b>	<b>\$18,470</b>
<b>City Net Gain</b>	<b>(\$5,853.76)</b>	<b>\$25,638</b>	<b>\$1,234</b>



# HBSC Partners Staffing Model as Reported by Director to Finance Commission on 11/19/2025

## Staffing Model

### City Average Operation

- 2 FT staff
- 13 PT staff

Staffing levels set to accommodate 30% – 35% facility usage volume

### → HBSC Average Operation ←

- 9 FT Staff
- 38 PT Staff

Staffing levels set to accommodate 95% facility usage volume plus triple the number of scheduled events

Disclaimer: The following information is provided by an individual Finance Commissioner for discussion purposes only. The content has not been reviewed, verified, or endorsed by City finance staff and does not represent official City data, analysis, or policy.



# Reasons For Audit Request – Trust, but Verify

- Equestrian Center

- The last revenue report review (not an audit) was completed in 2018 for the period 11/1/2015 to 10/31/2028
  - It appears rent was paid late in **22 of 36 months** during that review and late rent fees were not paid for up to nearly 4 years after the payment was late
    - It appears late fees were only collected after review by Davis Farr in late 2018
  - The concession agreement requires any vendors operating in the equestrian center to be approved by city council – I have only found one approved vendor in the council minutes
  - The rest of the businesses appear to be operating without any approval by the city council.
  - There are many other issues that need review

Disclaimer: The following information is provided by an individual Finance Commissioner for discussion purposes only. The content has not been reviewed, verified, or endorsed by City finance staff and does not represent official City data, analysis, or policy.

# Rent was constantly paid late 2015 - 2018

Any entry in this column means rent was paid late  
22 of 36 months paid late

SCHEDULE B

Huntington Central Park Equestrian Center  
Calculation of Penalties and Interest  
November 2015 through October 2018

Month	Amount Due To City	Late Charge From (Over)/ Under Payment	Original Late Fee	Interest			Total Interest	Total Interest & Penalties	Total Due to City
				Date Delinquent	Report Date	Months Late			
November 2015	\$ -	-	786	12/20/2015	4/23/2019	41	483	1,269	1,269
December 2015	-	-	741	1/20/2016	4/23/2019	40	445	1,186	1,186
January 2016	28	3	-	2/20/2016	4/23/2019	39	18	21	49
February 2016	-	-	-	3/20/2016	4/23/2019	38	-	-	-
March 2016	-	-	817	4/20/2016	4/23/2019	37	453	1,270	1,270
April 2016	-	-	1,092	5/20/2016	4/23/2019	36	590	1,682	1,682
May 2016	-	-	953	6/20/2016	4/23/2019	35	500	1,453	1,453
June 2016	-	-	-	7/20/2016	4/23/2019	34	-	-	-
July 2016	-	-	1,051	8/20/2016	4/23/2019	33	520	1,571	1,571
August 2016	-	-	776	9/20/2016	4/23/2019	32	372	1,148	1,148
September 2016	-	-	809	10/20/2016	4/23/2019	31	376	1,185	1,185
October 2016	-	-	738	11/20/2016	4/23/2019	29	321	1,059	1,059
November 2016	-	-	-	12/20/2016	4/23/2019	28	-	-	-
December 2016	-	-	-	1/20/2017	4/23/2019	27	-	-	-
January 2017	-	-	988	2/20/2017	4/23/2019	26	385	1,373	1,373
February 2017	-	-	-	3/20/2017	4/23/2019	25	-	-	-
March 2017	1,654	168	1,226	4/20/2017	4/23/2019	24	1,108	2,502	4,186
April 2017	-	-	1,088	5/20/2017	4/23/2019	23	375	1,463	1,463
May 2017	-	-	-	6/20/2017	4/23/2019	22	-	-	-
June 2017	-	-	881	7/20/2017	4/23/2019	21	278	1,159	1,159
July 2017	-	-	-	8/20/2017	4/23/2019	20	-	-	-
August 2017	-	-	1,063	9/20/2017	4/23/2019	19	303	1,366	1,366
September 2017	-	-	307	10/20/2017	4/23/2019	18	83	390	390
October 2017	-	-	342	11/20/2017	4/23/2019	17	87	429	429
November 2017	-	-	457	12/20/2017	4/23/2019	16	110	567	567
December 2017	-	-	-	1/20/2018	4/23/2019	15	-	-	-
January 2018	-	-	-	2/20/2018	4/23/2019	14	-	-	-
February 2018	3	-	576	3/20/2018	4/23/2019	13	113	689	692
March 2018	-	-	-	4/20/2018	4/23/2019	12	-	-	-
April 2018	-	-	934	5/20/2018	4/23/2019	11	154	1,088	1,088
May 2018	-	-	-	6/20/2018	4/23/2019	10	-	-	-
June 2018	-	-	877	7/20/2018	4/23/2019	9	118	995	995
July 2018	-	-	962	8/20/2018	4/23/2019	8	115	1,077	1,077
August 2018	-	-	944	9/20/2018	4/23/2019	7	99	1,043	1,043
September 2018	5	1	-	10/20/2018	4/23/2019	6	1	2	7
October 2018	-	-	-	11/20/2018	4/23/2019	5	-	-	-
<b>Totals</b>	<b>\$ 1,720</b>	<b>172</b>	<b>18,408</b>				<b>7,407</b>	<b>25,987</b>	<b>27,707</b>

Disclaimer: The following information is provided by an individual Finance Commissioner for discussion purposes only. The content has not been reviewed, verified, or endorsed by City finance staff and does not represent official City data, analysis, or policy.

# Equestrian Center Revenue and Rent – Summary CY 2023

	Boarding	at 4%	Retails Sales	at 2%	Trail Rides	at 2%	Special Events	at 10%	Mounted Enforcement Unit - 5 Stalls	Credit	Rent Due	Total Payment Received	Gross Revenue
Jan-23	270,411.49	10,817.66	31,684.65	633.69	3,330.00	66.60	10,800.00	1,080.00	-3,774.60	-189.05	12,597.95	8,634.30	316,226.14
Feb-23	230,785.38	9,231.42	33,377.25	667.55	2,680.00	53.60	8,300.00	830.00	-3,519.00		10,782.57	7,263.57	275,142.63
Mar-23	294,237.15	11,769.49	40,154.13	803.08	5,735.00	114.70	65,700.00	6,570.00	-3,934.57		19,257.27	15,322.70	405,826.28
Apr-23	240,485.59	9,619.42	38,099.45	761.99	2,575.00	51.50	15,500.00	1,550.00	-3,646.66		11,982.91	8,336.25	296,660.04
May-23	286,784.95	11,471.40	40,141.22	802.82	3,025.00	60.50	8,840.00	884.00	-3,577.00		13,218.72	9,641.72	338,791.17
Jun-23	240,155.44	9,606.22	48,569.65	971.39	6,450.00	129.00	14,186.00	1,418.60	-3,610.00		12,125.21	8,515.21	309,361.09
Jul-23	260,044.09	10,401.76	33,442.92	668.86	3,050.00	61.00	25,880.00	2,588.00	-3,639.00		13,719.62	10,080.60	322,417.01
Aug-23	272,671.70	10,906.87	38,711.33	774.23	4,090.00	81.80	3,200.00	320.00	-3,819.50		12,082.90	8,263.39	318,673.03
Sep-23	261,564.43	10,462.58	34,284.98	685.70	2,600.00	52.00	13,100.00	1,310.00	-3,725.20		12,510.28	8,785.08	311,549.41
Oct-23	277,890.36	11,115.61	38,126.85	762.54	3,390.00	67.80	25,816.00	2,581.60	-3,886.91		14,527.55	10,895.64	345,223.21
Nov-23	246,290.41	9,851.62	34,456.83	689.14	3,560.00	71.20	9,762.00	976.20	-3,672.67		11,588.16	7,915.48	294,069.24
Dec-23	254,811.07	10,192.44	34,594.71	691.89	2,050.00	41.00	23,100.00	2,310.00	-4,691.47		13,235.33	8,543.87	314,555.78

<p><b>The Huntington Central Park Equestrian Center (HCPEC) is situated on 25 acres of beautiful, sea-breezed land in Orange County, California, just two miles from the beach.</b></p> <p><b>Home to nearly 400 horses, with multiple trainers and arenas, annual horse shows in several disciplines, a wedding venue, and more than 150 acres of public trails, we are one of Southern California's premier equestrian facilities.</b></p> <p><b>We invite you to look around our website, then call or visit us for more information.</b></p>	<b>Revenue Reported 2023</b>	<b>\$ 3,848,495.03</b>
	<b>Rent Received 2023</b>	<b>\$ 157,628.47</b>
	<b>Average Monthly Rent</b>	<b>\$ 13,135.71</b>
	<b>% Gross Revenue Paid as Rent</b>	<b>4%</b>
	<b>HBPD Charges 2023</b>	<b>\$ 45,496.58</b>
	<b>HBPD price per stall/mo</b>	<b>\$ 758.28</b>
	<b>400 Horses Avg Board/Mo</b>	<b>\$ 653.36</b>
	<b>Rent less Police Boarding Charges = Net to City</b>	<b>\$ 112,131.89</b>
	<b>Net Monthly Rent to City Monthly</b>	<b>\$ 9,344.32</b>
	<b>Net Monthly Rent as Pct of Gross Reported Revenue</b>	<b>3%</b>

Disclaimer: The following information is provided by an individual Finance Commissioner for discussion purposes only. The content has not been reviewed, verified, or endorsed by City finance staff and does not represent official City data, analysis, or policy.

# Equestrian Center Revenue and Rent – Summary CY 2023

- City netted \$112,197 in total rent with an average of \$9,349 per month for 25 acre facility that had a reported gross revenue of \$3,848,495 in 2023
- Net rent represents 3% of gross revenue reported after subtracting fees paid for boarding police horses
- Note – this is only the reported revenue and not all the revenue since all horse shows are excluded from revenue reporting and rent so the revenue generated could be much higher

# Equestrian Center Pricing 2023-2024

- Average price with advertised versus reported boarding average does not align
- Average boarding based upon revenue reported in 2023 and 400 horses is **\$653** per month across all price options
- I don't see any reported revenue for any of the additional options ( food, bedding etc.) shown at right...

## HUNTINGTON CENTRAL PARK EQUESTRIAN CENTER 2023/24 PRICE INFORMATION SHEET

BOX STALLS		PIPE CORRALS	
INCLUDES:	Cleaning Once a Day Bedding as Needed maximum 4 bags per week	INCLUDES:	Cleaning Once a Day Feeding Twice a Day Alfalfa/Oat Cubes*
Feeding Twice a Day	Alfalfa/Oat Cubes*	MONTHLY FEE:	\$637.00
MONTHLY FEE:	\$861.00	MEASUREMENTS:	Half covered 12'x 24'
MEASUREMENTS:	Fully enclosed 12'x 12'		

ALFALFA/OAT CUBES	*SUBSTITUTE ALFALFA HAY ONLY	*SUBSTITUTE TIMOTHY HAY ONLY
A color-coded tag on your stall indicates the amount of alfalfa/oat cubes your horse requires.		
15 lbs: Blue Tag	Two Flakes per Day \$ 34.00	Two flakes per Day \$ 86.00
10 lbs: Yellow Tag	Three Flakes per Day \$ 102.00	Three Flakes per Day \$ 185.00
5 lbs: Red Tag	Four Flakes per Day \$171.00	Four Flakes per Day \$ 284.00
	SOLD SEPARATELY:	SOLD SEPARATELY:
	1 Flake \$ 3.50	1 Flake \$ 5.00
	1 Bale \$ 38.00	1 Bale (approx. 115-118 lbs.) \$ 48.00

- Facility Amenities**
- 9 Riding Arenas
  - Dressage Court with Mirrors
  - 6 Turnouts
  - Wash-racks
  - Grooming Racks
  - Hot-walker
  - 50' Bull Pen
  - Patio Area
  - Access to 150 acres of trails
  - Lighted arenas at night
  - Training in most forms of riding

Disclaimer: The following information is provided by an individual Finance Commissioner for discussion purposes only. The content has not been reviewed, verified, or endorsed by City finance staff and does not represent official City data, analysis, or policy.

Premium Bedding*	\$ 11.00/bag	Install stall gate:	\$ 52.00	Install waterer:	\$ 77.00
D.G. : 1 Yard	\$70.00	Remove Tack locker	\$77-126	Install Boards:	\$70.00/board
½ Yard	\$35.00	Other special	\$52.00	Install Mats:	\$77.00
Manure Removal (per yard)	\$ 15.00	Requests:	per hr	Bedding Non-Compliance	\$75.00
		Turnout Non-Compliance	\$25 - \$100.00		

Dig Out Stall (price varies dependent on depth of dig out and size of pipe corral): \$250.00

# Reasons For Audit Request – Trust, but Verify

- Huntington Harbor Yacht Club
  - Yacht Club has leased facility from the city since 1977 – 49 years
  - City owns the land and building
  - Monthly rent is based upon a minimum amount or revenue share – whichever is higher
  - Yacht club is supposed to provide revenue statements to the city every 3 months to verify proper rent paid
  - I do not believe the yacht club has ever provide revenue or financial data to the city
  - I believe there are issues with the ABC license and this needs to be reviewed
  - I do not believe the yacht club has ever been audited by the city

Disclaimer: The following information is provided by an individual Finance Commissioner for discussion purposes only. The content has not been reviewed, verified, or endorsed by City finance staff and does not represent official City data, analysis, or policy.

# Request for Commission Recommendation to Audit Major Recreation Assets of the City

- Request full financial and operational audit of the following for the last 5 years
  - Equestrian Center
  - Sports Complex
  - Yacht Club
- Need to define scope
- Need budget
- Need legal team input and guidance –
  - Can we use Davis Farr or do we need to use another firm for audits
  - Contract obligations and compliance
- Next Steps?