

SANTA CLARA COUNTY FAIRGROUNDS

SCCFMC

MANAGEMENT CORPORATION, INC.

Statement of Financial Position

APRIL 30, 2019



**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT
CORPORATION (SCCFMC)
FINANCIAL HIGHLIGHTS
YEAR TO DATE AS OF APRIL 30, 2019**

Actual revenues year to date as of April 30, 2019, totaled \$3,209,007 or \$518,307 more than budget. The favorable variance is attributable to the increase in sales of food & beverages and parking for the Amazon, Frias Concert and Cirque Du Soleil events.

Cost of Program Services (including cost of sales & direct costs) were unfavorable to budget by \$354,162, reflecting primarily labor allocated from expenses of maintaining facilities and labor costs resulting from additional services provided for events.

In summary, SCCFMC has a profit of \$254,702 compared to the budgeted Net Loss of (\$8,634) resulting in a favorable variance of \$263,336 year to date as of April, 2019:

Favorable Variance:

County Fair Contribution Margin	\$ 13,283
Parking Contribution Margin	151,940
Food & Beverage Contribution Margin	137,879
RV Park & Storage Contribution Margin	498
Other Revenue	31,092
Expenses of Maintaining Facilities	113,118

Unfavorable variance:

General & Administrative Expenses	(13,928)
OTB Contribution Margin	(25,200)
Events Contribution Margin	(52,575)
Anchor Licensee Contribution Margin	(54,955)
Hosted Events Contribution Margin	(10,186)
Special Events Contribution Margin	<u>(27,630)</u>

Total favorable variance over budget **\$ 263,336**

Cash position at April 30, 2019

SCCFMC's total cash balance as of April 30, 2019 is \$697,966 compared with the prior year's (2018) cash balance total of \$575,539. The increase in the cash balance is a result of revenues generated from program services. SCCFMC's current ratio is 1.53 for 2019 compared to 1.36 in 2018 which reflects SCCFMC's ability to pay its current liabilities.

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION
CONTRIBUTION MARGIN BY PROFIT CENTER
YEAR TO DATE AS OF APRIL 30, 2019

	Anchor		Off Track		Hosted		Parking		RV Park &		Events		Food &		Special		The		Facilities, General &		Budget		Variance			
	Tenants		Betting		Events		Storage	Events	Events	Beverage	Events	County Fair	Admin	Total	Actual	Total	from Budget									
Revenues	\$	585,691	\$	399,217	\$	716,858	\$	436,794	\$	178,128	\$	342,496	\$	446,624	\$	22,108	\$	50,000	\$	31,092	\$	3,209,007	\$	2,690,700	\$	518,307
Cost of Sales*	\$	1,075	\$	36,004	\$	630,572	\$	198,996	\$	-	\$	164,372	\$	148,759	\$	22,576	\$	0	\$	0.0097	\$	1,202,354	\$	789,799	\$	412,555
% of Revenues		0%		9%		88%		46%		0%		48%		33%		0%		0%				37%		29%		
Gross Profit	\$	584,616	\$	363,214	\$	86,286	\$	237,798	\$	178,128	\$	178,123	\$	297,865	\$	(468)	\$	50,000	\$	31,092	\$	2,006,653	\$	1,900,901	\$	105,752
% of Revenues		100%		91%		12%		54%		100%		52%		67%		0%		0%				63%		71%		
Direct Cost	\$	2,175	\$	317,230	\$	19,631	\$	17,501	\$	19,364	\$	104,664	\$	141,133	\$	31,380	\$	98,252	\$	-	\$	751,331	\$	809,725	\$	(58,394)
% of Revenues		0%		79%		3%		4%		11%		31%		32%		0%		0%				23%		30%		
Contribution by Profit Center	\$	582,441	\$	45,984	\$	66,654	\$	220,297	\$	158,764	\$	73,459	\$	156,732	\$	(31,848)	\$	(48,252)	\$	31,092	\$	1,255,321	\$	1,091,176	\$	164,145
% of Revenues		99%		12%		9%		50%		89%		21%		35%		0%		0%				39%		41%		
Expenses																										
Facilities																										
% of Revenues																						17%		25%		
General & Administration																										
% of Revenues																						14%		16%		
Net Income/(Loss)																										
% of Revenues																						8%		0%		

*Variable Cost

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF ACTIVITIES
Year to date as of April 30, 2019
Actual vs Budget

	2019		
	Actual	Budget	Variance
Support and revenue			
**Events	\$ 1,543,108	\$ 1,272,521	\$ 270,587
Off-Track Betting	399,217	419,806	(20,589)
Food & Beverages	446,624	204,277	242,347
County Fair	50,000	0	50,000
Hosted Events	716,858	676,546	40,312
Special Events	22,108	117,550	(95,442)
General and Administrative	31,092	0	31,092
Total support & revenue	<u>\$ 3,209,007</u>	<u>\$ 2,690,700</u>	<u>\$ 518,307</u>
Expenses			
Program Services	\$ 1,953,686	\$ 1,599,524	\$ (354,162)
Facilities	549,964	663,082	113,118
General & Administrative	450,656	436,728	(13,928)
Total expenses	<u>\$ 2,954,304</u>	<u>\$ 2,699,334</u>	<u>\$ (254,970)</u>
Change in unrestricted net assets before exceptional other income	\$ 254,702	\$ (8,634)	\$ 263,336
Exceptional other income	<u>0</u>	<u>0</u>	<u>0</u>
Change in unrestricted net assets	\$ 254,702	\$ (8,634)	\$ 263,336
Unrestricted net assets, January 1	<u>1,463,157</u>	<u>1,463,157</u>	<u>0</u>
Unrestricted net assets, April 30	<u>\$ 1,717,858</u>	<u>\$ 1,454,523</u>	<u>\$ 263,336</u>

** Note: Events Support & Revenue includes Anchor Licensees, Parking, RV Park & RV Storage & Boats.

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF ACTIVITIES
Year to date as of April 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Support and revenue		
**Events	\$ 1,543,108	\$ 1,142,361
Off-Track Betting	399,217	419,582
Food & Beverages	446,624	123,698
County Fair	50,000	13,000
Hosted Events	716,858	663,152
Special Events	22,108	56,458
General and Administrative	31,092	30,969
Total support & revenue	<u>\$ 3,209,007</u>	<u>\$ 2,449,221</u>
Expenses		
Program Services	1,953,686	1,475,463
Facilities	549,964	617,021
General & Administrative	450,656	328,913
Total expenses	<u>\$ 2,954,304</u>	<u>\$ 2,421,397</u>
Change in unrestricted net assets before exceptional other income	\$ 254,702	\$ 27,823
Exceptional other income	<u>0</u>	<u>0</u>
Change in unrestricted net assets	\$ 254,702	\$ 27,823
Unrestricted net assets, January 1	<u>1,463,157</u>	<u>\$ 1,305,312</u>
Unrestricted net assets, April 30	<u>\$ 1,717,858</u>	<u>\$ 1,333,135</u>

** Note: Events Support & Revenue includes Anchor Licensees, Parking, RV Park & RV Storage & Boats.

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES

Year to date as of April 30, 2019

	Program Services							Total		
	OFF Track Betting	**Events	Food & Beverages	Hosted Events	Special Events	County Fair	Total Program Services		Facility	General & Administrative
Support and Revenue	\$ 399,217	* \$ 1,543,108	\$ 446,624	\$ 716,858	\$ 22,108	\$ 50,000	\$ 3,177,915	\$ -	\$ 31,092	\$ 3,209,007
Cost of Sales:										
Labor		185,024	86,832	-	6,505	-	278,361			278,361
Racing Forms	36,004						36,004			36,004
Parking		116,142			2,163		118,305			118,305
Entertainment					4,575		4,575			4,575
Equipment Rental		56,016	3,093		3,644		62,753			62,753
Food & Beverages			55,359	4,792	1,242		61,392			61,392
Sponsorship-Exchange										
Bingo-Regular				195,796			195,796			195,796
Bingo-Flash cards				430,484			430,484			430,484
Sub-Contractor		4,647			4,000		8,647			8,647
Commission		206	3,475		238		3,919			3,919
Other										
Material		2,408		(500)	209		2,117			2,117
Admission Clerks										
Awards and Trophies										
Ticketing Services										
Judges										
Defer Expenses										
Total Cost of Sales	36,004	364,443	148,759	630,572	22,576	-	1,202,354	-	-	1,202,354
Direct Expenses:										
Payroll and employee benefits	98,592	28,284	49,666	-	-	-	176,541	162,300	-	338,841
Facility	61,681	-	-	-	-	36	61,717	82,693	-	144,410
Repairs and maintenance	2,533	-	900	-	-	-	3,433	18,791	5,910	28,134
Security and sheriff	32,922	720	2,430	5,873	1,323	-	43,267	34,628	-	77,895
Depreciation								37,398	-	37,398
Other	18,466	21,455	25,136	3,072	10,620	1,127	79,876	41,091	7,675	128,643
Reimbursed expenses										
Total Direct Expenses	214,194	50,459	78,132	8,944	11,943	1,163	364,835	376,901	13,586	755,321
Gross Profit (Loss)	149,020	1,128,206	219,733	77,341	(12,411)	48,837	1,610,726	(376,901)	17,506	1,251,332
General and Administrative Expenses:										
Labor and benefits	85,246	72,479	55,112	-	12,999	27,135	252,970	45,996	320,695	619,660
Professional Services									40,235	40,235
Marketing	2,377	17,379	1,387		2,926	59,637	83,706		17,874	101,580
Insurance						226	226	64,935	1,685	66,846
Depreciation								47,397		47,397
Deferred Costs										
Other	15,414	3,388	7,890	9,300	3,512	10,092	49,595	14,736	56,581	120,913
Total General and Administrative Expenses	103,036	93,246	63,001	10,687	19,437	97,090	386,497	173,063	437,070	996,631
Change in Unrestricted Net Assets (Deficit)	\$ 45,984	\$ 1,034,960	\$ 156,732	\$ 66,654	\$ (31,848)	\$ (48,252)	\$ 1,224,229	\$ (549,964)	\$ (419,564)	\$ 254,702

** Note: Events Support & Revenue includes Anchor Licensees, Parking, RV Park & RV Storage & Boats.

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES

Year to date as of April 30, 2018

	Program Services							Total		
	OFF Track Betting	Events	Food & Beverages	Hosted Events	Special Events	County Fair	Total Program Services		Facility	General & Administrative
Support and Revenue	\$ 419,582	\$ 1,142,361	\$ 123,698	\$ 663,152	\$ 56,458	\$ 13,000	\$ 2,418,251	\$ -	\$ 30,969	\$ 2,449,221
Cost of Sales:										
Labor		48,553	570		14,267		63,390			63,390
Racing Forms	39,935						39,935			39,935
Parking		5,497					5,497			5,497
Entertainment					2,500		2,500			2,500
Equipment Rental		3,202	231		1,935		5,368			5,368
Food & Beverages			30,232	9,434	10,948		50,614			50,614
Sponsorship-Exchange										
Bingo-Regular				150,704			150,704			150,704
Bingo-Flash cards				422,418			422,418			422,418
Sub-Contractor					3,400	100	3,500			3,500
Commission		1,123			3,570		9,872			9,872
Other										
Material		50			2,400		2,450			2,450
Administration Clerks										
Awards and Trophies										
Ticketing Services										
Judges										
Defer Expenses										
Total Cost of Sales	39,935	58,425	36,211	582,556	39,020	100	756,248	-	-	756,248
Direct Expenses:										
Payroll and employee benefits	98,852	42,635	60,165				201,652	260,870		462,522
Facility	63,811	1,111	1,111				66,033	85,072		151,104
Repairs and maintenance	4,357		1,029	201	201		5,789	46,127	885	52,801
Security and sheriff	27,488	168	2,391	6,030	936		37,013	53,179	495	90,687
Depreciation								35,909		35,909
Other	7,702	7,291	9,014	282	8,829	4,197	37,314	14,602	5,582	57,499
Reimbursed expenses										
Total Direct Expenses	202,211	51,204	73,710	6,513	9,966	4,197	347,801	495,760	6,962	850,522
Gross Profit (Loss)	177,436	1,032,732	13,777	74,083	7,472	8,703	1,314,203	(495,760)	24,008	842,451
General and Administrative Expenses:										
Labor and benefits	71,448	95,852	46,298				299,557	13,749	257,658	570,963
Professional Services									23,209	23,209
Marketing	1,188			3,140	7,386	2,383	14,096		1,004	15,100
Insurance									1,334	1,334
Depreciation										
Deferred Costs										
Other	15,780	13,495	9,218	5,441	5,508	2,319	51,761	5,355	38,747	95,863
Total General and Administrative Expenses	88,416	109,348	55,517	8,581	12,893	96,660	371,414	121,261	321,951	814,627
Change in Unrestricted Net Assets (Deficit)	\$ 89,021	\$ 923,384	\$ (41,739)	\$ 65,502	\$ (5,422)	\$ (87,957)	\$ 942,789	\$ (617,021)	\$ (297,944)	\$ 27,823

** Note: Events Support & Revenue includes Anchor Licensees, Parking, RV Park & RV Storage & Boats.

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF FINANCIAL POSITION
Year to date as of April 30, 2019 and 2018

ASSETS	2019	2018
Current Assets		
Cash and cash equivalent	\$ 697,966	\$ 575,539
Accounts Receivable	462,681	345,103
Inventory	0	0
Prepaid Expenses	719,973	271,949
Total current assets	\$ 1,880,620	\$ 1,192,590
Property and Equipment, net	1,365,196	1,342,064
Total assets	\$ 3,245,817	\$ 2,534,655
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 346,840	\$ 151,648
Accrued liabilities	651,186	436,744
Deferred revenue	0	0
Deferred revenue, nonmonetary exchange, current	3,000	3,000
US Bank Equipment Loan payable	13,346	0
Loans payable, current portion	35,343	35,343
Note payable-related party current portion	8,000	8,000
Customer deposits	163,956	255,495
Total current liabilities	\$ 1,221,671	\$ 890,230
Long term liabilities		
Deferred revenue, nonmonetary exchange, net of current portion	230,656	230,656
Note payable-related party, net of current portion	5,533	13,533
US Bank Equipment Loan net of current portion	38,829	0
Loans payable, net of current portion	31,269	67,101
Total long-term liabilities	306,287	311,290
Total liabilities	\$ 1,527,958	\$ 1,201,520
Unrestricted net assets	\$ 1,717,858	\$ 1,333,135
Total liabilities and net assets	\$ 3,245,817	\$ 2,534,655

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF CASH FLOWS
Year to date as of April 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 254,702	\$ 27,823
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expenses	84,795	79,836
Accounts Receivable	(70,324)	(62,798)
Prepaid Expenses	(422,910)	(153,903)
Accounts payable	139,946	(9,707)
Accrued liabilities	65,228	36,367
Deferred revenue	(107,652)	89,919
Accrued Wages	9,356	(19,798)
Net cash provided by operating activities	<u>(46,860)</u>	<u>(12,260)</u>
Cash flows from investing activities		
Acquisition of property and equipment	(32,089)	(7,189)
Sale of property and equipment	-	-
Net cash used in investing activities	<u>(32,089)</u>	<u>(7,189)</u>
Cash flows from financing activities		
Payment of note payable-related party	-	-
Payment of loan payable	-	-
Proceeds from loan	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalent	(78,949)	(19,449)
Cash and cash equivalent, January 1	<u>776,915</u>	<u>594,988</u>
Cash and cash equivalent, April 30	<u><u>\$ 697,966</u></u>	<u><u>\$ 575,539</u></u>