

SANTA CLARA COUNTY FAIRGROUNDS

SCCFMC

MANAGEMENT CORPORATION, INC.

Statement of Financial Position

February 28, 2019



**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT
CORPORATION (SCCFMC)
FINANCIAL HIGHLIGHTS
YEAR TO DATE AS OF FEBRUARY 28, 2019**

Actual revenues year to date in February, totaled \$1,602,216 or \$394,369 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 \$220,615, reflecting primarily labor allocated from Expenses of Maintaining Facilities and labor costs resulting from additional services provided for events. General and Administrative actual expenses of \$223,621 exceeded budget by \$5,257, due to an increase in advertising & promotion costs.

In summary, SCCFMC has a profit of \$188,291 compared to the budgeted Net Loss of (\$56,866) resulting in a favorable variance of \$245,157 year to date as of February, 2019:

Favorable Variance:

County Fair Contribution Margin	\$ 8,107
Parking Contribution Margin	108,870
Food & Beverage Contribution Margin	141,090
RV Park & Storage Contribution Margin	13,138
Other Revenue	30,771
Expenses of Maintaining Facilities	76,660

Unfavorable variance:

General & Administrative Expenses	(5,257)
OTB Contribution Margin	(1,489)
Events Contribution Margin	(96,753)
Anchor Licensee Contribution Margin	(17,772)
Hosted Events Contribution Margin	(6,325)
Special Events Contribution Margin	<u>(5,883)</u>

Total favorable variance over budget \$ 245,157

Cash position at February 28, 2019

SCCFMC's total cash balance as of February 28, 2019 is \$753,551 compared with the prior year's (2018) cash balance total of \$479,232, is a result of increased revenues generated in February from program services. SCCFMC's current ratio is 1.46 for 2019 compared to 1.29 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 FEBRUARY 28, 2019

	Anchor		Off Track		Hosted		Parking		RV Park & Events		Food & Beverage		Special Events		The County Fair		Facilities, General & Admin		Actual		Budget		Variance			
	Tenants		Betting	Events	Events	Storage	Events	Events	Events	Events	Events	Events	Events	Events	Events	County Fair	General & Admin	Total	Total	Total	Total	Total	Total	Total	Total	
Revenues	\$ 302,597	\$ 196,021	\$ 305,781	\$ 208,355	\$ 97,535	\$ 147,380	\$ 313,776	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 30,771	\$ 1,602,216	\$ 1,207,847	\$ 394,369									
Cost of Sales*	\$ 585	\$ 17,811	\$ 270,790	\$ 63,457	\$ 117,626	\$ 101,748	\$ 2,134	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 0.0192	\$ 574,151	\$ 323,246	\$ 250,905									
% of Revenues	0%	9%	89%	30%	0%	80%	32%	0%	0%	0%	0%	0%	0%	0%	36%	27%										
Gross Profit	\$ 302,013	\$ 178,210	\$ 34,991	\$ 144,898	\$ 97,535	\$ 29,754	\$ 212,028	\$ (2,134)	\$ 0%	\$ 0%	\$ 0%	\$ 0%	\$ 0%	\$ 0%	\$ 1,028,065	\$ 884,601	\$ 143,464									
% of Revenues	100%	91%	11%	70%	100%	20%	68%	0%	0%	0%	0%	0%	0%	0%	64%	73%										
Direct Cost	\$ 1,087	\$ 155,639	\$ 11,636	\$ 10,142	\$ 8,521	\$ 56,634	\$ 75,604	\$ 14,633	\$ 22,660	\$ 0%	\$ 0%	\$ 0%	\$ 0%	\$ 0%	\$ 356,554	\$ 386,844	\$ (30,290)									
% of Revenues	0%	79%	4%	5%	9%	38%	24%	0%	0%	0%	0%	0%	0%	0%	22%	32%										
Contribution by Profit Center	\$ 300,926	\$ 22,572	\$ 23,355	\$ 134,757	\$ 89,014	\$ (26,880)	\$ 136,424	\$ (16,767)	\$ (22,660)	\$ 0%	\$ 0%	\$ 0%	\$ 0%	\$ 0%	\$ 671,511	\$ 497,757	\$ 173,754									
% of Revenues	99%	12%	8%	65%	91%	-18%	43%	0%	0%	0%	0%	0%	0%	42%	41%											
Expenses																										
Facilities															\$ 259,599	\$ 336,259	\$ 76,660									
% of Revenues														N/A	16%	28%										
General & Administration															\$ 223,621	\$ 218,364	\$ (5,257)									
% of Revenues														N/A	14%	18%										
Net Income/(Loss)															\$ 188,291	\$ (56,866)	\$ 245,157									
% of Revenues															12%	-5%										

*Variable Cost

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF ACTIVITIES
Year to date as of February 28, 2019
Actual vs Budget

	2019		
	Actual	Budget	Variance
Support and revenue			
**Events	\$ 755,867	\$ 625,887	\$ 129,980
Off-Track Betting	196,021	198,998	(2,977)
Food & Beverages	313,776	85,439	228,337
County Fair	0	0	0
Hosted Events	305,781	297,523	8,258
Special Events	0	0	0
General and Administrative	30,771	0	30,771
Total support & revenue	<u>\$ 1,602,216</u>	<u>\$ 1,207,847</u>	<u>\$ 394,369</u>
Expenses			
Program Services	\$ 930,705	\$ 710,090	\$ (220,615)
Facilities	259,599	336,259	76,660
General & Administrative	223,621	218,364	(5,257)
Total expenses	<u>\$ 1,413,924</u>	<u>\$ 1,264,713</u>	<u>\$ (149,211)</u>
Change in unrestricted net assets before exceptional other income	\$ 188,291	\$ (56,866)	\$ 245,157
Exceptional other income	<u>0</u>	<u>0</u>	<u>0</u>
Change in unrestricted net assets	\$ 188,291	\$ (56,866)	\$ 245,157
Unrestricted net assets, January 1	<u>1,432,593</u>	<u>1,432,593</u>	<u>0</u>
Unrestricted net assets, February 28	<u>\$ 1,620,884</u>	<u>\$ 1,375,727</u>	<u>\$ 245,157</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 February 28, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Support and revenue		
**Events	\$ 755,867	\$ 547,031
Off-Track Betting	196,021	198,808
Food & Beverages	313,776	41,109
County Fair	0	0
Hosted Events	305,781	292,642
Special Events	0	0
General and Administrative	30,771	321
Total support & revenue	<u>\$ 1,602,216</u>	<u>\$ 1,079,911</u>
Expenses		
Program Services	930,705	606,065
Facilities	259,599	328,791
General & Administrative	223,621	163,777
Total expenses	<u>\$ 1,413,924</u>	<u>\$ 1,098,633</u>
Change in unrestricted net assets before exceptional other income	\$ 188,291	\$ (18,722)
Exceptional other income	<u>0</u>	<u>0</u>
Change in unrestricted net assets	\$ 188,291	\$ (18,722)
Unrestricted net assets, January 1	<u>\$ 1,432,593</u>	<u>\$ 1,358,267</u>
Unrestricted net assets, February 28	<u>\$ 1,620,884</u>	<u>\$ 1,339,544</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 February 28, 2019

	Program Services							Total
	OFF Track Betting	**Events	Food & Beverages	Hosted Events	Special Events	County Fair	Total Program Services	
Support and Revenue	\$ 196,021	* \$ 755,867	\$ 313,776	\$ 305,781	\$ -	\$ -	\$ 1,571,445	\$ 1,602,216
Cost of Sales:								
Labor		113,502	40,560				154,062	154,062
Racing Forms	17,811						17,811	17,811
Parking		36,132					36,132	36,132
Entertainment					1,600		1,600	1,600
Equipment Rental		25,170	2,201	(500)	534		27,905	27,905
Food & Beverages			58,193				57,693	57,693
Sponsorship-Exchange								
Bingo-Regular				86,484			86,484	86,484
Bingo-Flash cards				185,306			185,306	185,306
Sub-Contractor		4,647					4,647	4,647
Commission		206	794				999	999
Other								
Material		2,011		(500)			1,511	1,511
Admission Clerks								
Awards and Trophies								
Ticketing Services								
Judges								
Defer Expenses								
Total Cost of Sales	<u>17,811</u>	<u>181,667</u>	<u>101,748</u>	<u>270,790</u>	<u>2,134</u>	<u>-</u>	<u>574,151</u>	<u>574,151</u>
Direct Expenses:								
Payroll and employee benefits	51,527	15,525	25,854				92,905	151,079
Facility	31,749						31,749	73,452
Repairs and maintenance	1,534		680				2,214	19,672
Security and sheriff	14,930		2,295	2,538			19,782	37,452
Depreciation								18,699
Other	3,079	13,493	13,220	4,404	1,867	927	36,991	70,406
Reimbursed expenses								
Total Direct Expenses	<u>102,819</u>	<u>29,018</u>	<u>42,049</u>	<u>6,962</u>	<u>1,867</u>	<u>927</u>	<u>183,641</u>	<u>370,760</u>
Gross Profit (Loss)	<u>75,392</u>	<u>545,182</u>	<u>169,979</u>	<u>28,029</u>	<u>(4,002)</u>	<u>(927)</u>	<u>813,653</u>	<u>657,305</u>
General and Administrative Expenses:								
Labor and benefits	43,562	34,242	29,223		9,223	18,577	134,828	309,476
Professional Services								14,450
Marketing	1,429	10,899		894	2,469	969	16,659	27,810
Insurance								814
Depreciation								32,467
Deferred Costs								23,283
Other	7,829	2,224	4,331	3,780	1,074	2,188	21,426	60,713
Total General and Administrative Expenses	<u>52,820</u>	<u>47,365</u>	<u>33,554</u>	<u>4,674</u>	<u>12,766</u>	<u>21,734</u>	<u>172,913</u>	<u>469,014</u>
Change in Unrestricted Net Assets (Deficit)	<u>\$ 22,572</u>	<u>\$ 497,817</u>	<u>\$ 136,424</u>	<u>\$ 23,355</u>	<u>\$ (16,767)</u>	<u>\$ (22,660)</u>	<u>\$ 640,740</u>	<u>\$ 188,291</u>

** 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 February 28, 2019 and 2018

ASSETS	2019	2018
Current Assets		
Cash and cash equivalent	\$ 753,551	\$ 479,232
Accounts Receivable	551,768	297,033
Inventory	0	0
Prepaid Expenses	755,942	454,494
Total current assets	<u>\$ 2,061,262</u>	<u>\$ 1,230,758</u>
Property and Equipment, net	<u>1,285,339</u>	<u>1,378,146</u>
Total assets	<u><u>\$ 3,346,601</u></u>	<u><u>\$ 2,608,904</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 439,281	\$ 243,782
Accrued liabilities	626,604	468,780
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	285,223	192,201
Total current liabilities	<u>1,410,797</u>	<u>951,106</u>
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	41,054	0
Loans payable, net of current portion	37,678	74,066
Total long-term liabilities	<u>314,920</u>	<u>318,255</u>
Total liabilities	<u>\$ 1,725,717</u>	<u>\$ 1,269,360</u>
Unrestricted net assets	<u>\$ 1,620,884</u>	<u>\$ 1,339,544</u>
Total liabilities and net assets	<u><u>\$ 3,346,601</u></u>	<u><u>\$ 2,608,904</u></u>

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF CASH FLOWS
Year to date as of February 28, 2019 AND 2018

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ 188,291	\$ (18,722)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expenses	41,982	39,961
Accounts Receivable	(172,313)	(43,645)
Prepaid Expenses	(346,459)	(254,575)
Accounts payable	232,386	82,428
Accrued liabilities	96,048	59,068
Deferred revenue	(69,696)	26,625
Accrued Wages	28,237	(3,499)
Net cash provided by operating activities	<u>(1,524)</u>	<u>(112,360)</u>
Cash flows from investing activities		
Acquisition of property and equipment	(21,840)	(3,396)
Sale of property and equipment	-	-
Net cash used in investing activities	<u>(21,840)</u>	<u>(3,396)</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	(23,364)	(115,757)
Cash and cash equivalent, January 1	<u>776,915</u>	<u>594,988</u>
Cash and cash equivalent, February 28	<u><u>\$ 753,552</u></u>	<u><u>\$ 479,232</u></u>