

SANTA CLARA COUNTY FAIRGROUNDS

SCCFMC

MANAGEMENT CORPORATION, INC.

Statement of Financial Position

March 31, 2019



**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT
CORPORATION (SCCFMC)
FINANCIAL HIGHLIGHTS
YEAR TO DATE AS OF MARCH 31, 2019**

Actual revenues year to date as of March 31, 2019, totaled \$2,612,677 or \$565,852 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 \$294,821, 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 \$333,949 exceeded budget by \$6,403, due to an increase in advertising & promotion costs.

In summary, SCCFMC has a profit of \$369,103 compared to the budgeted Net Income of \$10,558 resulting in a favorable variance of \$358,545 year to date as of March, 2019:

Favorable Variance:

County Fair Contribution Margin	\$ 19,570
Parking Contribution Margin	149,675
Food & Beverage Contribution Margin	171,432
RV Park & Storage Contribution Margin	16,461
Other Revenue	30,887
Expenses of Maintaining Facilities	93,917

Unfavorable variance:

General & Administrative Expenses	(6,403)
OTB Contribution Margin	(1,421)
Events Contribution Margin	(43,406)
Anchor Licensee Contribution Margin	(31,469)
Hosted Events Contribution Margin	(9,585)
Special Events Contribution Margin	<u>(31,113)</u>

Total favorable variance over budget	<u>\$ 358,545</u>
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Cash position at March 31, 2019

SCCFMC's total cash balance as of March 31, 2019 is \$652,280 compared with the prior year's (2018) cash balance total of \$655,511. The reduction in the cash balance is a result of the timing difference in cash received for revenues generated in March from program services. SCCFMC's current ratio is 1.68 for 2019 compared to 1.36 in 2018 which reflects SCCFMC's ability to pay its current liabilities.

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF ACTIVITIES
Year to date as of March 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Support and revenue		
**Events	\$ 1,320,269	\$ 878,146
Off-Track Betting	306,501	299,495
Food & Beverages	431,866	84,290
County Fair	0	13,000
Hosted Events	500,967	97,459
Special Events	22,188	56,458
General and Administrative	30,887	30,873
Total support & revenue	<u>\$ 2,612,677</u>	<u>\$ 1,459,721</u>
Expenses		
Program Services	1,509,546	713,570
Facilities	400,079	471,207
General & Administrative	333,949	246,851
Total expenses	<u>\$ 2,243,572</u>	<u>\$ 1,431,627</u>
Change in unrestricted net assets before exceptional other income	\$ 369,103	\$ 28,094
Exceptional other income	<u>0</u>	<u>0</u>
Change in unrestricted net assets	\$ 369,103	\$ 28,094
Unrestricted net assets, January 1	<u>1,463,157</u>	<u>\$ 1,305,312</u>
Unrestricted net assets, March 31	<u>\$ 1,832,260</u>	<u>\$ 1,333,406</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 March 31, 2019
Actual vs Budget

	2019		
	Actual	Budget	Variance
Support and revenue			
**Events	\$ 1,320,269	\$ 983,879	\$ 336,390
Off-Track Betting	306,501	300,191	6,310
Food & Beverages	431,866	145,517	286,349
County Fair	0	0	0
Hosted Events	500,967	499,688	1,279
Special Events	22,188	117,550	(95,362)
General and Administrative	30,887	0	30,887
Total support & revenue	<u>\$ 2,612,677</u>	<u>\$ 2,046,825</u>	<u>\$ 565,852</u>
Expenses			
Program Services	\$ 1,509,546	\$ 1,214,725	\$ (294,821)
Facilities	400,079	493,996	93,917
General & Administrative	333,949	327,546	(6,403)
Total expenses	<u>\$ 2,243,572</u>	<u>\$ 2,036,267</u>	<u>\$ (207,305)</u>
Change in unrestricted net assets before exceptional other income	\$ 369,103	\$ 10,558	\$ 358,545
Exceptional other income	<u>0</u>	<u>0</u>	<u>0</u>
Change in unrestricted net assets	\$ 369,103	\$ 10,558	\$ 358,545
Unrestricted net assets, January 1	<u>1,463,157</u>	<u>1,463,157</u>	<u>0</u>
Unrestricted net assets, March 31	<u>\$ 1,832,260</u>	<u>\$ 1,473,715</u>	<u>\$ 358,545</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 March 31, 2019

	Program Services							Total
	OFF Track Betting	**Events	Food & Beverages	Hosted Events	Special Events	County Fair	Total Program Services	
Support and Revenue	\$ 306,501	* \$ 1,320,269	\$ 431,866	\$ 500,967	\$ 22,188	\$ -	\$ 2,581,790	\$ 2,612,677
Cost of Sales:								
Labor		166,852	86,688	-	6,505	-	260,045	260,045
Racing Forms	27,984						27,984	27,984
Parking		115,348			2,163	-	117,511	117,511
Entertainment					4,575		4,575	4,575
Equipment Rental		56,016	2,512		3,644		62,172	62,172
Food & Beverages			53,536	4,125	1,242		58,903	58,903
Sponsorship-Exchange								
Bingo-Regular				137,897			137,897	137,897
Bingo-Flash cards				299,869			299,869	299,869
Sub-Contractor		4,647			4,000		8,647	8,647
Commission		206	2,685		238		3,128	3,128
Other								
Material		2,408		(500)	209		2,117	2,117
Admission Clerks								
Awards and Trophies								
Ticketing Services								
Judges								
Defer Expenses								
Total Cost of Sales	27,984	345,476	145,421	441,391	22,576	-	982,849	982,849
Direct Expenses:								
Payroll and employee benefits	74,660	19,824	37,258				131,743	238,161
Facility	47,265						47,265	108,996
Repairs and maintenance	2,434	-	680				3,114	24,922
Security and sheriff	24,212	720	2,295	4,343	1,323		32,892	58,970
Depreciation								28,049
Other	14,555	17,748	18,135	2,355	10,656	1,127	64,575	108,386
Reimbursed expenses								
Total Direct Expenses	163,127	38,292	58,368	6,697	11,979	1,127	279,590	567,483
Gross Profit (Loss)	115,390	936,500	228,077	52,878	(12,367)	(1,127)	1,319,352	1,062,345
General and Administrative Expenses:								
Labor and benefits	64,037	53,823	42,388		11,084	22,299	193,632	464,143
Professional Services								18,617
Marketing	1,716	14,139		894	2,926	969	20,644	35,755
Insurance								49,923
Depreciation								1,222
Deferred Costs								35,288
Other	11,577	2,939	5,956	6,660	3,512	2,188	32,832	89,516
Total General and Administrative Expenses	77,330	70,902	48,344	7,554	17,522	25,456	247,108	693,242
Change in Unrestricted Net Assets (Deficit)	\$ 38,060	\$ 865,598	\$ 179,733	\$ 45,325	\$ (29,889)	\$ (26,582)	\$ 1,072,245	\$ 369,103

** 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 March 31, 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	\$ 299,495	\$ 878,146	\$ 84,290	\$ 97,459	\$ 56,458	\$ 13,000	\$ 1,428,848	\$ -	\$ 30,873	\$ 1,459,721
Cost of Sales:										
Labor		35,401	570	-	14,267		50,238			50,238
Racing Forms	28,224						28,224			28,224
Parking										
Entertainment					2,500		2,500			2,500
Equipment Rental		1,729	155				1,729			1,729
Food & Beverages			20,976	6,859	10,948		38,783			38,783
Sponsorship-Exchange										
Bingo-Regular				10,845			10,845			10,845
Bingo-Flash cards				20,815			20,815			20,815
Sub-Contractor					3,400	100	3,500			3,500
Commission		1,123	3,625		3,570		8,318			8,318
Other		50			2,400		2,450			2,450
Material										
Admission Clerks										
Awards and Trophies										
Ticketing Services										
Judges										
Defer Expenses										
Total Cost of Sales	28,224	38,149	25,325	38,519	37,085	100	167,403	-	-	167,403
Direct Expenses:										
Payroll and employee benefits	73,817	35,323	46,766				155,906	196,647		352,553
Facility	48,716	879	879				50,473	63,575		114,049
Repairs and maintenance	2,511		903	201	201		3,816	35,438	885	40,139
Security and sheriff	20,572	168	168	4,530	936		26,374	44,629	495	71,498
Depreciation								26,932		26,932
Other	5,590	6,062	6,577	282	8,829	388	27,727	8,620	5,582	41,929
Reimbursed expenses										
Total Direct Expenses	151,205	42,432	55,292	5,013	9,966	388	264,297	375,842	6,962	647,100
Gross Profit (Loss)	120,066	797,565	3,673	53,927	9,407	12,512	997,149	(375,842)	23,911	645,219
General and Administrative Expenses:										
Labor and benefits	53,399	71,918	32,717				221,720	13,749	189,503	424,973
Professional Services									19,754	19,754
Marketing	430			3,140	7,386	2,183	13,138		4	13,142
Insurance								43,340	1,334	44,674
Depreciation						6,000	6,000	32,922		38,922
Deferred Costs										
Other	12,018	9,633	8,091	4,061	5,158	2,051	41,012	5,355	29,294	75,660
Total General and Administrative Expenses	65,847	81,551	40,809	7,201	12,543	73,920	281,871	95,365	239,889	617,125
Change in Unrestricted Net Assets (Deficit)	\$ 54,219	\$ 716,014	\$ (37,135)	\$ 46,726	\$ (3,137)	\$ (61,408)	\$ 715,279	\$ (471,207)	\$ (215,978)	\$ 28,094

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF FINANCIAL POSITION
Year to date as of March 31, 2019 and 2018

	ASSETS	2019	2018
Current Assets			
Cash and cash equivalent		\$ 652,280	\$ 655,511
Accounts Receivable		743,408	291,117
Inventory		0	0
Prepaid Expenses		761,333	344,785
Total current assets		\$ 2,157,021	\$ 1,291,413
Property and Equipment, net		1,270,173	1,305,615
Total assets		\$ 3,427,195	\$ 2,597,028
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable		\$ 415,172	\$ 188,522
Accrued liabilities		645,514	484,343
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	229,642
Total current liabilities		\$ 1,284,331	\$ 948,850
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		39,942	0
Loans payable, net of current portion		34,473	70,583
Total long-term liabilities		310,604	314,772
Total liabilities		\$ 1,594,935	\$ 1,263,623
Unrestricted net assets		\$ 1,832,260	\$ 1,333,406
Total liabilities and net assets		\$ 3,427,195	\$ 2,597,027

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF CASH FLOWS
Year to date as of March 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 369,103	\$ 28,094
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expenses	63,337	59,853
Accounts Receivable	(351,899)	(8,812)
Prepaid Expenses	(351,850)	(172,590)
Accounts payable	208,277	27,168
Accrued liabilities	139,053	37,080
Deferred revenue	(190,115)	104,727
Accrued Wages	17,487	(10,091)
Net cash provided by operating activities	<u>(96,606)</u>	<u>65,430</u>
Cash flows from investing activities		
Acquisition of property and equipment	(28,029)	(4,907)
Sale of property and equipment	-	-
Net cash used in investing activities	<u>(28,029)</u>	<u>(4,907)</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	(124,635)	60,523
Cash and cash equivalent, January 1	<u>776,915</u>	<u>594,988</u>
Cash and cash equivalent, March 31	<u>\$ 652,281</u>	<u>\$ 655,511</u>