

SANTA CLARA COUNTY FAIRGROUNDS

**SCCFMC**

MANAGEMENT CORPORATION, INC.

## Statement of Financial Position

MAY 31, 2019



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

Actual revenues year to date as of May 31, 2019, totaled \$4,161,999 or \$601,514 more than budget. The favorable variance is attributable to the increase in sales of food & beverages and parking for the Amazon, Frias Concert, Cinco de Mayo and Cirque Du Soleil events.

Cost of Program Services (including cost of sales & direct costs) were unfavorable to budget by \$500,559, 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 \$373,390 compared to the budgeted Net Income of \$147,423 resulting in a favorable variance of \$225,967 year to date as of May, 2019:

**Favorable Variance:**

Parking Contribution Margin	146,077
Food & Beverage Contribution Margin	151,939
Other Revenue	31,140
Expenses of Maintaining Facilities	129,641

**Unfavorable variance:**

General & Administrative Expenses	( 4,630 )
OTB Contribution Margin	( 39,840 )
Events Contribution Margin	( 26,011 )
County Fair Contribution Margin	( 29,834 )
RV Park & Storage Contribution Margin	( 14,275 )
Anchor Licensee Contribution Margin	( 81,363 )
Hosted Event-Bingo Contribution Margin	( 10,034 )
Special Events Contribution Margin	<u>( 26,843 )</u>

**Total favorable variance over budget \$ 225,967**

**Cash position at May 31, 2019**

SCCFMC's total cash balance as of May 31, 2019 is \$715,142 compared with the prior year's (2018) cash balance total of \$758,798. The decrease in the cash balance is a result of investing in capital improvements. SCCFMC's current ratio is 1.55 for 2019 compared to 1.56 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 MAY 31, 2019

	Anchor	Off Track		Hosted	Parking	RV Park & Storage	Events	Food & Beverage	Special Events	The County Fair	Facilities, General & Admin		Actual Total	Budget Total	Variance from Budget
		Tenants	Betting								Event-Bingo	Admin			
Revenues	\$ 725,152	\$ 521,110	\$ 924,429	\$ 523,420	\$ 211,334	\$ 211,334	\$ 483,053	\$ 670,254	\$ 22,108	\$ 50,000	\$ 31,140	\$ 4,161,999	\$ 3,560,485	\$ 601,514	
Cost of Sales*	\$ 0.1742	\$ 0.1252	\$ 0.2221	\$ 0.1258	\$ 0.0508	\$ 0.0508	\$ 0.1161	\$ 0.1610	\$ 0.0053	\$ 0.0120	\$ 0.0075	\$ 1,581,675	\$ 1,037,699	\$ 543,976	
% of Revenues	0%	9%	88%	42%	0%	0%	48%	33%	0%	0%	131	38%	29%		
Gross Profit	\$ 723,797	\$ 474,492	\$ 109,723	\$ 302,273	\$ 211,334	\$ 211,334	\$ 253,442	\$ 452,222	\$ (468)	\$ 22,500	\$ 31,009	\$ 2,580,324	\$ 2,522,786	\$ 57,538	
% of Revenues	100%	91%	12%	58%	100%	100%	52%	67%	0%	0%	62%	71%			
Direct Cost	\$ 8,416	\$ 401,154	\$ 24,075	\$ 30,923	\$ 24,221	\$ 24,221	\$ 115,947	\$ 190,333	\$ 36,036	\$ 129,254	\$ -	\$ 960,359	\$ 1,003,646	\$ (43,287)	
% of Revenues	1%	77%	3%	6%	11%	11%	24%	28%	0%	0%	23%	28%			
Contribution by Profit Center	\$ 715,382	\$ 73,337	\$ 85,648	\$ 271,349	\$ 187,113	\$ 187,113	\$ 137,495	\$ 261,888	\$ (36,504)	\$ (106,754)	\$ 31,009	\$ 1,619,965	\$ 1,519,140	\$ 100,825	
% of Revenues	99%	14%	9%	52%	89%	89%	28%	39%	0%	0%	39%	43%			
Expenses															
Facilities															
% of Revenues												\$ 696,166	\$ 825,807	\$ 129,641	
General & Administration												N/A	17%	23%	
% of Revenues												\$ 550,409	\$ 545,910	\$ (4,499)	
												N/A	13%	15%	
Net Income/(Loss)												\$ 373,390	\$ 147,423	\$ 225,967	
% of Revenues												9%	4%		

\*Variable Cost

**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP**  
**STATEMENT OF ACTIVITIES**  
**Year to date as of May 31, 2019**  
**Actual vs Budget**

	<b>2019</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Support and revenue			
**Events	\$ 1,942,959	\$ 1,653,118	\$ 289,841
Off-Track Betting	521,110	550,774	(29,664)
Food & Beverages	670,254	377,444	292,810
County Fair	50,000	0	50,000
Hosted Event-Bingo	924,429	861,599	62,830
Special Events	22,108	117,550	(95,442)
General and Administrative	31,140	0	31,140
Total support & revenue	<u>\$ 4,161,999</u>	<u>\$ 3,560,485</u>	<u>\$ 601,514</u>
Expenses			
Program Services	\$ 2,541,904	\$ 2,041,345	\$ (500,559)
Facilities	696,166	825,807	129,641
General & Administrative	550,540	545,910	(4,630)
Total expenses	<u>\$ 3,788,608</u>	<u>\$ 3,413,062</u>	<u>\$ (375,546)</u>
Change in unrestricted net assets before exceptional other income	\$ 373,390	\$ 147,423	\$ 225,967
Exceptional other income	<u>0</u>	<u>0</u>	<u>0</u>
Change in unrestricted net assets	\$ 373,390	\$ 147,423	\$ 225,967
Unrestricted net assets, January 1	<u>1,463,157</u>	<u>1,463,157</u>	<u>0</u>
Unrestricted net assets, May 31	<u>\$ 1,836,547</u>	<u>\$ 1,610,580</u>	<u>\$ 225,967</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 May 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Support and revenue		
**Events	\$ 1,942,959	\$ 1,452,853
Off-Track Betting	521,110	550,800
Food & Beverages	670,254	279,891
County Fair	50,000	21,757
Hosted Event-Bingo	924,429	844,027
Special Events	22,108	56,458
General and Administrative	31,140	31,157
Total support & revenue	<u>\$ 4,161,999</u>	<u>\$ 3,236,942</u>
Expenses		
Program Services	2,541,904	1,894,873
Facilities	696,166	767,560
General & Administrative	550,540	411,063
Total expenses	<u>\$ 3,788,608</u>	<u>\$ 3,073,496</u>
Change in unrestricted net assets before exceptional other income	\$ 373,390	\$ 163,447
Exceptional other income	<u>0</u>	<u>0</u>
Change in unrestricted net assets	\$ 373,390	\$ 163,447
Unrestricted net assets, January 1	<u>1,463,157</u>	<u>\$ 1,305,312</u>
Unrestricted net assets, May 31	<u>\$ 1,836,547</u>	<u>\$ 1,468,759</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 May 31, 2019

	Program Services							Total		
	OFF Track Betting	**Events	Food & Beverages	Hosted Event-Bingo	Special Events	County Fair	Total Program Services		Facility	General & Administrative
<b>Support and Revenue</b>	\$ 521,110	* \$ 1,942,959	\$ 670,254	\$ 924,429	\$ 22,108	\$ 50,000	\$ 4,130,859	\$ -	\$ 31,140	\$ 4,161,999
<b>Cost of Sales:</b>										
Labor		239,049	114,590		6,505		360,144			360,144
Racing Forms	46,618						46,618			46,618
Parking		127,182			2,163		129,345			129,345
Entertainment		69,618	3,093		4,575	27,500	32,075			32,075
Equipment Rental			95,714		3,644		76,355			76,486
Food & Beverages				8,391	1,242		105,347		131	105,347
Sponsorship-Exchange										
Bingo-Regular				248,047			248,047			248,047
Bingo-Flash cards				558,767			558,767			558,767
Sub-Contractor		6,507			4,000		10,507			10,507
Commission		206	4,635		238		5,079			5,079
Other		9,551		(500)	209		9,260			9,260
Material										
Admission Clerks										
Awards and Trophies										
Ticketing Services										
Judges										
Defer Expenses										
<b>Total Cost of Sales</b>	<u>46,618</u>	<u>452,113</u>	<u>218,032</u>	<u>814,706</u>	<u>22,576</u>	<u>27,500</u>	<u>1,581,544</u>	<u>-</u>	<u>131</u>	<u>1,581,675</u>
<b>Direct Expenses:</b>										
Payroll and employee benefits	122,753	36,806	57,851				217,410	202,006		419,416
Facility	79,178					36	79,214	108,959		188,173
Repairs and maintenance	2,916		2,596				5,512	21,555	7,192	34,259
Security and sheriff	41,938	720	6,289	6,863	1,323		57,132	44,078		101,210
Depreciation								46,789		46,789
Other	24,399	40,179	28,088	3,572	11,384	2,532	110,154	53,686	9,297	173,136
Reimbursed expenses										
<b>Total Direct Expenses</b>	<u>271,183</u>	<u>77,705</u>	<u>94,824</u>	<u>10,434</u>	<u>12,707</u>	<u>2,568</u>	<u>469,421</u>	<u>477,073</u>	<u>16,488</u>	<u>962,982</u>
<b>Gross Profit (Loss)</b>	203,309	1,413,141	357,398	99,289	(13,175)	19,932	2,079,893	(477,073)	14,521	1,617,341
<b>General and Administrative Expenses:</b>										
Labor and benefits	107,181	87,810	69,011		15,391	36,754	316,147	62,329	401,613	780,088
Professional Services									48,848	48,848
Marketing	3,136	9,819		1,881	4,426	77,610	96,872		9,728	106,600
Insurance						813	813	81,192	2,121	84,126
Depreciation								59,505		59,505
Deferred Costs										
Other	19,654	4,173	26,499	11,760	3,512	11,509	77,107	16,067	71,611	164,785
<b>Total General and Administrative Expenses</b>	<u>129,971</u>	<u>101,802</u>	<u>95,510</u>	<u>13,641</u>	<u>23,329</u>	<u>126,686</u>	<u>490,938</u>	<u>219,093</u>	<u>533,921</u>	<u>1,243,951</u>
<b>Change in Unrestricted Net Assets (Deficit)</b>	\$ 73,337	\$ 1,311,339	\$ 261,888	\$ 85,648	\$ (36,504)	\$ (106,754)	\$ 1,588,955	\$ (696,166)	\$ (519,400)	\$ 373,390

\*\* 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**

**For the Period Ended May 31, 2018**

	Program Services							Total		
	OFF Track Betting	**Events	Food & Beverages	Hosted Event-Bingo	Special Events	County Fair	Total Program Services		Facility	General & Administrative
<b>Support and Revenue</b>	\$ 550,800	* \$ 1,452,853	\$ 279,891	\$ 844,027	\$ 56,458	\$ 21,757	\$ 3,205,786	\$ -	\$ 31,157	\$ 3,236,942
<b>Cost of Sales:</b>										
Labor		67,320	1,492	-	14,267		83,080			83,080
Racing Forms	51,269						51,269			51,269
Parking		6,205					6,205			6,205
Entertainment					2,500	5,782	8,282			8,282
Equipment Rental		4,157	281		1,935		6,373			6,373
Food & Beverages			59,252	11,235	11,249		81,736			81,736
Sponsorship-Exchange										
Bingo-Regular				200,896			200,896			200,896
Bingo-Flash cards				530,319			530,319			530,319
Sub-Contractor		701			3,400	100	4,201			4,201
Commission		1,123	14,983		3,635		19,741			19,741
Other		1,370			2,400		3,770			3,770
Material										
Admission Clerks										
Awards and Trophies										
Ticketing Services										
Judges										
Defer Expenses										
<b>Total Cost of Sales</b>	<b>51,269</b>	<b>80,876</b>	<b>76,008</b>	<b>742,450</b>	<b>39,286</b>	<b>5,882</b>	<b>995,871</b>	<b>-</b>	<b>-</b>	<b>995,871</b>
<b>Direct Expenses:</b>										
Payroll and employee benefits	123,045	47,317	75,349	-	-	-	245,712	318,374	-	564,086
Facility	72,501	1,111	1,111	-	-	-	74,722	101,417	-	176,140
Repairs and maintenance	6,939	-	3,110	201	-	-	10,250	45,609	2,759	59,618
Security and sheriff	37,402	168	5,634	7,074	936	-	51,214	62,652	-	113,865
Depreciation								44,906		44,906
Other	15,819	12,098	8,705	561	8,668	8,668	54,519	32,853	6,955	94,328
Reimbursed expenses										
<b>Total Direct Expenses</b>	<b>255,706</b>	<b>60,694</b>	<b>93,909</b>	<b>7,836</b>	<b>9,604</b>	<b>8,668</b>	<b>436,417</b>	<b>606,811</b>	<b>9,714</b>	<b>1,052,943</b>
<b>Gross Profit (Loss)</b>	<b>243,825</b>	<b>1,311,282</b>	<b>109,974</b>	<b>93,741</b>	<b>7,467</b>	<b>7,208</b>	<b>1,773,497</b>	<b>(606,811)</b>	<b>21,442</b>	<b>1,188,129</b>
<b>General and Administrative Expenses:</b>										
Labor and benefits	89,251	124,910	58,555	-	-	102,962	375,678	22,915	318,472	717,065
Professional Services									31,488	31,488
Marketing	1,188			3,640	9,186	3,663	17,676	-	1,004	18,680
Insurance						6,000	6,000	67,640	2,223	75,863
Depreciation								5,388		5,388
Deferred Costs										
Other	19,546	13,249	11,420	7,001	5,870	6,145	63,231	64,806	48,161	176,198
<b>Total General and Administrative Expenses</b>	<b>109,985</b>	<b>138,158</b>	<b>69,976</b>	<b>10,641</b>	<b>15,056</b>	<b>118,770</b>	<b>462,585</b>	<b>160,749</b>	<b>401,348</b>	<b>1,024,682</b>
<b>Change in Unrestricted Net Assets (Deficit)</b>	<b>\$ 133,840</b>	<b>\$ 1,173,124</b>	<b>\$ 39,998</b>	<b>\$ 83,100</b>	<b>\$ (7,588)</b>	<b>\$ (111,562)</b>	<b>\$ 1,310,912</b>	<b>\$ (767,560)</b>	<b>\$ (379,906)</b>	<b>\$ 163,447</b>

**\*\* 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 May 31, 2019 and 2018**

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
Current Assets		
Cash and cash equivalent	\$ 715,142	\$ 758,798
Accounts Receivable	407,291	351,436
Inventory	0	0
Prepaid Expenses	563,123	310,039
Total current assets	<u>\$ 1,685,556</u>	<u>\$ 1,420,273</u>
Property and Equipment, net	<u>1,540,955</u>	<u>1,270,676</u>
Total assets	<u><u>\$ 3,226,510</u></u>	<u><u>\$ 2,690,949</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 197,228	\$ 174,332
Accrued liabilities	600,923	476,229
Deferred revenue	0	0
Deferred revenue, nonmonetary exchange, current	3,000	3,000
US Bank Equipment Loan payable	13,346	0
H&E Equipment Loan	8,940	0
Loans payable, current portion	35,343	35,343
Note payable-related party current portion	8,000	8,000
Customer deposits	221,213	217,478
Total current liabilities	<u>\$ 1,087,993</u>	<u>\$ 914,382</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	37,717	0
Loans payable, net of current portion	28,065	63,619
Total long-term liabilities	<u>301,971</u>	<u>307,808</u>
Total liabilities	<u>\$ 1,389,964</u>	<u>\$ 1,222,191</u>
Unrestricted net assets	<u>\$ 1,836,547</u>	<u>\$ 1,468,759</u>
Total liabilities and net assets	<u><u>\$ 3,226,510</u></u>	<u><u>\$ 2,690,949</u></u>



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

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 373,390	\$ 163,447
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expenses	106,294	99,857
Accounts Receivable	(14,934)	(69,131)
Prepaid Expenses	(266,060)	(137,844)
Accounts payable	(9,666)	12,978
Accrued liabilities	112,233	31,296
Deferred revenue	(133,706)	100,864
Accrued Wages	23	(27,685)
<b>Net cash provided by operating activities</b>	<u>167,573</u>	<u>173,781</u>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(229,347)	(9,971)
Sale of property and equipment	-	-
<b>Net cash used in investing activities</b>	<u>(229,347)</u>	<u>(9,971)</u>
<b>Cash flows from financing activities</b>		
Payment of note payable-related party	-	-
Payment of loan payable	-	-
Proceeds from loan	-	-
<b>Net cash used in financing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalent</b>	(61,773)	163,810
<b>Cash and cash equivalent, January 1</b>	<u>776,915</u>	<u>594,988</u>
<b>Cash and cash equivalent, May 31</b>	<u><u>\$ 715,142</u></u>	<u><u>\$ 758,798</u></u>