

SANTA CLARA COUNTY FAIRGROUNDS

SCCFMC

MANAGEMENT CORPORATION, INC.

Statement of Financial Position

DECEMBER 31, 2019



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

Statement of Activities

Actual revenues, year-to-date as of December 31, 2019, total \$9,715,088 or \$363,935 more than budget. Revenue generated by major Event sales (Amazon, Cirque du Soleil, Frias Concert, Cinco de Mayo, Fright Nite, and Puptoberfest), Food & Beverage and Parking sales contributed to the favorable variance in 2019. Program services with negative revenue variances for 2019 included the County Fair impacted by the event that occurred in Gilroy, RV Park & Storage impacted by the closure of the RV Storage area in June for additional parking space, and Off-Track Betting resulting from less than forecasted participation.

Expenses year to date as of December 31, 2019, totaled \$9,689,377 or \$488,249 more than budget. Primary overages were a result of additional labor costs, equipment rentals and security expenses for the Annual 2019 Santa Clara County Fair.

In summary, SCCFMC has a profit of \$25,710 compared to the budgeted Net Income of \$150,025 resulting in an unfavorable variance of (\$124,315) year to date as of December 31, 2019.

Balance Sheet

SCCFMC's total cash balance as of December 31, 2019 is \$119,360 compared with the prior year's (2018) cash balance total of \$776,915. The decrease in the cash balance is a result of SCCFMC's continued investment in capital improvements of (\$695,001 spent in 2019 compared to \$190,495 in 2018) and payments for expenses in connection with the County Fair. SCCFMC's current ratio is 0.889 for 2019 compared to 1.302 in 2018 which reflects SCCFMC's ability to pay its current liabilities.

Supplemental Schedules for 2020

Anchor License Agreements – January 2020: Summarizes the status of Anchor License Agreements totaling \$207,162.49 in revenue.

Events – January through June 2020: Summarizes event sales activity for the next six month period, including event name, licensee name, event date, #of days, location, estimated # of patrons, event type and description.

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

	2019		
	Actual	Budget	Variance
Support and revenue			
Events	\$ 1,140,012	\$ 892,500	\$ 247,512
Anchor Licensees	1,870,458	1,926,876	(56,418)
Parking	865,818	690,000	175,818
RV Park & Storage	477,186	624,998	(147,812)
Off-Track Betting	1,143,626	1,246,215	(102,589)
Food & Beverages	1,128,435	910,601	217,834
County Fair	921,113	1,141,412	(220,299)
Bingo	1,860,152	1,775,001	85,151
Hosted Events	60,293	117,550	(57,257)
Facilities	116,000		116,000
General and Administrative	131,994	26,000	105,994
Total support & revenue	<u>\$ 9,715,088</u>	<u>\$ 9,351,153</u>	<u>\$ 363,935</u>
Expenses			
Program Services	\$ 6,380,630	\$ 5,788,600	\$ (592,030)
Facilities	1,912,317	2,016,618	104,301
General & Administrative	1,396,431	1,395,910	(521)
Total expenses	<u>\$ 9,689,377</u>	<u>\$ 9,201,128</u>	<u>\$ (488,249)</u>
Change in unrestricted net assets before exceptional other income	\$ 25,710	\$ 150,025	\$ (124,315)
Exceptional other income	<u>0</u>	<u>0</u>	<u>0</u>
Change in unrestricted net assets	\$ 25,710	\$ 150,025	\$ (124,315)
Unrestricted net assets, January 1	<u>1,317,290</u>	<u>1,317,290</u>	<u>0</u>
Unrestricted net assets, December 31	<u>\$ 1,343,000</u>	<u>\$ 1,467,315</u>	<u>\$ (124,315)</u>

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

	<u>2019</u>	<u>2018</u>
Support and revenue		
Events	\$ 1,140,012	\$ 819,300
Anchor Licensees	1,870,458	1,910,247
Parking	865,818	585,406
RV Park & Storage	477,186	491,237
Off-Track Betting	1,143,626	1,245,354
Food & Beverages	1,128,435	700,466
County Fair	921,113	1,023,214
Bingo	1,860,152	1,597,355
Hosted Events	60,293	70,909
Facilities	116,000	0
General and Administrative	131,994	155,993
Total support & revenue	<u>\$ 9,715,088</u>	<u>\$ 8,599,481</u>
Expenses		
Program Services	6,380,630	5,241,946
Facilities	1,912,317	1,947,778
General & Administrative	1,396,431	1,397,779
Total expenses	<u>\$ 9,689,377</u>	<u>\$ 8,587,503</u>
Change in unrestricted net assets before exceptional other income	\$ 25,710	\$ 11,978
Exceptional other income	<u>0</u>	<u>0</u>
Change in unrestricted net assets	\$ 25,710	\$ 11,978
Unrestricted net assets, January 1	<u>1,317,290</u>	<u>\$ 1,305,312</u>
Unrestricted net assets, December 31	<u>\$ 1,343,000</u>	<u>\$ 1,317,290</u>

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
For the Period Ended December 31, 2018

	Program Services										Total		
	OFF Track Betting	Events	Anchor Licenses	Parking	RV Park & RV Storage	Food & Beverages	Bingo	Hosted Events	County Fair	Total Program Services		Facility	General & Administrative
Support and Revenue	\$ 1,245,354	\$ 819,300	\$ 1,910,247	\$ 585,406	\$ 491,237	\$ 700,466	\$ 1,597,355	\$ 70,909	\$ 1,023,214	\$ 8,443,489	\$ -	\$ 155,993	\$ 8,599,481
Cost of Sales:													
Labor		235,842				11,155		23,703	88,181	358,880			358,880
Racing Forms	119,488									119,488			119,488
Parking		14,718		46,936					32,555	94,208			94,208
Entertainment								5,450	170,909	176,359			176,359
Equipment Rental		22,829		8,041		1,425		13,392	25,746	71,432			71,432
Food & Beverages					106,936		15,381	11,919	21,514	155,750		104	155,750
Sponsorship-Exchange													
Bingo-Regular							448,143		28,089	476,232			476,232
Bingo-Flash cards							1,073,696		4,750	1,078,446			1,078,446
Sub-Contractor		701						3,400	200	4,301			4,301
Commission				4,305		33,174		3,635	2,250	43,364			43,364
Other									5,800	5,800			5,800
Material		3,260					1,720	2,400	1,045	8,425			8,425
Admission Clerks									12,389	12,389			12,389
Awards and Trophies									7,565	7,565			7,565
Ticketing Services									5,743	5,743			5,743
Judges									5,375	5,375			5,375
Defer Expenses													
Total Cost of Sales	119,488	277,351	-	59,281	-	152,690	1,538,939	63,898	412,110	2,623,757	-	104	2,623,861
Direct Expenses:													
Payroll and employee benefits													
Facility	320,945			131,462	19,200	201,517				673,124	742,408		1,415,532
Repairs and maintenance	219,824					1,111			20,604	241,649	320,241		562,890
Security and sheriff	11,734					10,072	201			22,008	100,414	7,900	130,322
Depreciation	91,405	1,492				8,577	13,855	2,424	96,920	214,673	128,409		343,081
Other	35,308	14,110		7,237	24,120	35,568	14,151	16,965	92,523	251,596	110,212		110,212
Reimbursed expenses											154,584	185,885	592,066
Total Direct Expenses	679,216	16,712	11,616	138,699	43,320	256,845	28,208	19,389	210,046	1,404,050	1,556,268	193,785	3,154,104
Gross Profit (Loss)	446,650	525,237	1,898,631	387,426	447,918	290,931	30,208	(12,377)	401,058	4,415,682	(1,556,268)	(37,897)	2,821,517
General and Administrative Expenses:													
Labor and benefits													
Professional Services	243,733			294,006		150,376			188,419	876,534	54,996	887,356	1,818,886
Marketing													108,333
Insurance	2,977		8,640				7,794	9,245	118,072	146,727		22,487	169,213
Depreciation									10,298	10,298	180,225	2,220	192,743
Deferred Costs											135,364		135,364
Other	51,824		9,355			25,464	17,118	5,775	71,044	180,580	20,925	183,494	384,999
Total General and Administrative Expenses	298,534	-	312,001	-	-	175,840	24,911	15,020	387,833	1,214,139	391,510	1,203,889	2,809,539
Change in Unrestricted Net Assets (Deficit)	\$ 148,116	\$ 525,237	\$ 1,586,630	\$ 387,426	\$ 447,918	\$ 115,091	\$ 5,297	\$ (27,397)	\$ 13,225	\$ 3,201,543	\$ (1,947,778)	\$ (1,241,787)	\$ 11,978

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

Year to date as of December 31, 2019

	Program Services										Total		
	OFF Track Betting	Events	Anchor Licenses	Parking	RV Park & RV Storage	Food & Beverages	Bingo	Hosted Events	County Fair	Total Program Services		Facilities	General & Administrative
Support and Revenue	\$ 1,143,626	\$ 1,140,012	\$ 1,870,458	\$ 865,818	\$ 477,186	\$ 1,128,435	\$ 1,860,152	\$ 60,293	\$ 921,113	\$ 9,467,094	\$ 116,000	\$ 131,994	\$ 9,715,088
Cost of Sales:													
Labor	109,417	391,219	2,405	136,620		190,569		10,864	114,546	846,222			846,222
Racing Fees		13,962		151,889				2,288	27,470	109,417			109,417
Parking								34,048	292,254	195,610			195,610
Entertainment		42,523		69,876		4,499		5,644	46,289	326,302			326,302
Equipment Rental						180,140	23,682	5,810	16,142	168,831			168,831
Food & Beverages										225,774			225,774
Sponsorship-Exchange													
Bingo-Regular							555,613		8,686	564,299			564,299
Bingo-Flash cards						1,120,447		4,000	6,550	1,126,997			1,126,997
Sub-Contractor		17,040							20,832	41,872			41,872
Commission		206				12,326		238	13,186	25,955			25,955
Other		10,575					(500)	1,240		11,315			11,315
Material									16,728	16,728			16,728
Admission Clerks									1,537	1,537			1,537
Awards and Trophies													
Ticketing Services													
Judges													
Defer Expenses									6,775	6,775			6,775
Total Cost of Sales	109,417	475,525	2,405	358,385	-	387,534	1,699,242	64,131	570,995	3,667,635	-	-	3,667,635
Direct Expenses:													
Payroll and employee benefits	337,476	1,150		49,947	30,500	153,102				571,025	615,627		1,186,652
Facilities	228,614	4,301				7,865			18,967	248,731	316,597		565,328
Repairs and maintenance	3,075	720				16,839	15,942	1,323	169,347	15,242	47,093	7,526	69,860
Security and sheriff	100,236									304,406	113,078		417,483
Depreciation											126,174		126,174
Oil/bul	24,453	12,093	1,613	23,790	13,203	58,180	7,072	17,039	154,773	312,215	144,050	35,530	491,795
Reimbursed expenses			(500)							(500)			(500)
Total Direct Expenses	693,854	18,265	1,113	23,736	43,703	235,985	23,013	18,362	343,087	1,451,118	1,362,618	43,056	2,856,792
Gross Profit (Loss)	340,355	646,222	1,866,941	433,697	433,483	504,916	137,896	(22,200)	7,030	4,348,341	(1,246,618)	88,938	3,190,661
General and Administrative Expenses:													
Labor and benefits	262,173	258,534	16,895			119,720		31,747	117,663	806,731	136,413	1,045,331	1,988,475
Professional Services			5,919							5,919		151,746	157,665
Marketing	9,922	17,706					7,624	17,128	181,503	233,883		21,384	255,267
Insurance									13,370	13,370	228,039	5,169	246,578
Depreciation											150,336		150,336
Deferred Costs													
Other	55,227	8,695	8,182			57,275	27,660	7,758	37,177	201,974	34,912	129,744	366,630
Total General and Administrative Expenses	327,322	284,935	30,996	-	-	176,996	35,284	56,632	349,713	1,261,877	549,699	1,353,375	3,164,951
Change in Unrestricted Net Assets (Deficit)	\$ 13,033	\$ 361,287	\$ 1,835,945	\$ 433,697	\$ 433,483	\$ 327,920	\$ 102,613	\$ (78,832)	\$ (342,683)	\$ 3,086,464	\$ (1,796,317)	\$ (1,264,437)	\$ 25,710

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

ASSETS	2019	2018
Current Assets		
Cash and cash equivalent	\$ 119,360	\$ 776,915
Accounts Receivable	277,563	238,357
Inventory	0	
Prepaid Expenses	644,332	402,768
Total current assets	\$ 1,041,255	\$ 1,418,040
Property and Equipment, net	1,731,474	1,305,481
Total assets	\$ 2,772,729	\$ 2,723,521
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 314,806	\$ 206,894
Accrued liabilities	406,622	468,710
Restricted Fund-Heritage Foundation	5,500	0
Deferred revenue, nonmonetary exchange, current	3,000	3,000
US Bank Equipment Loan payable	13,346	13,346
Loans payable, current portion	35,343	35,343
Note payable-related party current portion	8,000	8,000
Customer deposits	384,636	354,071
Total current liabilities	\$ 1,171,254	\$ 1,089,364
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	5,533
US Bank Equipment Loan net of current portion	17,411	36,562
Loans payable, net of current portion	4,874	44,115
Total long-term liabilities	258,475	316,867
Total liabilities	\$ 1,429,729	\$ 1,406,231
Unrestricted net assets	\$ 1,343,000	\$ 1,317,290
Total liabilities and net assets	\$ 2,772,729	\$ 2,723,521

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

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 25,710	\$ 11,978
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expenses	269,009	245,576
Accounts Receivable	(39,206)	43,949
Prepaid Expenses	(241,564)	(230,573)
Accounts payable	107,912	45,540
Accrued liabilities	(54,191)	26,550
Restricted Funds	5,500	
Deferred revenue	29,717	188,495
Accrued Wages	(65,440)	40,907
Net cash provided by operating activities	<u>37,446</u>	<u>372,423</u>
Cash flows from investing activities		
Acquisition of property and equipment	(695,001)	(190,495)
Sale of property and equipment	-	-
Net cash used in investing activities	<u>(695,001)</u>	<u>(190,495)</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	(657,555)	181,927
Cash and cash equivalent, January 1	<u>776,915</u>	<u>594,988</u>
Cash and cash equivalent December 31	<u>\$ 119,360</u>	<u>\$ 776,915</u>

**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION
ANCHOR LICENSE AGREEMENTS - JANUARY 2020**

	ACRES OCCUPIED	MONTHLY FEES	MONTHLY PER ACRE	NOTES
ALL POINT ROLL OFF #673	1	\$ 7,000.00	\$ 7,000.00	Executed Contract
AT&T/CROWN CASTLE #645	N/A	\$ 1,663.23	N/A	i.
VYSH #620	0.2	\$ 1,400.00	\$ 7,000.00	Executed Contract
AGP CONSTRUCTION LLC #635	0.5	\$ 3,500.00	\$ 7,000.00	Pending Contract
CAFÉ PARADISE #634	0.2	\$ 1,600.00	\$ 8,000.00	Executed Contract
COPART INC. #640	12	\$ 34,000.00	\$ 7,000.00	Executed Contract
DAVEY TREE #680	0.5	\$ 3,500.00	\$ 7,000.00	Executed Contract
FAIRGROUND ENTERPRISES #660	2.5	\$ 5,807.00	\$ 2,322.80	Executed Contract
FAIRGROUND ENTERPRISES #639	2.5	\$ 16,500.00	\$ 6,600.00	Executed Contract
FIBERCO #671	0.5	\$ 3,500.00	\$ 7,000.00	Executed Contract
GARDEN SUPPLY HARDSCAPES #641	2	\$ 14,000.00	\$ 7,000.00	Executed Contract
JETMULCH #667	0.5	\$ 3,500.00	\$ 7,000.00	Executed Contract
LAM HAULING INC #678	0.5	\$ 3,500.00	\$ 7,000.00	Executed Contract
MASTEC/SEFENCO #675	1	\$ 7,000.00	\$ 7,000.00	Pending Contract
MISSION CONSTRUCTORS #676	1	\$ 7,000.00	\$ 7,000.00	Pending Contract
RARA TRUCKING #679	1	\$ 7,000.00	\$ 7,000.00	Executed Contract
RYLAND CUSTOM WELDING INC. #637	0.5	\$ 3,500.00	\$ 7,000.00	Executed Contract
SC PAINTBALL #602	6	\$ 12,840.00	\$ 2,140.00	Executed Contract
SPECTRASITE/AMERICAN TOWER #638	N/A	\$ 1,998.20	N/A	i.
TA CONCRETE CONSTRUCTION #659	0.5	\$ 3,500.00	\$ 7,000.00	Executed Contract
T-MOBILE/CROWN CASTLE #644	N/A	\$ 854.06	N/A	i.
UNDERGROUND CONSTRUCTION #662	1	\$ 7,000.00	\$ 7,000.00	Vacate end January
VALLEY RELOCATION #669	1	\$ 7,000.00	\$ 7,000.00	Vacate end February
TOTAL	34.9	\$ 207,162.49		

i. PHONE TOWER - EXECUTED CONTRACT WITH COUNTY OF SANTA CLARA

BELOW MARKET RATE
MARKET RATE

Santa Clara County Fairgrounds Management Corporation Events - January through June 2020

black = executed contract blue = contract in process

as of January 20, 2020

Event Name	Licensee Name	Event Date	# of Days	LOCATION	Est Patrons	Event Type	Event Description
SC Dog Training Club Classes	Santa Clara Dog Training Club	01/01/20	29	Gateway	40	Training	Dog club training weekly classes
Francis's 60th Bday	Cristina Graham	01/04/20	1	Heritage		Private Social	
Brickfest Live	Open World Inc.	01/18/20	2	Expo	8000	Tradeshow	Lego interactive tradeshow
Grappling Tournament	Grappling Industries	01/18/20	1	Fiesta	200	Competition - Sports	Jui-jitsu competition
Nathaniels Birthday	Louie Vasquez	01/18/20	1	Heritage	100	Private Social	employee private party
SC Dog Training Club Show	Santa Clara Dog Training Club	01/18/20	2	Gateway	300	Tradeshow	
Timket	St Gabriel Ethiopian Orthodox Church	01/18/20	2	Pavilion	1000	Religious Celebration	
Vietnamese TET Festival	Vietnamese TET Festival	01/25/20	2	Pavilion	4000	Religious Celebration	
Quinecanera Expo-2020	Juan Medina	01/26/20	1	Expo	1200	Tradeshow	
Sciencepalooza	East Side Union High School	02/01/20	1	Expo, Gateway	950	Competition-Education	science fair competition for schools
Muddy Dash - 5k fun run	Cool Events	02/22/20	1	Lot F, Promenade	5000	Competition - Sports	5k themed fun run
Train Show	Train Show Inc.	02/22/20	1	Expo	5000	Tradeshow	
Naga Norcal	Northern Cal Grappling Assoc.	02/29/20	1	Pavilion	1000	Competition - Sports	Jui-jitsu competition
SCC Vote Center	County of SC Registrar of Voters	02/29/20	4	Heritage	500	Community	SCC voting booth center
Plamo Popup	Plamo	03/07/20	1	Fiesta	400	Tradeshow	interactive show for hobby enthusiasts - RC cars etc
SJ Super Toy & Comic Show	Time Tunnel Toys	03/07/20	2	Expo	3000	Tradeshow	
Tails & No Tales Cat Show	Tails & No Tales	03/07/20	2	Gateway	1000	Tradeshow	cat show
Carsnet Car Sale	Carsnet	03/07/20	2	Lot A West	1000	Tradeshow	credit union car sale
Gem, Mineral & Jewelry Fest	SCV Gem & Mineral Society	03/21/20	2	Pavilion	3000	Tradeshow	gem and mineral tradeshow
Bay Area St. Food&Beer Fest	Brandon Mozley	03/21/20	3	Concert Arena	5000	Tradeshow	Food Festival
Outrageous Outgrowns	Outrageous Outgrowns	03/27/20	3	Pavilion	2000	Tradeshow	resale of childrens clothing
CNCA 2020 Pre-Conference	California Northern Coastal Area	04/04/20	2	Fiesta	400	Corp Conference	AA organization Pre-Conference to Annual Conf held in NY
SC County Home Show	International Expos LLC	04/04/20	2	Gateway	2000	Tradeshow	

Santa Clara County Fairgrounds Management Corporation Events - January through June 2020

black = executed contract blue = contract in process

as of January 20, 2020

Event Name	Licensee Name	Event Date	# of Days	LOCATION	Est Patrons	Event Type	Event Description
Bubble Run	Cool Events	04/18/20	1	Lot F, Promenade	10000	Competition - Sports	5k themed fun run
SplashoMania	Gurus of Dance	04/04/20	1	Concert Arena	1000	Religious Celebration	
Bike to the Future	SV Clean Energy	05/02/20	1	Christopher Park	1150	Competition - Sports	electric bike competition for students - they build e-bikes
Grappling Tournament	Grappling Industries	05/02/20	1	Fiesta	200	Competition - Sports	Jui-jitsu competition
Spotlight Dance Cup	Spotlight Events Inc.	05/15/20	2	Pavilion	1000	Competition - Sports	Dance competition
Lulu's Graduation Party	Lanisha Jones	06/06/20	1	Fiesta	300	Private Social	employee private party
SJ Super Toy & Comic Show	Time Tunnel Toys	06/06/20	2	Expo	3000	Tradeshow	