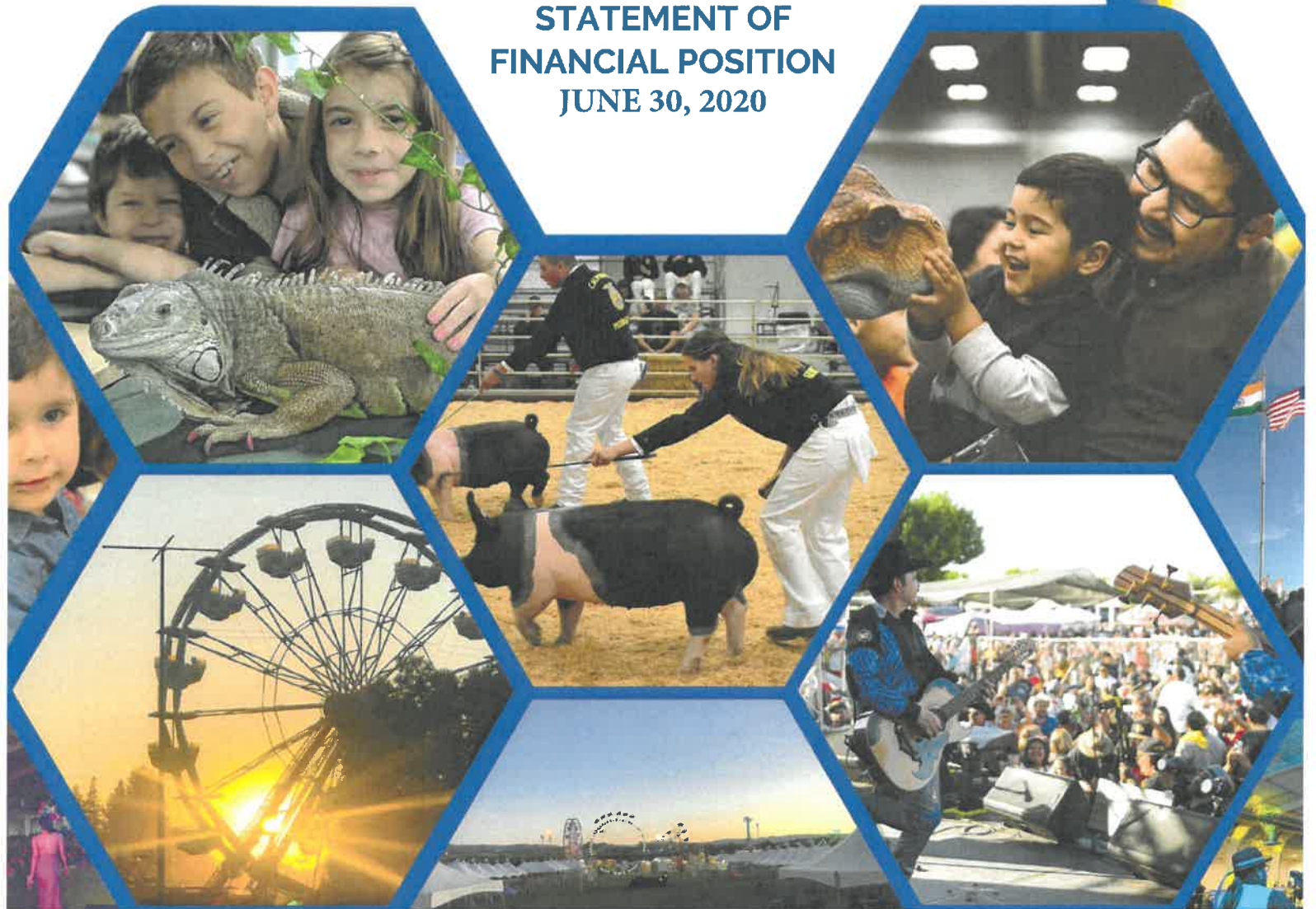




**THE
FAIRGROUNDS**
SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION

**STATEMENT OF
FINANCIAL POSITION
JUNE 30, 2020**



**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT
CORPORATION (SCCFMC)
FINANCIAL HIGHLIGHTS
YEAR TO DATE AS OF JUNE 30, 2020**

Statement of Activities

Actual revenues, year-to-date as of June 30, 2020, totaled \$2,965,440 or \$2,087,921 less than budget. The unprecedented circumstances resulting from the COVID-19 pandemic including the cancellation of events and the temporary closure of Off-Track Betting (OTB) and Bingo operations has severely impacted our revenues year to date.

Expenses year to date as of June 30, 2020, totaled \$2,688,353 or \$2,135,747 less than budget. The reductions in Program Services expenses is a result of staff layoffs in Events, Parking, and Food & Beverage, termination of consultant and facility services.

In summary, SCCFMC's profit of \$277,086 compared to the budgeted Net Profit of \$229,261 results in a favorable variance of \$47,825 year to date as of June 30, 2020.

Balance Sheet

SCCFMC's total cash balance as of June 30, 2020 is \$555,998 compared with the prior year's (2019) cash balance total of \$629,744. SCCFMC's current ratio is 1.08 for June, 2020 which reflects SCCFMC's ability to pay its current liabilities.

Supplemental Schedule for 2020

Anchor License Agreements – June 2020: Summarizes the status of Anchor License Agreements totaling \$210,612.49 in revenue.

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF ACTIVITIES
Year to date as of JUNE 30, 2020
Actual vs Budget

	2020		
	Actual	Budget	Variance
Support and revenue			
Venue & Sales Services	535,908	550,019	(14,111)
Property Management *	1,384,987	1,536,908	(151,921)
Parking	98,945	418,955	(320,010)
Off-Track Betting	309,210	656,327	(347,117)
Food & Beverages	115,587	639,690	(524,103)
County Fair	1,057	0	1,057
Bingo	331,574	1,151,462	(819,888)
Hosted Events	181	75,000	(74,819)
General and Administrative	187,991	25,000	162,991
Total support & revenue	<u>2,965,440</u>	<u>5,053,361</u>	<u>(2,087,921)</u>
Expenses			
Program Services	1,466,439	3,346,125	1,879,686
Facilities	620,886	791,226	170,340
General & Administrative	601,028	686,748	85,720
Total expenses	<u>2,688,353</u>	<u>4,824,100</u>	<u>2,135,747</u>
Change in unrestricted net assets before exceptional other income	277,086	229,261	47,825
Exceptional other income	<u>0</u>	<u>0</u>	<u>0</u>
Change in unrestricted net assets	277,086	229,261	47,825
Unrestricted net assets, January 1	<u>1,346,549</u>	<u>1,346,549</u>	<u>0</u>
Unrestricted net assets, June 30	<u><u>1,623,635</u></u>	<u><u>1,575,810</u></u>	<u><u>47,825</u></u>

* Includes both Anchor Licensees and RV Park

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF ACTIVITIES
Year to date as of JUNE 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Support and revenue		
Events	535,908	661,119
Property Management *	1,384,987	1,113,226
Parking	98,945	622,282
Off-Track Betting	309,210	631,611
Food & Beverages	115,587	772,148
County Fair	1,057	58,512
Bingo	331,574	1,078,464
Hosted Events	181	22,108
General and Administrative	187,991	31,220
Total support & revenue	<u>2,965,440</u>	<u>4,990,690</u>
Expenses		
Program Services	1,466,439	3,074,469
Facilities	620,886	864,006
General & Administrative	601,028	695,408
Total expenses	<u>2,688,353</u>	<u>4,633,882</u>
Change in unrestricted net assets before exceptional other income	277,086	356,808
Exceptional other income	<u>0</u>	<u>0</u>
Change in unrestricted net assets	277,086	356,808
Unrestricted net assets, January 1	<u>1,346,549</u>	<u>1,463,157</u>
Unrestricted net assets, June 30	<u>1,623,635</u>	<u>1,819,965</u>

* Includes both Anchor Licensees and RV Park

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
 Year to date as of June 30, 2020

	OFF Track Betting	Property Management	Venue Sales & Event Svc.	Parking	Food & Beverages	Bingo	Hosted Events	County Fair	Total Program Services	Facility	General & Administrative	Total
Support and Revenue	\$ 309,210	\$ 1,384,987	\$ 535,908	\$ 98,945	\$ 115,587	\$ 331,574	\$ 181	\$ 1,057	\$ 2,777,449	\$ -	\$ 187,991	\$ 2,965,440
Cost of Sales:												
Labor									119,365			119,365
Racing Forms	18,521		91,281	16,632	11,452	-	-	-	18,521			18,521
Parking			(5,918)	-	-	-	-	-	(5,918)			(5,918)
Entertainment								500	1,000			1,000
Equipment Rental			2,782	17,524	315	500	-	-	20,620			20,620
Food & Beverages								-	28,593			28,593
Sponsorship-Exchange	1,662				12,711	14,220	-	-				
Bingo-Regular								-	101,452			101,452
Bingo-Flash cards								-	199,258			199,258
Sub-Contractor			1,500					-	1,500			1,500
Commission	1,220							-	1,220			1,220
Other								-				
Material			146					124	270			270
Admission Clerks								-				
Awards and Trophies								-				
Ticketing Services								-				
Judges								(100)				(100)
Defer Expenses												
Total Cost of Sales	21,403	-	89,792	34,155	24,477	314,929	500	524	485,781	-	-	485,781
Direct Expenses:												
Payroll and employee benefits	127,594			22,170	72,227	-	-	-	221,991	379,771		601,761
Facility	25	218,710							218,734	27		218,761
Repairs and maintenance	1,841				710				2,551	9,093	219	11,863
Security and sheriff	11,349	18,750			1,020	2,340			33,459	43,693		77,152
Depreciation										69,148		69,148
Other	(12,631)	2,769	18,092	1,270	14,135	1,000	375	1,432	26,442	47,706	6,215	80,363
Reimbursed expenses												
Total Direct Expenses	128,177	240,229	18,092	23,440	88,092	3,340	375	1,432	503,177	549,437	6,434	1,059,047
Gross Profit (Loss)	159,630	1,144,758	428,024	41,350	3,019	13,305	(694)	(900)	1,788,491	(549,437)	181,557	1,420,612
General and Administrative Expenses:												
Labor and benefits	91,695	27,172	101,166		24,000		3,989	16,250	264,272	2,011	426,808	693,091
Professional Services					16,800				16,800		84,028	100,828
Marketing	2,787		7,480	10,320		2,418		2,418	25,423		2,418	27,841
Insurance								4,000	4,000	8,788	1,431	14,219
Depreciation												
Deferred Costs												
Other	20,465	118,547	6,602	1,207	6,948	5,280	7,500	438	166,987	60,650	79,910	307,546
Total General and Administrative Expenses	114,946	145,719	115,248	11,527	47,748	7,698	11,489	23,106	477,482	71,450	594,594	1,143,526
Change in Unrestricted Net Assets (Deficit)	\$ 44,683	\$ 999,039	\$ 312,776	\$ 29,823	\$ (44,729)	\$ 5,606	\$ (12,183)	\$ (24,006)	\$ 1,311,009	\$ (620,886)	\$ (413,037)	\$ 277,086

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
Year to date as of June 30, 2019

	OFF Track Betting	Property Management	Program Services							County Fair	Total Program Services	Facility	General & Administrative	Total
			Venue Sales & Event Svc.	Parking	Food & Beverages	Bingo	Hosted Events							
Support and Revenue	\$ 631,611	\$ 1,113,226	\$ 661,119	\$ 622,282	\$ 772,148	\$ 1,078,464	\$ 22,108	\$ 58,512	\$ 4,959,470	\$ -	\$ 31,220	\$ 4,990,690		
Cost of Sales:														
Labor		1,810	217,840	77,897	136,945	-	6,505	-	440,997			440,997		
Racing Forms	57,240								57,240			57,240		
Parking			5,542	129,036					136,740			136,740		
Entertainment								42,750	52,075			52,075		
Equipment Rental			34,273	40,040	3,145		3,644		81,103			81,103		
Food & Beverages					113,588	9,293	1,242		124,123			124,123		
Sponsorship-Exchange														
Bingo-Regular						295,233			295,233			295,233		
Bingo-Flash cards						652,283			652,283			652,283		
Sub-Contractor			10,837				4,000		14,837			14,837		
Commission			206				238		5,894			5,894		
Other					5,451									
Material			9,551			(500)	209		9,260			9,260		
Admission Clerks														
Awards and Trophies								48	48			48		
Ticketing Services														
Judges														
Defer Expenses														
Total Cost of Sales	\$ 57,240	\$ 1,810	\$ 278,249	\$ 246,973	\$ 259,128	\$ 956,310	\$ 27,326	\$ 43,698	\$ 1,870,734	\$ -	\$ -	\$ 1,870,734		
Direct Expenses:														
Payroll and employee benefits	156,462	19,200		24,460	70,459				270,581	259,042		529,623		
Facility	101,884		1,150					36	103,070	140,048		243,118		
Repairs and maintenance	3,001		4,301		2,717				10,019	30,034	9,390	49,443		
Security and sheriff	51,297		720		9,691	8,543	1,323		71,574	53,078		124,652		
Depreciation										56,759		56,759		
Other	29,428	17,972	10,443	12,572	32,323	3,572	11,517	6,340	124,167	63,262	13,300	200,729		
Reimbursed expenses														
Total Direct Expenses	\$ 342,072	\$ 37,172	\$ 16,615	\$ 37,032	\$ 115,191	\$ 12,114	\$ 12,840	\$ 6,376	\$ 579,411	\$ 602,223	\$ 22,690	\$ 1,204,323		
Gross Profit (Loss)	\$ 232,299	\$ 1,074,244	\$ 366,256	\$ 338,277	\$ 397,829	\$ 110,040	\$ (18,058)	\$ 8,438	\$ 2,509,326	\$ (602,223)	\$ 8,530	\$ 1,915,633		
General and Administrative Expenses:														
Labor and benefits	137,805		124,221		76,350		20,142	52,572	411,091	75,115	511,409	997,614		
Professional Services												64,538		
Marketing	4,109		10,899			2,374	6,126	96,796	120,304		11,363	131,667		
Insurance								1,741	1,741	97,449	2,556	101,747		
Depreciation										72,231		72,231		
Deferred Costs														
Other	24,061		4,737		31,222	14,100	3,618	13,450	91,188	16,987	82,852	191,028		
Total General and Administrative Expenses	\$ 165,976	\$ -	\$ 139,857	\$ -	\$ 107,573	\$ 16,474	\$ 29,886	\$ 164,559	\$ 624,324	\$ 261,783	\$ 672,718	\$ 1,558,825		
Change in Unrestricted Net Assets (Deficit)	\$ 66,323	\$ 1,074,244	\$ 226,399	\$ 338,277	\$ 290,257	\$ 93,566	\$ (47,943)	\$ (156,121)	\$ 1,885,002	\$ (864,006)	\$ (664,188)	\$ 356,808		

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF FINANCIAL POSITION
Year to date as of June 30, 2020 and 2019

ASSETS	2020	2019
Current Assets		
Cash and cash equivalent	\$ 555,998	\$ 629,744
Accounts Receivable	670,637	479,500
Inventory	0	
Prepaid Expenses	677,673	724,463
Total current assets	<u>\$ 1,904,308</u>	<u>\$ 1,833,706</u>
Property and Equipment, net	<u>1,738,349</u>	<u>1,406,253</u>
Total assets	<u><u>\$ 3,642,657</u></u>	<u><u>\$ 3,239,959</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 166,131	\$ 228,229
Accrued liabilities	495,041	654,595
Restricted Fund-Heritage Foundation	5,500	0
Restricted Fund-PPP Loan	627,450	0
Restricted Fund-AB-1499	74,625	0
Deferred revenue, nonmonetary exchange, current	3,000	3,000
US Bank Equipment Loan payable	13,346	13,346
Loans payable, current portion	19,325	35,343
Note payable-related party current portion	5,533	8,000
Customer deposits	357,555	173,168
Total current liabilities	<u>\$ 1,767,506</u>	<u>\$ 1,115,681</u>
Long term liabilities		
Deferred revenue, nonmonetary exchange, net of current portion	\$ 230,656	\$ 230,656
Note payable-related party, net of current portion	0	5,533
H&E Equipment Loan	4,804	6,670
US Bank Equipment Loan net of current portion	16,056	36,605
Loans payable, net of current portion	0	24,850
Total long-term liabilities	<u>251,516</u>	<u>304,313</u>
Total liabilities	<u>\$ 2,019,022</u>	<u>\$ 1,419,994</u>
Unrestricted net assets	<u>\$ 1,623,635</u>	<u>\$ 1,819,965</u>
Total liabilities and net assets	<u><u>\$ 3,642,657</u></u>	<u><u>\$ 3,239,959</u></u>

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF CASH FLOWS
Year to date as of June 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 277,086	\$ 356,808
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expenses	122,563	128,990
Accounts Receivable	(454,442)	(37,349)
Prepaid Expenses	(163,406)	(314,979)
Accounts payable	(69,396)	21,335
Accrued liabilities	68,176	54,966
Restricted Funds	707,575	-
Deferred revenue	(40,694)	(231,545)
Accrued Wages	3,351	104,364
Net cash provided by operating activities	<u>450,813</u>	<u>82,591</u>
Cash flows from investing activities		
Acquisition of property and equipment	(8,700)	(229,762)
Sale of property and equipment	-	-
Net cash used in investing activities	<u>(8,700)</u>	<u>(229,762)</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	442,113	(147,171)
Cash and cash equivalent, January 1	<u>113,885</u>	<u>776,915</u>
Cash and cash equivalent, June 30	<u><u>\$ 555,998</u></u>	<u><u>\$ 629,744</u></u>

SANTA CLARA COUNTY FAIRGROUNDS MGMT CORP.

LICENSEES AGREEMENTS - JUNE 2020

	ACRES OCCUPIED	MONTHLY FEES		MONTHLY PER ACRES		NOTES
		\$		\$		
ALL POINT ROLL OFF #673	1	\$ 7,000.00		\$ 7,000.00		Executed Contract
AT&T/CROWN CASTLE	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	\$ 84,000.00		\$ 7,000.00		Executed Contract
DAVEY TREE #680	0.5	\$ 3,500.00		\$ 7,000.00		Executed Contract
EVERGREEN WASTE	1	\$ 7,000.00		\$ 7,000.00		Executed Contract
FAIRGROUND ENTERPRISES #660	2.5	\$ 5,807.00		\$ 2,322.80		Executed Contract
FAIRGROUND ENTERPRISES #639	3.75	\$ 25,200.00		\$ 6,720.00		Executed Contract
FIBERCO #671	0.5	\$ 3,500.00		\$ 7,000.00		Executed Contract
GARDEN SUPPLY #663	2	\$ 14,000.00		\$ 7,000.00		Executed Contract
JETMULCH #667	1.25	\$ 8,750.00		\$ 7,000.00		Executed Contract
MASTEC/SEFNCO #675	1	\$ 7,000.00		\$ 7,000.00		Pending Contract
MISSION CONSTRUCTORS #676	1	\$ 7,000.00		\$ 7,000.00		Executed 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	N/A	\$ 1,998.20		N/A		i.
TA CONCRETE CONSTRUCTION #666	0.5	\$ 3,500.00		\$ 7,000.00		Executed Contract
T-MOBILE/CROWN CASTLE #644	N/A	\$ 854.06		N/A		i.
TOTAL	35.4	\$ 210,612.49				

i. PHONE TOWER - EXECUTED CONTRACT BY SANTA CLARA COUNTY

BELOW MARKET RATE
MARKET RATE