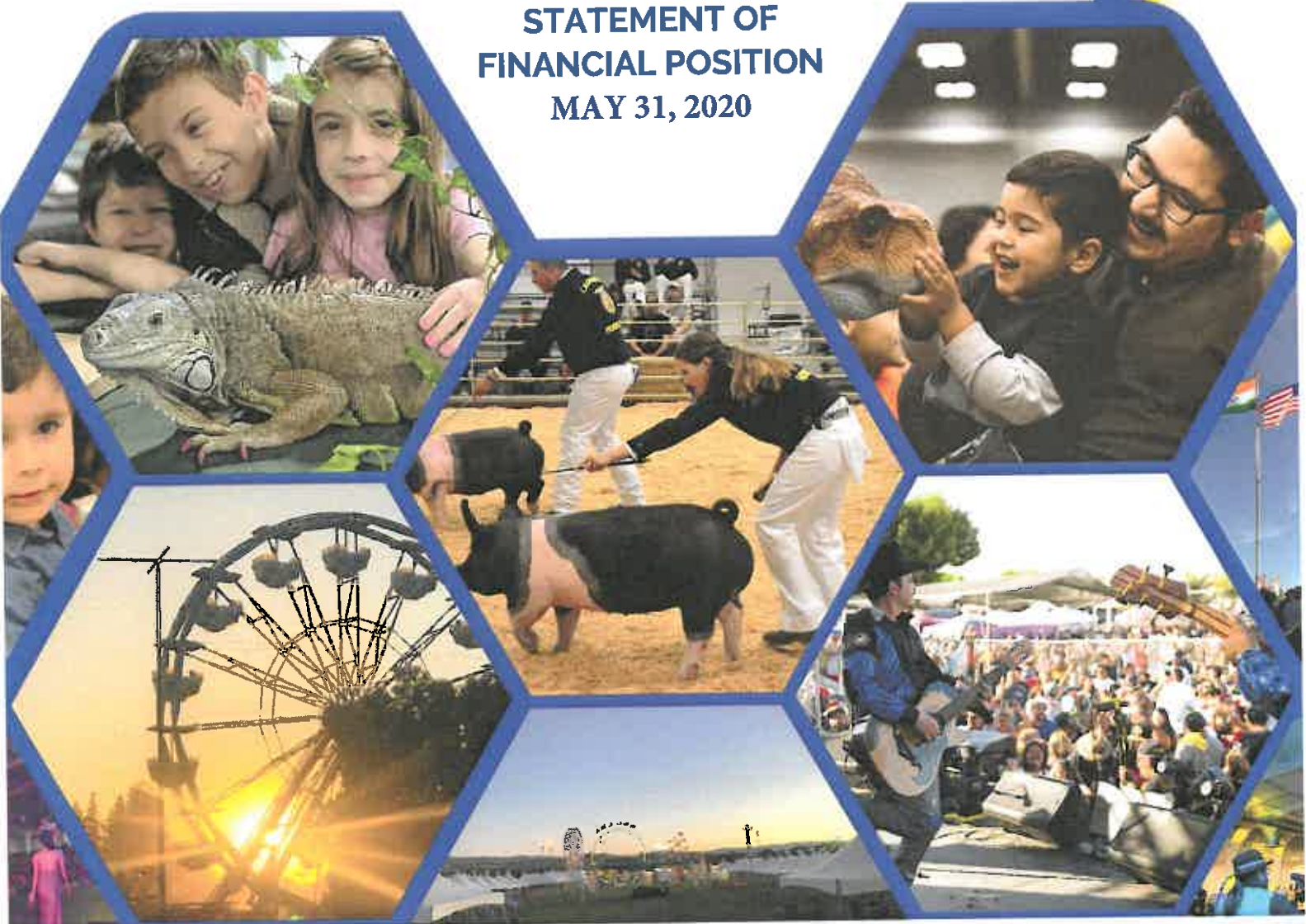


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SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION

STATEMENT OF FINANCIAL POSITION MAY 31, 2020



**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT
CORPORATION (SCCFMC)
FINANCIAL HIGHLIGHTS
YEAR TO DATE AS OF MAY 31, 2020**

Statement of Activities

Actual revenues, year-to-date as of May 31, 2020, totaled \$2,596,935 or \$1,510,489 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 May 31, 2020, totaled \$2,424,359 or \$1,531,062 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 \$172,575 compared to the budgeted Net Profit of \$152,003 results in a favorable variance of \$20,571 year to date as of May 31, 2020.

Balance Sheet

SCCFMC's total cash balance as of May 31, 2020 is \$487,421 compared with the prior year's (2019) cash balance total of \$715,142. SCCFMC's current ratio is 1.00 for May, 2020 which reflects SCCFMC's ability to pay its current liabilities.

Major cash receipts in May included an AB 1499 allocation in the amount of \$157,350 from the California Department of Food and Agriculture (CDFA) and Paycheck Protection Program (PPP) loan proceeds in the amount of \$627,450 which is eligible for forgiveness under the current PPP Flexibility Act guidelines.

Supplemental Schedule for 2020

Anchor License Agreements – May 2020: Summarizes the status of Anchor License Agreements totaling \$203,612.49 in revenue.

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF ACTIVITIES
Year to date as of MAY 31, 2020
Actual vs Budget

	2020		
	Actual	Budget	Variance
Support and revenue			
Venue & Sales Services	402,108	392,307	9,801
Property Management *	1,157,646	1,280,889	(123,243)
Parking	98,945	330,265	(231,320)
Off-Track Betting	309,210	541,753	(232,543)
Food & Beverages	108,423	478,224	(369,801)
County Fair	857	0	857
Bingo	331,574	983,986	(652,412)
Hosted Events	181	75,000	(74,819)
General and Administrative	187,991	25,000	162,991
Total support & revenue	<u>2,596,935</u>	<u>4,107,424</u>	<u>(1,510,489)</u>
Expenses			
Program Services	1,337,798	2,709,840	1,372,042
Facilities	562,804	673,290	110,486
General & Administrative	523,758	572,290	48,532
Total expenses	<u>2,424,359</u>	<u>3,955,421</u>	<u>1,531,062</u>
Change in unrestricted net assets before exceptional other income	172,575	152,003	20,571
Exceptional other income	<u>0</u>	<u>0</u>	<u>0</u>
Change in unrestricted net assets	172,575	152,003	20,571
Unrestricted net assets, January 1	<u>1,338,292</u>	<u>1,338,292</u>	<u>0</u>
Unrestricted net assets, May 31	<u>1,510,867</u>	<u>1,490,296</u>	<u>20,571</u>

* Includes both Anchor Licensees and RV Park

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF ACTIVITIES
Year to date as of MAY 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Support and revenue		
Events	402,108	483,053
Property Management *	1,157,646	936,486
Parking	98,945	523,420
Off-Track Betting	309,210	521,110
Food & Beverages	108,423	670,254
County Fair	857	50,000
Bingo	331,574	924,429
Hosted Events	181	22,108
General and Administrative	187,991	31,140
Total support & revenue	<u>2,596,935</u>	<u>4,161,999</u>
Expenses		
Program Services	1,337,798	2,541,904
Facilities	562,804	696,166
General & Administrative	<u>523,758</u>	<u>550,540</u>
Total expenses	<u>2,424,359</u>	<u>3,788,609</u>
Change in unrestricted net assets before exceptional other income	172,575	373,390
Exceptional other income	<u>0</u>	<u>0</u>
Change in unrestricted net assets	172,575	373,390
Unrestricted net assets, January 1	<u>1,338,292</u>	<u>1,463,157</u>
Unrestricted net assets, May 31	<u>1,510,867</u>	<u>1,836,547</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 **May 31, 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	\$ 1,157,646	\$ 402,108	\$ 98,945	\$ 108,423	\$ 331,574	\$ 181	\$ 857	\$ 2,408,944	\$ -	\$ 187,991	\$ 2,596,935
Cost of Sales:												
Labor									96,593			96,593
Racing Forms	18,521		68,509	16,632	11,452	-	-	-	18,521			18,521
Parking			2,386	-	-	-	-	-	2,386			2,386
Entertainment							500	500	1,000			1,000
Equipment Rental			2,782	14,792	263				17,837			17,837
Food & Beverages					12,711	14,220			28,593			28,593
Sponsorship-Exchange	1,662											
Bingo-Regular						101,452			101,452			101,452
Bingo-Flash cards						199,258			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												
Defer Expenses												
Total Cost of Sales	21,403	-	75,323	31,424	24,425	314,929	500	624	468,629	-	-	468,629
Direct Expenses:												
Payroll and employee benefits	115,636			21,307	65,165				202,109	371,704		573,813
Facility	25	162,038							162,062	27		162,089
Repairs and maintenance	1,841				710				2,551	9,043	219	11,813
Security and sheriff	11,349	18,750			1,020	2,340			33,459	26,845		60,304
Depreciation										57,623		57,623
Other	(1,470)	2,769	9,788	1,270	14,020	1,000	375	1,432	29,185	41,364	4,007	74,556
Reimbursed expenses												
Total Direct Expenses	127,381	183,557	9,788	22,577	80,915	3,340	375	1,432	429,366	506,606	4,226	940,198
Gross Profit (Loss)	160,425	974,089	316,997	44,944	3,082	13,305	(694)	(1,200)	1,510,948	(506,606)	183,765	1,188,108
General and Administrative Expenses:												
Labor and benefits	91,692	27,172	101,176		24,000		3,989	12,500	260,529	2,011	367,551	630,090
Professional Services					14,000				14,000		82,542	96,542
Marketing	1,862		6,300	8,600		1,493		1,493	19,748		1,493	21,241
Insurance								4,000	4,000	7,794	426	12,220
Depreciation												
Deferred Costs												
Other	18,117	98,890	6,602	1,207	6,440	2,700	7,500	70	141,526	46,394	67,520	255,439
Total General and Administrative Expenses	111,670	126,062	114,078	9,807	44,440	4,193	11,489	18,063	439,803	56,198	519,531	1,015,533
Change in Unrestricted Net Assets (Deficit)	\$ 48,756	\$ 848,027	\$ 202,918	\$ 35,137	\$ (41,358)	\$ 9,111	\$ (12,183)	\$ (19,263)	\$ 1,071,145	\$ (562,804)	\$ (335,766)	\$ 172,575

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	Property Management	Venue Sales & Event Svc.	Parking	Food & Beverages	Bingo	Hosted Events	County Fair	Total Program Services	Facility	General & Administrative	
Support and Revenue	\$ 521,110	\$ 936,486	\$ 483,053	\$ 523,420	\$ 670,254	\$ 924,429	\$ 22,108	\$ 50,000	\$ 4,130,859	\$ -	\$ 31,140	\$ 4,161,999
Cost of Sales:												
Labor		1,355	174,526	63,169	114,590	-	6,505	-	360,144			360,144
Racing Forms	46,618								46,618			46,618
Parking			5,542	121,640			2,163		129,345			129,345
Entertainment							4,575	27,500	32,075			32,075
Equipment Rental			33,280	36,338	3,093		3,644		76,355		131	76,486
Food & Beverages					95,714	8,391	1,242		105,347			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												
Material			9,551			(500)	209		9,260			9,260
Admission Clerks												
Awards and Trophies												
Ticketing Services												
Judges												
Defer Expenses												
Total Cost of Sales	46,618	1,355	229,611	221,147	218,032	814,706	22,576	27,500	1,581,544	-	131	1,581,675
Direct Expenses:												
Payroll and employee benefits		16,000		20,806	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		1,323		57,132	44,078		101,210
Depreciation										46,789		46,789
Other	24,399	16,637	13,425	10,118	28,088	3,572	11,384	2,532	110,154	53,686	9,297	173,136
Reimbursed expenses												
Total Direct Expenses	271,183	32,637	14,145	30,923	94,824	10,434	12,707	2,568	469,421	477,073	16,488	962,982
Gross Profit (Loss)	203,309	902,495	239,297	271,349	357,398	99,289	(13,175)	19,932	2,079,893	(477,073)	14,521	1,617,341
General and Administrative Expenses:												
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
Total General and Administrative Expenses:	129,971	-	101,802	-	95,510	13,641	23,329	126,686	490,938	219,093	533,921	1,243,951
Change in Unrestricted Net Assets (Deficit)	\$ 73,337	\$ 902,495	\$ 137,495	\$ 271,349	\$ 261,888	\$ 85,648	\$ (36,504)	\$ (106,754)	\$ 1,588,955	\$ (696,166)	\$ (519,400)	\$ 373,390

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF FINANCIAL POSITION
Year to date as of May 31, 2020 and 2019

ASSETS	2020	2019
Current Assets		
Cash and cash equivalent	\$ 487,421	\$ 715,142
Accounts Receivable	751,048	407,291
Inventory	0	
Prepaid Expenses	697,847	563,123
Total current assets	<u>\$ 1,936,315</u>	<u>\$ 1,685,556</u>
Property and Equipment, net	<u>1,762,313</u>	<u>1,540,955</u>
Total assets	<u><u>\$ 3,698,628</u></u>	<u><u>\$ 3,226,510</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 245,922	\$ 197,228
Accrued liabilities	549,468	600,923
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	22,807	35,343
Note payable-related party current portion	5,533	8,000
Customer deposits	387,481	221,213
Total current liabilities	<u>\$ 1,935,132</u>	<u>\$ 1,079,053</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	8,940
US Bank Equipment Loan net of current portion	17,169	37,717
Loans payable, net of current portion	0	28,065
Total long-term liabilities	<u>252,628</u>	<u>310,910</u>
Total liabilities	<u>\$ 2,187,761</u>	<u>\$ 1,389,964</u>
Unrestricted net assets	<u>\$ 1,510,867</u>	<u>\$ 1,836,547</u>
Total liabilities and net assets	<u><u>\$ 3,698,628</u></u>	<u><u>\$ 3,226,510</u></u>

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF CASH FLOWS
Year to date as of May 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 172,575	\$ 373,390
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expenses	98,598	106,294
Accounts Receivable	(470,262)	(14,934)
Prepaid Expenses	(170,310)	(266,060)
Accounts payable	(68,884)	(9,666)
Accrued liabilities	91,327	112,233
Restricted Funds	707,575	-
Deferred revenue	2,845	(133,706)
Accrued Wages	18,771	23
Net cash provided by operating activities	<u>382,236</u>	<u>167,573</u>
Cash flows from investing activities		
Acquisition of property and equipment	(8,700)	(229,347)
Sale of property and equipment	-	-
Net cash used in investing activities	<u>(8,700)</u>	<u>(229,347)</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	373,536	(61,773)
Cash and cash equivalent, January 1	<u>113,885</u>	<u>776,915</u>
Cash and cash equivalent, May 31	<u><u>\$ 487,421</u></u>	<u><u>\$ 715,142</u></u>

SANTA CLARA COUNTY FAIRGROUNDS MGMT CORP.

LICENSEES AGREEMENTS - MAY 2020

	<u>ACRES OCCUPIED</u>	<u>MONTHLY FEES</u>		<u>MONTHLY PER ACRES</u>		<u>NOTES</u>
		\$	\$	\$	\$	
ALL POINT ROLL OFF #673	1	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	Executed Contract	
AT&T/CROWN CASTLE	N/A	\$ 1,663.23	N/A	N/A	i.	
VYSH #620	0.2	\$ 1,400.00	\$ 7,000.00	\$ 7,000.00	Executed Contract	
AGP CONSTRUCTION LLC #635	0.5	\$ 3,500.00	\$ 7,000.00	\$ 7,000.00	Pending Contract	
CAFÉ PARADISE #634	0.2	\$ 1,600.00	\$ 8,000.00	\$ 8,000.00	Executed Contract	
COPART INC. #640	12	\$ 84,000.00	\$ 7,000.00	\$ 7,000.00	Executed Contract	
DAVEY TREE #680	0.5	\$ 3,500.00	\$ 7,000.00	\$ 7,000.00	Executed Contract	
FAIRGROUND ENTERPRISES #660	2.5	\$ 5,807.00	\$ 2,322.80	\$ 2,322.80	Executed Contract	
FAIRGROUND ENTERPRISES #639	3.75	\$ 25,200.00	\$ 6,720.00	\$ 6,720.00	Executed Contract	
FIBERCO #671	0.5	\$ 3,500.00	\$ 7,000.00	\$ 7,000.00	Executed Contract	
GARDEN SUPPLY #663	2	\$ 14,000.00	\$ 7,000.00	\$ 7,000.00	Executed Contract	
JETMULCH #667	1.25	\$ 8,750.00	\$ 7,000.00	\$ 7,000.00	Executed Contract	
MASTEC/SEFNCO #675	1	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	Pending Contract	
MISSION CONSTRUCTORS #676	1	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	Executed Contract	
RARA TRUCKING #679	1	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	Executed Contract	
RYLAND CUSTOM WELDING INC. #637	0.5	\$ 3,500.00	\$ 7,000.00	\$ 7,000.00	Executed Contract	
SC PAINTBALL #602	6	\$ 12,840.00	\$ 2,140.00	\$ 2,140.00	Executed Contract	
SPECTRASITE/AMERICAN TOWER	N/A	\$ 1,998.20	N/A	N/A	i.	
TA CONCRETE CONSTRUCTION #666	0.5	\$ 3,500.00	\$ 7,000.00	\$ 7,000.00	Executed Contract	
T-MOBILE/CROWN CASTLE #644	N/A	\$ 854.06	N/A	N/A	i.	
TOTAL	34.4	\$ 203,612.49				

i. PHONE TOWER - EXECUTED CONTRACT BY SANTA CLARA COUNTY

BELOW MARKET RATE
MARKET RATE