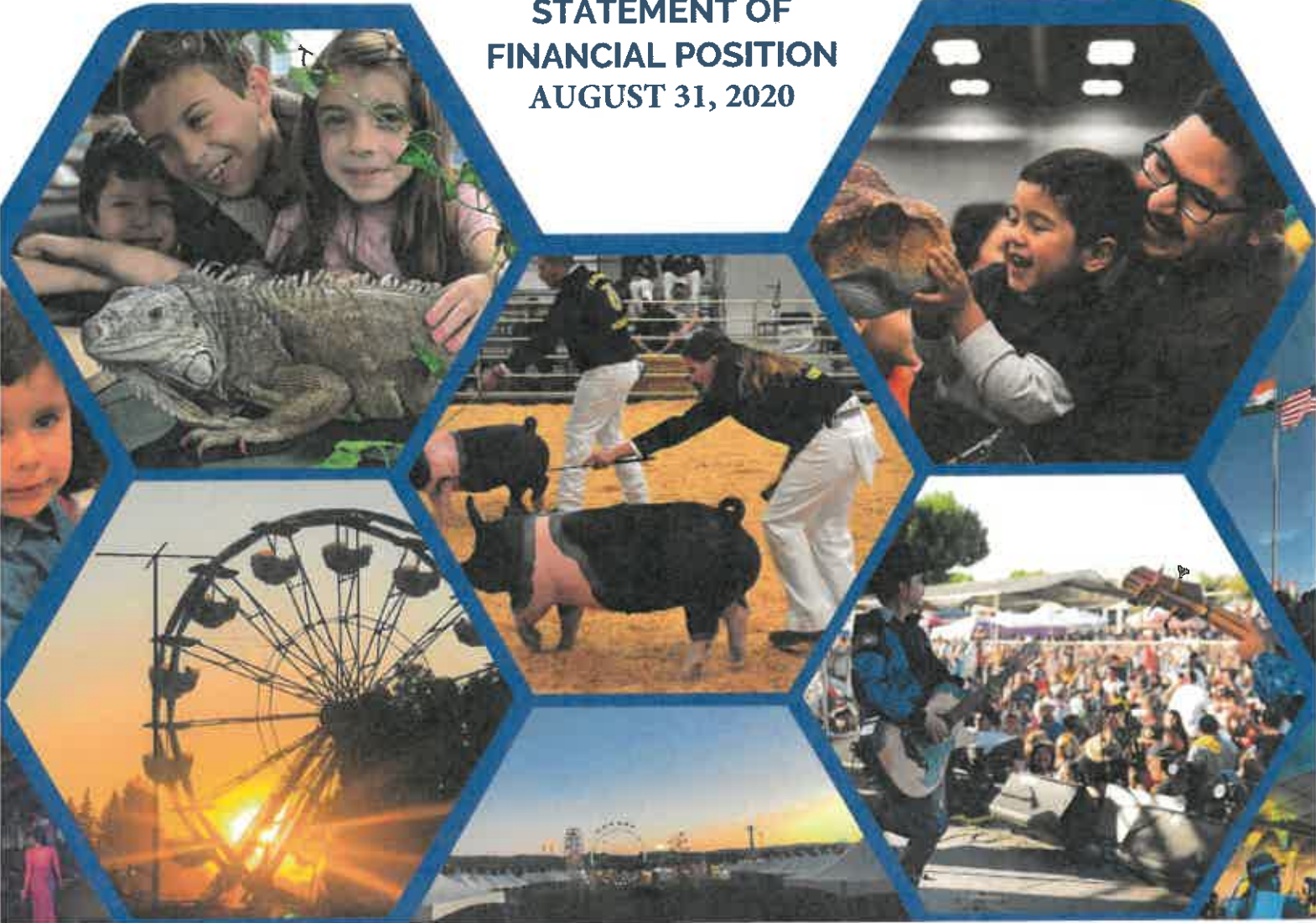


THE FAIRGROUNDS

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION

STATEMENT OF FINANCIAL POSITION AUGUST 31, 2020



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

Statement of Activities

Actual revenues, year-to-date as of August 31, 2020, totaled \$3,344,431 or \$4,643,414 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.

Sponsorship funds generated from the 2020 Santa Clara County Virtual Junior Livestock Auction/Fair held on August 3, 2020 through August 8, 2020 totaled \$72,800, of which \$22,800 was in-kind donations. The sponsorship funds were used to offset advertising and cost of production expenses.

Expenses year-to-date as of August 31, totaled 3,243,688 or \$4,229,372 less than budget. The reduction 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 \$100,743 compared to the budgeted Net Profit of \$357,435 results in an unfavorable variance of \$256,692 year to date as of August 31, 2020.

Balance Sheet

SCCFMC's total cash balance as of August 31, 2020 is \$758,268 compared with the prior year's (2019) cash balance total of \$361,794. SCCFMC's current ratio is 1.01 for August, 2020 which reflects SCCFMC's ability to pay its current liabilities.

Major transactions to date: 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. In July, ADW/Off-Track betting commissions in the amount of \$143,621 was received from Golden Gate Fields and Los Alamitos for the months of March thru May 2020. An adjustment of \$427,000 was recorded in July to reverse the amount billed to the County of Santa Clara for the use of Gateway Hall for the Homeless Shelter – not recognized by the County for reimbursement.

Supplemental Schedule for 2020

Anchor License Agreements – August 2020: Summarizes the status of Anchor License Agreements totaling \$207,112.49 in revenue. As of August 31, 2020, the receivables balance for unpaid invoices totaled \$34,708.

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

	2020		
	Actual	Budget	Variance
Support and revenue			
Venue & Sales Services	\$ 245,337	\$ 734,236	\$ (488,899)
Property Management *	1,834,577	2,046,806	(212,229)
Parking	98,945	628,795	(529,850)
Off-Track Betting	424,636	848,767	(424,131)
Food & Beverages	134,769	825,538	(690,769)
County Fair	80,919	1,179,562	(1,098,643)
Bingo	331,574	1,386,791	(1,055,217)
Hosted Events	181	155,000	(154,819)
General and Administrative	36,143	25,000	11,143
Total support & revenue	<u>\$ 3,187,081</u>	<u>\$ 7,830,495</u>	<u>\$ (4,643,414)</u>
Expenses			
Program Services	\$ 1,704,876	\$ 5,465,608	3,760,732
Facilities	738,831	1,059,338	320,507
General & Administrative	799,981	948,113	148,132
Total expenses	<u>\$ 3,243,688</u>	<u>\$ 7,473,060</u>	<u>\$ 4,229,372</u>
Change in unrestricted net assets before exceptional other income	(56,608)	357,435	(414,043)
Exceptional other income	157,350	0	157,350
Change in unrestricted net assets	\$ 100,743	\$ 357,435	\$ (256,692)
Unrestricted net assets, January 1	1,346,549	1,346,549	0
Unrestricted net assets, August 31	<u>\$ 1,447,292</u>	<u>\$ 1,703,984</u>	<u>\$ (256,692)</u>

* Includes both Anchor Licensees and RV Park

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP
STATEMENT OF FUNCTIONAL EXPENSES
Year to date as of August 31, 2020

	PROGRAM SERVICES	FACILITIES	MANAGEMENT AND GENERAL	TOTAL
Salaries & Wages	\$ 423,969	\$ 285,547	\$ 342,157	\$ 1,051,673
Bingo Payouts	282,273	0	0	282,273
Employee Benefits	113,273	49,635	138,384	301,292
Utilities	359,394	7,449	20,730	387,574
Outside Services	67,919	6,986	81,112	156,017
Security & Sheriff	33,459	78,949	0	112,408
Marketing	13,740	0	2,881	16,621
Bingo Supplies	18,437	0	0	18,437
Depreciation and amortization	0	191,751	0	191,751
Payroll taxes	32,948	30,386	26,705	90,039
Equipment Rental	50,449	30,823	16,263	97,534
Supplies	52,169	27,005	23,372	102,547
Insurance	113,776	8,766	3,786	126,329
Entertainment	21,300	0	0	21,300
Food & Beverage Cost	28,593	0	0	28,593
Repair & Maintenance	2,846	12,937	787	16,570
Professional Services	45,600	0	108,376	153,976
Racing Forms	18,521	0	0	18,521
Other	28,328	7,174	33,613	69,115
Miscellaneous	(7,399)	0	161	(7,238)
Commissions	1,220	0	0	1,220
Fees & Licenses	4,061	1,422	1,654	7,137
Total support & revenue	\$ 1,704,876	\$ 738,831	\$ 799,981	\$ 3,243,688

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

	<u>2020</u>	<u>2019</u>
Support and revenue		
Events	\$ 245,337	\$ 809,591
Property Management *	1,834,577	1,459,277
Parking	98,945	673,152
Off-Track Betting	424,636	815,049
Food & Beverages	134,769	870,987
County Fair	80,919	919,933
Bingo	331,574	1,294,298
Hosted Events	181	51,256
General and Administrative	36,143	247,609
Total support & revenue	<u>\$ 3,187,081</u>	<u>\$ 7,141,151</u>
Expenses		
Program Services	\$ 1,704,876	\$ 4,785,602
Facilities	738,831	1,194,657
General & Administrative	799,981	982,610
Total expenses	<u>\$ 3,243,688</u>	<u>\$ 6,962,870</u>
Change in unrestricted net assets before exceptional other income	(56,608)	178,281
Exceptional other income	157,350	0
Change in unrestricted net assets	\$ 100,743	\$ 178,281
Unrestricted net assets, January 1	<u>1,346,549</u>	<u>1,317,291</u>
Unrestricted net assets, August 31	<u>\$ 1,447,292</u>	<u>\$ 1,495,572</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 August 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	\$ 424,636	\$ 1,834,577	\$ 245,337	\$ 98,945	\$ 134,769	\$ 331,574	\$ 181	\$ 80,919	\$ 3,150,937	\$ -	\$ 193,493	\$ 3,344,431
Cost of Sales:												
Labor			134,470	16,632	11,452	-	-	-	162,553			162,553
Racing Forms	18,521								18,521			18,521
Parking		2,386							2,386			2,386
Entertainment			2,782	17,524	424		1,000	20,300	21,300			21,300
Equipment Rental									20,730			20,730
Food & Beverages					12,711	14,220			28,593			28,593
Sponsorship-Exchange												-
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				146								270
Admission Clerks												-
Awards and Trophies												-
Ticketing Services												-
Judges												-
Defer Expenses								3,150				3,150
Total Cost of Sales	21,403		141,284	34,155	24,587	314,929	1,000	23,574	560,933			560,933
Direct Expenses:												
Payroll and employee benefits	102,032			22,935	87,539				212,506	361,958		574,463
Facility	25	344,974			1,366				346,365	1,513		347,879
Repairs and maintenance	1,841				1,005				2,846	10,822	750	14,419
Security and sheriff	11,349	18,750			1,020	2,340			33,459	78,949		112,408
Depreciation										92,197		92,197
Other	12,751	4,382		1,270	13,360	1,000	375	4,426	47,352	72,272	6,839	126,463
Reimbursed expenses										(1,166)		(1,166)
Total Direct Expenses	127,998	368,106	9,788	24,204	104,290	3,340	375	4,426	642,528	616,546	7,589	1,266,663
Gross Profit (Loss)	275,235	1,466,470	94,264	40,585	5,892	13,305	(1,194)	52,919	1,947,477	(616,546)	185,904	1,516,835
General and Administrative Expenses:												
Labor and benefits	67,702	27,172	101,068		24,000		3,989	26,250	250,182	3,611	576,843	830,635
Professional Services					18,200				18,200		108,376	126,576
Marketing	3,336		8,070	11,180	2,881			15,674	41,140		2,881	44,021
Insurance								4,000	4,000	8,766	1,431	14,197
Depreciation												-
Deferred Costs												-
Other	24,878	116,512	(1,429)	1,207	1,807	5,280	7,500	32,139	187,893	109,907	102,862	400,662
Total General and Administrative Expenses	95,916	143,684	107,709	12,387	44,007	8,161	11,489	78,063	501,415	122,284	792,392	1,416,092
Change in Unrestricted Net Assets (Deficit)	\$ 179,319	\$ 1,322,786	\$ (13,445)	\$ 28,198	\$ (38,115)	\$ 5,144	\$ (12,683)	\$ (25,143)	\$ 1,446,062	\$ (738,831)	\$ (606,488)	\$ 100,743

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
Year to date as of August 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	\$ 815,049	\$ 1,459,277	\$ 809,591	\$ 673,152	\$ 870,987	\$ 1,294,298	\$ 51,256	\$ 919,933	\$ 6,893,542	\$ 116,000	\$ 131,609	\$ 7,141,151
Cost of Sales:												
Labor		1,810	275,603	95,439	149,452	-	6,745	114,546	643,594			643,594
Racing Forms	73,688	-	-	-	-	-	-	-	73,688			73,688
Parking		10,844	-	132,895	-	-	2,288	26,545	172,572			172,572
Entertainment		-	-	-	-	-	32,048	291,254	323,302			323,302
Equipment Rental		37,969	-	57,733	4,289	-	3,644	79,476	183,111			183,111
Food & Beverages		-	-	-	130,868	14,729	3,731	16,142	165,470			165,470
Sponsorship-Exchange		-	-	-	-	-	-	-	-			-
Bingo-Regular		-	-	-	-	359,531	-	8,686	368,217			368,217
Bingo-Flash cards		-	-	-	-	782,717	-	6,550	789,267			789,267
Sub-Contractor		15,023	-	-	-	-	4,000	20,832	39,855			39,855
Commission		206	-	-	7,324	-	238	12,959	20,727			20,727
Other		-	-	-	-	-	-	-	-			-
Material		10,230	-	-	-	(500)	1,240	16,728	10,971			10,971
Admission Clerks		-	-	-	-	-	-	1,537	16,728			16,728
Awards and Trophies		-	-	-	-	-	-	-	-			-
Ticketing Services		-	-	-	-	-	-	-	1,537			1,537
Judges		-	-	-	-	-	-	-	-			-
Defer Expenses		-	-	-	-	-	-	6,675	6,675			6,675
Total Cost of Sales	73,688	1,810	349,875	286,066	291,933	1,156,477	53,934	601,931	2,815,713	-	-	2,815,713
Direct Expenses:												
Payroll and employee benefits	205,027	24,000	-	32,722	94,164	-	-	-	355,913	335,895	2,976	694,784
Facility	147,721	-	1,150	-	-	-	-	18,967	167,839	202,236	-	370,075
Repairs and maintenance	3,001	-	4,301	-	3,491	-	-	-	10,793	44,353	6,475	61,622
Security and sheriff	68,854	-	720	-	11,513	10,088	1,323	169,347	261,845	76,028	746	338,618
Depreciation		-	-	-	-	-	-	-	-	76,764	-	76,764
Other	33,784	20,384	11,587	16,181	40,939	5,072	15,332	83,929	227,209	97,233	53,393	377,834
Reimbursed expenses		-	-	-	-	-	-	-	-	-	-	-
Total Direct Expenses	458,387	44,384	17,758	48,904	150,108	15,159	16,655	272,244	1,023,599	832,508	63,590	1,919,697
Gross Profit (Loss)	282,974	1,413,083	441,957	338,182	428,947	122,662	(19,333)	45,758	3,054,231	(716,508)	68,019	2,405,741
General and Administrative Expenses:												
Labor and benefits	182,852	-	170,632	-	91,295	-	29,497	108,185	582,461	102,352	698,742	1,383,555
Professional Services	-	-	-	-	-	-	-	-	-	-	90,119	90,119
Marketing	7,381	-	13,059	-	-	5,561	15,646	167,140	208,787	-	12,885	221,672
Insurance	-	-	-	-	-	-	-	12,947	12,947	140,979	3,427	157,353
Depreciation	-	-	-	-	-	-	-	-	-	97,759	-	97,759
Deferred Costs	-	-	-	-	-	-	-	-	-	-	-	-
Other	35,822	-	5,768	-	39,616	17,580	7,759	35,553	142,096	21,059	113,848	277,003
Total General and Administrative Expenses	226,055	-	189,458	-	130,911	23,141	52,902	323,824	946,291	362,149	919,021	2,227,461
Change in Unrestricted Net Assets (Deficit)	\$ 56,920	\$ 1,413,083	\$ 252,499	\$ 338,182	\$ 298,036	\$ 99,521	\$ (72,235)	\$ (278,066)	\$ 2,107,939	\$ (1,078,657)	\$ (851,002)	\$ 178,281

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

ASSETS	2020	2019
Current Assets		
Cash and cash equivalent	\$ 758,268	\$ 361,794
Accounts Receivable	233,105	449,460
Inventory	0	0
Prepaid Expenses	648,270	770,849
Total current assets	<u>\$ 1,639,643</u>	<u>\$ 1,582,103</u>
Property and Equipment, net	<u>1,676,960</u>	<u>1,783,064</u>
Total assets	<u>\$ 3,316,603</u>	<u>\$ 3,365,167</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 71,891	\$ 529,718
Accrued liabilities	592,897	818,433
Restricted Fund-Heritage Foundation	0	5,500
Restricted Fund-PPP Loan	627,450	0
Deferred revenue, nonmonetary exchange, current	3,000	3,000
US Bank Equipment Loan payable	13,346	13,346
H&E Equipment Loan	0	2,806
Loans payable, current portion	12,361	35,343
Note payable-related party current portion	5,533	8,000
Customer deposits	293,541	171,464
Total current liabilities	<u>\$ 1,620,020</u>	<u>\$ 1,587,610</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	0
US Bank Equipment Loan net of current portion	13,832	27,665
Loans payable, net of current portion	0	18,131
Total long-term liabilities	<u>249,292</u>	<u>281,985</u>
Total liabilities	<u>\$ 1,869,311</u>	<u>\$ 1,869,595</u>
Unrestricted net assets	<u>\$ 1,447,292</u>	<u>\$ 1,495,572</u>
Total liabilities and net assets	<u>\$ 3,316,603</u>	<u>\$ 3,365,167</u>

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

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 100,743	\$ 178,281
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expenses	191,751	174,522
Accounts Receivable	(17,204)	(211,109)
Prepaid Expenses	(134,002)	(368,082)
Accounts payable	(163,635)	322,824
Accrued liabilities	232,936	344,171
Restricted Funds	627,744	4,658
Deferred revenue	(104,795)	(182,607)
Accrued Wages	(72,654)	(25,676)
Net cash provided by operating activities	<u>660,883</u>	<u>236,983</u>
Cash flows from investing activities		
Acquisition of property and equipment	(16,500)	(652,105)
Sale of property and equipment	-	-
Net cash used in investing activities	<u>(16,500)</u>	<u>(652,105)</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	644,383	(415,122)
Cash and cash equivalent, January 1	<u>113,885</u>	<u>776,915</u>
Cash and cash equivalent, August 31	<u>\$ 758,268</u>	<u>\$ 361,794</u>

SANTA CLARA COUNTY FAIRGROUNDS MGMT CORP.

LICENSEES AGREEMENTS -AUGUST 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	0.5	\$ 3,500.00	\$ 7,000.00	Executed Contract
FAIRGROUND ENTERPRISES #639 & 660	6.25	\$ 31,007.00	\$ 4,961.12	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	34.9	\$ 207,112.49		

i. PHONE TOWER - EXECUTED CONTRACT BY SANTA CLARA COUNTY

BELOW MARKET RATE
MARKET RATE