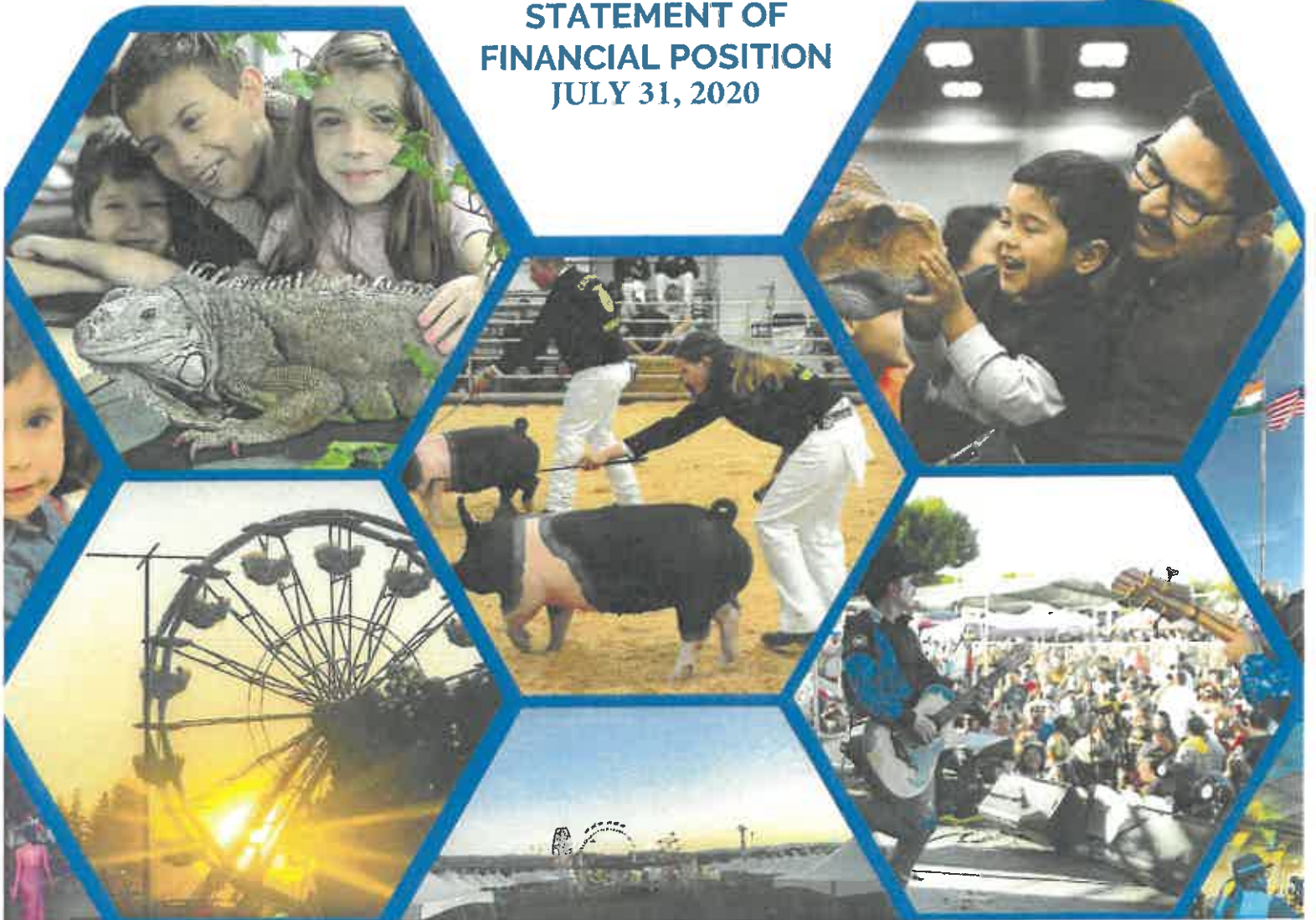




**THE
FAIR GROUND**
SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION

**STATEMENT OF
FINANCIAL POSITION
JULY 31, 2020**



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

Statement of Activities

Actual revenues, year-to-date as of July 31, 2020, totaled \$3,037,025 or \$2,946,861 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 July 31, totaled \$2,942,817 or \$2,909,435 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 \$94,208 compared to the budgeted Net Profit of \$131,633 results in an unfavorable variance of \$37,425 year to date as of July 31, 2020.

Balance Sheet

SCCFMC's total cash balance as of July 31, 2020 is \$545,011 compared with the prior year's (2019) cash balance total of \$285,773. SCCFMC's current ratio is 0.99 for July, 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. 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 has been 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 – July 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 JULY 31, 2020
Actual vs Budget

	2020		
	Actual	Budget	Variance
Support and revenue			
Venue & Sales Services	245,337	638,028	(392,691)
Property Management *	1,610,599	1,791,092	(180,493)
Parking	98,945	581,199	(482,254)
Off-Track Betting	424,636	746,444	(321,808)
Food & Beverages	125,301	769,058	(643,757)
County Fair	12,459	0	12,459
Bingo	331,574	1,278,065	(946,491)
Hosted Events	181	155,000	(154,819)
General and Administrative	30,643	25,000	5,643
Total support & revenue	<u>2,879,675</u>	<u>5,983,886</u>	<u>(3,104,211)</u>
Expenses			
Program Services	1,544,267	4,082,268	2,538,002
Facilities	679,376	935,248	255,872
General & Administrative	719,175	834,736	115,561
Total expenses	<u>2,942,817</u>	<u>5,852,253</u>	<u>2,909,435</u>
Change in unrestricted net assets before exceptional other income	(63,143)	131,633	(194,777)
Exceptional other income	<u>157,350</u>	<u>0</u>	<u>157,350</u>
Change in unrestricted net assets	94,208	131,633	(37,425)
Unrestricted net assets, January 1	<u>1,346,549</u>	<u>1,346,549</u>	<u>0</u>
Unrestricted net assets, July 31	<u>1,440,757</u>	<u>1,478,182</u>	<u>(37,425)</u>
* Includes both Anchor Licensees and RV Park	3,037,025	5,983,886	<u>(2,946,861)</u>

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

	PROGRAM SERVICES	FACILITIES	MANAGEMENT AND GENERAL	TOTAL
Salaries & Wages	401,604	278,524	306,894	987,022
Bingo Payouts	282,273	0	0	282,273
Employee Benefits	105,362	53,260	125,038	283,660
Utilities	298,733	7,095	17,538	323,366
Outside Services	59,244	5,038	71,832	136,113
Security & Sheriff	41,763	61,477	0	103,240
Marketing	8,110	0	2,418	10,528
Bingo Supplies	18,437	0	0	18,437
Depreciation and amortization	0	167,650	0	167,650
Payroll taxes	32,099	29,849	24,131	86,079
Equipment Rental	48,694	27,264	14,964	90,922
Supplies	24,546	23,603	22,006	70,155
Insurance	113,776	7,772	3,275	124,823
Entertainment	1,000	0	0	1,000
Food & Beverage Cost	28,593	0	0	28,593
Repair & Maintenance	2,551	9,478	227	12,257
Professional Services	39,900	0	97,292	137,192
Racing Forms	18,521	0	0	18,521
Other	21,239	6,945	31,797	59,981
Miscellaneous	(7,399)	0	161	(7,238)
Commissions	1,220	0	0	1,220
Fees & Licenses	4,002	1,422	1,599	7,023
Total	1,544,267	679,376	719,175	2,942,817

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

	<u>2020</u>	<u>2019</u>
Support and revenue		
Venue & Sales Services	245,337	701,843
Property Management *	1,610,599	1,287,843
Parking	98,945	628,606
Off-Track Betting	424,636	717,446
Food & Beverages	125,301	816,070
County Fair	12,459	413,699
Bingo	331,574	1,195,633
Hosted Events	181	46,006
General and Administrative	30,643	31,306
Total support & revenue	<u>2,879,675</u>	<u>5,838,451</u>
Expenses		
Program Services	1,544,267	3,767,091
Facilities	679,376	1,030,010
General & Administrative	719,175	814,581
Total expenses	<u>2,942,817</u>	<u>5,611,682</u>
Change in unrestricted net assets before exceptional other income	(63,143)	226,770
Exceptional other income	<u>157,350</u>	<u>0</u>
Change in unrestricted net assets	94,208	226,770
Unrestricted net assets, January 1	<u>1,346,549</u>	<u>1,317,130</u>
Unrestricted net assets, July 31	<u>1,440,757</u>	<u>1,543,900</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 July 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	\$ 1,610,599	\$ 245,337	\$ 98,945	\$ 125,301	\$ 331,574	\$ 181	\$ 12,459	\$ 2,849,032	\$ -	\$ 187,993	\$ 3,037,025
Cost of Sales:												
Labor									140,093			140,093
Racing Forms	18,521		112,009	16,632	11,452				18,521			18,521
Parking			(5,918)						(5,918)			(5,918)
Entertainment							500	500	1,000			1,000
Equipment Rental			2,782	17,524	315				20,620			20,620
Food & Beverages	1,662				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												
Material			146					124	270			270
Admission Clerks												
Awards and Trophies												
Ticketing Services												
Judges												
Defer Expenses								100	100			100
Total Cost of Sales	21,403		110,520	34,155	24,477	314,929	500	724	506,709			506,709
Direct Expenses:												
Payroll and employee benefits	100,508			22,935	80,277				203,719	359,622		563,342
Facility	25	285,699			1,184				286,908	1,513		288,421
Repairs and maintenance	1,841				710				2,551	7,903	219	10,673
Security and sheriff	11,349	18,750			1,020	2,340			33,459	61,477		94,936
Depreciation										80,673		80,673
Other	11,513	3,844	18,092	1,270	13,387	1,000	375	1,223	50,704	62,594	6,372	119,670
Reimbursed expenses										(1,166)		(1,166)
Total Direct Expenses	125,236	308,293	18,092	24,204	96,578	3,340	375	1,223	577,342	572,617	6,591	1,156,549
Gross Profit (Loss)	277,997	1,302,306	116,725	40,585	4,246	13,305	(694)	10,512	1,764,982	(572,617)	181,402	1,373,767
General and Administrative Expenses:												
Labor and benefits	67,823	27,172	101,068		24,000		3,989	21,250	245,303	2,011	517,366	764,680
Professional Services					19,600				19,600		97,292	116,892
Marketing	2,874		8,660	12,040		2,418		2,418	28,410		2,418	30,828
Insurance								4,000	4,000	9,783	1,431	15,214
Depreciation												
Deferred Costs												
Other	22,740	115,737	(1,429)	1,207	1,276	5,280	7,500	10,593	162,904	94,966	94,076	351,945
Total General and Administrative Expenses	93,436	142,909	108,299	13,247	44,876	7,698	11,489	38,261	460,217	106,759	712,584	1,279,559
Change in Unrestricted Net Assets (Deficit)	\$ 184,561	\$ 1,159,397	\$ 8,426	\$ 27,338	\$ (40,631)	\$ 5,606	\$ (12,183)	\$ (27,749)	\$ 1,304,765	\$ (679,376)	\$ (531,181)	\$ 94,208

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
Year to date as of July 31, 2019

	OFF Track Betting	Property Management	Program Services										General & Administrative	Total
			Venue Sales & Event Svc.	Parking	Food & Beverages	Hosted Event-Bingo	Special Events	County Fair	Total Program Services	Facility				
Support and Revenue	\$ 717,446	\$ 1,287,843	\$ 701,843	\$ 628,606	\$ 816,070	\$ 1,195,633	\$ 46,006	\$ 413,699	\$ 5,807,146	\$ -	\$ 31,306	\$ 5,838,451		
Cost of Sales:														
Labor		1,810	241,592	85,534	140,967	-	6,505	25,031	501,440			501,440		
Racing Forms	65,260								65,260			65,260		
Parking			9,859	129,788			2,288	720	142,655			142,655		
Entertainment							32,048	198,040	230,088			230,088		
Equipment Rental			34,273	44,716	3,199		3,644	45,622	131,455			131,455		
Food & Beverages					119,802	11,245	3,731		134,777			134,777		
Sponsorship-Exchange														
Bingo-Regular					330,176				330,176			330,176		
Bingo-Flash cards					722,663				722,663			722,663		
Sub-Contractor			11,719				4,000		15,719			15,719		
Commission			206		6,279		238		6,723			6,723		
Other														
Material			9,551			(500)	1,240		10,291			10,291		
Admission Clerks														
Awards and Trophies									48			48		
Ticketing Services														
Judges														
Defer Expenses														
Total Cost of Sales	65,260	1,810	307,201	260,038	270,247	1,063,584	53,694	275,288	2,297,121			2,297,121		
Direct Expenses:														
Payroll and employee benefits	179,939	22,400	-	29,585	85,132	-	-	-	317,056			317,056		
Facility	121,438	-	1,150	-	-	-	-	-	122,588			122,588		
Repairs and maintenance	3,001	-	4,301	-	2,717	-	-	-	10,019			10,019		
Security and sheriff	59,997	-	720	-	9,974	9,203	1,323	-	81,217			81,217		
Depreciation														
Other	30,745	19,066	10,843	14,347	36,036	4,572	14,331		161,477			161,477		
Reimbursed expenses														
Total Direct Expenses	395,120	41,466	17,015	43,932	133,859	13,774	15,654	31,537	692,357			692,357		
Gross Profit (Loss)	245,066	1,244,566	377,628	324,637	411,964	118,274	(21,341)	106,875	2,817,668	(725,402)	7,534	2,099,800		
General and Administrative Expenses:														
Labor and benefits	160,142		149,356		83,710		24,965	83,977	502,149	82,634		1,187,739		
Professional Services														
Marketing	5,552		11,979			2,868	13,665	132,878	166,942			178,799		
Insurance								4,032	4,032			4,032		
Depreciation										119,214		119,214		
Deferred Costs										84,958		84,958		
Other	28,673		5,174		35,602	14,100	5,526	15,415	104,489	17,803	95,135	217,426		
Total General and Administrative Expenses	194,367		166,509		119,312	16,968	44,155	236,303	777,613	304,609	790,809	1,873,030		
Change in Unrestricted Net Assets (Deficit)	\$ 62,699	\$ 1,244,566	\$ 211,119	\$ 324,637	\$ 292,652	\$ 101,307	\$ (67,497)	\$ (129,428)	\$ 2,040,055	\$ (1,030,010)	\$ (783,275)	\$ 226,770		

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

ASSETS	2020	2019
Current Assets		
Cash and cash equivalent	\$ 545,011	\$ 285,773
Accounts Receivable	246,518	711,203
Inventory	0	0
Prepaid Expenses	651,017	858,824
Total current assets	\$ 1,442,546	\$ 1,855,799
Property and Equipment, net	1,701,061	1,392,553
Total assets	\$ 3,143,607	\$ 3,248,352
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 91,620	\$ 496,033
Accrued liabilities	396,051	557,284
Restricted Fund-Heritage Foundation	5,500	0
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
Loans payable, current portion	15,843	35,343
Note payable-related party current portion	5,533	8,000
Customer deposits	294,104	299,836
Total current liabilities	\$ 1,452,447	\$ 1,412,842
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	4,937
US Bank Equipment Loan net of current portion	14,944	28,872
Loans payable, net of current portion	0	21,613
Total long-term liabilities	250,404	291,611
Total liabilities	\$ 1,702,851	\$ 1,704,453
Unrestricted net assets	\$ 1,440,757	\$ 1,543,900
Total liabilities and net assets	\$ 3,143,607	\$ 3,248,352

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

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 94,208	\$ 226,770
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expenses	167,650	151,687
Accounts Receivable	(30,321)	(472,911)
Prepaid Expenses	(136,750)	(449,340)
Accounts payable	(143,906)	289,139
Accrued liabilities	46,171	65,052
Restricted Funds	633,037	-
Deferred revenue	(104,233)	(55,084)
Accrued Wages	(78,228)	(7,697)
Net cash provided by operating activities	<u>447,627</u>	<u>(252,383)</u>
Cash flows from investing activities		
Acquisition of property and equipment	(16,500)	(238,759)
Sale of property and equipment	-	-
Net cash used in investing activities	<u>(16,500)</u>	<u>(238,759)</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	431,127	(491,142)
Cash and cash equivalent, January 1	<u>113,885</u>	<u>776,915</u>
Cash and cash equivalent, July 31	<u>\$ 545,011</u>	<u>\$ 285,773</u>