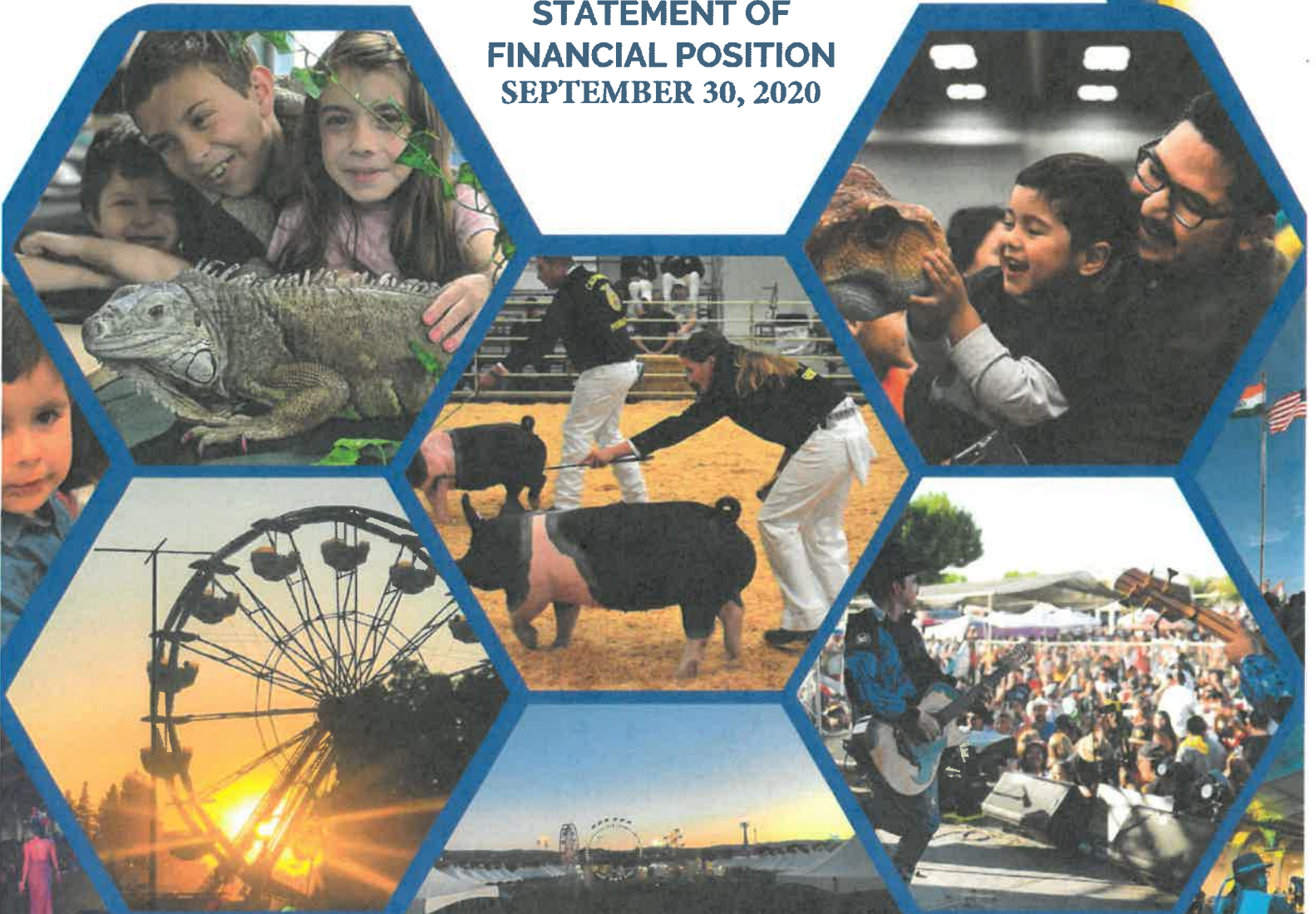


# THE FAIRGROUNDS

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION

## STATEMENT OF FINANCIAL POSITION SEPTEMBER 30, 2020



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

**Statement of Activities**

Actual revenues, year-to-date as of September 30, 2020, totaled \$3,790,371 or \$4,704,702 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 September 30, 2020 totaled \$3,591,283 or \$4,594,522 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 \$199,089 compared to the budgeted Net Profit of \$309,268 results in an unfavorable variance of \$110,180 year-to-date as of September 30, 2020.

**Balance Sheet**

SCCFMC's total cash balance as of September 30, 2020 is \$582,690 compared with the prior year's (2019) cash balance total of \$75,418. SCCFMC's current ratio is 1.10 as of September 30, 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. The Revenue Protection Claim filed with California Fair Services Authority (CFSA) was approved and proceeds totaling \$42,729.13 were received in September.

**Supplemental Schedule for 2020**

Anchor License Agreements – September 2020: Summarizes the status of Anchor License Agreements totaling \$205,362.49 in revenue. As of September 30, 2020, the receivables balance for unpaid invoices totaled \$34,715.

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

	<b>2020</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Support and revenue			
Venue Sales & Event Services	\$ 283,097	\$ 808,607	\$ (525,510)
Property Management *	2,058,780	2,315,064	(256,284)
Parking	98,945	641,385	(542,440)
Off-Track Betting	551,581	947,473	(395,892)
Food & Beverages	142,733	864,003	(721,270)
County Fair	87,244	1,179,562	(1,092,318)
Bingo	331,574	1,558,979	(1,227,405)
Hosted Events	181	155,000	(154,819)
General and Administrative	36,157	25,000	11,157
Total support & revenue	<u>\$ 3,590,292</u>	<u>\$ 8,495,073</u>	<u>\$ (4,904,781)</u>
Expenses			
Program Services	\$ 1,853,652	\$ 5,940,686	\$ 4,087,034
Facilities	809,064	1,183,628	374,564
General & Administrative	928,567	1,061,490	132,923
Total expenses	<u>\$ 3,591,283</u>	<u>\$ 8,185,805</u>	<u>\$ 4,594,522</u>
Change in unrestricted net assets before exceptional other income	(992)	309,268	(310,260)
Exceptional other income**	<u>200,079</u>	<u>0</u>	<u>200,079</u>
Change in unrestricted net assets	\$ 199,089	\$ 309,268	\$ (110,180)
Unrestricted net assets, January 1	<u>1,346,549</u>	<u>1,346,549</u>	<u>0</u>
Unrestricted net assets, September 30	<u><u>\$ 1,545,637</u></u>	<u><u>\$ 1,655,817</u></u>	<u><u>\$ (110,180)</u></u>

\* Includes both Anchor Licensees and RV Park guests

\*\* Includes both AB 1499 (\$157,350) and Revenue Protection Claim (\$42,729)

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

	<u>2020</u>	<u>2019</u>
Support and revenue		
Venue Sales & Event Services	\$ 283,097	\$ 839,920
Property Management *	2,058,780	1,625,103
Parking	98,945	685,742
Off-Track Betting	551,581	909,497
Food & Beverages	142,733	908,797
County Fair	87,244	920,563
Bingo	331,574	1,452,946
Hosted Events	181	51,256
General and Administrative	36,157	247,783
Total support & revenue	<u>\$ 3,590,292</u>	<u>\$ 7,641,607</u>
Expenses		
Program Services	\$ 1,853,652	\$ 5,177,939
Facilities	809,064	1,383,213
General & Administrative	928,567	1,030,347
Total expenses	<u>\$ 3,591,283</u>	<u>\$ 7,591,499</u>
Change in unrestricted net assets before exceptional other income	(992)	50,108
Exceptional other income**	<u>200,079</u>	<u>0</u>
Change in unrestricted net assets	\$ 199,089	\$ 50,108
Unrestricted net assets, January 1	<u>1,346,549</u>	<u>1,317,291</u>
Unrestricted net assets, September 30	<u>\$ 1,545,637</u>	<u>\$ 1,367,398</u>

\* Includes both Anchor Licensees and RV Park guests

\*\* Includes both AB 1499 (\$157,350) and Revenue Protection Claim (\$42,729)

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

	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
<b>Support and Revenue</b>	\$ 551,581	\$ 2,058,780	\$ 283,097	\$ 98,945	\$ 142,733	\$ 331,574	\$ 181	\$ 87,244	\$ 3,554,135	\$ -	\$ 236,236	\$ 3,790,371
<b>Cost of Sales:</b>												
Labor			155,316	16,632	11,452	-	-	-	183,399			183,399
Racing Forms	18,521								18,521			18,521
Parking			2,386	-	-	-	-	-	2,386			2,386
Entertainment						1,000		20,300	21,300			21,300
Equipment Rental			2,782	17,524	479	-	-	-	20,785			20,785
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				146								
Material								124	270			270
Admission Clerks												
Awards and Trophies												
Ticketing Services												
Judges												
Defer Expenses								3,150	3,150			3,150
<b>Total Cost of Sales</b>	<b>21,403</b>	<b>-</b>	<b>162,130</b>	<b>34,155</b>	<b>24,642</b>	<b>314,929</b>	<b>1,000</b>	<b>23,574</b>	<b>581,834</b>	<b>-</b>	<b>-</b>	<b>581,834</b>
<b>Direct Expenses:</b>												
Payroll and employee benefits	104,494			22,935	94,243				221,672	367,460		589,131
Facility	25	400,794			1,550				402,368	1,513		403,881
Repairs and maintenance	1,841				1,914				3,755	15,409	750	19,914
Security and sheriff	11,349	18,750			1,020	2,340			33,459	105,194		138,653
Depreciation										103,722		103,722
Other	14,965	4,919	16,592	1,270	14,327	1,000	375	20,221	73,669	79,667	7,829	161,165
Reimbursed expenses		(1,935)							(1,935)	(1,166)		(3,101)
<b>Total Direct Expenses</b>	<b>132,673</b>	<b>422,528</b>	<b>16,592</b>	<b>24,204</b>	<b>113,054</b>	<b>3,340</b>	<b>375</b>	<b>20,221</b>	<b>732,988</b>	<b>671,800</b>	<b>8,579</b>	<b>1,413,366</b>
<b>Gross Profit (Loss)</b>	<b>397,504</b>	<b>1,636,253</b>	<b>104,374</b>	<b>40,585</b>	<b>5,037</b>	<b>13,305</b>	<b>(1,194)</b>	<b>43,449</b>	<b>2,239,314</b>	<b>(671,800)</b>	<b>227,657</b>	<b>1,795,171</b>
<b>General and Administrative Expenses:</b>												
Labor and benefits	68,729	27,172	101,068		24,000		3,989	31,850	256,808	3,611	658,080	918,499
Professional Services					21,000				21,000		132,251	153,251
Marketing	3,799		9,750	12,900		3,343		16,267	46,059		3,343	49,402
Insurance								4,000	4,000	9,761	1,431	15,192
Depreciation												
Deferred Costs												
Other	35,041	128,142	(1,429)	1,207	2,338	5,280	7,500	32,884	210,964	123,893	124,883	459,739
<b>Total General and Administrative Expenses</b>	<b>107,568</b>	<b>155,315</b>	<b>109,389</b>	<b>14,107</b>	<b>47,338</b>	<b>8,623</b>	<b>11,489</b>	<b>85,001</b>	<b>538,831</b>	<b>137,264</b>	<b>919,988</b>	<b>1,596,083</b>
<b>Change in Unrestricted Net Assets (Deficit)</b>	<b>\$ 289,937</b>	<b>\$ 1,480,938</b>	<b>\$ (5,015)</b>	<b>\$ 26,478</b>	<b>\$ (42,301)</b>	<b>\$ 4,681</b>	<b>\$ (12,683)</b>	<b>\$ (41,552)</b>	<b>\$ 1,700,483</b>	<b>\$ (809,064)</b>	<b>\$ (692,330)</b>	<b>\$ 199,089</b>

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

Year to date as of **September 30, 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
<b>Support and Revenue</b>	\$ 909,497	\$ 1,625,103	\$ 839,920	\$ 685,742	\$ 908,797	\$ 1,452,946	\$ 51,256	\$ 920,563	\$ 7,393,824	\$ 116,000	\$ 131,783	\$ 7,641,607
<b>Cost of Sales:</b>												
Labor		2,125	286,123	100,023	154,875	-	6,745	114,546	664,437			664,437
Racing Forms	84,199	-	-	-	-	-	-	-	84,199			84,199
Parking			10,844	133,901	-	-	2,288	26,545	173,578			173,578
Entertainment			-	-	-	-	34,048	292,254	326,302			326,302
Equipment Rental			38,011	59,844	4,341	-	3,644	49,620	155,459			155,459
Food & Beverages			-	-	136,959	15,346	3,731	16,142	172,179			172,179
Sponsorship-Exchange			-	-	-	-	-	-	-			-
Bingo-Regular			-	-	-	404,543	-	8,686	413,229			413,229
Bingo-Flash cards			-	-	-	877,773	-	6,550	884,323			884,323
Sub-Contractor			15,023	-	-	-	4,000	20,832	39,855			39,855
Commission			206	-	8,216	-	238	13,186	21,845			21,845
Other			-	-	-	-	-	-	-			-
Material			10,575	-	-	(500)	1,240	-	11,315			11,315
Admission Clerks			-	-	-	-	-	16,728	16,728			16,728
Awards and Trophies			-	-	-	-	-	1,537	1,537			1,537
Ticketing Services			-	-	-	-	-	-	-			-
Judges			-	-	-	-	-	-	-			-
Defer Expenses			-	-	-	-	-	6,675	6,675			6,675
<b>Total Cost of Sales</b>	84,199	2,125	360,781	293,768	304,391	1,297,163	55,934	573,301	2,971,662	-	-	2,971,662
<b>Direct Expenses:</b>												
Payroll and employee benefits	229,883	25,600	-	38,813	106,492	-	-	-	400,788	406,176	-	806,964
Facility	170,505	-	1,150	-	-	-	-	18,967	190,622	235,748	-	426,370
Repairs and maintenance	3,001	-	4,301	-	3,647	-	-	-	10,949	46,275	6,475	63,700
Security and sheriff	77,854	-	720	-	11,768	11,088	1,323	169,347	272,099	85,178	-	357,276
Depreciation	-	-	-	-	-	-	-	-	-	89,047	-	89,047
Other	34,986	23,452	11,525	17,801	46,095	5,572	15,887	152,463	307,782	103,032	17,657	428,471
Reimbursed expenses	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Direct Expenses</b>	516,229	49,052	17,696	56,614	168,002	16,659	17,210	340,778	1,182,240	965,455	24,132	2,171,827
<b>Gross Profit (Loss)</b>	309,068	1,573,926	461,442	335,360	436,404	139,124	(21,888)	6,485	3,239,922	(849,455)	107,651	2,498,117
<b>General and Administrative Expenses:</b>												
Labor and benefits	205,096	-	186,859	-	98,415	-	31,747	115,179	637,296	111,878	779,232	1,528,406
Professional Services	-	-	-	-	-	-	-	-	-	-	95,468	95,468
Marketing	7,339	-	14,139	-	-	6,055	16,546	173,009	217,088	-	13,504	230,591
Insurance	-	-	-	-	-	-	-	13,289	13,289	162,744	3,863	179,896
Depreciation	-	-	-	-	-	-	-	-	-	110,695	-	110,695
Deferred Costs	-	-	-	-	-	-	-	-	-	-	-	-
Other	40,076	-	6,919	-	44,177	19,860	7,759	37,574	156,365	32,440	114,150	302,954
<b>Total General and Administrative Expenses</b>	252,511	-	207,918	-	142,593	25,915	56,051	339,050	1,024,037	417,757	1,006,215	2,448,010
<b>Change in Unrestricted Net Assets (Deficit)</b>	\$ 56,557	\$ 1,573,926	\$ 253,525	\$ 335,360	\$ 293,811	\$ 113,210	\$ (77,939)	\$ (332,565)	\$ 2,215,885	\$ (1,267,213)	\$ (898,564)	\$ 50,108

**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year to date as of September 30, 2020**

	<b>PROGRAM SERVICES</b>	<b>FACILITIES</b>	<b>MANAGEMENT AND GENERAL</b>	<b>TOTAL</b>
Salaries & Wages	\$ 446,614	\$ 295,254	\$ 380,119	\$ 1,121,988
Utilities	416,648	8,849	24,034	449,530
Employee Benefits	120,720	44,824	165,664	331,208
Bingo Payouts	282,273	0	0	282,273
Depreciation and amortization	0	215,851	0	215,851
Professional Services	51,800	0	132,251	184,051
Outside Services	74,024	8,102	95,745	177,871
Security & Sheriff	40,263	105,194	0	145,457
Insurance	124,513	10,574	4,297	139,384
Supplies	57,669	31,144	27,835	116,648
Equipment Rental	53,127	32,375	17,539	103,041
Payroll taxes	33,895	30,992	29,369	94,256
Other	48,376	7,034	38,112	93,523
Food & Beverage Cost	28,593	0	0	28,593
Repair & Maintenance	3,755	17,123	1,018	21,897
Entertainment	21,300	0	0	21,300
Marketing	15,259	0	3,343	18,602
Racing Forms	18,521	0	0	18,521
Bingo Supplies	18,437	0	0	18,437
Fees & Licenses	4,044	1,746	1,654	7,445
Commissions	1,220	0	0	1,220
Miscellaneous	(7,399)	0	7,587	188
<b>Total support &amp; revenue</b>	<b>\$ 1,853,652</b>	<b>\$ 809,064</b>	<b>\$ 928,567</b>	<b>\$ 3,591,283</b>



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

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 199,089	\$ 50,108
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expenses	215,851	199,742
Accounts Receivable	(141,177)	(135,316)
Prepaid Expenses	(111,689)	(319,176)
Accounts payable	(134,119)	229,683
Accrued liabilities	27,306	81,564
Restricted Funds	627,450	4,651
Deferred revenue	(114,246)	(57,930)
Accrued Wages	(82,048)	(74,806)
<b>Net cash provided by operating activities</b>	<u>486,417</u>	<u>(21,479)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(17,612)	(680,019)
Sale of property and equipment	-	-
<b>Net cash used in investing activities</b>	<u>(17,612)</u>	<u>(680,019)</u>
<b>Cash flows from financing activities</b>		
Payment of note payable-related party	-	-
Payment of loan payable	-	-
Proceeds from loan	-	-
<b>Net cash used in financing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalent</b>	468,805	(701,498)
<b>Cash and cash equivalent, January 1</b>	<u>113,885</u>	<u>776,915</u>
<b>Cash and cash equivalent, September 30</b>	<u><u>\$ 582,690</u></u>	<u><u>\$ 75,418</u></u>

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

	<b>ASSETS</b>	<u>2020</u>	<u>2019</u>
Current Assets			
Cash and cash equivalent		\$ 582,690	\$ 75,418
Accounts Receivable		357,371	373,673
Prepaid Expenses		625,956	721,944
Total current assets		<u>\$ 1,566,018</u>	<u>\$ 1,171,035</u>
Property and Equipment, net		<u>1,653,972</u>	<u>1,785,758</u>
Total assets		<u><u>\$ 3,219,989</u></u>	<u><u>\$ 2,956,792</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
Current liabilities			
Accounts payable		\$ 101,407	\$ 436,578
Accrued liabilities		382,467	512,914
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	295
Loans payable, current portion		8,879	35,343
Note payable-related party current portion		5,533	8,000
Customer deposits		284,090	296,141
Total current liabilities		<u>\$ 1,426,173</u>	<u>\$ 1,311,117</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		12,720	26,974
Loans payable, net of current portion		0	15,115
Total long-term liabilities		<u>248,179</u>	<u>278,278</u>
Total liabilities		<u>\$ 1,674,352</u>	<u>\$ 1,589,395</u>
Unrestricted net assets		<u><b>\$ 1,545,637</b></u>	<u><b>\$ 1,367,398</b></u>
Total liabilities and net assets		<u><u>\$ 3,219,989</u></u>	<u><u>\$ 2,956,792</u></u>

# SANTA CLARA COUNTY FAIRGROUNDS MGMT CORP.

## LICENSEES AGREEMENTS -SEPTEMBER 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	1	\$ 7,000.00		\$ 7,000.00		Executed Contract
EVERGREEN WASTE SERVICES #642	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	0.5	\$ 3,500.00		\$ 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.
<b>TOTAL</b>	<b>34.65</b>	<b>\$ 205,362.49</b>				

i. PHONE TOWER - EXECUTED CONTRACT BY SANTA CLARA COUNTY

BELOW MARKET RATE  
MARKET RATE