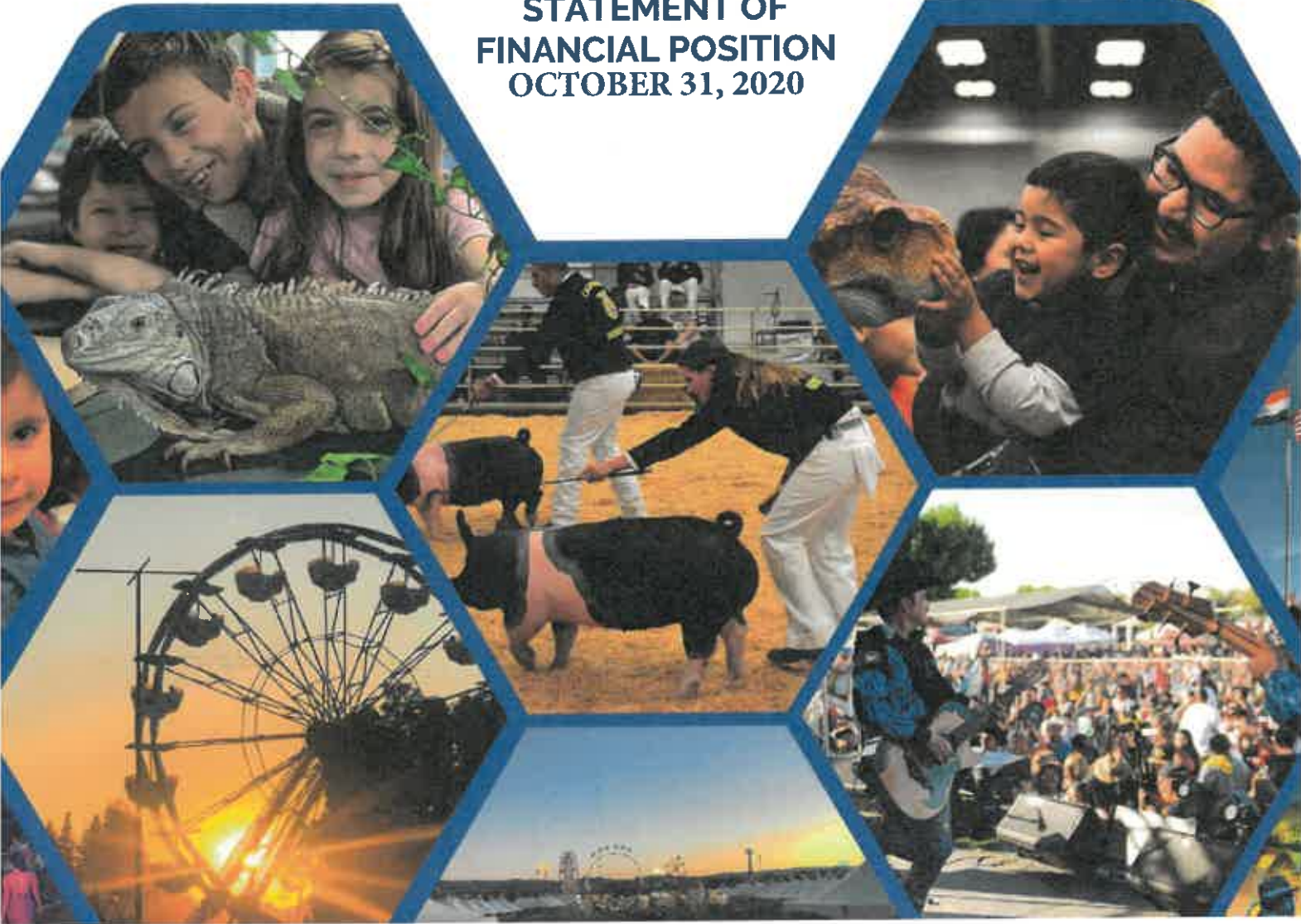


**THE
FAIR GROUND**
SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION

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



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

Statement of Activities

Actual revenues, year-to-date as of October 31, 2020, totaled \$4,356,659 or \$6,337,762 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.

On September 22, 2020, the County of Santa Clara approved the First Amendment to the Amended and Restated Agreement with SCCFMC allowing SCCFMC to invoice the County for eligible costs in connection with the emergency use of the facilities on the Fairgrounds. The financials include \$232,930 in recognized revenue as a reimbursement from the County of Santa Clara for September and October 2020 expenses.

Expenses year-to-date as of October 31, 2020 totaled \$3,884,619 or \$6,733,964 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 \$472,041 compared to the budgeted Net Profit of \$75,838 results in a favorable variance of \$396,202 year-to-date as of October 31, 2020.

Balance Sheet

SCCFMC's total cash balance as of October 31, 2020 is \$795,383 compared with the prior year's (2019) cash balance total of \$77,794. SCCFMC's current ratio is 1.09 as of October 31, 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.

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

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.

In October, ADW/Off-Track betting commissions in the amount of \$134,904 were received from Golden Gate Fields, Los Alamitos, Watch & Wager, Alameda County Fair, Sonoma County Fair and California State Fair for the months of June thru September 2020.

Supplemental Schedule for 2020

Anchor License Agreements – October 2020: Summarizes the status of Anchor License Agreements totaling \$208,862.49 in revenue. As of October 31, 2020, the receivables balance for unpaid invoices totaled \$38,304.

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

	2020		
	Actual	Budget	Variance
Support and revenue			
Venue Sales & Event Services	\$ 319,897	\$ 1,037,000	\$ (717,103)
Property Management *	2,315,043	3,100,108	(785,065)
Parking	98,945	850,000	(751,055)
Off-Track Betting	608,796	1,199,142	(590,346)
Food & Beverages	151,847	988,608	(836,761)
County Fair	89,994	1,179,562	(1,089,568)
Bingo	331,574	2,085,001	(1,753,427)
Hosted Events	181	230,000	(229,819)
General and Administrative	240,304	25,000	215,304
Total support & revenue	<u>\$ 4,156,580</u>	<u>\$ 10,694,421</u>	<u>\$ (6,537,841)</u>
Expenses			
Program Services	\$ 1,987,904	\$ 7,574,159	\$ 5,586,255
Facilities	866,794	1,609,273	742,479
General & Administrative	1,029,920	1,435,150	405,230
Total expenses	<u>\$ 3,884,619</u>	<u>\$ 10,618,583</u>	<u>\$ 6,733,964</u>
Change in unrestricted net assets before exceptional other income	271,961	75,838	196,122
Exceptional other income**	<u>200,079</u>	<u>0</u>	<u>200,079</u>
Change in unrestricted net assets	\$ 472,041	\$ 75,838	\$ 396,202
Unrestricted net assets, January 1	<u>1,346,549</u>	<u>1,346,549</u>	<u>0</u>
Unrestricted net assets, October 31	<u>\$ 1,818,590</u>	<u>\$ 1,422,387</u>	<u>\$ 396,202</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 **OCTOBER 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Support and revenue		
Venue Sales & Event Services	\$ 319,897	\$ 984,418
Property Management *	2,315,043	1,775,811
Parking	98,945	790,603
Off-Track Betting	608,796	985,629
Food & Beverages	151,847	976,114
County Fair	89,994	917,002
Bingo	331,574	1,600,387
Hosted Events	181	60,293
General and Administrative	240,304	247,826
Total support & revenue	<u>\$ 4,156,580</u>	<u>\$ 8,338,083</u>
Expenses		
Program Services	\$ 1,987,904	\$ 5,569,936
Facilities	866,794	1,534,524
General & Administrative	1,029,920	1,148,668
Total expenses	<u>\$ 3,884,619</u>	<u>\$ 8,253,128</u>
Change in unrestricted net assets before exceptional other income	271,961	84,955
Exceptional other income**	<u>200,079</u>	<u>0</u>
Change in unrestricted net assets	\$ 472,041	\$ 84,955
Unrestricted net assets, January 1	<u>1,346,549</u>	<u>1,317,291</u>
Unrestricted net assets, October 31	<u>\$ 1,818,590</u>	<u>\$ 1,402,245</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 October 31, 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
Support and Revenue	\$ 608,796	\$ 2,315,043	\$ 319,897	\$ 98,945	\$ 151,847	\$ 331,574	\$ 181	\$ 89,994	\$ 3,916,276	\$ -	\$ 440,383	\$ 4,356,659
Cost of Sales:												
Labor									202,133			202,133
Racing Forms	18,521		174,049	16,632	11,452				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	534				20,840			20,840
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								3,150	3,150			3,150
Total Cost of Sales	21,403	-	180,864	34,155	24,697	314,929	1,000	23,574	600,622			600,622
Direct Expenses:												
Payroll and employee benefits	108,279			22,935	101,220				232,434	369,794		602,228
Facility	25	453,092			1,809				454,926	3,318		458,244
Repairs and maintenance	1,841				2,314				4,156	22,305	750	27,210
Security and sheriff	11,349	18,750			1,020	2,340			33,459	121,730		155,189
Depreciation										115,247		115,247
Other	16,546	5,457	36,688	1,270	15,851	1,000	375	20,221	97,407	83,843	7,986	189,236
Reimbursed expenses		(2,697)							(2,697)	(1,166)		(3,863)
Total Direct Expenses	138,040	474,602	36,688	24,204	122,214	3,340	375	20,221	819,684	715,071	8,736	1,543,491
Gross Profit (Loss)	449,353	1,840,441	102,345	40,585	4,936	13,305	(1,194)	46,199	2,495,970	(715,071)	431,647	2,212,546
General and Administrative Expenses:												
Labor and benefits	68,729	27,172	101,068		24,000		3,989	37,850	262,808	3,611	727,476	993,895
Professional Services					23,800				23,800		158,067	181,867
Marketing	4,348		10,930	14,620	3,806			16,995	50,699		3,806	54,505
Insurance								4,000	4,000	10,755		16,186
Depreciation												
Deferred Costs												
Other	38,332	139,571	(1,429)	1,207	2,946	5,280	7,500	32,884	226,291	137,357	130,405	494,053
Total General and Administrative Expenses	111,409	166,743	110,569	15,827	50,746	9,086	11,489	91,729	567,598	151,723	1,021,185	1,740,505
Change in Unrestricted Net Assets (Deficit)	\$ 337,944	\$ 1,673,698	\$ 8,225	\$ 24,758	\$ (45,810)	\$ 4,219	\$ (12,683)	\$ (45,530)	\$ 1,928,372	\$ (866,794)	\$ (589,537)	\$ 472,041

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION
SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES
 Year to date as of **October 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	\$ 985,629	\$ 1,775,811	\$ 984,418	\$ 790,603	\$ 976,114	\$ 1,600,387	\$ 60,293	\$ 917,002	\$ 8,090,257	\$ 116,000	\$ 131,826	\$ 8,338,083
		2,405	327,593	113,955	166,131	-	10,864	114,546	735,493			735,493
Cost of Sales:	92,207		10,844	141,946	-	-	2,288	26,545	92,207			92,207
Labor									181,622			181,622
Racing Forms									326,302			326,302
Parking									158,839			158,839
Entertainment									188,214			188,214
Equipment Rental									465,506			465,506
Food & Beverages									974,412			974,412
Sponsorship-Exchange									39,855			39,855
Bingo-Regular									22,707			22,707
Bingo-Flash cards									-			-
Sub-Contractor									11,315			11,315
Commission									16,728			16,728
Other									1,537			1,537
Material									-			-
Admission Clerks									6,775			6,775
Awards and Trophies									-			-
Ticketing Services									-			-
Judges									-			-
Defer Expenses									-			-
Total Cost of Sales	92,207	2,405	404,829	319,823	327,749	1,442,297	62,131	570,070	3,221,511	-	-	3,221,511
									460,518	448,408	-	908,926
Direct Expenses:	272,794	27,200	1,150	41,755	118,769	-	-	-	212,466	267,469	-	479,935
Payroll and employee benefits	192,349		4,301		6,107			18,967	13,409	48,712	(1,425)	60,696
Facility	3,001		720		13,408		1,323	169,347	283,278	94,478	-	377,756
Repairs and maintenance	84,954								-	101,433	-	101,423
Security and sheriff									293,295	112,541	27,836	433,673
Depreciation									(500)	-	-	(500)
Other	18,591	13,296	13,966	20,550	50,024	6,072	17,039	153,758	-	-	-	-
Reimbursed expenses		(500)										
Total Direct Expenses	571,689	39,996	20,118	62,305	188,307	19,598	18,362	342,072	1,262,467	1,073,030	26,411	2,361,908
									3,466,279	(957,030)	(105,415)	2,754,664
Gross Profit (Loss)	321,734	1,733,410	559,451	408,475	460,058	138,491	(20,200)	4,860	3,466,279	(957,030)	(105,415)	2,754,664
									668,226	119,496	849,681	1,647,403
General and Administrative Expenses:	209,644	2,601	201,804	-	105,303	-	31,747	(117,128)	668,226	119,496	849,681	1,647,403
Labor and benefits		5,774							5,774		108,863	114,637
Professional Services									322,872		19,625	242,497
Marketing	8,110		15,546			6,637	17,118	(75,451)	13,370		4,298	202,177
Insurance									-	184,509		184,509
Depreciation									-	124,172		124,172
Deferred Costs									-			-
Other	44,816	6,921	7,738		48,568	22,740	7,758	37,177	175,718	33,316	129,789	338,823
Total General and Administrative Expenses	262,569	15,296	225,088	-	153,871	29,377	56,632	343,126	1,085,959	461,493	1,122,257	2,669,709
Change in Unrestricted Net Assets (Deficit)	\$ 59,165	\$ 1,718,114	\$ 334,363	\$ 408,475	\$ 306,187	\$ 109,115	\$ (76,832)	\$ (338,266)	\$ 2,520,321	\$ (1,418,524)	\$ (1,016,842)	\$ 84,955

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

	PROGRAM SERVICES	FACILITIES	MANAGEMENT AND GENERAL	TOTAL
Salaries & Employee Benefits	\$ 595,963	\$ 341,870	\$ 609,120	\$ 1,546,953
Utilities	469,681	11,523	26,069	507,274
Bingo Payouts	282,273	0	0	282,273
Depreciation and amortization	0	239,971	0	239,971
Professional Services	58,181	0	158,067	216,248
Outside Services	88,254	8,721	99,281	196,256
Security & Sheriff	63,111	121,730	0	184,841
Insurance	135,250	11,569	4,808	151,627
Supplies	56,837	31,594	28,260	116,690
Payroll taxes	34,762	31,535	31,149	97,446
Other	42,917	7,197	40,301	90,415
Equipment Rental	34,203	35,320	18,800	88,322
Repair & Maintenance	4,156	24,019	1,018	29,193
Food & Beverage Cost	28,593	0	0	28,593
Entertainment	21,300	0	0	21,300
Marketing	16,999	0	3,806	20,805
Parking	19,910	0	0	19,910
Racing Forms	18,521	0	0	18,521
Bingo Supplies	18,437	0	0	18,437
Fees & Licenses	4,724	1,746	1,654	8,124
Commissions	1,220	0	0	1,220
Miscellaneous	(7,387)	0	7,587	200
Total Expenses	\$ 1,987,904	\$ 866,794	\$ 1,029,920	\$ 3,884,619

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

ASSETS	2020	2019
Current Assets		
Cash and cash equivalent	\$ 795,383	\$ 77,794
Accounts Receivable	510,407	415,096
Inventory	0	0
Prepaid Expenses	299,614	682,905
Total current assets	<u>\$ 1,605,403</u>	<u>\$ 1,175,796</u>
Property and Equipment, net	<u>1,931,513</u>	<u>1,778,055</u>
Total assets	<u><u>\$ 3,536,915</u></u>	<u><u>\$ 2,953,850</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 96,301	\$ 478,802
Accrued liabilities	399,478	458,776
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	0
Loans payable, current portion	5,397	35,343
Note payable-related party current portion	5,533	8,000
Customer deposits	320,754	275,412
Total current liabilities	<u>\$ 1,471,259</u>	<u>\$ 1,278,179</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	11,608	25,398
Loans payable, net of current portion	0	11,838
Total long-term liabilities	<u>247,067</u>	<u>273,426</u>
Total liabilities	<u>\$ 1,718,326</u>	<u>\$ 1,551,605</u>
Unrestricted net assets	<u>\$ 1,818,590</u>	<u>\$ 1,402,245</u>
Total liabilities and net assets	<u><u>\$ 3,536,915</u></u>	<u><u>\$ 2,953,850</u></u>

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

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 472,041	\$ 84,955
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expenses	239,971	225,594
Accounts Receivable	(294,212)	(176,740)
Prepaid Expenses	214,654	(280,138)
Accounts payable	(139,225)	271,908
Accrued liabilities	41,022	33,301
Restricted Funds	627,450	5,500
Deferred revenue	(77,583)	(79,507)
Accrued Wages	(83,347)	(85,827)
Net cash provided by operating activities	<u>1,000,770</u>	<u>(954)</u>
Cash flows from investing activities		
Acquisition of property and equipment	(319,272)	(698,168)
Sale of property and equipment	-	-
Net cash used in investing activities	<u>(319,272)</u>	<u>(698,168)</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	681,498	(699,122)
Cash and cash equivalent, January 1	<u>113,885</u>	<u>776,915</u>
Cash and cash equivalent, October 31	<u><u>\$ 795,383</u></u>	<u><u>\$ 77,794</u></u>

SANTA CLARA COUNTY FAIRGROUNDS MGMT CORP.

LICENSEES AGREEMENTS -OCTOBER 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
LE MANS KARTING #643	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.
TOTAL	35.15	\$ 208,862.49		

i. PHONE TOWER - EXECUTED CONTRACT BY SANTA CLARA COUNTY

	BELOW MARKET RATE
	MARKET RATE