SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION

Independent Auditor's Reports and
Financial Statements

For the Years Ended
December 31, 2020 and 2019

Certified
Public
Accountants

SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION
For the Years Ended December 31, 2020 and 2019

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MGO Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Santa Clara County Fairgrounds Management Corporation
San Jose, California

We have audited the accompanying financial statements of the Santa Clara County Fairgrounds Management Corporation (Corporation), a California nonprofit public benefit corporation, which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Macias Gini & O'Connell LLP

Walnut Creek, California
January 18, 2022

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Santa Clara County Fairgrounds Management Corporation
Statements of Financial Position
December 31, 2020 and 2019

		2020		2019
Assets				
Current assets:				
Cash and cash equivalents	$	1,199,113	$	119,385
Accounts receivable, net		605,047		215,901
Prepaid expense		84,836		155,636
Total current asset		1,888,996		490,922
Noncurrent assets:				
Improvements, furniture and equipment, net		1,912,270		2,210,842
Total assets	$	3,801,266	$	2,701,764
Liabilities				
Current liabilities:				
Accounts payable	$	136,743	$	238,205
Accrued liabilities		311,925		389,455
Unearned revenue		-		5,500
Unearned revenue - non-monetary exchange, current		3,000		3,000
Loans payable, current		12,078		51,628
Note payable - related party, current		5,534		8,000
Customer deposits		387,815		398,336
Total current liabilities		857,095		1,094,124
Long-term liabilities:				
Unearned revenue - non-monetary exchange, net of current		230,656		230,656
Loans payable - net of current		793,090		27,718
Note payable - related party, net of current		-		5,534
Total long-term liabilities		1,023,746		263,908
Total liabilities		1,880,841		1,358,032
Net Assets				
Net assets without donor restrictions		1,920,425		1,343,732
Total liabilities and net assets	$	3,801,266	$	2,701,764

The accompanying notes are an integral part of these financial statements.

Santa Clara County Fairgrounds Management Corporation
Statements of Activities
For the Years Ended December 31, 2020 and 2019

	2020	2019
Revenue and Support Without Donor Restrictions		
Anchor licensees	$ 2,608,230	$ 1,870,458
Bingo	329,404	1,860,152
Off track betting	651,880	1,143,626
County Fair	91,402	908,794
Events	395,130	1,132,347
Food and beverages	142,053	1,127,895
Parking	98,945	865,818
RV park and storage	215,795	466,521
County reimbursements	511,270	-
Other income	266,672	247,994
Hosted events	208	52,673
Total revenue and support without donor restrictions	5,310,989	9,676,278
Functional Expenses		
Program services	3,293,908	8,193,616
Management and general	1,440,388	1,456,214
Total functional expenses	4,734,296	9,649,830
Change in net assets	576,693	26,448
Net assets without donor restrictions, beginning of year	1,343,732	1,317,284
Net assets without donor restriction, end of year	$ 1,920,425	$ 1,343,732

The accompanying notes are an integral part of these financial statements.

Santa Clara County Fairgrounds Management Corporation
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Management and General	Total
Salaries and benefits	$ 1,068,735	$ 767,526	$ 1,836,261
Utilities	571,451	33,761	605,212
Depreciation	271,876	105,923	377,799
Security and sheriff	291,201	-	291,201
Bingo payout	282,273	-	282,273
Professional services	68,900	210,143	279,043
Consultant services	88,442	108,866	197,308
Others	56,843	117,922	174,765
Insurance	139,667	5,830	145,497
Supplies	97,795	41,887	139,682
Equipment rental	105,745	21,322	127,067
Repairs and maintenance	87,614	750	88,364
Marketing	36,722	14,567	51,289
Food and beverage cost	29,202	-	29,202
Bank and credit card fees	18,684	9,807	28,491
Bingo supplies	24,717	-	24,717
Entertainment	21,300	-	21,300
Racing forms	19,485	-	19,485
Fees and licenses	9,650	2,084	11,734
Parking	2,386	-	2,386
Commissions	1,220	-	1,220
Total	$ 3,293,908	$ 1,440,388	$ 4,734,296

The accompanying notes are an integral part of these financial statements.

Santa Clara County Fairgrounds Management Corporation

Statement of Functional Expenses

For the Year Ended December 31, 2019

	Program Services	Management and General	Total
Salaries and benefits	$ 2,777,957	$ 946,011	$ 3,723,968
Bingo payout	1,558,660	-	1,558,660
Utilities	617,260	6,262	623,522
Security and sheriff	363,407	746	364,153
Equipment rental	343,132	19,693	362,825
Entertainment	326,693	-	326,693
Consultant services	199,576	102,869	302,445
Depreciation	209,488	67,023	276,511
Others	232,258	53,136	285,394
Insurance	234,039	5,169	239,208
Professional services	88,640	149,921	238,561
Supplies	172,242	56,725	228,967
Food and beverage cost	225,774	-	225,774
Marketing	201,022	17,525	218,547
Parking	196,680	-	196,680
Bingo supplies	166,868	-	166,868
Racing forms	109,417	-	109,417
Repairs and maintenance	69,894	7,526	77,420
Bank and credit card fees	43,120	16,771	59,891
Fees and licenses	33,144	6,837	39,981
Commissions	24,345	-	24,345
Total	$ 8,193,616	$ 1,456,214	$ 9,649,830

The accompanying notes are an integral part of these financial statements.

Santa Clara County Fairgrounds Management Corporation
Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	$ 576,693	$ 26,448
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation	377,799	276,511
Loss on disposal of improvements, furniture, and equipment	7,708	-
Change in operating assets and liabilities		
Accounts receivable, net	(389,146)	22,456
Prepaid expenses	70,800	26,521
Accounts payable	(101,462)	30,757
Accrued liabilities	(77,530)	(78,707)
Unearned revenues	(5,500)	5,500
Customer deposits	(10,521)	44,265
Net cash provided by operating activities	448,841	353,751
Cash flows from financing activities:		
Repayment of notes payable - related party	(8,000)	-
Repayment of loans payable	(51,628)	(50,020)
Proceeds from loans	777,450	-
Net cash provided by (used in) financing activities	717,822	(50,020)
Cash flows from investing activities:		
Acquisition of improvements, furniture, and equipment	(86,935)	(961,261)
Net change in cash and cash equivalents	1,079,728	(657,530)
Cash and cash equivalents, beginning of year	119,385	776,915
Cash and cash equivalents, end of year	$ 1,199,113	$ 119,385
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for interest	$ 3,502	$ 7,925

The accompanying notes are an integral part of these financial statements.

Note 1: Nature of Operations and Governing Body

Santa Clara County Fairgrounds Management Corporation (Corporation) was incorporated as a California nonprofit public benefit corporation on March 28, 1995, to operate the Santa Clara County Fairgrounds in the best interests of the citizens of Santa Clara County, by organizing and operating the annual Santa Clara County Fair, as well as various educational, cultural and community functions on such fairgrounds. In addition, it is licensed to conduct off track betting operations. The Corporation is located in San Jose, California.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting
The financial statements of the Corporation have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation
The financial statements are presented in accordance with Financial Accounting Standards (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Corporation has two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net Assets
Net assets without donor restrictions are resources not subject to donor-imposed restrictions. Net assets with donor restrictions are resources subject to donor-imposed restrictions. As of and for the years ended December 31, 2020 and 2019, the Corporation did not receive any resources that are subject to donor-imposed restrictions and had no net assets with donor restrictions.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash
Cash and cash equivalents include highly liquid investments and investments with an original maturity of three months or less at the time of purchase, and exclude donor restricted receipts and amounts designated for long-term purposes. The Corporation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on their cash accounts.

Accounts Receivable
Accounts receivable consist primary of amounts billed for services provided. The Corporation provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are

still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts as of December 31, 2020 and 2019, were $5,374.

Improvements, Furniture and Equipment
Land improvements, building improvements, furniture and equipment are recorded as assets, net of accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the related assets, which ranges from 3 to 7 years for furniture and equipment and 5 to 15 years for land improvements and building improvements. The Corporation capitalizes all improvements, furniture and equipment acquisitions in excess of $5,000 individually.

In accordance with the terms of the management agreement with the County of Santa Clara (County), all improvements become the property of the County upon purchase, however, the Corporation has the beneficial use of all assets purchased. In the event that the agreement is canceled or otherwise terminated in any manner, title to the improvements shall be and remain the property of the County. Since the County owns the improvements, these “right-to-use assets” are amortized rather than depreciated by the Corporation over their estimated useful lives. The Corporation is responsible for maintaining insurance coverage on all improvements.

Accrued Vacation
Accrued vacation represents vacation earned, but not taken as of December 31, 2020 and 2019, and is included in “accrued liabilities” in the statements of financial position. The accrued vacation balance as of December 31, 2020 and 2019 was $76,403 and $138,648, respectively.

Unearned Revenue
Unearned revenue represents advances of resources or revenue received in advance of the earnings process being completed.

Customer Deposits
Customer deposits represent advance payments received from customers for which the Corporation must perform future services.

Revenue and Support
The Corporation recognizes revenue and support on the accrual basis of accounting. Revenue generated from anchor licensees, off track betting, the annual County Fair, events, food and beverages, parking, RV parking and storage, Bingo, hosted events, and other income is recognized as revenue in the period in which it is earned. Subsidies and contributions from local governments and the public are recognized as an increase in revenue and support without donor restrictions if expenses are incurred in the current period which effectively fulfill the restrictions of the subsidies and/or contributions.

Significant revenue and support categories and descriptions for each are as follows:

Anchor Licensees – The Corporation enters into a License Agreement with licensees for the temporary use of a designated location on the Fairgrounds for a specific term. The licensee agrees to pay the Corporation a monthly license fee plus any additional charges for labor, services and equipment in connection with the permitted use.

Bingo – Revenue generated from Bingo games conducted twice a week, Tuesdays and Thursdays.

Off Track Betting – Revenue generated from satellite wagering commissions and city tax from Golden Gate, Los Alamitos and other horse racing locations.

County Fair – An annual event produced by the Corporation. Revenues are generated from admission fees, parking fees, food and beverage sales, sponsorships, and vendor revenue sharing.

Events – The Corporation enters into a License Agreement with licensees for the temporary use of a building or outdoor space on the Fairgrounds for a specified event within an agreed upon term. The licensee pays the Corporation a use fee plus any additional charges for labor, services, and equipment used in relationship to the event.

Food and Beverages – Income generated from concession and catering services provided by the Corporation staff at events. The Corporation also enters into a License Agreement with caterers and food trucks vendors for the temporary use of space and equipment in the commercial kitchen. In consideration, the licensee pays the Corporation a use fee.

Parking – Direct charges for using a parking space.

RV Park and Storage – Income generated from the daily use of Recreational Vehicle (RV) spaces in the RV park and monthly revenues from RV storage. The Corporation stopped providing storage services as of June 30, 2019.

Hosted Events – In addition to the annual County Fair, the Corporation produces three (3) events during the year. Hop 'N Vine Festival & Market, Fourth of July Celebration, and Puptoberfest. Revenues are generated from admission fees, parking fees, food and beverage sales, sponsorships, and vendor revenue sharing.

County Reimbursements – Represents reimbursement from the County for costs incurred for usage of the facility for COVID-19 testing purposes.

Other Income – Other income consists primarily of sponsorship and grants received.

In-Kind Services

The Corporation receives significant support from volunteer services each year, principally in connection with the annual County Fair, Bingo and other events. Contributed services which require a specialized skill and which the Corporation would have paid for if not donated, are recorded at the estimated fair market value at the time the services are rendered. The Corporation may also receive donated services that do not require specific expertise but which are nonetheless central to the Corporation's operations. These contributed services are not reflected in the financial statements.

Non-monetary Exchanges

The Corporation accounts for non-monetary exchanges based on the fair value of the assets or services involved. The Corporation received property improvements in exchange for promotion and facility use services in connection with the arena facility at the Santa Clara County Fairgrounds. The value of this transaction was determined based on the fair value of the property improvements received. See Note 4.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Functional expenses are identified and charged to a specific department based on the source of the expense.

Income Tax Status

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and 23701(d) of the California Revenue and Taxation Code. In addition, the Corporation qualified for the charitable contribution deduction under Section 170(b)(1)(A)(ii) and has been classified as an organization other than a private foundation under Section 509(a)(2) of the Internal Revenue Code.

Uncertainty in Income Taxes

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Corporation in its federal and state exempt Corporation tax returns are more likely than not to be sustained upon examination.

Certain Significant Risks and Uncertainties

The Corporation operates in a changing environment that involves a number of risks, some of which are beyond the Corporation's control that could have a material adverse effect on the Corporation's business operating results and financial condition. These risks include, among others, variability and uncertainty of revenues and operating results, and dependence on key personnel.

Marketing

The Corporation's policy is to expense marketing costs as the costs are incurred. Marketing expense for the years ended December 31, 2020 and 2019 totaled $51,289 and $218,547, respectively.

Reclassifications

Certain amounts in the prior year have been reclassified in order to be consistent with the current year presentation. These reclassifications had no effect on the change in net assets in the prior year.

New Accounting Pronouncement

On May 28, 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry-specific guidance and created a new ASC Topic 606, *Revenue from Contracts with Customers*. Under this update, an entity is required to recognize revenue upon transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The Corporation implemented this accounting standard in the accompanying financial statements effective January 1, 2019, under the retrospective basis. The Corporation has evaluated its open customer contracts and determined that they have been accounted for properly as either contributions or exchange transactions in accordance with the clarified standard. Accordingly, there was no effect on the Corporation's beginning net assets in connection with the implementation of ASU No. 2014-09.

Note 3: Improvements, Furniture and Equipment

Improvements, furniture and equipment consisted of the following:

	2020	2019
Right-of-Use Assets (purchased improvements which became property of the County)		
Land and building improvements	$ 2,264,811	$ 2,725,159
Work in progress	86,618	358,631
Less: Accumulated deprecation	(599,183)	(1,183,838)
	1,752,246	1,899,952
Furniture and Equipment Owned by the Corporation		
Furniture and equipment	652,149	1,481,264
Less: Accumulated deprecation	(492,125)	(1,170,374)
	160,024	310,890
Total	$ 1,912,270	$ 2,210,842

Depreciation and amortization expense for the years ended December 31, 2020 and 2019 was $377,799 and $276,511, respectively.

Note 4: Unearned Revenue – Non-monetary Exchange

During the year ended December 31, 2013, the Corporation received property improvements in exchange for promotion and facility use services in connection with the arena facility at the Santa Clara County Fairgrounds. The term of the non-monetary exchange agreement is for a period of not to exceed twelve years from the agreement effective date of May 20, 2011. Fair value of this transaction was determined based on the fair value of the property improvements received.

The fair value of the property improvements received and promotion and facility use services provided as of December 31, consisted of the following:

	2020	2019
Fair value of property improvements received	$ 264,301	$ 264,301
Fair value of promotion and facility use services provided	(30,645)	(30,645)
	233,656	233,656
Current portion	(3,000)	(3,000)
	$ 230,656	$ 230,656

Estimate revenue recognition for the above unearned revenue is as follows:

Year ending December 31,		
2021	$	3,000
2022		3,000
2023		227,656
	$	233,656

Note 5: Loans Payable

During the year ended December 31, 2016, the Corporation entered into a loan agreement in the amount of $151,528 with Wells Fargo Bank, payable in 48 monthly installments of $3,482 with interest at 4.89% per annum.

In December 2018, the Corporation entered into a loan agreement in the amount of $13,903 with US Bank, payable in 36 monthly installments of $421 principal and interest, with interest at 5.7% per annum.

In December 2018, the Corporation entered into a loan agreement in the amount of $36,005 with US bank, payable in 60 monthly installments of $691 principal and interest, with interest at 5.7% per annum.

In May 2020, the Corporation was awarded the first draw of a Payroll Protection Program (PPP) loan in the amount of $627,450. The loan has an interest rate of 1.0% and matures on May 1, 2022. The balance was forgiven during May 2021. See Note 13.

In October 2020, the Corporation was awarded the Economic Injury Disaster loan in the amount of $150,000. The loan has an interest rate of 2.75%. The Corporation is required to pay $641 monthly starting October 2021 and, the remaining balance will be payable in October 2050.

Loans payable as of December 31 consist of the following:

	2020	2019
Wells Fargo loan	$ -	$ 40,217
US Bank loans	27,718	39,129
Payroll Protection Program loan	627,450	-
Economic Injury Disaster loan	150,000	-
	805,168	79,346
Current portion	(12,078)	(51,628)
	$ 793,090	$ 27,718

The future maturities of these loans payable are as follows:

Year ending December 31,	US Bank	Payroll Protection Program	Economic Injury Disaster	Total
2021	$ 12,078	$ -	$ -	$ 12,078
2022	7,598	627,450	3,478	638,526
2023	8,042	-	3,574	11,616
2024	-	-	3,672	3,672
2025	-	-	3,773	3,773
Thereafter	-	-	135,503	135,503
	$ 27,718	$ 627,450	$ 150,000	$ 805,168

Note 6: Note Payable – Related Party

In December 1997, the Corporation entered into a loan agreement with Santa Clara County which provided for principal of $130,000, interest at 6% per annum on the principal outstanding, and repayments in installments between April 30, 1998 and December 31, 1999. The loan was secured by all property of the Corporation. The note payable represents payments that were in arrears which were due in 1998 and 1999. On February 28, 2012, the County Board of Supervisors approved forgiveness of $135,160 of this loan and changed the terms of the balance of the loan. The remaining amount of $65,000 of the related party note payable is to be repaid at the rate of $8,000 per year, bearing simple interest at the rate of 2.75% per annum.

The Corporation's related party note payable as of December 31, consisted of the following:

	2020	2019
Secured interest-bearing long-term loan, Santa Clara County	$ 5,534	$ 13,534
Current portion	(5,534)	(8,000)
	$ -	$ 5,534

Note 7: Related Party Transactions

The Corporation is managing the Fairgrounds property owned by the County. The Corporation contracts with the County in the course of normal business activities, including the County providing legal, fire marshal, and sheriff services. The County has invoiced the Corporation for services provided. Furthermore, the County bills the Corporation for services necessary for normal business activities. Some of these expenses are passed on to the customers. In the event these expenses are deemed uncollectible from customers, the Corporation will reduce the accounts payable to the County accordingly.

Note 8: Management Agreement

In April 2000, the Corporation entered into an agreement with the County to act as manager of the Fairgrounds property. Under the agreement, the Corporation assumes responsibility for managing existing and subsequent improvements, and activities on the property for the County, and for advising the County on potential future developments of the property. The Corporation is responsible for covering annual operating expenses, capital improvement expenses and debts through revenue and support received. The County makes all decisions regarding the specific projects in the Fairgrounds revitalization plan and has delegated the responsibility for the execution of the plan to the Corporation. The County may also terminate the agreement at its convenience at any time and for any reason or for no reason at all by providing ninety days prior written notice to the Corporation. The renewed agreement was set to expire on December 31, 2019. On December 17, 2019, the Corporation and the County entered into an Amended and Restated Management Agreement (Agreement) with an effective date of January 1, 2020, for a term of twenty years. The Agreement outlines the rights and duties of the Corporation.

Note 9: Retirement Plans

<u>Multi-employer defined contribution retirement plan</u>

The Corporation has a defined contribution retirement plan for all eligible employees. Contributions to the plan are determined by labor contracts. The contributions made to the plan for the years ended December 31, 2020 and 2019 were $51,530 and $60,487, respectively.

<u>401(k) plan</u>

The Corporation also has a 401(k) plan enabling employees who meet the requirement of providing in excess of 1,000 hours of service and 18 years of age to defer a portion of their income. The employees are 100% vested in any employer contributions after completing six years of service. The Corporation’s contributions to the plan for the years ended December 31, 2020 and 2019, were $5,622 and $11,223, respectively. The cost of administering the plan is paid by the Corporation.

Note 10: Concentrations

The Corporation is subject to a collective bargaining agreement with various unions. Union workers represented approximately one-third of the Corporation’s labor force for the years ended December 31, 2020 and 2019.

The Corporation periodically receives grants and subsidies from the State of California for a portion of its revenue and support. During the years ended December 31, 2020 and 2019, the State of California provided $30,552 and 32,487, respectively, in funding to support the costs of deferred maintenance provided to the Corporation. While the Board of Directors believes the Corporation has the resources to continue current and future programs, its ability to do so, and the extent to which it does continue, is dependent on the State of California being in a position to provide the funding in the foreseeable future.

Note 11: Liquidity and Availability of Resources

As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due.

At December 31, 2020, the Corporation has $1,804,160 of financial assets available within one year of the statement of financial position date for its operations, consisting of cash and cash equivalents of $1,199,113 and accounts receivable of $605,047. All of the balances are without donor restrictions and are available for operations.

At December 31, 2019, the Corporation has $335,286 of financial assets available within one year of the statement of financial position date for its operations, consisting of cash and equivalents of $119,385 and accounts receivable of $215,901. All of the balances are without donor restrictions and are available for operations.

Although the COVID-19 pandemic has prevented the Corporation from conducting normal business operations, the Corporation continues to be pro-active and aggressively seek other revenue sources to maintain and oversee the current operations at the Fairgrounds. Subsequent to the year ended December 31, 2020, the Corporation has received the following revenues from various sources: 1) $430,000 from the California Department of Food & Agriculture in November 2021 as part of the Targeted Support Program for operational support of the Network of California Fairs; and 2) second draw of PPP loan proceeds in May 2021 in the amount of $669,772 which is eligible for forgiveness under the current PPP Flexibility Act guidelines. Since the start of the COVID-19 pandemic in March 2020, the Corporation has dramatically reduced program services expenses by reducing staff and terminating consultant and facility services agreements.

Note 12: Uncertainties

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected organizations and its workforces, as well as the economy and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many organizations, including the Corporation. This outbreak decreased the revenues and impacted the Corporation's operations starting March 2020. The Corporation expects this pandemic to adversely impact revenues and operations for future reporting periods. It is not possible for the Corporation to predict the duration or magnitude of the adverse results of the pandemic and its effects on the Corporation or results of operations.

Note 13: Subsequent Events

During May 2021, the Corporation received approval from the U.S. Small Business Administration for the forgiveness of $627,450 for the first PPP loan draw and related interest.

During June 2021, the Corporation was awarded the second draw of Payroll Protection Program loan in the amount of $669,772. The loan has an interest rate of 1.0% and matures on June 8, 2026.

Management evaluated all activity through January 18, 2022, the date the financial statements were available for issuance, and concluded that no other subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.