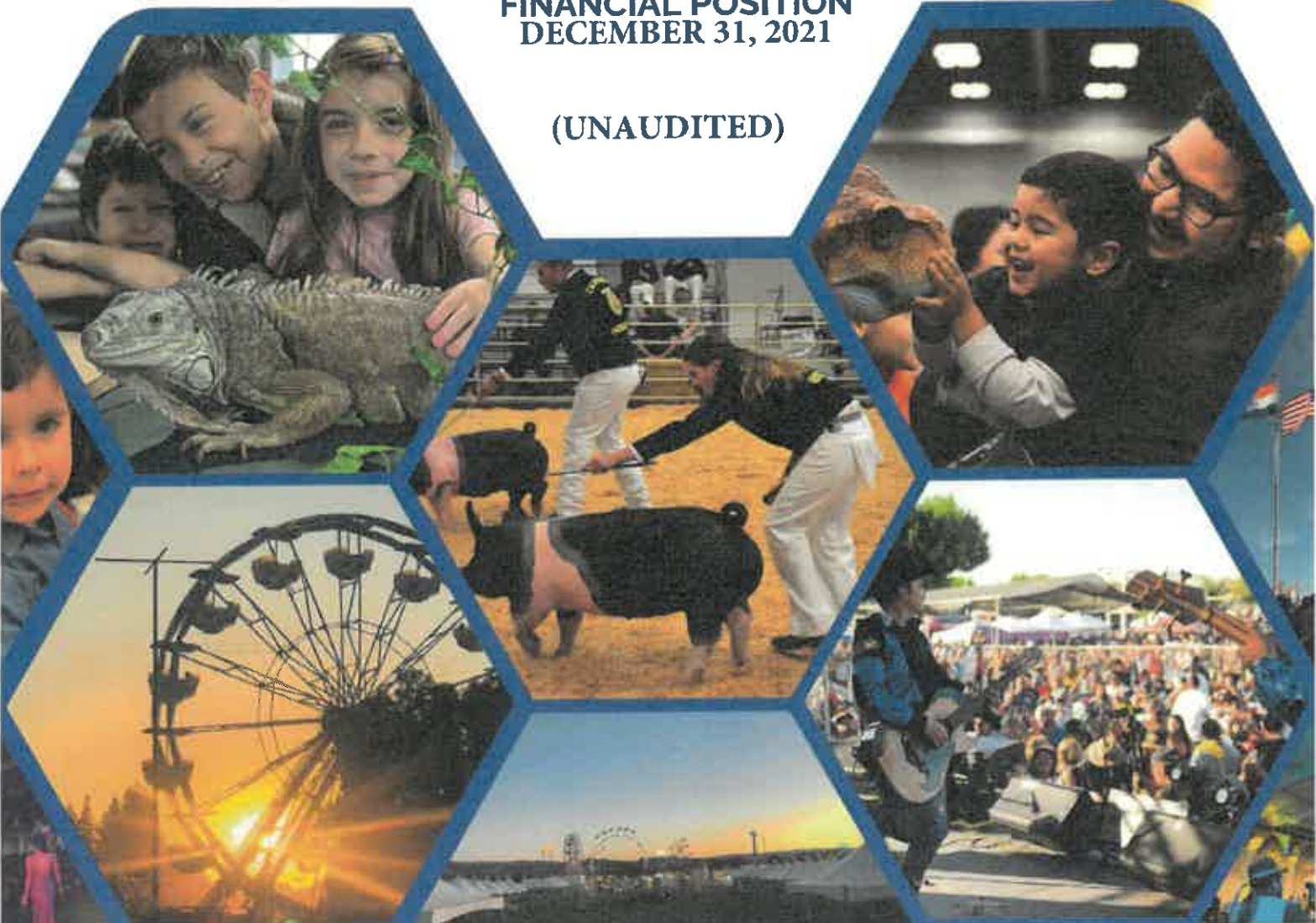


**THE FAIR GROUND**  
SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORPORATION

**STATEMENT OF  
FINANCIAL POSITION  
DECEMBER 31, 2021**

**(UNAUDITED)**



**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT  
CORPORATION (SCCFMC)  
FINANCIAL HIGHLIGHTS  
YEAR TO DATE AS OF DECEMBER 31, 2021**

**Statement of Activities**

Actual revenues, year-to-date as of December 31, 2021, total \$8,719,347 or \$3,616,347 more than budget. Program services revenue was primarily generated by Property Management and Off-Track Betting sales & commissions. The \$456,792 in Venue Sales & Event Services includes revenue generated from the Juneteenth Festival, Street Low Car Show, 5<sup>th</sup> Festival De La Independencia De Colombia and Jurassic Quest outdoor events.

Other Revenues, year-to-date, include \$2,841,454 for eligible reimbursable costs incurred by the County of Santa Clara and \$549,110 for grant funding from the California Department of Food and Agriculture for 2020/2021. The \$627,450 in Exceptional Other Income results from the total forgiveness of the Paycheck Protection Program Loan#1.

Functional Expenses, year-to-date as of December 31, 2021, totaled \$6,103,848 or \$1,017,706 more than budget. The unfavorable variance in General & Administrative expenditures is the result of janitorial services, security services, utilities' costs and supplies purchases in connection with County's use of Fairground's facilities. Pursuant to the First Amendment to the Amended and Restated Management Agreement with the County of Santa Clara, the County shall reimburse SCCFMC for these expenses. The unfavorable variance in Facilities expenditures is the result of the increase in depreciation due to Section 179 of the United States Internal Revenue Code, which allows us to deduct cost of capital assets purchased in 2021.

In summary, SCCFMC has a profit of \$2,615,499 compared to the budgeted Net Profit of \$16,871 resulting in a favorable variance of \$2,598,628 year-to-date as of December 31, 2021.

**Balance Sheet**

SCCFMC's total cash balance as of December 31, 2021 is \$2,437,101 compared with the prior year's (2020) cash balance total of \$1,199,113. In June, SCCFMC received the Paycheck Protection Program (PPP) #2 Loan proceeds from SBA in the amount of \$669,772. To date, SCCFMC has received \$1,752,976 from County of Santa Clara for reimbursement for eligible expenses in connection with the County's use of the facilities at the Fairgrounds for COVID-19 vaccinations and testing, including flu shots and booster shots. In November, SCCFMC received \$430,000 from the California Dept. of Food & Agriculture (CDFA) in connection with the Targeted Support Program (\$50 million appropriated for operational support of the Network of California Fairs). SCCFMC's current ratio is 6.13 for December, 2021 compared to 2.31 in December, 2020 which reflects SCCFMC's ability to pay its current liabilities.

**Supplemental Schedules for 2021**

Anchor License Agreements – December, 2021: Summarizes the status of Anchor License Agreements totaling \$234,435.26 in revenue. As of December 31, 2021, the receivables balance for unpaid Anchor Licensee invoices totaled \$32,290.

**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP**  
**STATEMENT OF ACTIVITIES**  
**Year to date as of DECEMBER 31, 2021**  
**(UNAUDITED)**  
**Actual vs Budget**

	<b>2021</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Support and revenue			
Venue Sales & Event Services	\$ 456,792	\$ 450,000	\$ 6,792
Property Management *	3,004,402	2,400,000	604,402
Off-Track Betting	1,012,519	180,000	832,519
Food & Beverages	140,281	0	140,281
County Fair	70,231	152,000	(81,769)
Hosted Events	16,441	0	16,441
General and Administrative	3,391,230	1,921,000	1,470,230
Total support & revenue	<u>\$ 8,091,897</u>	<u>\$ 5,103,000</u>	<u>\$ 2,988,897</u>
Functional Expenses			
Program Services	\$ 2,730,772	\$ 2,656,843	\$ (73,929)
Facilities	1,485,851	811,901	(673,950)
General & Administrative	1,887,225	1,617,398	(269,827)
Total Functional expenses	<u>\$ 6,103,848</u>	<u>\$ 5,086,142</u>	<u>\$ (1,017,706)</u>
Change in unrestricted net assets before exceptional other income	1,988,049	16,858	1,971,191
Exceptional other income **	<u>627,450</u>	<u>0</u>	<u>627,450</u>
Change in unrestricted net assets	\$ 2,615,499	\$ 16,858	\$ 2,598,641
Unrestricted net assets, January 1	<u>1,920,425</u>	<u>1,920,425</u>	<u>0</u>
Unrestricted net assets, December 31	<u>\$ 4,535,924</u>	<u>\$ 1,937,283</u>	<u>\$ 2,598,641</u>

\* Includes both Anchor Licensees and RV Park guests

\*\* As of May 13, 2021, Paycheck Protection Program Loan was totally forgiven and considered paid in full.

**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP**  
**STATEMENT OF ACTIVITIES**  
**Year to date as of DECEMBER 31, 2021 and 2020**

	<u>Unaudited 2021</u>	<u>Audited 2020</u>
Support and revenue		
Venue Sales & Event Services	\$ 456,792	\$ 395,130
Property Management *	3,004,402	2,824,025
Parking	0	98,945
Off-Track Betting	1,012,519	651,880
Food & Beverages	140,281	142,053
County Fair	70,231	91,402
Bingo	0	329,404
Hosted Events	16,441	208
General and Administrative	3,391,230	777,942
Total support & revenue	<u>\$ 8,091,897</u>	<u>\$ 5,310,989</u>
Functional Expenses		
Program Services	\$ 2,730,772	\$ 2,252,868
Facilities	1,485,851	1,041,040
General & Administrative	1,887,225	1,440,388
Total Functional expenses	<u>\$ 6,103,848</u>	<u>\$ 4,734,296</u>
Change in unrestricted net assets before exceptional other income	1,988,049	576,693
Exceptional other income **	<u>627,450</u>	<u>0</u>
Change in unrestricted net assets	\$ 2,615,499	\$ 576,693
Unrestricted net assets, January 1	<u>1,920,425</u>	<u>1,343,733</u>
Unrestricted net assets, December 31	<u>\$ 4,535,924</u>	<u>\$ 1,920,425</u>

\* Includes both Anchor Licensees and RV Park guests

\*\* As of May 13, 2021, Paycheck Protection Program Loan was totally forgiven and considered paid in full.

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

Year to date as of December 31, 2021

	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>	\$ 1,012,519	\$ 3,004,402	\$ 456,792	\$ -	\$ 140,281	\$ -	\$ 16,441	\$ 70,231	\$ 4,700,667	\$ -	\$ 4,018,680	\$ 8,719,347
<b>Cost of Sales:</b>												
Labor	43,173		197,470		34,440		3,471	3,141	281,696		336,936	618,631
Racing Forms	45,712								45,712			45,712
Parking												
Entertainment							23,350	5,000	28,350			28,350
Equipment Rental					1,420		4,465	9,451	15,336			15,336
Food & Beverages					20,529		2,907		23,435			23,435
Sponsorship-Exchange												
Bingo-Regular												
Bingo-Flash cards												
Sub-Contractor												
Commission												
Other			634		909				1,543			1,543
Material												
Admission Clerks								1,837	1,837			1,837
Awards and Trophies												
Ticketing Services												
Judges									4,962			4,962
Lottery	2,290								2,290			2,290
<b>Total Cost of Sales</b>	91,175	198,104	57,297	-	34,194	-	34,194	24,391	403,162	-	336,936	742,097
<b>Direct Expenses:</b>												
Payroll and employee benefits	62,345				101,442				163,787		336,936	207,043
Facility		744,674			350				745,024			774,978
Repairs and maintenance	91	5,800			3,113				9,005		47	178,569
Security and sheriff	56,531						6,055	13,253	626,113			626,113
Depreciation									250,099			250,099
Other	33,723	15,571	3,259		12,956		5,810	66,084	137,403		23,643	382,408
Reimbursed expenses		(7,546)							(7,546)			(7,546)
<b>Total Direct Expenses</b>	152,691	1,302,973	9,059	-	117,862	-	11,865	79,337	1,673,786	714,188	23,690	2,411,663
<b>Gross Profit (Loss)</b>	768,653	1,701,430	249,629		(34,878)		(29,617)	(33,497)	2,621,720	(714,188)	3,658,055	5,565,586
<b>General and Administrative Expenses:</b>												
Labor and benefits	207,647	54,400	36,239				8,000	53,625	359,911		929,168	1,289,080
Professional Services											332,201	332,201
Marketing	15,082		9,432				5,568	40,096	70,177		59,450	129,627
Insurance		133,516							133,516		6,013	148,465
Depreciation											692,688	692,688
Deferred Costs												
Other	33,282	18,539	2,375		5,754		26	28,245	88,220	70,039	199,767	358,027
<b>Total General and Administrative Expenses</b>	256,010	206,455	48,047	-	5,754	-	13,594	121,965	651,825	771,663	1,526,600	2,950,087
<b>Change in Unrestricted Net Assets (Deficit)</b>	\$ 512,642	\$ 1,494,975	\$ 201,582	\$ -	\$ (40,631)	\$ -	\$ (43,211)	\$ (155,462)	\$ 1,969,895	\$ (1,485,851)	\$ 2,131,455	\$ 2,615,499

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

Year to date as of December 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
<b>Support and Revenue</b>	\$ 651,880	\$ 2,824,025	\$ 395,130	\$ 98,945	\$ 141,903	\$ 329,404	\$ 358	\$ 91,402	\$ 4,533,047	\$ -	\$ 777,942	\$ 5,310,989
<b>Cost of Sales:</b>												
Labor									245,162			245,162
Racing Forms	18,521		217,079	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	644				20,950			20,950
Food & Beverages	2,626				13,321	14,220			30,166			30,166
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			293					124	417			417
Admission Clerks												
Awards and Trophies												
Ticketing Services												
Judges												
Defer Expenses								3,150	3,150			3,150
<b>Total Cost of Sales</b>	<b>22,367</b>	<b>-</b>	<b>224,040</b>	<b>34,155</b>	<b>25,416</b>	<b>314,929</b>	<b>1,000</b>	<b>23,574</b>	<b>645,482</b>	<b>-</b>	<b>-</b>	<b>645,482</b>
<b>Direct Expenses:</b>												
Payroll and employee benefits	115,298			22,935	115,012				253,245	375,300		628,545
Facility	25	536,092			2,193				538,310	5,283		543,593
Repairs and maintenance	1,841				2,314				4,156	81,680	750	86,585
Security and sheriff	15,015	18,750			1,020	2,340			37,125	166,008		203,133
Depreciation										171,209		171,209
Other	19,700	6,532	97,854	1,270	19,892	1,000	375	16,114	162,736	113,232	11,214	287,182
Reimbursed expenses		(3,376)							(3,376)	(1,166)		(4,542)
<b>Total Direct Expenses</b>	<b>151,879</b>	<b>557,999</b>	<b>97,854</b>	<b>24,204</b>	<b>140,432</b>	<b>3,340</b>	<b>375</b>	<b>16,114</b>	<b>992,196</b>	<b>911,546</b>	<b>11,964</b>	<b>1,915,705</b>
<b>Gross Profit (Loss)</b>	<b>477,634</b>	<b>2,266,026</b>	<b>73,236</b>	<b>40,585</b>	<b>(23,945)</b>	<b>11,135</b>	<b>(1,017)</b>	<b>51,714</b>	<b>2,895,369</b>	<b>(911,546)</b>	<b>765,979</b>	<b>2,749,801</b>
<b>General and Administrative Expenses:</b>												
Labor and benefits	67,790	26,167	101,068		24,000		3,989	50,350	273,365	2,605	876,315	1,152,284
Professional Services					29,400				29,400		210,143	239,543
Marketing	12,625	14,378	18,060		6,281			23,026	74,369		14,567	88,935
Insurance								4,000	4,000	12,744	1,581	18,325
Depreciation										206,590		206,590
Deferred Costs												
Other	50,610	140,135	(1,409)	1,207	7,154	5,280	7,500	23,579	234,057	13,478	219,897	467,432
<b>Total General and Administrative Expenses</b>	<b>131,025</b>	<b>166,302</b>	<b>114,037</b>	<b>19,267</b>	<b>60,554</b>	<b>11,561</b>	<b>11,489</b>	<b>100,955</b>	<b>615,190</b>	<b>235,417</b>	<b>1,322,502</b>	<b>2,173,109</b>
<b>Change in Unrestricted Net Assets (Deficit)</b>	<b>\$ 346,609</b>	<b>\$ 2,099,724</b>	<b>\$ (40,800)</b>	<b>\$ 21,318</b>	<b>\$ (84,500)</b>	<b>\$ (426)</b>	<b>\$ (12,506)</b>	<b>\$ (49,240)</b>	<b>\$ 2,280,179</b>	<b>\$ (1,146,963)</b>	<b>\$ (556,523)</b>	<b>\$ 576,693</b>



**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**(UNAUDITED)**  
**Year to date as of December 31, 2021**

	<b>PROGRAM SERVICES</b>	<b>FACILITIES</b>	<b>MANAGEMENT AND GENERAL</b>	<b>TOTAL</b>
Salaries & Benefits	\$ 660,835	\$ 35,023	\$ 1,091,191	\$ 1,787,049
Depreciation and amortization	0	942,787	0	942,787
Utilities	751,432	104,855	24,083	880,370
Security & Sheriff	626,113	0	0	626,113
Professional Services	17,821	0	367,717	385,538
Supplies	71,768	144,615	81,940	298,323
Outside Services	127,705	6,679	144,598	278,981
Repair & Maintenance	20,147	170,217	3,022	193,385
Equipment Rental	73,600	71,000	15,757	160,356
Insurance	133,516	8,936	6,013	148,465
Marketing	52,356	0	59,450	111,806
Other	55,743	0	53,758	109,502
Payroll taxes	33,149	8,233	41,416	82,798
Racing Forms	45,712	0	0	45,712
Entertainment	28,350	0	0	28,350
Food & Beverage Cost	23,435	0	0	23,435
Fees & Licenses	2,900	2,573	1,534	7,007
Miscellaneous	6,190	-9,066	(3,254)	(6,130)
Total Functional Expenses	\$ 2,730,772	\$ 1,485,851	\$ 1,887,225	\$ 6,103,848

**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP**  
**STATEMENT OF FINANCIAL POSITION**  
Year to date as of December 31, 2021 and 2020

<b>ASSETS</b>	<b>Unaudited 2021</b>	<b>Audited 2020</b>
Current Assets		
Cash and cash equivalent	\$ 2,437,101	\$ 1,199,113
Accounts Receivable	2,128,511	605,047
Prepaid Expenses	179,820	84,836
Total current assets	<u>\$ 4,745,432</u>	<u>\$ 1,888,996</u>
Property and Equipment, net	<u>1,614,008</u>	<u>1,912,270</u>
Total assets	<u><u>\$ 6,359,440</u></u>	<u><u>\$ 3,801,266</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 114,114	\$ 136,743
Accrued liabilities	450,541	311,925
Deferred revenue, nonmonetary exchange, current	3,000	3,000
Loans payable, current portion		12,078
Note payable-related party current portion	0	5,534
Customer deposits	206,016	387,815
Total current liabilities	<u>\$ 773,671</u>	<u>\$ 857,095</u>
Long term liabilities		
Deferred revenue, nonmonetary exchange, net of current portion	\$ 230,656	\$ 230,656
Restricted Fund-PPP Loan	669,772	627,450
Economic Injury Disaster Loan(EIDL)	149,416	150,000
Loans payable, net of current portion		15,640
Total long-term liabilities	<u>1,049,844</u>	<u>1,023,746</u>
Total liabilities	<u>\$ 1,823,515</u>	<u>\$ 1,880,841</u>
Unrestricted net assets	<u><u>\$ 4,535,924</u></u>	<u><u>\$ 1,920,425</u></u>
Total liabilities and net assets	<u><u>\$ 6,359,440</u></u>	<u><u>\$ 3,801,266</u></u>



**SANTA CLARA COUNTY FAIRGROUNDS MANAGEMENT CORP**  
**STATEMENT OF CASH FLOWS**  
Year to date as of December 31, 2021 and 2020

	<b>Unaudited 2021</b>	<b>Audited 2020</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 2,615,499	\$ 576,693
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expenses	942,787	377,799
Loss on disposal of improvements, furniture and equipment		7,708
Change in operating assets and liabilities		
Accounts Receivable, net	(1,523,463)	(389,146)
Prepaid Expenses	(8,366)	70,800
Accounts payable	(22,553)	(101,462)
Accrued liabilities	137,030	(77,530)
Unearned Revenues	-	(5,500)
Customer Deposits	(181,799)	(10,521)
<b>Net cash provided by operating activities</b>	<u>1,959,134</u>	<u>448,841</u>
<b>Cash flows from financing activities:</b>		
Repayment of loans payable	(26,791)	(51,628)
Repayment of notes payable-related party	(5,533)	(8,000)
PPP Loan #1 Forgiveness	(627,450)	-
Proceeds from loans	669,772	777,450
<b>Net cash used in capital and related financing activities</b>	<u>9,998</u>	<u>717,822</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	(731,144)	(86,935)
<b>Net cash used in investing activities</b>	<u>(731,144)</u>	<u>(86,935)</u>
<b>Net change in cash and cash equivalents</b>	1,237,988	1,079,728
<b>Cash and cash equivalents, January 1</b>	<u>1,199,113</u>	<u>119,385</u>
<b>Cash and cash equivalents, December 31</b>	<u><u>\$ 2,437,101</u></u>	<u><u>\$ 1,199,113</u></u>

# SANTA CLARA COUNTY FAIRGROUNDS MGMT CORP.

## LICENSEES AGREEMENTS - DECEMBER 2021

	ACRES OCCUPIED	MONTHLY FEES		MONTHLY PER ACRES	NOTES
		\$	\$		
ALL POINTS ROLL OFF #673	1	\$ 7,000.00	\$ 7,000.00	7,000.00	Executed Contract
AT&T/CROWN CASTLE	N/A	\$ 5,596.00	N/A	N/A	i.
VYSH #620	0.2	\$ 1,400.00	\$ 7,000.00	7,000.00	Executed Contract
AGP CONSTRUCTION LLC #635	0.5	\$ 3,500.00	\$ 7,000.00	7,000.00	Executed Contract
88 LUMBER & HARDWARE #661	0.5	\$ 3,500.00	\$ 7,000.00	7,000.00	Executed Contract
COPART INC. #640	12	\$ 84,000.00	\$ 7,000.00	7,000.00	Executed Contract
DATALINX COMMUNICATIONS, INC.#654	0.25	\$ 1,750.00	\$ 7,000.00	7,000.00	Executed Contract
EVERGREEN WASTE SERVICES #642	0.5	\$ 3,500.00	\$ 7,000.00	7,000.00	Executed Contract
FAIRGROUND ENTERPRISES #639 & 660	7.07	\$ 36,747.00	\$ 5,197.60	5,197.60	Executed Contract
GARDEN SUPPLY #641	3	\$ 21,000.00	\$ 7,000.00	7,000.00	Executed Contract
GREEN BAY HAULING, LLC #649	0.5	\$ 3,500.00	\$ 7,000.00	7,000.00	Executed Contract
JETMULCH #667	1	\$ 7,000.00	\$ 7,000.00	7,000.00	Executed Contract
LE MANS KARTING #643	0.5	Payment suspended until operations commence			Executed Contract
MISSION CONSTRUCTORS #676	1	\$ 7,000.00	\$ 7,000.00	7,000.00	Executed Contract
PRESTIGE UTILITY, INC. #657	1	\$ 7,000.00	\$ 7,000.00	7,000.00	Executed Contract
RA RA TRUCKING #679	1	\$ 7,000.00	\$ 7,000.00	7,000.00	Executed Contract
SC PAINTBALL #602	6	\$ 12,840.00	\$ 2,140.00	2,140.00	Executed Contract
SPECTRASITE/AMERICAN TOWER	N/A	\$ 1,998.20	N/A	N/A	i.
SMART COMMUNICATIONS #651	1	\$ 7,000.00	\$ 7,000.00	7,000.00	Executed Contract
SILICON VALLEY TELECOM INC #658	0.5	\$ 3,500.00	\$ 7,000.00	7,000.00	Executed Contract
THE FENCE-4-RENT #662	0.25	\$ 1,750.00	\$ 7,000.00	7,000.00	Executed Contract
TA CONCRETE CONSTRUCTION #666	0.5	\$ 3,500.00	\$ 7,000.00	7,000.00	Executed Contract
T-MOBILE/CROWN CASTLE #644	N/A	\$ 854.06	N/A	N/A	i.
UNITED RECYCLE #647	0.5	\$ 3,500.00	\$ 7,000.00	7,000.00	Executed Contract
TOTAL	38.77	\$ 234,435.26			

i. PHONE TOWER - EXECUTED CONTRACT BY SANTA CLARA COUNTY

BELOW MARKET RATE  
MARKET RATE