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AGENDA
CALIFORNIA AUTHORITY OF RACING FAIRS
LIVE RACING COMMITTEE MEETING
JOHN ALKIRE, CHAIR
11:00 A.M., TUESDAY, DECEMBER 6, 2011

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Live Racing Committee will commence at 11:00 a.m., Tuesday, December 6, 2011. The meeting will be held in Sacramento.

AGENDA

- I. Date, time and location of next meeting: February 7, 2012
- II. Approval of minutes.
- III. Report, discussion and action, if any, on Legislative Program for 2012.
- IV. Report, discussion and action, if any, on Northern California Racing Dates for 2012
- V. Report, discussion and action, if any, on TOC Elections.
- VI. Report, discussion and action, if any, on Agency Budget for 2012.
- VII. Executive Director's Report



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NOTICE
CALIFORNIA AUTHORITY OF RACING FAIRS
LIVE RACING COMMITTEE MEETING
JOHN ALKIRE, CHAIR
11:00 A.M., TUESDAY, DECEMBER 6, 2011
VIA TELECONFERENCE

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Live Racing Committee will commence at 11:00 a.m., Tuesday, December 6, 2011. The meeting will be held at the CARF Conference Room located at 1776 Tribute Road, Sacramento, California 95815.

CARF Live Racing Committee Meeting
Toll Free Dial In Number: (800) 791-2345
Participant Code: 62745 #
Via Teleconference

The Public and members of the Live Racing Committee may participate from the following locations:

Alameda County Fair
4501 Pleasanton Ave.
Pleasanton, CA 94566

Humboldt County Fair
1250 5th Street
Ferndale, CA 95536

Solano County Fair
900 Fairgrounds Drive
Vallejo, CA 94589

The Big Fresno Fair
1121 S. Chance Avenue
Fresno, CA 93702

San Joaquin Fair
1658 S. Airport Way
Stockton, CA 95206

Sonoma County Fair
1350 Bennett Valley Road
Santa Rosa, CA 95404

California State Fair
1600 Exposition Blvd.
Sacramento, CA 95815

CALIFORNIA AUTHORITY OF RACING FAIRS**Live Racing Committee****Tuesday, November 8, 2011****MINUTES**

A teleconference meeting of the California Authority of Racing Fairs Live Racing Committee was held at 11:00 A.M., Tuesday, November 8, 2011, via teleconference.

CARF Live Racing Committee members attending by conference call: John Alkire, Norb Bartosik, Mike Paluszak, Rick Pickering, Tawny Tesconi and Stuart Titus.

Staff and Guests attending by conference call: Christopher Korby, Larry Swartzlander, Heather Haviland, Amelia White, Raechelle Gibbons, Rebecca Desmond, Dave Mogni, Tom Sawyer, James Morgan, Jeff Farley, Cindy Olsen, Kate Phariss, and Dave Elliott.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Live Racing Committee meeting will be scheduled on December 6, 2011 in Sacramento.

Agenda Item 2 – Approval of Minutes. Mr. Bartosik moved to approve the meeting minutes as presented. Mr. Paluszak seconded, unanimously approved.

Agenda Item 3 – Report, Discussion and Action, if any, on Legislative Program 2012. Mr. Brown will make a legislative report during the CARF Board of Director's meeting.

Agenda Item 4 - Report, Discussion and Action, if any, on Consolidated Purse Program for 2011. Mr. Korby reported that staff is tracking the purse reconciliations as they are made and will be providing a detailed analysis of the 2011 consolidated purse program as soon as the final figures from Fresno are available. Mr. Alkire thanked Mr. Swartzlander and Mr. Doutrich for carefully managing the program on a day-to-day basis.

Agenda Item 5 – Report, Discussion and Action, if any, on use of CARF Project Funds for Operational Support by Member Fairs. Mr. Korby reported that this item was placed on the agenda for the CARF Live Racing Committee and Board of Director's consideration in approving the use of horse racing capital improvement project funds previously allocated by F&E for general Fair operations. Mr. Korby stated that though he has traditionally maintained that funds secured through CARF be used for the projects for which they were obtained, the grim financial reality facing some Fairs has made it necessary to reconsider that policy. In the current economic environment CARF can benefit its member Fairs by approving use of project funds for operational purposes. Staff recommends approval.

Mr. Korby reported that the meeting packets include two spreadsheets outlining the funds distributed to each Fair.

Mr. Pickering asked Mr. Korby how many Fairs had contacted him about using the funds for general operations. Mr. Korby replied that three Fairs have contacted him.

Ms. Tesconi moved to authorize Fairs to use racing capital improvement funds for general operational purposes with a provision that each Fair provide a written request outlining the intent to use the funds for purposes other than the projects submitted at the time funds were secured. Mr. Paluszak seconded, unanimously approved.

Agenda Item 6 – Report, Discussion and Action, if any, on Status of Totalisator Contract.

Mr. Korby reported that Stronach Group management is discussing installing Am Tote as a totalisator system at their tracks throughout Northern American, including the California tracks. The Stronach Group owns Am Tote. This development might create a situation where either two tote systems will be operating simultaneously in California or all California tracks convert to a new tote system. California industry principals went through an extensive RFP process several years ago to establish one tote system in California with great success. Mr. Korby will keep the group updated as conversations progress.

Agenda Item 7 – Report, Discussion and Action, if any, on Northern California Racing

Dates for 2012. Mr. Korby reported that the meeting packets contain a copy of correspondence sent to CHRB Chairman Brackpool regarding a meeting between representatives of Humboldt County Fair, Golden Gate Fields and the Thoroughbred Owners of California (TOC) regarding 2012 racing dates. Representatives of the parties met on October 22 and October 31. The parties have not been able to reach an agreement.

Under Golden Gate Fields' modified proposal, Humboldt would race solo and act as the host track on Friday, August 17, 2012. Golden Gate Fields has also agreed that Humboldt would have host status on Wednesday and Thursday for each of the two weeks that Humboldt has proposed to run in August. Under this proposal, Humboldt would act as the host track for five days: Wednesday August 15, Thursday August 16, Friday August 17, Wednesday August 22 and Thursday August 23.

Staff recommends that the CARF Live Racing Committee take action to recommend that the Humboldt County Fair accept the offer made on October 31 by Golden Gate Fields and the Thoroughbred Owners of California. Mr. Korby feels that this is the best offer Humboldt will receive and if this matter goes before the CHRB again, Humboldt may be granted dates less favorable than the offer made by Golden Gate Fields.

Mr. Alkire invited representatives of Humboldt County Fair to address the committee. Mr. Titus stated that a packet was mailed to committee members yesterday outlining the Humboldt position, including documentation to support the position. Mr. Titus stated that accepting the most current offer from Golden Gate Fields will put the Humboldt County Fair out of business by the end of the year.

Mr. Korby reported that the meeting packet contains spreadsheets developed by Bryan Wayte that industry principals have agreed will be the official source of statistical analysis regarding purses and commissions generated when Humboldt runs solo vs. overlapped. The result of the analysis is that when Humboldt runs solo, other racing interests lose revenue (est. \$800,000).

Mr. Titus stated that the CARF Live Racing Committee has twice voted in support of the dates Humboldt is requesting. Humboldt representatives are puzzled as to why this item is once again on the Live Racing Committee meeting agenda.

Mr. Korby asked for Humboldt's projected shortfall in commissions is, based on the Golden Gate Fields/TOC proposal, which is the figure the industry has been seeking. Mr. Titus responded that the shortfall could be derived from the packet Humboldt sent out yesterday, but that the figure is \$165,000-\$170,000.

Mr. Morgan stated that he is concerned about how traditional CARF dates through Labor Day have become Golden Gate Fields dates. Mr. Morgan does not think that moving the Fair to June or September in the future is a viable option. Mr. Pickering stated that Humboldt has been encouraged to look at alternative dates by multiple facets of the racing industry for at least five years.

Mr. Sawyer reported that the San Joaquin Fair, which has been in operation for 150 years, will be moving their race meet and Fair from June to September in 2012 and is very optimistic that the change will revitalize and Fair and add to its longevity.

Mr. Bartosik stated that CARF Live Racing Committee has precedence for supporting member requests/dates even though they might not be supported by the racing industry, especially when Cal Expo and Fresno were running overlapped. Mr. Bartosik feels that the committee has previously voted to support one week without overlap for Ferndale and should continue to support that position unless a member feels strongly enough to present a motion otherwise. Mr. Bartosik stated that Mr. Korby has done an admirable job facilitating the involved parties, but that they might simply be at a standstill and CARF should continue to support Humboldt's request.

Mr. Korby stated that by continuing to support Humboldt's original request, in light of Golden Gate Field's current position, the date allocation may very well be left to the CHRB and Humboldt might not receive an allocation as favorable as what Golden Gate Fields is currently offering. If the decision goes before the CHRB, it is very likely that Golden Gate Fields will request host rights on Friday, August 17 and they will have the support of the TOC and Del Mar.

Mr. Mogni stated that if the Humboldt County Fair accepts the offer from Golden Gate Fields, the Fair will be out of business by the end of the year. Accepting the current proposal is not an option.

Mr. Pickering stated that one of the issues is that Humboldt has historically come to the racing industry with requests on which Humboldt's survival is dependant, including AB 763. Is the Humboldt County Fair capable of being financially viable without state supplemental funding?

Mr. Korby stated that the San Joaquin County Fair supplied CARF with a complete set of financial reports to ensure the group that the Fair has sufficient funds to cover the operational expenses and liabilities related to conducting a race meet. Mr. Korby requested Mr. Titus provide similar financial statements for the Humboldt County Fair.

Mr. Alkire recommended that the CARF Live Racing Committee consider a neutral position.

Mr. Bartosik stated that even though the group is concerned that the CHRB might grant Humboldt less desirable dates than the current Golden Gate Fields proposal, Ferndale seems willing to take the chance and the CARF Live Racing Committee should support the calendar previously adopted. Mr. Bartosik asked Mr. Titus to confirm that he it was his desire to "roll the dice" with the CHRB Board in the event that he cannot reach a favorable agreement with Golden Gate Fields prior to the next CHRB meeting. Mr. Titus confirmed the statement.

Mr. Alkire stated that hearing no other motion, CARF will continue to support Ferndale in seeking five continuous days of non-overlapped racing.

Mr. Korby reiterated his earlier request for financial information from the Humboldt County Fair to ensure that CARF will be reimbursed for expenses it incurs on behalf of Fairs conducting racing. Mr. Titus stated that the Fair financials are a matter of public record and that Humboldt has been current with CARF for several years. Mr. Titus stated that he will send Rick Wood Humboldt County Fairs most current financial audit.

Agenda Item 8 – Executive Director's Report. No report.

Respectfully submitted,
Heather Haviland

CALIFORNIA AUTHORITY OF RACING FAIRS
Prospective Legislative Efforts in 2012 Session

- **Fair Governance**
- **License Fee relief for Racing Fairs**
- **Internet Poker**
- **Combined Fair meet racing allowed at any time of year, so long as it's run at a Fair venue. (Combined Fair racing is presently limited to June 1 - October 30.)**
- **Extend CMC sunset beyond 2013**
- **Other**

November 28, 2011

INTERNET POKER LEGISLATION
CALIFORNIA HORSE RACING INDUSTRY
TENETS OF AGREEMENT

1. Revenues generated by the California horse racing industry from the conduct of internet poker shall be distributed amongst racing industry participants according to traditional parimutuel distributions.
2. Revenue generated from internet poker and distributed to racing associations or Fairs shall be used for the purposes of upgrading and improving racing venues and satellite wagering facilities, based on a formula agreed to by industry participants. The formula shall include a percentage of revenue and a total dollar amount cap.
3. Selection of a service provider(s) to operate an internet poker site on behalf of the California horse racing industry shall be determined as follows:
 - i. Fifty percent (50%) and right-of-consent to the organization recognized as representing Thoroughbred horsemen in California.
 - ii. Fifty percent (50%) to racing associations and Fairs.
4. Legislation authorizing licenses to conduct internet poker in California shall include the following:
 - i. A license prescribed and reserved specifically for the California horse racing industry.
 - ii. A limited number of licenses available for conduct of on-line poker.
 - iii. Licenses shall only be available for California-based businesses, tribes or industries.

California Authority of Racing Fairs
INTERNET POKER LEGISLATION

Issues, Considerations and Positions

- **Initial position:** Support the racing industry's legislative effort for equal opportunity for license to conduct internet poker. This will keep us (racing industry and Fairs) at the table as an interested and affected player. [This position will also best ensure a fall-back position in which the racing industry takes a share of the proceeds rather than operating its own license.]
- **IMPORTANT: Racing has the only legal, existing CA on-line gaming presence:** Make the case that the racing industry is the only entity licensed in CA for on-line wagering. We have conducted that activity legally and responsibly for years. Any new on-line gambling will cannibalize our existing business, which supports a California industry, California agriculture and California jobs.
- **Fairs as Beneficiaries:** Fairs in the racing business (CARF) want to receive their fair share of any financial benefits that can be realized from internet poker. Those benefits should flow both to live racing Fairs and to satellite wagering Fairs.
- **Racing Industry Beneficiaries of Poker Revenues:** Financial benefits from internet poker site(s) licensed to racing industry should flow only to entities who are active participants in the industry: horsemen (owners/breeders); tracks; Fairs (racing & satellites). If an entity elects to leave the racing industry or goes out of business, their previous distributions will be redistributed amongst those who continue an active role in the racing industry.
- **Fairs will Invest New Revenues into Racing Facilities:** CARF, acting on behalf of Fairs, will invest revenues from internet poker into racing facilities, satellite facilities and purse supplements. Fair poker distributions will be made to CARF for investment in racing and satellite facilities at Fairs or for supplemental purse distribution for Fair race meets. [Prior to elimination of Fair funding in the state budget, CARF managed annual investments of approx \$2.5 M for racing & satellite facility maintenance and upgrades. In addition, another \$1.5 M was distributed annually in supplemental purse funds (\$1.1 North & \$400K South). Total invested annually prior to budget elimination: \$4.0 Million]
- **Fairs' Position on Distribution of Poker Revenues:** Fairs take the position that the distribution formula for internet poker be based the formula presently used for simulcasting or ADW handle. This existing model includes distributions to horsemen, tracks/Fairs and to satellite facilities ("location fees").

CARF SUBMITTAL TO CHRB FOR PROPOSED 2012 NORTHERN CALIFORNIA FAIR RACING DATES

2011

December						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
4						1

RACE DAYS (Possible Maximum)

GGF - Total Race Days	151
Pleasanton	18
Cal Expo	10
Santa Rosa	15
Ferndale Solo	5
Ferndale Overlap	3
Stockton	9
Fresno	10
Probable Simulcast-Only	36

CARF MEETS	70	GOLDEN GATE	151
FERNDAL OVERLAP	3	SIMULCAST-ONLY	36
TOTAL FAIRS	70		

- Notes: 1) Based primarily on 2011 Calendar blocks;
 2) Stockton moves to Sept dates;
 3) 3-day vs. 4-day vs. 5-day weeks To Be Determined.
 4) Humboldt has requested at least five days no overlap

2012

January						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
18						4

May						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		
18						4

September						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						
10			4			9

February						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29			
16						5

June						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
8		2				12

October						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			
9			2			10

March						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
19						4

July						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
6			10			5

November						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	
18			4			

April						
S	M	T	W	T	F	S
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					
17						4

August						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	
10		5	4	3		4

December						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					
10			2			

2012 TOC NORTHERN CALIFORNIA RACING CALENDAR RECOMMENDATIONS 9-15-2011

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	26	27	28	29	30	31
4			1			

GGF Winter/Spring	101
LATC/GGF Summer	18
GGF Fall	30
Total Days	149

CARF Meets	62
Ferndale Overlap	6
Total Fairs	68

Simulcast Only	47
Total Nor-Cal	217

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
17			5			

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29			
16			5			

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
19			4			

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					
17			4			

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		
17			6			

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
11			4			7

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
6				10		5

August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	
7		10	2	6		4

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						
11			2			10

October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			
8			4			10

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	
18			4			

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					
4			6			

Stockton	10
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Pleasanton	13
Cal Expo	10

Santa Rosa	15
Fresno	10

Ferndale (overlap)	6
Ferndale (non-overlap)	4

Dates below reflect when each association would be considered the "Host"

PRA Winter/Spring	December 26 - June 19
LATC Summer	August 17 - Sept 18
PRA Fall	October 17 - December 25

Stockton	Sept 19 - Oct 2
Pleasanton	June 20 - July 10
Cal Expo	July 11 - July 24

Santa Rosa	July 25 - August 14
Ferndale (non-overlap)	August 15,16,22,23
Fresno	October 3 - 16

CALIFORNIA AUTHORITY OF RACING FAIRS
RACING COMMITTEE
November 8, 2011

Agenda Item
NORTHERN CALIFORNIA RACING DATES FOR August 2012

Action Recommended by CARF Staff

Recommended Motion:

With respect to Northern California racing dates in August of 2012, the California Authority of Racing Fairs Live Racing Committee recommends that Humboldt County Fair accept the offer made on October 31, 2011, by Golden Gate Fields and the Thoroughbred Owners of California, as described in the attached Report to California Horse Racing Board Chairman Keith Brackpool..

*Recommendation to Live Racing Committee
November 8, 2011*

Christopher Korby

From: "Christopher Korby" <korby@calfairs.net>
To: "Keith Brackpool" <kbrackpool@cadizinc.com>
Cc: "Joe Morris" <joe.morris@stronachgroup.com>; "Lou Raffetto-TOC" <lraffetto@toconline.com>; "Stuart Titus" <humcofair@frontiernet.net>; "Cindy Olsen" <cindy77@suddenlink.net>; "Dave Mogni" <dmogni@gmail.com>; "Alkire, John" <jalkire@fresnofair.com>
Sent: November 01, 2011 2:10 PM
Subject: Update on discussions regarding Northern Cal Racing Dates in August 2012

Dear Chairman Brackpool,

You asked that California Authority of Racing Fairs (CARF) facilitate discussions between and amongst Humboldt County Fair (Humboldt), Golden Gate Fields (GGF) and Thoroughbred Owners of California (TOC) regarding Northern California racing dates in August 2012.

CARF has done so. Representatives of the parties have met twice to discuss this matter, once at GGF on Saturday October 22 and again in Sacramento on October 31, 2011. The parties have not been able to reach agreement.

Golden Gate Fields has proposed a modification to the position it proposed at the last CHRB meeting. This modification is favorable to Humboldt. Under GGF's modified proposal, GGF will agree that Humboldt would race solo and act as Host track on Friday August 17, 2012. GGF has also agreed that Humboldt would have Host status on Wednesday and Thursday for each of the two weeks that Humboldt has proposed to run in August.

Under this most recent GGF proposal, all Host commissions (100%) from Friday, August 17th, 2012, would flow to Humboldt. By comparison, in 2011 GGF and Humboldt shared commissions 50%/50% from one Friday. GGF stated that it could make no further concessions, citing lost revenues to the track and to horsemen as the reason. TOC concurred in this position.

GGF also added a condition for its offer regarding Friday August 17th: its condition is that 2012 would be the last year it would agree to concessions regarding August dates for Humboldt. In future years, GGF would recommend that Humboldt move to June or September. TOC also concurred in this position.

Under this proposal from GGF, Humboldt would act as Host track for five days: Wednesday August 15th, Thursday August 16th, Friday August 17th, Wednesday August 22nd and Thursday August 23rd.

Humboldt County Fair did not agree to this proposal from GGF. Humboldt stated that the reason that it could not agree to the GGF/TOC proposal "was because it would not meet required purses and commissions to conduct meet."

Humboldt maintained its original proposal for five continuous days of Host status in its first week and two days of Host status in its second week as follows: Host status and right to race solo on Wednesday August 15th, Thursday August 16th, Friday August 17th, Saturday August 18th and Sunday August 19th of its first week; then Host status and right to race solo on Wednesday August 22nd and Thursday August 23rd of its second week. Humboldt cited the necessity of generating a sufficient level of purses and commissions as the reason for maintaining this position.

Golden Gate Fields and TOC did not agree to this proposal.

We will continue working to seek agreement amongst the parties and will keep you apprised of any progress.

Respectfully submitted,

/s/

Christopher Korby
Executive Director

**HUMBOLDT COUNTY FAIR FUNDING
ALLOCATED THROUGH PROGRAMS ADMINISTERED BY
CALIFORNIA AUTHORITY OF RACING FAIRS**

2000-2009

	Disbursed	License Fee Generated	.75% License paid to HCF from concurrent Fair race meet
2000		\$32,070	\$93,629
Supplemental Purses	\$164,522		
Paddock; Winner's Circle; Grandstand	\$136,518		
2001		\$32,985	\$97,496
Supplemental Purses	\$171,988		
Track Safety and Maintenance	\$44,000		
Capital Improvement (Backstretch) - Showers	\$13,938		
2002		\$32,663	\$99,899
Supplemental Purses	\$169,475		
Track Safety and Maintenance	\$44,000		
Capital Improvement (Backstretch) - Restrooms	\$213,649		
2003		\$26,769	\$92,140
Supplemental Purses	\$179,850		
Track Safety and Maintenance	\$44,000		
Capital Improvement (Backstretch) - Restroom	\$1,338		
2004		\$27,869	\$89,770
Supplemental Purses	\$208,234		
Track Safety and Maintenance	\$44,000		
Capital Improvement (Backstretch) - RV Lot; Horse Stalls	\$28,046		
2005		\$28,337	\$91,563
Supplemental Purses	\$218,133		
Track Safety and Maintenance	\$44,000		
Capital Improvement (Backstretch) - Grandstand Restroom	\$80,000		
2006		\$25,392	\$86,706
Supplemental Purses	\$257,695		
Track Safety and Maintenance	\$44,000		
2007		\$27,162	\$86,759
Supplemental Purses	\$239,813		
Track Safety and Maintenance	\$44,000		
Capital Improvement (Backstretch) - Jockey Quarters	\$489,375		
2008		\$24,068	\$77,538
Supplemental Purses	\$240,937		
Track Safety and Maintenance	\$44,000		
2009		\$26,192	\$61,254
Supplemental Purses	\$259,758		
Track Safety and Maintenance	\$44,000		
TOTALS	\$3,469,273	\$283,506	\$876,754

CUMULATIVE CARF FUNDING & SUBSIDIES TO HUMBOLDT 2000-2009

\$4,629,533

Net License Fees Generated (negative due to .75% subsidy)

(\$593,248)

**Humboldt County Fair And Golden Gate Fields Purses And Commissions Generated 2010-2011 Comparison
For The Three Day Periods: 8/20/2010 - 8/22/2010 (Fri, Sat & Sun) & 8/19/2011 - 8/21/2011 (Fri, Sat, Sun)**

Humboldt County Fair

Distribution Type	2010 Actual	2011 Act. / Proj.*	Net Difference	Average Daily
Traditional Commissions	206,116.18	52,289.35	(153,826.83)	(51,275.61)
ADW Commissions	63,978.08	26,560.48	(37,417.60)	(12,472.53)
AB763 Commissions	-	21,210.78	21,210.78	7,070.26
Expense Fund Excess	63,161.61	(2,175.42)	(65,337.03)	(21,779.01)
Location Fees	325.21	1,589.34	1,264.13	421.38
Total Commissions	333,581.08	99,474.52	(234,106.56)	(78,035.52)

Distribution Type	2010 Actual	2011 Act. / Proj.*	Net Difference	Average Daily
Traditional Purses	205,749.31	66,649.86	(139,099.45)	(46,366.48)
ADW Purses	66,435.98	32,062.01	(34,373.97)	(11,457.99)
AB763 Purses	-	-	-	-
Expense Fund Excess	63,161.61	(2,175.42)	(65,337.03)	(21,779.01)
Location Fees	-	-	-	-
Total Purses	335,346.90	96,536.45	(238,810.45)	(79,603.48)

*Expense Fund projections for 2010 were based on 2009 overlap statistics.

Golden Gate Fields

Distribution Type	2010 Actual	2011 Act. / Proj. ^A	Net Difference	Average Daily
Traditional Commissions	-	293,850.81	293,850.81	97,950.27
ADW Commissions	-	40,954.00	40,954.00	13,651.33
AB763 Commissions	-	(10,605.39)	(10,605.39)	(3,535.13)
Expense Fund Excess	-	-	-	-
Location Fees	21,127.66	9,515.23	(11,612.43)	(3,870.81)
Total Commissions	21,127.66	333,714.65	312,586.99	104,195.66

Distribution Type	2010 Actual	2011 Act. / Proj. ^A	Net Difference	Average Daily
Traditional Purses	-	338,855.54	338,855.54	112,951.85
ADW Purses	-	49,494.53	49,494.53	16,498.18
AB763 Purses	-	(10,605.39)	(10,605.39)	(3,535.13)
Expense Fund Excess	-	-	-	-
Location Fees	-	-	-	-
Total Purses	-	377,744.68	377,744.68	125,914.89

Combined Commissions	354,708.74	433,189.18	78,480.44	26,160.15
Combined Purses	335,346.90	474,281.13	138,934.23	46,311.41

^ANo expense fund excess projected for 2011.

**Humboldt County Fair And Golden Gate Fields Purses And Commissions Generated 2010-2011 Comparison
For The Three Day Periods: 8/20/2010 - 8/22/2010 (Fri, Sat & Sun) & 8/19/2011 - 8/21/2011 (Fri, Sat, Sun)**

Humboldt County Fair

Distribution Type	2010 Actual	2011 Act. / Proj.*	Net Difference	Average Daily
Traditional Commissions	206,116.18	52,289.35	(153,826.83)	(51,275.61)
ADW Commissions	63,978.08	26,560.48	(37,417.60)	(12,472.53)
AB763/Split Commissions	-	41,250.61	41,250.61	13,750.20
Expense Fund Excess	63,161.61	74.58	(63,087.03)	(21,029.01)
Location Fees	325.21	1,589.34	1,264.13	421.38
Total Commissions	333,581.08	121,764.35	(211,816.73)	(70,605.58)

Distribution Type	2010 Actual	2011 Act. / Proj.*	Net Difference	Average Daily
Traditional Purses	205,749.31	66,649.86	(139,099.45)	(46,366.48)
ADW Purses	66,435.98	32,062.01	(34,373.97)	(11,457.99)
AB763 Purses	-	-	-	-
Expense Fund Excess	63,161.61	74.58	(63,087.03)	(21,029.01)
Location Fees	-	-	-	-
Total Purses	335,346.90	98,786.45	(236,560.45)	(78,853.48)

*Expense Fund projections for 2010 were based on 2009 overlap statistics.

Golden Gate Fields

Distribution Type	2010 Actual	2011 Act. / Proj.^A	Net Difference	Average Daily
Traditional Commissions	-	293,850.81	293,850.81	97,950.27
ADW Commissions	-	40,954.00	40,954.00	13,651.33
AB763 Commissions/Split	-	(30,645.22)	(30,645.22)	(10,215.07)
Expense Fund Excess	-	-	-	-
Location Fees	21,127.66	9,515.23	(11,612.43)	(3,870.81)
Total Commissions	21,127.66	313,674.82	292,547.16	97,515.72

Distribution Type	2010 Actual	2011 Act. / Proj.^A	Net Difference	Average Daily
Traditional Purses	-	338,855.54	338,855.54	112,951.85
ADW Purses	-	49,494.53	49,494.53	16,498.18
AB763 Purses	-	(10,605.39)	(10,605.39)	(3,535.13)
Expense Fund Excess	-	-	-	-
Location Fees	-	-	-	-
Total Purses	-	377,744.68	377,744.68	125,914.89

Combined Commissions	354,708.74	435,439.18	80,730.44	26,910.15
Combined Purses	335,346.90	476,531.13	141,184.23	47,061.41

^ANo expense fund excess projected for 2011.

AB763 Redistribution To Humboldt For 2008 through 2011

Humboldt Commission Revenues:

Year	.75% Import Handle	Average Daily
2008 - San Mateo - 10 Day Overlap	77,538.00	7,753.80
2009 - CARF@GGF I - 8 Day Overlap	55,615.54	6,951.94
2010 - Sonoma - 3 Day Overlap	23,002.22	7,667.41
2011 - Sonoma - 3 Day Overlap	22,938.88	7,646.29
2011 - Golden Gate - 3 Day Overlap	21,210.78	7,070.26
2011 - Total - 6 Days Overlap	44,149.66	7,358.28

Total Cost To Funding Sources:

License Fees	Purses	Commissions
(77,538.00)	-	-
-	(27,807.77)	(27,807.77)
-	(11,501.11)	(11,501.11)
-	(11,469.44)	(11,469.44)
-	(10,605.39)	(10,605.39)
-	(22,074.83)	(22,074.83)

Average Daily Cost To Funding Sources:

License Fees	Purses	Commissions
(7,753.80)	-	-
-	(3,475.97)	(3,475.97)
-	(3,833.70)	(3,833.70)
-	(3,823.15)	(3,823.15)
-	(3,535.13)	(3,535.13)
-	(3,679.14)	(3,679.14)

SMCF
CARF @ GGF I
Sonoma
Sonoma
Golden Gate
Sonoma / GGF

Comparison Of Handle & Distributions For Northern California Between The 2009 CARF@GGI / Humboldt Overlap: 8/19/2009 to 8/25/2009 & The 2010 Humboldt Non-Overlap: 8/18/2010 to 8/24/2010

Traditional Wagering Source Daily Handle And Distribution Statistics For Northern California

2009 Overlap	Handle	CHRB	F&E	City Tax	Equine	Worker's Comp	Location	Expense	Promo	V&S	Track	Purses	Owners	Breeders
CARF@GGI & Humboldt	11,936,810	24,319	27,220	23,676	7,176	30,371	101,444	358,194	23,880	71,639	434,909	439,564	5,174	39,783
2010 Non-Overlap	Handle	CHRB	F&E	City Tax	Equine	Worker's Comp	Location	Expense	Promo	V&S	Track	Purses	Owners	Breeders
Humboldt	7,313,520	30,539	14,299	19,120	5,794	15,348	108,091	321,557	21,437	64,311	273,740	273,002	4,258	30,139
Traditional \$ Difference	(4,623,289)	6,220	(12,920)	(4,556)	(1,381)	(15,024)	6,647	(36,637)	(2,443)	(7,327)	(161,169)	(166,562)	(916)	(9,643)

ADW Wagering Source Daily Handle And Distribution Statistics For Northern California

2009 Overlap	Handle	CHRB	F&E	Retire Fund	Equine	Worker's Comp	Location	DIR	Back Stretch	AB480 Reserve	Track	Purses	OTWINC	Breeders
CARF@GGI & Humboldt	2,448,759	1,085	84	5,779	2,121	5,028	29,197	578	3,182	9,367	119,150	121,687	-	10,493
2010 Non-Overlap	Handle	CHRB	F&E	Retire Fund	Equine	Worker's Comp	Location	DIR	Back Stretch	AB480 Reserve	Track	Purses	OTWINC	Breeders
Humboldt	1,743,989	235	18	4,871	1,787	2,558	24,632	487	2,680	7,857	85,945	89,248	-	7,184
ADW \$ Difference	(704,770)	(850)	(66)	(908)	(334)	(2,470)	(4,565)	(91)	(501)	(1,510)	(33,205)	(32,440)	-	(3,308)

Summary Of Impact To Northern California Handle

Handle (5,328,059)

Summary Of Impact To Northern California Distributions

CHRB	5,370
F&E	(12,987)
Retire Fund	(908)
City Tax	(4,556)
Equine	(1,715)
Workers' Comp	(17,494)
Location	2,082
Expense	(36,637)
Promo	(2,443)
V&S	(7,327)
DIR	(91)
Backstretch	(501)
AB480 Reserve	(1,510)
Track	(194,374)
Purses	(199,002)
OTWINC	-
Owners	(916)
Breeders	(12,952)
Total	(485,960)

Lost revenues from non-overlap
Northern California only

Comparison Of Handle & Distributions For California Between The 2009 CARF@GGI / Humboldt Overlap: 8/19/2009 to 8/25/2009 & The 2010 Humboldt Non-Overlap: 8/18/2010 to 8/24/2010

Traditional Wagering Source Daily Handle And Distribution Statistics For Northern & Southern California

2009 Overlap	Handle	CHRB	F&E	City Tax	Equine	Worker's Comp	Location	Expense	Promo	V&S	Track	Purses	Owners	Breeders
CARF@GGF & Humboldt	15,085,397	50,854	60,761	34,067	10,323	39,645	160,832	436,909	36,474	110,996	685,325	587,097	7,378	57,796
2010 Non-Overlap	Handle	CHRB	F&E	City Tax	Equine	Worker's Comp	Location	Expense	Promo	V&S	Track	Purses	Owners	Breeders
Humboldt	8,632,194	43,310	28,454	23,472	7,113	19,855	134,503	354,524	26,712	80,795	347,307	346,446	5,182	37,633
Traditional \$ Difference	(6,453,203)	(7,544)	(32,307)	(10,595)	(3,211)	(19,790)	(26,329)	(82,385)	(9,762)	(30,201)	(238,017)	(241,651)	(2,197)	(20,163)

ADW Wagering Source Daily Handle And Distribution Statistics For Northern & Southern California

2009 Overlap	Handle	CHRB	F&E	Retire Fund	Equine	Worker's Comp	Location	DIR	Back Stretch	AB480 Reserve	Track	Purses	OTWINC	Breeders
CARF@GGF & Humboldt	2,982,444	1,085	84	7,353	2,699	6,128	37,572	736	4,048	11,501	132,617	134,862	17,846	12,926
2010 Non-Overlap	Handle	CHRB	F&E	Retire Fund	Equine	Worker's Comp	Location	DIR	Back Stretch	AB480 Reserve	Track	Purses	OTWINC	Breeders
Humboldt	1,878,607	235	18	5,268	1,933	2,960	26,764	527	2,899	8,378	93,029	96,176	2,356	7,799
ADW \$ Difference	(1,103,837)	(850)	(66)	(2,085)	(766)	(3,168)	(10,808)	(209)	(1,149)	(3,123)	(39,589)	(38,686)	(15,490)	(5,128)

Summary Of Impact To California Handle

Handle	(7,557,040)
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Summary Of Impact To California Distributions

CHRB	(8,393)
F&E	(32,373)
Retire Fund	(2,085)
City Tax	(10,595)
Equine	(3,977)
Workers' Comp	(22,959)
Location	(37,137)
Expense	(82,385)
Promo	(9,762)
V&S	(30,201)
DIR	(209)
Backstretch	(1,149)
AB480 Reserve	(3,123)
Track	(277,806)
Purses	(280,338)
OTWINC	(15,490)
Owners	(2,197)
Breeders	(25,291)
Total	(845,269)

Lost Revenues from non-overlap
Statewide (North & South)

Comparison Of Handle & Distributions For California During The 2010 Humboldt Non-Overlap: 8/18/2010 to 8/24/2010 and The 2011 Partial Overlap 8/17/2011 to 8/23/2011

Traditional Wagering Source Daily Handle And Distribution Statistics For Northern & Southern California

2010 Non-Overlap	Handle	CHRB	F&E	City Tax	Equine	Worker's Comp	Location	Expense	Promo	V&S	CHRIMS	Track	Purses	Owners	Breeders
Humboldt	8,632,194	43,310	28,454	23,472	7,113	19,855	134,503	354,524	26,712	80,795	-	347,307	345,448	5,182	37,633
2011 Partial Overlap	Handle	CHRB	F&E	City Tax	Equine	Worker's Comp	Location	Expense	Promo	V&S	CHRIMS	Track	Purses	Owners	Breeders
Humboldt & Golden Gate	10,979,307	49,778	30,156	25,268	7,657	27,939	90,511	236,312	16,685	80,965	3,337	511,098	615,162	5,485	45,106
Traditional \$ Difference	2,347,114	6,468	1,701	1,797	544	8,084	(43,992)	(118,212)	(10,026)	170	3,337	163,791	269,716	303	7,473

ADW Wagering Source Daily Handle And Distribution Statistics For Northern & Southern California

2010 Non-Overlap	Handle	CHRB	F&E	Retire Fund	Equine	Worker's Comp	Location	DIR	Back Stretch	AB480 Reserve	CHRIMS	Track	Purses	OTWINC	Breeders
Humboldt	1,678,607	235	18	5,268	1,933	2,960	26,764	527	2,899	8,378	-	93,029	96,178	2,358	7,799
2011 Partial Overlap	Handle	CHRB	F&E	Retire Fund	Equine	Worker's Comp	Location	DIR	Back Stretch	AB480 Reserve	CHRIMS	Track	Purses	OTWINC	Breeders
Humboldt & Golden Gate	2,379,121	955	75	6,207	2,277	4,486	31,512	621	3,416	9,890	-	102,388	124,515	32,810	11,075
ADW \$ Difference	500,514	719	57	938	344	1,526	4,748	94	516	1,512	-	9,359	28,339	30,454	3,276

Summary Of Impact To California Handle

Handle 2,847,828

Summary Of Impact To California Distributions

CHRB	7,187
F&E	1,758
Retire Fund	938
City Tax	1,797
Equine	889
Workers' Comp	9,610
Location	(39,244)
Expense	(118,212)
Promo	(10,026)
V&S	170
CHRIMS	3,337
DIR	94
Backstretch	516
AB480 Reserve	1,512
Track	173,150
Purses	298,055
OTWINC	30,454
Owners	303
Breeders	10,749
Total	373,039

Revenue change (positive) with partial overlap
Stable

Comparison Of Handle & Distributions For Northern California During The 2010 Humboldt Non-Overlap: 8/18/2010 to 8/24/2010 and The 2011 Partial Overlap 8/17/2011 to 8/23/2011

Traditional Wagering Source Daily Handle And Distribution Statistics For Northern California

2010 Non-Overlap	Handle	CHRB	F&E	City Tax	Equine	Worker's Comp	Location	Expense	Promo	V&S	CHRRMS	Track	Purses	Owners	Breeders
Humboldt	7,313,620	30,539	14,299	19,120	5,794	15,348	108,091	321,557	21,437	64,311	-	273,740	273,002	4,258	30,139
2011 Partial Overlap	Handle	CHRB	F&E	City Tax	Equine	Worker's Comp	Location	Expense	Promo	V&S	CHRRMS	Track	Purses	Owners	Breeders
Humboldt & Golden Gate	8,224,933	29,672	11,040	19,479	5,903	21,977	56,070	192,452	12,299	59,035	2,460	411,686	485,140	4,257	35,239
Traditional \$ Difference	1,911,413	(867)	(3,259)	359	109	6,629	(52,021)	(129,105)	(9,138)	(5,277)	2,460	137,945	212,138	(2)	5,100

ADW Wagering Source Daily Handle And Distribution Statistics For Northern California

2010 Non-Overlap	Handle	CHRB	F&E	Retire Fund	Equine	Worker's Comp	Location	DIR	Back Stretch	AB480 Reserve	CHRRMS	Track	Purses	OTWINC	Breeders
Humboldt	1,743,989	235	18	4,871	1,787	2,558	24,632	487	2,680	7,857	-	85,945	89,248	-	7,184
2011 Partial Overlap	Handle	CHRB	F&E	Retire Fund	Equine	Worker's Comp	Location	DIR	Back Stretch	AB480 Reserve	CHRRMS	Track	Purses	OTWINC	Breeders
Humboldt & Golden Gate	2,131,532	955	75	5,476	2,009	3,673	27,748	548	3,013	8,773	-	89,424	107,401	27,486	9,945
ADW \$ Difference	387,542	719	57	605	222	1,115	3,116	60	333	916	-	3,478	18,153	27,486	2,761

Summary Of Impact To Northern California Handle

Handle 2,298,955

Summary Of Impact To Northern California Distributions

CHRB	(147)
F&E	(3,202)
Retire Fund	605
City Tax	359
Equine	330
Workers' Comp	7,744
Location	(48,905)
Expense	(129,105)
Promo	(9,138)
V&S	(5,277)
CHRRMS	2,460
DIR	60
Backstretch	333
AB480 Reserve	916
Track	141,423
Purses	230,291
OTWINC	27,486
Owners	(2)
Breeders	7,861
Total	224,093

Revenue change (positive) with partial overlap
Nor Cal only

**CALIFORNIA AUTHORITY OF RACING FAIRS
2012 BUDGET HIGHLIGHTS**

Agency Budget

- Reviewed and reallocated salary categories for agency personnel
- Reduced CARF member dues 10%
- Budgeted legislative advocacy to actual reduced expense
- Reduced Rent for Tribute Road offices based on new contract rate

- Agency Reserves at end-of-year for 2010 were \$709,681.
- Agency Reserves estimated for end-of-year 2011 are \$973,755.
- Proposed Agency budget for 2012 will tap reserves for \$120,559 due to elimination of Fair funding, which affected ***Projects Revenue***, and a proposed 10% reduction in member dues.
- Agency Reserves estimated at end of 2012 will be \$853,196.

Live Racing Budget

- Reviewed and reallocated salary categories for Racing personnel
- Reduced racing support services contracts for 2012 racing date changes

Projects Budget

- Elimination of Fair funding by the state also eliminates project funding and project administration fees for the 2012 Agency budget.

Highlights 2010



Total Conventional & ADW Handle

\$131 million

Revenue Distributed by CARF

\$26.6 million

Total Commissions Paid to Fairs

\$6.3 million

Total Purses Paid to Horsemen

\$7.1 million



	Total	STK	PLN	SAC	SR	FER	FNO
Revenue							
Takeout & Other Revenue	26,648,201	1,624,911	7,169,081	3,744,028	7,744,874	2,065,581	4,299,726
Commissions							
Total Commissions	6,305,269	417,674	1,643,151	941,514	1,739,034	544,072	1,019,823
Purses							
Total Purses	7,110,991	342,652	2,050,906	887,503	2,195,755	508,184	1,125,992
Distributions							
F&E Fund 19614d/License Fees	237,966	13,649	64,265	28,561	66,749	17,559	47,183
F&E Recapture	29,680	1,803	7,725	4,593	7,921	2,593	5,044
CHRB Support	390,316	23,274	101,238	60,589	104,475	34,209	66,532
Commingle Guest O/S	5,717,452	316,345	1,519,216	727,763	1,870,029	308,986	975,113
Interstate Host	824,033	62,424	216,691	127,610	204,807	80,293	132,209
Location Fee	1,552,634	116,230	387,737	253,877	417,613	150,536	226,641
Promotion	248,775	17,069	62,759	40,276	68,504	23,220	36,946
City/County	242,244	15,980	62,517	36,555	66,361	21,408	39,421
Stabling/Vanning	746,325	51,209	188,278	120,829	205,511	69,661	110,837
Equine Lab	73,409	4,843	18,945	11,078	20,110	6,488	11,946
Owners	54,285	3,619	13,878	8,258	14,573	4,812	9,145
Breeders	511,746	36,219	133,155	79,177	138,745	43,765	80,685
Exchange Wagering Breeders	4,563	339	1,331	496	1,043	205	1,149
Other ADW Distributions	205,549	12,858	45,935	27,607	53,179	27,604	38,366

California Authority of Racing Fairs
Agency Income Statement
September 30, 2011

	2009	2010	2011	2011	2011	2011	2011	-10% 2012
	Year End	Year End	YTD	Estimated	Annual	Budget	% Budget	Proposed
	Actual	Actual	Actual	YearEnd	Budget	Variance		Budget
Revenue:								
Other Revenue	148	(2,326)	0	0	500	(500)	0%	0
Interest Income	30,515	18,003	13,567	15,000	30,000	(16,433)	45%	15,000
Member Dues	282,532	290,107	217,066	288,330	292,913	(75,847)	74%	260,593
CARF South Programs Admin Fee	25,351	21,256	14,236	18,000	18,806	(4,570)	76%	21,038
CARF Projects Admin Fee	66,063	141,872	410,503	410,503	195,000	215,503	211%	0
CARF Live Racing Admin Fee	112,869	108,854	148,815	159,000	182,611	(33,796)	81%	138,201
CARF @ Leased Facility Rev	(311,170)	0	0	0	0	0	0%	0
Total Revenue	206,308	577,767	804,188	890,833	719,830	84,357	112%	434,832
Expenses:								
Salaries	226,671	241,506	212,934	269,934	305,173	92,239	70%	222,959
Employee Benefits	23,714	18,890	30,674	33,000	30,000	(674)	102%	34,900
Post Retirement Benefits	666,317	33,688	26,118	35,000	35,000	8,882	75%	35,000
Payroll Taxes	12,487	12,529	11,827	15,000	15,000	3,173	79%	11,500
Accounting Costs	17,209	17,272	17,697	23,400	18,750	1,053	94%	16,250
Audit Services	7,125	6,375	8,925	8,925	6,375	(2,550)	140%	6,375
Automobile Expense	435	10,650	3,015	4,000	4,000	985	75%	4,000
Contracted Services	543	10,435	1,621	5,000	5,000	3,379	32%	3,000
Depreciation	13,881	11,985	8,906	10,000	10,000	1,094	89%	11,000
Dues & Subscriptions	36,048	11,952	1,819	2,000	1,000	(819)	182%	2,000
Insurance Expense	37,784	37,127	28,035	41,000	41,000	12,965	68%	41,000
Legal Expenses	11,413	21,720	8,009	12,500	12,500	4,491	64%	12,500
Legislative Expenses	53,508	53,796	42,160	54,000	63,000	20,840	67%	55,000
Meetings Expense	5,398	6,852	3,214	5,000	5,000	1,786	64%	5,000
Misc. (Ag Day Sponsor)	2,482	2,010	(885)	0	2,500	3,385	-35%	0
Office Supplies	23,754	27,882	23,605	25,000	25,000	1,395	94%	22,500
Postage & Shipping	5,987	3,117	2,745	4,000	4,000	1,255	69%	3,600
Rent (Tribute Road)	38,916	38,265	26,827	45,000	45,000	18,173	60%	35,770
Repairs & Maintenance	0	674	328	1,000	1,000	672	33%	1,000
Telephone Expense	7,390	9,492	8,200	10,000	10,000	1,800	82%	10,000
Training	0	0	1,139	2,500	2,500	1,361	46%	2,500
Travel Expense	25,280	27,226	15,116	22,500	27,500	12,384	55%	22,500
Total Expenses	1,216,340	603,445	482,030	628,759	669,298	187,268	72%	558,354
Agency Income (Loss)	(1,010,031)	(25,678)	322,158	262,074	50,532	271,625		(123,522)
South Prog Income (Loss)	7,142	8,153	7,389	2,000	2,444	(4,195)		2,963
Total Bal Sheet Net Income (Loss)	(1,002,890)	(17,525)	329,547	264,074	52,976	267,430		(120,559)

CARF Unrestricted Reserves Year End Audited Balance 2010

709,681

CARF Reserves after 2011 Year End with Estimates

\$973,755

Use of CARF Unrestricted Reserves for 2012

\$120,559

Balance of CARF Reserves after 2012 Budget

\$853,196

California Authority of Racing Fairs
Southern Region Income Statement
September 30, 2011

	2009	2010	2011	2011	2011	2011	2011	2012
	Year End	Year End	YTD	Estimated	Annual	Budget	% Budget	Proposed
	Actual	Actual	Actual	YearEnd	Budget	Variance		Budget
Program Revenue:								
Program Sales	343,634	285,716	199,839	250,000	250,750	(50,911)	80%	280,500
Other Revenue	0	0	0		0	0	0%	0
Royalties/Fees Due Host	(311,141)	(256,307)	(178,214)	(230,000)	(229,500)	51,286	78%	(256,500)
Total Revenue	32,493	29,409	21,625	20,000	21,250	375	102%	24,000
Expenses:								
Legal Expenses	0	0	0		0	0	0%	0
Meetings Expense	0	0	0		0	0	0%	0
Misc Exp.(Storage)	0	0	0		0	0	0%	0
Office Supplies	0	0	0		0	0	0%	0
Paper Expense	0	0	0		0	0	0%	0
Postage & Shipping	0	0	0		0	0	0%	0
Printing Supplies	0	0	0		0	0	0%	0
Rent & Utility Expenses	0	0	0		0	0	0%	0
Repairs & Maintenance	0	0	0		0	0	0%	0
Telephone Expense	0	0	0		0	0	0%	0
Travel Expense	0	0	0		0	0	0%	0
Total Expenses	0	0	0		0	0	0%	0
Operating Income (Loss)	32,493	29,409	21,625	20,000	21,250	375	102%	24,000
CARF Admin Fee	25,351	21,256	14,236	18,000	18,806	4,570	76%	21,038
Rebate								
Income (Loss)	7,142	8,153	7,389	2,000	2,444	(4,195)	302%	2,963

**California Authority of Racing Fairs
Project Management Income Statement
September 30, 2011**

	2009	2010	2011	2011	2011	2011	2011	2012
	Year End	Year End	YTD	Estimated	Annual	Budget	% Budget	2012
	Actual	Actual	Actual	YearEnd	Budget	Variance		Proposed
								Budget
Revenue:								
CARF Admin Fee	66,063	141,872	410,503	410,503	195,000	215,503	211%	0
Project Management	79,199	85,559	0	0	81,935	(81,935)	0%	0
Total Revenue	145,262	227,432	410,503	410,503	276,935	133,568	148%	0
Expenses:								
Salaries Expense	58,723	63,396	0		58,035	58,035	0%	0
Employee Benefits	7,287	8,538	0		9,000	9,000	0%	0
Payroll Taxes	2,832	3,076	0		3,000	3,000	0%	0
Accounting Costs	6,500	6,620	0		7,500	7,500	0%	0
Audit Services	2,550	2,550	0		2,550	2,550	0%	0
Automobile Expense	0	0	0		0	0	0%	0
Contracted Services	0	0	0		0	0	0%	0
Telephone Expense	708	754	0		1,000	1,000	0%	0
Travel Expense	42	68	0		250	250	0%	0
Misc. Storage	558	558	0		600	600	0%	0
Total Expenses	79,199	85,559	0	0	81,935	81,935	0%	0
CARF Admin Fee	66,063	141,872	410,503	410,503	195,000	(215,503)	211%	0

California Authority of Racing Fairs

Live Racing Income Statement

September 30, 2011

2009 = 79dys 2010 = 64 days 2011=58days

2012= days

	2009 Year End Actual	2010 Year End Actual	2011 YTD Actual	2011 Estimated YearEnd	2011 Annual Budget	2011 Budget Variance	2011 % Budget	2012 Proposed Budget
Revenues:								
Change Fund Admin Fee	17,065	14,074	2,941	5,000	15,000	(12,059)	20%	15,000
Racing Fairs Admin Fee	74,561	69,032	56,003	71,500	85,111	(29,108)	66%	78,201
Supplemental Purses Admin Fee	22,000	22,000	82,500	82,500	82,500	0	100%	45,000
NCOTWINC Reimbursement	29,000	29,000	0	0	29,000	(29,000)	0%	29,000
Racing Fairs Reimbursement	1,059,854	1,003,686	746,712	946,100	1,082,942	(336,230)	69%	1,042,681
Advertising Revenue	4,100	4,550	4,500	4,500	4,000	500	113%	4,000
Total	1,206,580	1,142,343	892,657	1,109,600	1,298,553	(405,896)	69%	1,213,882
Expenses:								
Salaries	230,562	255,146	181,188	250,000	251,517	70,329	72%	295,750
Employee Benefits	44,792	46,948	35,470	47,000	47,000	11,531	75%	44,278
Payroll Taxes	11,877	13,103	9,143	13,500	13,500	4,357	68%	10,928
Accounting Costs	52,250	43,035	31,692	48,750	48,750	17,058	65%	48,750
Audit Services	16,575	25,323	16,575	16,575	16,575	0	100%	19,125
Automobile Expense	1,182	64	0	1,000	5,100	5,100	0%	2,000
Depreciation	0	0	0	0	0	0	0%	0
Dues & Subscriptions, NTRA	12,286	10,109	0	0	1,000	1,000	0%	1,000
Insurance Expense	0	0	0	0	0	0	0%	0
Legal Expenses	0	8,734	0	2,000	10,000	10,000	0%	5,000
Meetings Expense	1,111	3,440	335	1,000	5,000	4,665	7%	2,000
Misc. Exp (Harness,Storage,Bank f	58	0	0	0	0	0	0%	0
Telephone Expense	3,363	3,924	2,239	3,000	3,000	761	75%	3,500
Travel Expense	45,184	29,898	26,583	32,000	35,000	8,417	76%	35,000
Sub-Totals	419,240	439,725	303,225	414,825	436,442	133,217	69%	467,331
Racing Support Services:								
Announcer	26,596	23,904	13,350	18,075	26,000	12,650	51%	23,850
Condition Bk/Program Cover	22,491	15,245	15,235	20,000	20,000	4,765	76%	20,000
Racing Operations Support	79,601	78,325	53,339	60,000	90,000	36,661	59%	90,000
TC02 Testing	54,880	7,425	5,415	6,500	15,000	9,585	36%	10,000
Marketing	1,783	3,901	130	2,000	5,000	4,870	3%	3,000
Network Management	3,321	1,548	1,558	2,200	3,000	1,442	52%	500
Paymaster	20,298	8,106	3,867	5,000	11,500	7,633	34%	7,500
Program Production	178,814	179,004	136,109	180,000	205,000	68,891	66%	205,000
Racing Office System	53,156	43,739	19,528	35,000	55,000	35,472	36%	40,000
Recruitment	22,721	31,108	9,860	10,000	10,000	140	99%	15,000
Jumbo Screen	125,000	126,250	104,550	105,000	160,000	55,450	65%	110,000
Supplies	19,158	15,964	3,758	10,000	20,000	16,242	19%	15,000
Tattooing	20,469	17,200	14,759	19,000	19,000	4,241	78%	20,000
Timing/Clocker	22,430	22,805	0	0	0	0	0%	0
Transportation	3,465	2,150	1,708	3,000	5,000	3,292	34%	3,500
TV Production/Simulcast	20,288	17,088	57,451	60,000	35,000	(22,451)	164%	45,000
Sub-Totals	674,471	593,763	440,616	535,775	679,500	238,884	65%	608,350
Total Expenses	1,093,711	1,033,488	743,842	950,600	1,115,942	372,100	67%	1,075,681
CARF Admin Fee	112,869	108,854	148,815	159,000	182,611	33,796	81%	138,201

PROPOSED 2012 MEMBER DUES BASED ON 2011 HANDLE

Oct 17, 2010 to October 16, 2011

2011 CARF MEMBER FAIRS TOTAL HANDLE

Location	run takeout summary report for each host					Total Handle	2011 handle % of Total	Actual 2009 Dues	Actual 2010 Dues	Actual 2011 Dues	Draft 2012 Dues	Reduced 10% Dues
	Off-Track S/W Handle	On-Track Handle	Out-of-State Handle	Off Track Handle	ADW Handle							
Anderson	1,441,509					1,441,509	0.352%	3,367	3,367	3,367	3,367	3,030
Tulare	2,813,451					2,813,451	0.687%	3,367	3,367	3,367	3,367	3,030
Shalimar (Indio)	4,615,728					4,615,728	1.126%	7,856	7,856	7,856	7,856	7,070
Monterey	7,318,699					7,318,699	1.786%	7,856	7,856	7,856	7,856	7,070
Turlock	6,635,310					6,635,310	1.619%	7,856	7,856	7,856	7,856	7,070
Bakersfield	6,283,116					6,283,116	1.533%	7,856	7,856	7,856	7,856	7,070
Victorville	5,931,312					5,931,312	1.447%	7,856	7,856	7,856	7,856	7,070
Ferndale	140,934	686,729	1,422,220	1,801,376	1,602,502	5,653,761	1.380%	3,367	3,367	3,367	7,856	7,070
Lake Perris	12,783,584					12,783,584	3.119%	16,834	16,834	16,834	16,834	15,151
Lancaster	14,130,784					14,130,784	3.448%	7,856	16,834	16,834	16,834	15,151
Vallejo	15,485,307					15,485,307	3.779%	21,042	21,042	21,042	16,834	15,151
Ventura	23,506,420					23,506,420	5.736%	21,042	21,042	21,042	21,042	18,938
San Bernardino	24,252,935					24,252,935	5.918%	21,042	21,042	21,042	21,042	18,938
Fresno	8,630,574	3,456,008	7,326,733	9,569,964	4,422,197	33,405,476	8.151%	16,834	21,042	21,042	21,042	18,938
Stockton	15,881,343	857,545	1,945,850	3,953,320	1,928,582	24,566,640	5.995%	21,042	21,042	21,042	21,042	18,938
Santa Rosa	9,870,494	4,020,279	9,643,909	14,643,352	6,431,046	44,609,080	10.885%	21,042	21,042	21,042	25,252	22,727
Sacramento	22,276,124	1,887,107	4,608,088	8,692,670	4,014,655	41,478,644	10.121%	25,252	25,252	25,252	25,252	22,727
Pleasanton	33,248,610	5,121,553	8,407,404	12,927,246	6,483,264	66,188,078	16.151%	25,252	25,252	25,252	25,252	22,727
San Mateo	68,716,595	0	0	0	0	68,716,595	16.768%	16,834	25,252	25,252	25,252	22,727
Eureka								2,625	0			
Santa Maria								7,856	7,856	3273		
Santa Barbara								5,892	0	0		
Totals	283,962,827	16,029,220	33,354,204	51,587,930	24,882,247	409,816,427	100 %	279,826	292,913	288,330	289,548	260,593

CALIFORNIA AUTHORITY OF RACING FAIRS
BALANCE SHEET
September 30, 2011

ASSETS

	CURRENT YTD	PRIOR YTD
	9/30/11	9/30/10
Current Assets		
CASH - LAIF & INVESTMENTS	256,608	2,629,994
CASH - OPERATING/MM	2,580,175	995,650
CHECKING - TOC PURSE	142,296	225,052
CHECKING - RACING TRUST	870,302	955,967
MARKETABLE SECURITIES	2,419,230	4,389,318
A/R - DUES	85,223	77,999
A/R - PROGRAMS	33,770	89,785
A/R - RACING FAIRS	313,236	468,251
A/R - ERF/OTHER A/R	905,294	1,924,393
PREPAIDS/DEPOSITS	79,109	74,020
OPEB ASSETS	92,725	91,955
Total Current Assets	7,777,968	11,922,382
Fixed Assets		
AUTOMOBILE	36,139	574
FURNITURE & EQUIPMENT	866	1,879
COMPUTER HARDWARE/SOFTWARE	6,947	7,086
TRACK EQUIPMENT	259,712	59,400
Total Fixed Assets (Net of Depr.)	303,664	68,939
TOTAL ASSETS	8,081,632	11,991,321

LIABILITIES & NET ASSETS

Current Liabilities		
A/P & WITHHOLDINGS	519,151	238,085
A/P - PROGRAM ROYALTIES TO HOST	46,117	76,737
RACING DISTRIBUTIONS	1,340,862	1,630,457
PURSES	723,080	854,350
TRACK SAFETY/MAINT.	547,068	474,054
INFOTEXT UPGRADE	0	160,738
MISC PROJECT FUNDS	0	0
LOU-1 - TIMING/TRACK SURFACE/AREA ENHANC	0	0
LOU-2 - SPECIAL EVENT CENTERS	0	0
LOU-3 - SATELLITE SURVEY/TURF STUDY	0	0
EQUIPMENT REPLACEMENT FUND	0	1,154,672
LOU-5 - SYMPOSIUM	3,805	3,805
MINI SATELLITE FUNDS	169,800	520,222
CAPITAL IMPROVEMENT FUND	0	2,999,497
Total Current Liabilities	3,349,883	8,112,618
Non-Current Liabilities		
CHRRMS FUNDS	91,461	90,625
CHANGE FUND	1,014,000	1,014,000
FAIRS - EQUIP REPLACEMENT FUNDS	2,552,267	2,016,741
Total Non-Current Liabilities	3,657,728	3,121,365
TOTAL LIABILITIES	7,007,611	11,233,983
Net Assets		
FUND EQUITY	709,681	728,101
F&E Net Assets	34,794	22,275
CARF@GG	0	0
RETIREMENT CONTINGENCY	0	0
NET INCOME/LOSS	329,547	6,962
Total Net Assets	1,074,021	757,338
TOTAL LIABILITIES & NET ASSETS	8,081,632	11,991,321

2012

January							February							March						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4					1	2	3
8	9	10	11	12	13	14	5	6	7	8	9	10	11	4	5	6	7	8	9	10
15	16	17	18	19	20	21	12	13	14	15	16	17	18	11	12	13	14	15	16	17
22	23	24	25	26	27	28	19	20	21	22	23	24	25	18	19	20	21	22	23	24
29	30	31					26	27	28	29				25	26	27	28	29	30	31
April							May							June						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7			1	2	3	4	5						1	2
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23
29	30						27	28	29	30	31			24	25	26	27	28	29	30
July							August							September						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4							1
8	9	10	11	12	13	14	5	6	7	8	9	10	11	2	3	4	5	6	7	8
15	16	17	18	19	20	21	12	13	14	15	16	17	18	9	10	11	12	13	14	15
22	23	24	25	26	27	28	19	20	21	22	23	24	25	16	17	18	19	20	21	22
29	30	31					26	27	28	29	30	31		23	24	25	26	27	28	29
														30						
October							November							December						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6					1	2	3							1
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15
21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22
28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29
														30	31					

CALIFORNIA AUTHORITY OF RACING FAIRS
Management Services and Contract Administration
for
Live Horse Racing Operations

Racing Operations

- CARF works with Racing Fairs on preparation, submission and presentation of CHRB License Applications
- Provides Racing Office computer system (all computer hardware/peripherals) and application software (Equibase) and manages service, technical support and transportation
- Provides and manages Paymaster services, including Paymaster (CARF employee) bank accounts, audits, payment of all purse moneys to owners and all other distributions of payment to various recipients
- Telecommunications: provision of voice, fax and data lines necessary to support racing, totalisator and simulcast operations
- Provides accounting, reconciliation and distribution of all parimutuel commissions, purse, license fees and other distributions
- Coordinates development and management of purse schedule through Fair Circuit in cooperation with Fair Racing Secretaries and Thoroughbred Owners of California
- Provides Supplemental Purse Fund management and accounting
- Provides marketing coordination through circuit
- Manages contracts for daily racing program production, printing and distribution
- Manages Condition Book production and distribution
- Manages contracts and logistics for provision of Jumbo Video Screen

CALIFORNIA AUTHORITY OF RACING FAIRS
Management Services and Contract Administration
for
Live Horse Racing Operations

Racing Operations (cont'd)

- Manages contract for Starting Gate
- Manages contract for Photo Finish
- Total Carbon Dioxide (TCO₂) testing
- Furnishes electronic timing system with operator
- Oversees TV Replay System for Officials
- Manages provision of Temporary stalls
- Coordinates provision of Mobile offices for racing operations
- Daily, on-site management and oversight of all operations above, along with management, coordination and disposition of other matters that may arise from time to time in the course of conducting racing at Fairs
- Active liaison, representation and advocacy with on-track Stewards and with senior CHRB officials
- Manages consolidated purses' program.

Contracts with Horsemen's Associations

- Negotiate contracts with horsemen's associations, as required by statute.
- Thoroughbred Owners of California
- Cal Western Appaloosa
- Pacific Coast Quarter Horse Association
- Arabian Racing Association of California
- Racing Mule Association
- California Thoroughbred Trainers

CALIFORNIA AUTHORITY OF RACING FAIRS
Management Services and Contract Administration
for
Live Horse Racing Operations

Labor Agreements

- Maintains membership in Federation of California Racing Associations to provide representation in racing industry employer group for labor union negotiations.
- Local 280 Pari-Mutuel Employees Guild
- Local 1877 (formerly Local 399) AFL-CIO Service Employees International Union Valets and rec. barn personnel
- Local 495 International Brotherhood of Teamsters, Chauffeurs, Warehousemen and helpers of America
- Note: Assist Starters now with Teamsters Local 495 but under separate agreement

Racetrack Safety and Maintenance Program

- CARF developed this program and provides management oversight throughout Fair circuit.
- Works with Division of Fairs and Expositions to maintain funding support
- Contracts with Steve Wood, Trackmaster, Inc., to provide expert consultation and oversight of Fair track maintenance
- Carries lease agreements for specialized tractors used for maintaining track surfaces
- Owns and provides custom-built water truck (2001 Sterling).
- Owns and provides rock-picker (added 2003).
-

CALIFORNIA AUTHORITY OF RACING FAIRS
Management Services and Contract Administration
for
Live Horse Racing Operations

Racetrack Safety and Maintenance Program (cont'd)

- Owns or provides harrows, floats, and other miscellaneous equipment required for track maintenance.
- Manages all planning, heavy equipment transportation and logistics
- Provides daily, on-site management, key personnel and oversight
- No direct cost to Racing Fairs.
- Administers Jockey Club Equine Industry Database for CARF member Fairs

Recruitment Program for Out-of-State Horses

- Organizes and conducts out-of-state recruitment of horses to run at Northern California Fairs
- Manage payment of incentives
- Track and report on results of Recruitment Program

Parimutuel Wagering Operations

- Maintains totalisator contract
- Parimutuel labor contract
- NOTWInc agreement for Northern California simulcast network
- You Bet.com Advanced Deposit Wagering
- TVG Advanced Deposit Wagering
- Xpress Bet Advanced Deposit Wagering
- TwinSpires Advanced Deposit Wagering
- Provides all accounting, reconciliation, banking for ADW wagering operations

CALIFORNIA AUTHORITY OF RACING FAIRS
Management Services and Contract Administration
for
Live Horse Racing Operations

Personnel

- Racing Secretary
- Track Safety and Maintenance Manager
- Morning Fitness Vet
- Veterinarian
- TCO2 Technician
- Track Maintenance Crew Chief
- Horse Ambulance Driver
- Clocker and Timer
- Paymaster
- Program Manager
- Track Announcer
- Stewards' Aide
- Jocks' Room

Web Site Operation

- Manages racing Website www.calfairs.net on behalf of Fairs which conduct live racing
- Contracts with information service providers
- Daily management and administration of racing information provided to racing fans on Website

CALIFORNIA AUTHORITY OF RACING FAIRS
Management Services and Contract Administration
for
Live Horse Racing Operations

Simulcast Operations

- Manages Satellite Transmission and Encryption Services
- Manages TV Production for simulcast coverage
- Manages telecommunications support: provision of voice, fax and data lines necessary to support simulcast operations
- Furnishes back up electrical generators
- Provides accounting, reconciliation, banking for simulcast operations
- NOTWInc contract for Northern California simulcast network
- Manages contracts for out-of-state simulcast sites and distribution of daily racing programs and other simulcast information
- Payment of commissions, purses, license fees and all other distributions from simulcast operations

CK - January 2011