



a California joint powers agency

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Sacramento, CA 95815
Office: 916.927.7223 Fax: 916.263.3341
www.calfairs.com

NOTICE
CALIFORNIA AUTHORITY OF RACING FAIRS
FINANCE COMMITTEE MEETING
1:00 P.M., MONDAY, NOVEMBER 26, 2018
VIA TELECONFERENCE

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Finance Committee will commence at 1:00 P.M., Monday, November 26, 2018. The meeting will be held via teleconference.

Public and members of the Finance Committee may participate from the following locations:

Alameda County Fair
4501 Pleasanton Ave.
Pleasanton, CA 94566

California State Fair
1600 Exposition Blvd.
Sacramento, CA 95815

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



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AGENDA
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AGENDA

- I. Report, Discussion and Action, if any, on Live Racing Replacement Revenues.
- II. Report, Discussion and Action, if any, on CARF Staff Payroll.
- III. Report, Discussion and Action, if any, on CARF 2019 Agency and Live Racing Budgets.

2019 HCF Commissions Proposal					
HCF Commissions Generated from Unoverlapped			\$189,552.00		
HCF Purses Generated from Unoverlapped		\$159,437.00			
TOC Purses Supplemented for 2019		\$200,000.00			
2% Funds Generated for V&S in 2018	\$687,960.00				
2% Funds Generated from Unoverlapped	\$76,895.00				
Estimated 2% funds to be generated in 2019	\$611,065.00				
Stabling Costs to GGF in 2019	\$510,000.00				
Stabling Funds Reduction from 2018	\$101,065.00				
2% Purse Funds Generated in 2019		\$50,532.50			
2% Commissions Generated in 2019			\$50,532.50		
Purse Overpayment Refund for 2017, 2018, 2019			\$56,121.90		
CARF Augmentation Credit			\$62,500.00		
Net Gain/Loss*		\$91,095.50	(\$20,397.60)		
Total Potential Reduction in Purse Generation		(\$27,526.40)			
*Augmentation loss to Fairs reimbursed from					
\$91,095.50 additional purse generation					



**California Authority of Racing Fairs
Agency Income Statement
September 30, 2018**

	2016 Year End Actual	2017 Year End Actual	2018 Jan-Sept YTD	2018 estimated YEAR END	2018 Annual Budget	2018 Budget Variance	2018 % Budget	2019 Proposed Budget	
Revenue:									
Other Revenue/OPEB trust Reimb	30,591	37,780	28,976	39,000	39,000	0	100%	41,000	
Interest Income	5,833	1,448	1,126	1,346	500	846	269%	1,000	
Member Dues	197,186	194,787	151,487	199,584	192,388	7,196	104%	206,780	1
CARF South Prog Admin Fee	9,386	8,456	4,398	5,000	8,625	(3,625)	58%	5,000	
	(4,111)	297	0			0	0%		
CARF Live Racing Agency Allocation	299,797	299,797	224,848	299,797	299,797	0	100%	299,797	
Total Revenue	538,693	542,565	410,835	544,728	540,310	4,418	101%	553,577	
Expenses:									
Salaries	144,221	164,859	117,452	153,439	197,605	44,166	78%	135,000	2
Salary increases/bonuses							0%	22,486	3
Employee Benefits	24,197	26,618	19,444	23,227	29,360	6,133	79%	23,000	
Post Retirement Benefits	29,783	31,075	31,654	38,441	38,204	(237)	101%	38,500	
Payroll Taxes	26,185	50,011	24,558	31,849	31,469	(380)	101%	25,000	
Accounting Costs	16,587	16,250	10,833	16,250	17,500	1,250	93%	17,500	
Advertising Expense	0	0	0		0	0	0%		
Audit Services	13,538	7,638	7,775	7,775	6,775	(1,000)	115%	8,000	4
Automobile Expense	4,968	2,610	2,256	3,811	4,000	189	95%	4,000	
Contracted Services	120	1,864	908	1,000	2,000	1,000	50%	2,000	
Depreciation	10,338	5,983	1,980	3,244	4,000	756	81%	3,000	
Dues & Subscriptions	1,206	1,172	135	220	1,300	1,080	17%	1,000	
Insurance Expense	48,192	52,480	36,002	47,798	53,000	5,202	90%	56,000	
Legal Expenses	14,753	31,135	50,839	64,885	25,000	(39,885)	260%	50,000	5
Legislative Expenses	45,623	46,295	35,009	47,788	45,500	(2,288)	105%	48,000	6
Meetings Expense	2,619	4,427	1,578	3,945	4,000	55	99%	4,000	
Misc. (Ag Day Sponsor)	890	415	163	200	1,000	800	20%	1,000	
Rent - Northern Print Shop	0	0	0		0	0	0%		
Office Supplies	17,557	16,961	15,040	18,866	18,000	(866)	105%	18,000	
Postage & Shipping	1,536	777	1,021	1,463	1,500	37	98%	1,500	
Rent (Tribute Road)	35,770	35,770	26,827	35,770	35,770	0	100%	18,000	7
Repairs & Maintenance	0	0	0		500	500	0%	500	
Telephone Expense	7,567	7,356	4,268	7,003	8,000	997	88%	8,000	
Training	302	129	0	500	1,000	500	50%	1,000	
Travel Expense	11,609	5,154	3,492	5,452	10,000	4,548	55%	8,000	
Total Expenses	457,558	508,977	391,233	512,923	535,484	22,560	96%	493,486	
Agency Income (Loss)	81,135	33,588	19,601	31,804	4,827	26,978		60,091	
Southern Prog Income (Loss)	1,894	(226)	(14,009)	300	1,375	(8,325)		0	
Total Bal Sheet Net Income (Loss)	83,029	33,362	5,592	32,104	6,202	18,653		60,091	
GASB 68 PENSION EXPENSE	124,160	103,420	0	100,000	0	0	0%	100,000	8
Total Net Income after GASB68	(41,131)	(70,058)	5,592	(67,896)	6,202	18,653	0	(39,909)	

FOOTNOTES:

- 1 2018 Member Dues higher than budget for 6 months of Solano Dues, 2019 budgeting full 1 year due from Solano
- 2 2018 Salaries lower than 2018 budget due to R.Scheidt payroll only from Jan-June 2018. No Govt Relations position for 2019
- 3 2019 budget category of bonuses and salary increases
- 4 2018 Audit services higher than budget due to the PERS GASB68 audit cost
- 5 2018 Legal Expenses higher than 2018 budget
- 6 2018 Legislative office expenses higher than budget
- 7 2019 Rent for CARF Tribute Rd reduced to relocate into smaller office space
- 8 2018 GASB 68 estimated not budgeted, 2019 budget GASB68



**California Authority of Racing Fairs
Southern Region Income Statement
September 30, 2018**

	2016 Year End Actual	2017 Year End Actual	2018 Jan-Sept YTD	2018 estimated YEAR END	2018 Annual Budget	2018 Budget Variance	2018 % Budget	2019 Proposed Budget	
Program Revenue:									
Program Sales	125,152	112,747	94,367	136,923	115,000	21,923	119%	140,000	1
Other Revenue	0	0	0		0	0			
Royalties/Fees Due Host	(113,872)	(104,517)	(89,225)	(131,622)	(105,000)	(26,622)	125%	(135,000)	
Total Revenue	11,280	8,231	5,142	5,300	10,000	(4,700)	53%	5,000	
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)	11,280	8,231	5,142	5,300	10,000	(4,700)	53%	5,000	
CARF Admin Fee	9,386	8,456	4,398	5,000	8,625	3,625	58%	5,000	
Rebate									
Income (Loss)	1,894	(226)	744	300	1,375	(8,325)	22%	0	

FOOTNOTES:

2018 program price increases by Southern Host Racing, 2019 budget program orders same volume but increase in program cost

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**California Authority of Racing Fairs
Live Racing Income Statement**

September 30, 2018

2016=43 day 2017=45 day 2018=42 days

	2016 Year End Actual	2017 Year End Actual	2018 Jan-Sept YTD	2018 estimated YEAR END	2018 Annual Budget	2018 Budget Variance	2018 % Budget	2019 Proposed Budget	
Revenues:									
Reimb. From Live Racing Fairs	1,346,671	1,409,190	1,321,810	1,676,041	1,445,678	230,363	116%	1,723,735	1
3rd Party Lasik Reimb	0	0	65,015	65,015	0	65,015	0%	65,000	
						0			
Operating Expenses:									
Salaries	424,636	382,135	251,874	341,263	365,583	(24,320)	93%	311,000	
Salary increases/bonuses						0		34,680	
Employee Benefits	54,746	52,273	36,563	47,145	50,607	(3,463)	93%	48,000	
Payroll Taxes	61,350	65,453	53,178	65,739	67,289	(1,550)	98%	65,000	
Accounting Costs	48,853	48,750	32,500	48,750	48,900	(150)	100%	48,900	
Audit Services	20,813	20,813	21,225	21,225	20,800	425	102%	21,225	
Automobile Expense	3,017	1,042	5,199	5,199	3,000	2,199	173%	3,000	2
Depreciation	0	0	0	0	0	0	0%		
Dues & Subscriptions, NTRA	0	0	0	0	0	0	0%		
Insurance Expense	0	0	0	0	0	0	0%		
Legal Expenses	0	0	0	0	1,000	(1,000)	0%	1,000	
Meetings Expense	554	437	527	527	1,000	(473)	53%	1,000	
Misc. Exp (Storage,Bank fee)	0	0	0	0	0	0	0%		
Telephone Expense	3,366	4,091	2,321	3,598	6,000	(2,402)	60%	4,000	
Travel Expense	44,336	46,829	31,222	46,454	45,000	1,454	103%	40,000	
Sub-Totals	661,671	621,823	434,609	579,900	609,179	29,279	95%	577,805	
Racing Support Services:									
Announcer	22,925	25,750	20,828	25,778	32,900	7,122	78%	32,900	
Condition Bk/Program Cover	14,853	11,081	9,324	12,606	15,000	2,394	84%	15,000	
Racing Operations Support	62,972	61,230	89,053	108,369	75,200	(33,169)	144%	95,000	3
TC02 Testing	8,621	21,239	18,710	22,210	20,680	(1,530)	107%	22,000	4
3RD PARTY LASIKS	0	0	46,430	65,015	0	(65,015)	0%	65,000	5
Marketing/Web Devel	1,100	6,870	5,090	5,120	3,000	(2,120)	171%	3,000	6
Network Management	0	0	0	0	0	0	0%		
Paymaster Operations	6,373	7,124	2,025	5,028	6,500	1,472	77%	6,500	
Program Production	158,344	172,986	81,070	136,122	159,800	23,678	85%	135,000	
Racing Office System	20,029	13,417	10,836	14,660	18,800	4,140	78%	18,800	
Recruitment	5,452	7,145	3,567	7,770	15,000	7,230	52%	15,000	
Jumbo Screen	94,350	68,850	80,550	103,500	94,000	(9,500)	110%	100,000	7
Supplies	16,001	19,202	5,919	8,981	19,000	10,019	47%	15,000	8
Tattooing	16,906	19,969	8,320	16,934	17,000	66	100%	17,000	
Timing/Clocker	12,035	13,113	9,405	9,405	16,920	7,515	56%	15,000	
Transportation	2,072	1,700	1,610	2,910	3,000	90	97%	3,000	
TV Production/Simulcast	120,691	156,043	148,718	180,856	150,400	(30,456)	120%	180,000	9
RTM ALLOCATION (MAINT)	123,259	99,129	137,533	158,579	116,500	(42,079)	136%	120,000	10
RTM TRANSPORTATION	56,373	78,765	61,675	76,355	75,000	(1,355)	102%	75,000	
RTM PRIOR YEAR LOAN	0	0	0	0	0	0	0%		
STABLING AND TRAINING	0	0	202,800	202,800	0	(202,800)	0%	282,430	
RTM SUPPORT COSTS	61,745	118,460	103,449	113,159	112,800	(359)	100%	112,800	
Sub-Totals	804,101	902,072	1,046,911	1,276,156	951,500	(324,656)	134%	1,328,430	
Total Gross Expenses	1,465,772	1,523,894	1,481,519	1,856,056	1,560,679	(295,377)	119%	1,906,235	
Augmentation LRF	75,000	75,000	75,000	75,000	75,000	0	100%	75,000	
NCOTWINC Reimbursement	40,000	40,000	40,000	40,000	40,000	0	100%	40,000	
Other Reimb Revenue									
Advertising Revenue									
Total Net Expenses	1,350,772	1,408,894	1,366,519	1,741,056	1,445,678			1,791,235	

FOOTNOTES:

- 1 2018 billbacks higher than budget due to expenses paid by CARF billback for Live Racing Fairs
- 2 2018 Automobile expenses higher than budget due to Repairs of CARF vehicles
- 3 2018 Racing Operations Support higher than budget due to 2 year Winners Foundation Expense, unbudgeted Plusmic conversion of photo finish
- 4 2018 TC02 Testing category higher for Vet Invoices paid for Live Racing Fairs
- 5 2018 3rd Party Lasiks program expenses
- 6 2018 Marketing/Web Devel expense higher than budget for Chris Griffin Sponsorship payment
- 7 2018 Jumbo Screen higher than budget for Pegasus invoice for Pleasanton extra billback invoice
- 8 2018 Supplies category lower than budget due to no racing t-shirts and Day wireless expenses
- 9 2018 TV Production/Simulcast category higher than budget due to all Pegasus invoices paid under CARF billback
- 10 2018 RTM repairs higher than budget