



a California joint powers agency

1776 Tribute Road, Suite 205
Sacramento, CA 95815
Office: 916.927.7223 Fax: 916.263.3341
www.calfairs.com

NOTICE
CALIFORNIA AUTHORITY OF RACING FAIRS
FINANCE COMMITTEE MEETING
10:00 A.M., TUESDAY, NOVEMBER 26, 2019
VIA TELECONFERENCE

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Finance Committee will commence at 10:00 A.M., Tuesday, November 26, 2019. 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 Authority of Racing Fairs
1776 Tribute Road
Sacramento, CA 95815

California State Fair
1600 Exposition Blvd.
Sacramento, CA 95815

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



a California joint powers agency

1776 Tribute Road, Suite 205
Sacramento, CA 95815
Office: 916.927.7223 Fax: 916.263.3341
www.calfairs.com

AGENDA
CALIFORNIA AUTHORITY OF RACING FAIRS
FINANCE COMMITTEE MEETING
10:00 A.M., TUESDAY, NOVEMBER 26, 2019
VIA TELECONFERENCE

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Finance Committee will commence at 10:00 A.M., Tuesday, November 26, 2019. The meeting will be held via teleconference.

AGENDA

- I. Public Comment.
- II. Approval of Minutes.
- III. Report, Discussion and Action, if any, on CARF 2020 Agency and Live Racing Budgets.

CALIFORNIA AUTHORITY OF RACING FAIRS
Finance Committee Meeting
Tuesday, March 20, 2018

MINUTES

A meeting of the California Authority of Racing Fairs (CARF) Finance Committee was held at 4:00 P.M., Tuesday, March 20, 2018. The meeting was held via teleconference originating at the CARF Conference Room, 1776 Tribute Road, Sacramento, California 95815.

CARF Finance Committee members attending: John Alkire, Jerome Hoban and Rick Pickering.

Staff and Guests attending: Larry Swartzlander, Richard Scheidt, Tom Doutrich, Heather Haviland, Juliana Gomes and Raechelle Gibbons.

Agenda Item 1 – Report, Discussion and Action, if any, on CARF Office Space. Ms. Haviland presented a document outlining several options for reducing office expenses, including: Retaining the existing office space and reducing overhead expenses, reducing the current office space, downsizing to a shared space within the CFSA offices, moving to a trailer rental at Cal Expo, and downsizing two CARF employees to home offices.

Ms. Haviland reported that staff is recommending terminating the existing office lease and downsizing into a smaller shared-office space within the downstairs CFSA offices. It was noted that overall CARF office expenses have been reduced each year from 2012 to 2016, resulting in actual expenses declining 24 percent from \$80,494 to \$60,864. Committee members discussed the options presented, including developing a document retention policy and having staff convert stored files to digital.

{ACTION} Mr. Pickering moved to recommend to the full Board to that CARF staff downsize the existing CARF offices into a smaller shared-space within the CFSA offices per “option 3” as depicted by staff. Mr. Hoban seconded, unanimously approved.

Agenda Item 2 – Report, Discussion and Action, if any, on Miscellaneous Uncommitted Racing Funds. Mr. Swartzlander and Ms. Gibbons reviewed several uncommitted live racing line items, many of which are 25-years-old or older, sitting on the CARF books. These funds include outstanding 1993 and prior Paymaster checks, interest from unclaimed refunds made prior to current policy implementation, decoder-rights fees, 2002 NCOTWINC stabling and vaning funds, 2004 TOC spend-back balance, 1996 Cal Expo Paymaster outstanding checks and 1994 unallocated AB 864 funds. The total amount of these line items is approximately \$180,000.

{ACTION} Mr. Hoban moved to recommend that the CARF Board of Directors reclassify the presented uncommitted racing funds to the Live Racing Augmentation Fund for the future support of fair racing. Mr. Pickering seconded, unanimously approved.

Agenda Item 3 – Report, Discussion and Action, if any, on Financial Impact of CARF Managing Auxiliary Stabling. Mr. Swartzlander reported that this item is for informational purposes only.

Agenda Item 4 – Report, Discussion and Action, if any, on NCOTWINC. Mr. Swartzlander reported that The Stronach Group (TSG) has given written notice to NCOTWINC that Golden Gate Fields (GGF) is terminating the Standard Host Form of Agreement to Provide an Audio Visual Signal and Administration of Pari-Mutuel Wagering Services through NCOTWINC effective June 12, 2018. The legal, financial and technical implications of this decision are unknown at this time.

Agenda Item 5 – Executive Director’s Report. Mr. Swartzlander reported that he participated on a conference call with SCOTWINC regarding a new potential mini-satellite in Southern California. All action was deferred by TSG.

Respectfully submitted,
Heather Haviland

**CALIFORNIA AUTHORITY OF RACING FAIRS
Finance Committee Meeting
Friday, December 1, 2017**

MINUTES

A meeting of the California Authority of Racing Fairs (CARF) Finance Committee was held at 10:00 A.M., Friday, December 1, 2017. The meeting was held via teleconference originating at the CARF Conference Room, 1776 Tribute Road, Sacramento, California 95815.

CARF Finance Committee members attending: John Alkire, Jerome Hoban and Rick Pickering.

Staff and Guests attending: Larry Swartzlander, Richard Scheidt, Heather Haviland, Juliana Gomes, Raechelle Gibbons and Lauri King.

Agenda Item 1 – Public Comment. None.

Agenda Item 2 – Report, Discussion and Action, if any, on 2018 Agency Budget. Ms. Gibbons presented the proposed 2018 CARF Agency Budget as provided in the meeting packet. Committee members discussed aspects of the budget and posed questions to staff regarding methodology for various recommendations.

{**ACTION**} Mr. Pickering moved to approve the 2018 CARF Agency Budget for recommendation to the CARF Board of Directors, subject to a change in the number of race days and corresponding expenses/revenue. Mr. Alkire seconded, unanimously approved.

Agenda Item 3 – Report, Discussion and Action, if any, on Consolidated Purse Fund. No report at this time.

Agenda Item 4 – Report, Discussion and Action, if any, on Stabling & Vanning. Mr. Swartzlander provided an update on 2018 stabling and vanning negotiations.

Respectfully submitted,
Heather Haviland



**California Authority of Racing Fairs
Agency & Live Racing Operating Expense Summary**

	2017 Year End Actual	2018 Year End Actual	2019 Esitimated YearEnd	2019 Annual Budget	2019 Budget Variance	2019 % Budget	2020 Preliminary Budget
Summary Expenses							
Salaries	546,994	481,150	488,282	462,031	(26,251)	106%	463,720
Employee Benefits	78,892	74,174	59,193	70,077	10,884	84%	59,406
Post Retirement Benefits	31,075	22,497	36,498	38,500	2,002	95%	35,065
Payroll Taxes	115,465	97,686	98,528	91,147	(7,381)	108%	124,209
Accounting Costs	65,000	65,000	66,250	66,400	150	100%	70,000
Audit Services	28,450	33,500	31,700	29,225	(2,475)	108%	36,200
Automobile Expense	3,652	9,728	2,686	7,000	4,314	38%	6,000
Contracted Services	1,864	1,338	2,000	2,000	0	100%	2,000
Depreciation	5,983	2,743	3,247	3,000	(247)	108%	2,000
Dues & Subscriptions	1,172	220	0	1,000	1,000	0%	250
Insurance Expense	52,480	47,798	48,336	56,000	7,664	86%	56,000
Legal Expenses	31,135	64,551	69,535	51,000	(18,535)	136%	50,500
Legislative Expenses	46,295	46,679	45,634	48,000	2,366	95%	48,000
Meetings Expense	4,863	4,373	2,764	5,000	2,236	55%	4,500
Misc. (Ag Day Sponsor)	415	195	115	1,000	885	11%	500
Office Supplies	16,961	18,989	17,582	18,000	418	98%	18,000
Postage & Shipping	777	1,422	538	1,500	962	36%	1,000
Rent (Tribute Road)	35,770	35,770	15,277	18,000	2,723	85%	18,000
Repairs & Maintenance	0	0	0	500	500	0%	500
Telephone Expense	11,447	9,353	9,694	12,000	2,306	81%	11,000
Training	129	360	300	1,000	700	30%	1,000
Travel Expense	51,982	54,243	54,253	48,000	(6,253)	113%	57,000
Total Operating Expenses	1,130,799	1,071,769	1,052,410	1,030,381	(22,030)	102%	1,064,850



**California Authority of Racing Fairs
Agency Income Statement
Estimated Year End for 2020 Budget**

	2017 Year End Actual	2018 Year End Actual	2019 Esitimated YearEnd	2019 Annual Budget	2019 Budget Variance	2019 % Budget	2020 Preliminary Budget
Revenue:							
Other Revenue/OPEB trust Reimb	37,780	1,125	37,171	41,000	(3,829)	91%	35,000
Interest Income	1,448	1,593	2,029	1,000	1,029	203%	1,000
Member Dues	194,787	197,905	205,352	206,780	(1,428)	99%	201,064
CARF South Prog Admin Fee	8,456	5,124	0	5,000	(5,000)	0%	0
CARF Live Racing Agency Allocation	299,797	299,797	299,797	299,797	(0)	100%	299,797
Total Revenue	542,565	505,544	544,348	553,577	(9,229)	98%	536,861
Expenses:							
Salaries	164,859	157,218	134,549	136,384	1,835	99%	137,018
Employee Benefits	26,618	27,090	17,382	22,352	4,970	78%	17,456
Post Retirement Benefits	31,075	22,497	36,498	38,500	2,002	95%	35,065
Payroll Taxes	50,011	30,148	25,533	26,328	795	97%	32,670
Accounting Costs	16,250	20,313	17,500	17,500	0	100%	17,500
Audit Services	7,638	12,275	9,800	8,000	(1,800)	123%	14,300
Automobile Expense	2,610	4,529	1,000	4,000	3,000	25%	3,000
Contracted Services	1,864	1,338	2,000	2,000	0	100%	2,000
Depreciation	5,983	2,743	3,247	3,000	(247)	108%	2,000
Dues & Subscriptions	1,172	220	0	1,000	1,000	0%	250
Insurance Expense	52,480	47,798	48,336	56,000	7,664	86%	56,000
Legal Expenses	31,135	64,551	69,535	50,000	(19,535)	139%	50,000
Legislative Expenses	46,295	46,679	45,634	48,000	2,366	95%	48,000
Meetings Expense	4,427	3,817	2,707	4,000	1,293	68%	4,000
Misc. (Ag Day Sponsor)	415	195	115	1,000	885	11%	500
Office Supplies	16,961	18,989	17,582	18,000	418	98%	18,000
Postage & Shipping	777	1,422	538	1,500	962	36%	1,000
Rent (Tribute Road)	35,770	35,770	15,277	18,000	2,723	85%	18,000
Repairs & Maintenance	0	0	0	500	500	0%	500
Telephone Expense	7,356	5,755	5,216	8,000	2,784	65%	6,000
Training	129	360	300	1,000	700	30%	1,000
Travel Expense	5,154	3,952	5,189	8,000	2,811	65%	7,000
Total Expenses	508,977	507,655	457,936	473,065	15,128	97%	471,259
Agency Income (Loss)	33,588	(2,111)	86,412	80,513	5,899		65,602
Southern Prog Income (Loss)	(226)	0	1,660	0			5,000
Total Bal Sheet Net Income (Loss)	33,362	(2,111)	88,072	80,513	5,899		70,602
GASB 68 PENSION EXPENSE	103,420	37,131	50,000	100,000	50,000	50%	50,000
Total Net Income after GASB68	(70,058)	(39,242)	38,072	(19,488)	(44,101)	(1)	20,602

FOOTNOTES:

1	2020 Member Dues reduced by Stanislaus County Fair Assoc Member Dues
2	2020 payroll taxes higher due to PERS Employer rate increases for Pension & Unft
3	2020 Audit services include the Biennial OPEB valuation from Bickmore
4	2019 Legal higher than budget due to PRA vs CHRB litigation costs, 2020 legal est
5	2019 Santa Anita program costs, 2020 no internal journal entry for admin fee
6	2019 GASB 68 estimated based on 2018, 2020 budget GASB68 estimate



**California Authority of Racing Fairs
Southern Region Income Statement
Estimated Year End for 2020 Budget**

	2017	2018	2019	2019	2019	2019	2020
	Year End	Year End	Esitimated	Annual	Budget	% Budget	2020
	Actual	Actual	YearEnd	Budget	Variance		Preliminary
							Budget
Program Revenue:							
Program Sales	112,747	126,585	117,235	140,000	(22,765)	84%	120,000
Other Revenue	0	0	0	0	0	0%	0
Royalties/Fees Due Host	(104,517)	(121,461)	(115,575)	(135,000)	19,425	86%	(115,000)
Total Revenue	8,231	5,124	1,660	5,000	(3,340)	33%	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)	8,231	5,124	1,660	5,000	(3,340)	33%	5,000
CARF Admin Fee	8,456	0	0	10,500	10,500	0%	0
Rebate							
Income (Loss)	(226)	5,124	1,660	(5,500)	(13,840)	-30%	5,000



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

Estimated Year End for 2020 Budget

2017=45 days 2018=42 days 2019=41 days

	2017 Year End Actual	2018 Year End Actual	2019 Estimated YearEnd	2019 Annual Budget	2019 Budget Variance	2019 % Budget	2020 Preliminary Budget	
Revenues:								
Reimb. From Live Racing Fairs	1,409,190	1,802,311	1,990,025	1,705,746	284,279	117%	2,049,590	1
3rd Party Lasik Reimb	0	59,267	57,443	65,000	(7,557)	88%	65,000	
Operating Expenses:								
Salaries	382,135	323,933	353,733	325,647	(28,086)	109%	326,702	
Employee Benefits	52,273	47,084	41,810	47,725	5,915	88%	41,950	
Payroll Taxes	65,453	67,539	72,995	64,819	(8,176)	113%	91,539	2
Accounting Costs	48,750	44,688	48,750	48,900	150	100%	52,500	3
Audit Services	20,813	21,225	21,900	21,225	(675)	103%	21,900	
Automobile Expense	1,042	5,199	1,686	3,000	1,314	56%	3,000	
Legal Expenses	0	0	0	1,000	1,000	0%	500	
Meetings Expense	437	557	57	1,000	943	6%	500	
Telephone Expense	4,091	3,598	4,478	4,000	(478)	112%	5,000	
Travel Expense	46,829	50,291	49,065	40,000	(9,065)	123%	50,000	4
Sub-Totals	621,823	564,113	594,474	557,316	(37,158)	107%	593,591	
Racing Support Services:								
Announcer	25,750	25,778	22,550	32,900	10,350	69%	30,000	
Condition Bk/Program Cover	11,081	9,324	9,808	15,000	5,192	65%	15,000	
Racing Operations Support	61,230	107,391	74,995	95,000	20,005	79%	90,000	
TC02 Testing	21,239	23,110	63,992	22,000	(41,992)	291%	65,000	5
3RD PARTY LASIKS	0	59,267	54,668	65,000	10,332	84%	65,000	
Marketing/Web Devel	6,870	5,120	1,901	3,000	1,099	63%	3,000	
Paymaster Operations	7,124	3,674	3,455	6,500	3,045	53%	5,000	
Program Production	172,986	161,162	126,725	135,000	8,275	94%	135,000	
Racing Office System	13,417	14,992	15,794	18,800	3,006	84%	18,000	
Recruitment	7,145	6,370	1,498	15,000	13,502	10%	10,000	
Jumbo Screen	68,850	103,500	98,450	100,000	1,550	98%	100,000	
Supplies	19,202	7,668	10,674	15,000	4,326	71%	15,000	
Tattooing	19,969	13,934	19,717	17,000	(2,717)	116%	20,000	
Timing/Clocker	13,113	12,606	14,541	15,000	459	97%	15,000	
Transportation	1,700	2,410	2,730	3,000	270	91%	3,000	
TV Production/Simulcast	156,043	190,856	333,546	180,000	(153,546)	185%	350,000	6
RTM ALLOCATION (MAINT)	99,129	178,537	159,997	120,000	(39,997)	133%	140,000	7
RTM TRANSPORTATION	78,765	78,360	69,785	75,000	5,216	93%	75,000	
RTM PRIOR YEAR LOAN	0	0	0	0	0	0%	0	
STABLING AND TRAINING	0	265,842	281,400	282,430	1,030	100%	282,000	
RTM SUPPORT COSTS	118,460	117,609	158,993	112,800	(46,193)	141%	160,000	
Sub-Totals	902,072	1,387,510	1,525,219	1,328,430	(196,789)	115%	1,596,000	
Total Gross Expenses	1,523,894	1,951,623	2,119,693	1,885,746	(233,947)	112%	2,189,591	
Augmentation LRF	75,000	75,000	75,000	75,000	0	100%	75,000	
NCOTWINC Reimbursement	40,000	40,000	0	40,000	(40,000)	0%	0	8
Other Reimb Revenue								
Advertising Revenue								
Total Net Expenses	1,408,894	1,777,355	1,990,025	1,705,745			2,049,590	

FOOTNOTES:

1	2019 billbacks higher than budget due to NCOT expenses paid by CARF billback for Live Racing Fairs
2	2020 payroll tax budgeted increase due to PERS employer pension rate and unfunded allocation
3	2020 5% increase for CFSA accounting costs
4	2019 travel higher than budget for chrb meetings
5	2019 Veterinary cost shifted to CARF from Fairs not budgeted, 2020 includes Vets in budget
6	2019 Program Production/Simulcast NCOT costs shifted to CARF billback, 2020 included in budget
7	2019 RTM repairs higher than budget
8	2019 NCOT Reimb deleted from NCOT budget, 2020 no budget for NCOT simulcast reimb