



a California joint powers agency

1776 Tribute Road, Suite 150
Sacramento, CA 95815
Office: 916.263.3346 Fax: 916.263.3341
www.calfairs.com

NOTICE
CALIFORNIA AUTHORITY OF RACING FAIRS
FINANCE COMMITTEE MEETING
2:00 P.M., THURSDAY, NOVEMBER 17, 2022

Notice is hereby given that a meeting of the California Authority of Racing Fairs Finance Committee will commence at 2:00 P.M., Thursday, November 17, 2022. The meeting will be held via teleconference originating at the CARF Office, 1776 Tribute Road, Suite 150, Sacramento, CA 95815.

CARF will provide a teleconference option for its upcoming public meeting. Public and members of the California Authority of Racing Fairs Live Racing Committee may participate via teleconference.

Dial-In Number: 1-669-900-6833
Meeting ID: 859 6277 0192
Access Code: 172495

Zoom Link:
<https://us06web.zoom.us/j/85962770192>



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AGENDA
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AGENDA

- I. Public Comment.
- II. Report, Discussion and Action, if any, on Calypso Challenge.
- III. Report, Discussion and Action, if any, on CDFA Funding.
- IV. Report, Discussion and Action, if any, on the Appointment of a New Financial Committee Member.
- V. Report, Discussion and Action, if any, on Stabling.
- VI. Report, Discussion and Action, if any, on 2023 Budget.



**California Authority of Racing Fairs
Agency Income Statement
October 31, 2022**

	2020 Year End Actual	2021 Year End Actual	2021 Jan-Oct YTD	2022 Jan-Oct YTD	2022 Estimated Year end	2022 Annual Budget	2022 Budget Variance	2022 % Budget	2023 Proposed Budget	
Revenue:										
Other Revenue/OPEB trust Reimb	38,983	289,248	164,816	18,388	26,832	45,000	(26,612)	60%	35,000	1
Interest Income	2,421	249	201	116	120	0	116	0%	0	
Member Dues	201,064	201,064	201,064	200,068	200,064	200,064	4	100%	200,064	
CARF Live Racing Agency Allocation	299,797	299,797	299,797	299,797	300,000	300,000	(203)	100%	318,643	
Total Revenue	542,276	790,358	665,878	518,369	527,016	545,064	(26,695)	97%	553,707	
Expenses:										
Salaries	152,625	132,988	107,520	116,610	143,098	162,543	45,933	88%	165,305	2
Employee Benefits	22,942	17,366	14,149	15,964	20,533	19,200	3,236	107%	22,407	3
Post Retirement Benefits	38,373	41,795	36,013	25,322	33,331	45,508	20,187	73%	35,000	4
Payroll Taxes	28,810	40,786	33,658	33,657	42,977	44,133	10,476	97%	46,645	
Accounting Costs	17,063	17,063	14,219	13,437	17,916	17,916	4,479	100%	18,000	
Audit Services	16,050	4,388	4,013	14,450	16,450	13,975	(475)	118%	3,750	5
Automobile Expense	2,773	3,601	3,601	2,875	3,000	3,500	625	86%	3,500	
Contracted Services	1,031	117,684	423	1,318	1,400	1,000	(318)	140%	2,000	6
Depreciation	3,526	3,852	3,158	2,026	3,500	3,500	1,474	100%	3,500	
Dues & Subscriptions	398	0	0	0	100	400	400	25%	400	
Insurance Expense	51,936	56,853	46,883	50,477	61,115	58,000	7,523	105%	62,000	7
Legal Expenses	46,902	117,853	112,618	32,905	34,095	60,000	27,095	57%	60,000	
Legislative Expenses	45,458	45,320	37,740	37,740	45,240	46,000	8,260	98%	46,000	
Meetings Expense	2,410	607	390	460	710	2,500	2,040	28%	1,000	
Misc. (Ag Day Sponsor)	177	994	968	145	200	200	55	100%	200	
Office Supplies	14,176	6,248	5,390	5,513	6,513	7,000	1,487	93%	7,000	
Postage & Shipping	388	692	517	160	250	500	340	50%	500	
Rent (Tribute Road)	13,414	13,414	11,178	11,178	13,414	13,500	2,322	99%	13,500	
Repairs & Maintenance	0	0	0	0	0	500	500	0%	500	
Telephone Expense	4,881	3,517	2,954	3,587	4,500	4,500	913	100%	4,500	
Training	0	0	0	0	0	1,000	1,000	0%	1,000	
Travel Expense	2,627	1,241	1,241	3,444	4,444	7,000	3,556	63%	7,000	
Total Expenses	465,958	626,261	436,631	371,266	452,786	512,376	141,109	88%	503,707	
Agency Income (Loss)	76,317	164,097	229,246	147,103	74,230	32,689	114,415		50,000	
Total Bal Sheet Net Income (Loss)	76,317	164,097	229,246	147,103	74,230	32,689	114,415		50,000	
GASB 68 PENSION EXPENSE	87,366	(83,906)	0	0	50,000	50,000		0%	50,000	8
GASB 75 OPEB EXPENSE	(10,532)	(74,651)	0	0		0		0%		9
Total Net Income after GASB68, GASB75	(21,581)	173,352	229,246	147,103	24,230	(17,312)		0	(0)	

1	2022 OPEB reimbursement from CERBT trust, 2023 budget reduced to actuals
2	2022 actuals less than budget due to Calypso salary not implemented, 2023 Salary budget includes 8% inflation increase in staff salary
3	2022 slight increase in medical & dental benefits, 2023 budgeted with current staff benefits
4	2022 OPEB benefits actual less than budget due to retiree transitions to medicare
5	2022 Full Audit after Financial Review year, 2023 budgeted for Financial review cost
6	2022 contracted service for IT support
7	2022 Insurance cost increase due to General Liability and Property insurance market
8	2022 GASB68 pension expense not known until end of year audit
9	2022 GASB75 OPEB expense not known until end of year audit



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

October 31, 2022

	2020 = 24 days	2021 = 29 days	2020	2021	2022	2022	2022	2022	2023
	Year End	Year End	Jan-Sept	Jan-Oct	Jan-Oct	Estimated	Annual	Budget	% Budget
	Actual	Actual	YTD	YTD	YTD	Year End	Budget	Variance	Proposed Budget
Revenues:									
Reimb. From Live Racing Fairs	887,907	1,533,381	629,036	1,260,133	1,990,411	2,118,682	1,991,340	(929)	106%
3rd Party Lasik Reimb	25,728	22,184	25,728	35,525	62,936	40,000	38,000	24,936	105%
Racing Operations Augmentation Funds	202,996	0	125,000	0	0	0	0	0	0%
NCOTWINC Reimbursement	0	0	0	0	0	0	0	0	0%
RTM 1% Funds	0	0	0	0	0	0	0	0	0%
Advertising Revenue									
Operating Expenses:									
Salaries	295,249	316,473	256,521	219,472	223,631	277,977	264,483	40,852	105%
Employee Benefits	48,977	44,169	40,313	36,858	37,006	46,304	43,560	6,554	106%
Payroll Taxes	83,719	84,438	71,380	69,867	75,667	95,167	86,125	10,458	110%
Accounting Costs	51,187	51,187	42,656	42,656	40,310	53,747	53,747	13,437	100%
Audit Services	21,900	11,063	21,900	9,938	18,750	24,750	22,425	3,675	110%
Automobile Expense	340	4,067	0	3,404	2,907	3,000	5,000	2,093	60%
Dues & Subscriptions, NTRA	50	0	50	0	0	0	0	0	0%
Meetings Expense	0	0	0	0	17	20	0	(17)	0%
Misc. Exp (Storage, Bank fee)	0	0	0	0	0	0	0	0	0%
Telephone Expense	4,452	5,797	3,868	4,698	4,854	5,954	6,000	1,146	99%
Travel Expense	20,528	49,772	17,999	43,102	66,763	68,763	55,000	(11,763)	125%
Sub-Totals	526,402	566,966	454,687	429,995	469,905	575,682	536,340	66,436	107%
Racing Support Services:									
Announcer	9,900	13,775	9,900	13,775	16,625	16,625	30,000	13,375	55%
Condition Bk/Program Cover	3,619	9,326	3,619	7,770	7,642	10,000	10,000	2,358	100%
Racing Operations Support	73,149	107,195	72,966	105,422	157,261	160,000	125,000	(32,261)	128%
Signal Broadcast (RCN)	29,708	7,878	29,708	7,832	23,268	28,500	60,000	36,732	48%
Simulcast Management	20,142	0	16,142	0	0	0	10,000	10,000	0%
Fitness Vet/TC02 Testing	61,273	91,741	61,273	91,741	99,630	100,000	170,000	70,370	59%
3RD PARTY LASIKS	21,839	22,184	21,839	22,184	37,443	40,000	50,000	12,557	80%
Marketing/Web Devel	1,031	120	1,001	90	12,575	13,000	2,000	(10,575)	650%
Network Management	0	0	0	0	0	0	0	0	0%
Paymaster Operations	1,546	8,448	1,459	7,926	8,478	10,000	20,000	11,522	50%
Incompass Racing Office	53,083	96,964	52,033	81,017	119,413	122,413	135,000	15,587	91%
Racing Office Expenses	3,998	5,613	3,998	5,613	16,616	17,116	18,000	1,384	95%
Recruitment	1,216	2,800	1,216	1,940	798	1,000	10,000	9,202	10%
Jumbo Screen	0	69,150	0	69,150	81,900	81,900	100,000	18,100	82%
Supplies	6,242	7,895	5,503	7,634	14,497	15,000	10,000	(4,497)	150%
Tattooing	15,294	5,074	13,667	(1,349)	2,064	10,000	20,000	17,936	50%
Timing/Clock	6,182	13,340	6,182	13,340	0	0	15,000	15,000	0%
Transportation-silks	0	0	0	0	500	500	3,000	2,500	17%
TV Production/Simulcast	127,010	220,696	127,010	217,579	291,866	300,000	330,000	38,134	91%
RTM ALLOCATION (MAINT)	74,272	135,833	67,892	126,787	177,517	195,000	140,000	(37,517)	139%
RTM TRANSPORTATION	9,125	51,617	9,125	51,617	84,692	90,000	75,000	(9,692)	120%
RTM PRIOR YEAR LOAN	0	0	0	0	0	0	0	0	0%
STABLING AND TRAINING	0	0	0	0	0	0	0	0	0%
RTM SUPPORT COSTS	71,600	118,950	69,600	110,050	363,046	371,946	160,000	(203,046)	232%
Sub-Totals	590,227	988,599	574,132	940,119	1,515,831	1,583,000	1,493,000	(22,831)	106%
Total Gross Expenses	1,116,630	1,555,565	1,028,819	1,370,114	1,985,735	2,158,682	2,029,340	43,605	106%
Total Net Expenses	913,634	1,533,381	881,981	1,347,929	1,948,292	2,118,682	1,979,340		
					67,612	0	over (under) billbacks		

1	2023 budgeted for NCOT reimbursement of 50% Simulcast Management contract cost with Monarch
2	2022 Staff salary back to pre-covid adjustments, 2023 budget includes 8% inflation rate increase
3	2022 benefit increased cost in medical/dental, 2023 budgeted for current staff
4	2022 payroll taxes include PERS rate increases, 2023 includes PERS rate increases and PERS unfunded payments with staff 8%
5	2022 Full audit cost more than budget, 2023 budgeted for Financial Review reduced costs
6	2022 travel cost higher due to gas prices and lodging costs for racing, 2023 budgeted with increase costs
7	2022 Racing Operations Support : Jockey Insurance, Plusmic, United Puett, Don Fowler support, Chaplaincy, Federation, track services greater than budget, 2023 increase budget
8	2022 includes Cal Expo WPS marketing expense shifted to CARF, 2023 Calexpo marketing will be shifted to Track
9	2022 supplies greater than budget for portable radios, 2023 increased budget
10	2022 RTM repair greater than budget due to tractor repairs, 2023 budgeted with increase
11	2022 RTM transportation higher than budget due to gas costs, 2023 budgeted with increase
12	2022 RTM Support Costs include Trackmaster contract, Trackmaster Labor, Cal Expo amendments all paid thru CARF, 2023 budgeted to shift Cal Expo extra racing support back to track



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

	2020	2021	2022	2022	2022	2022	2022	2023	Summarized
	Year End	Year End	Actual	Estimated	Annual	Budget	% Budget	Proposed	2023 budget vs 2022 Budget Variance %
	Actual	Actual	Jan-Oct	Year end	Budget	Variance		Budget	
Summary Expenses									
Agency & Live Racing Expenses:									
SALARIES	447,874	449,461	343,242	421,075	427,026	83,784	99%	486,103	14% 1
BENEFITS	71,919	61,535	52,969	66,837	62,760	9,791	106%	73,143	17% 1
POST RETIREMENT BENEFITS	38,373	41,795	24,800	33,331	45,508	20,708	73%	35,000	-23% 2
ER TAXES	112,529	125,224	109,324	138,144	130,258	20,934	106%	147,502	13% 1
ACCOUNTING	68,250	68,250	53,747	71,663	71,663	17,916	100%	71,747	0%
AUDIT SERVICES	37,950	15,450	33,200	41,200	36,400	3,200	113%	15,000	-59% 3
AUTOMOBILE	3,113	7,667	5,781	6,000	8,500	2,719	71%	8,500	0%
OUTSIDE LABOR	1,031	117,684	1,318	1,400	1,000	(318)	140%	2,000	100% 4
DEPRECIATION	21,635	21,960	2,026	3,500	3,500	1,474	100%	3,500	0%
DUES/SUBSCRIP	448	0	0	100	400	400	25%	400	0%
INSURANCE	51,936	56,853	50,477	61,115	58,000	7,523	105%	62,000	7%
LEGAL	46,902	117,853	32,905	34,095	60,000	27,095	57%	60,000	0%
LEGISLATIVE	45,458	45,320	37,740	45,240	46,000	8,260	98%	46,000	0%
MEETINGS	2,410	607	477	730	2,500	2,023	29%	1,000	-60% 5
MISC	177	994	145	200	200	55	100%	200	0%
OFFICE SUPP	14,176	6,248	5,513	6,513	7,000	1,487	93%	7,000	0%
POSTAGE/SHIP	388	692	160	250	500	340	50%	500	0%
RENT/UTIL	13,414	13,414	11,178	13,414	13,500	2,322	99%	13,500	0%
REPAIRS/MTCE	0	0	0	0	500	500	0%	500	0%
TELEPHONE	9,333	9,314	8,441	10,454	10,500	2,059	100%	10,500	0%
TRAINING	0	0	0	0	1,000	1,000	0%	1,000	0%
TRAVEL	23,154	51,013	70,207	73,207	62,000	(8,207)	118%	77,000	24% 6
Total Operating Expenses	1,010,469	1,211,335	843,650	1,028,468	1,048,715	205,065	98%	1,122,094	

- 1 Salary, Benefits, Taxes with 8% increase for inflationary personnel cost
- 2 Post Retirement Benefits decrease due to shift to medicare age medical/deceased reduction
- 3 Audit Services reduced in 2023 due to Financial review versus full audit
- 4 Outside Labor increase for Advent IT support
- 5 Meeting cost reduced to actuals
- 6 Travel increased for gas/lodging costs in Agency/Live Racing travel