



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
11:00 A.M., THURSDAY, NOVEMBER 30, 2023

Notice is hereby given that a meeting of the California Authority of Racing Fairs Finance Committee will commence at 11:00 A.M., Thursday, November 30, 2023. 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: 889 7278 0920
Access Code: 975771

Zoom Link:
<https://us06web.zoom.us/j/88972780920>

Alameda County Fair
4501 Pleasanton Ave.
Pleasanton, CA 94566

California State Fair & Exposition
1600 Exposition Blvd.
Sacramento, CA 95815

Antelope Valley Fair
2551 West Ave. H, Suite 102
Lancaster, CA 93536



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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 2024 Budget.
- IV. Executive Director's Report.



**California Authority of Racing Fairs
Agency Income Statement
November 30, 2023**

	2021 Year End Actual	2022 Year End Actual	2022 Jan-Nov YTD	2023 Jan-Nov YTD	2023 Estimated Year End	2023 Annual Budget	2023 Budget Variance	2023 % Budget	2024 Proposed Budget	
Revenue:										
Other Revenue(JE knapp)/OPEB trust Reimb	289,248	292,133	21,875	27,613	167,436	35,000	(7,387)	478%	50,000	1
Interest Income	249	4,544	143	3,084	3,584	0	3,084	0%	0	
Member Dues	201,064	200,067	200,068	200,068	200,068	200,064	4	100%	200,064	
CARF Live Racing Agency Allocation	299,797	299,797	299,797	318,643	318,643	318,643	0	100%	318,643	
Total Revenue	790,369	796,541	521,883	549,408	689,731	553,707	(4,299)	125%	568,707	
Expenses:										
Salaries	132,988	132,966	125,457	138,586	162,604	165,305	26,719	98%	179,483	2
Employee Benefits	17,366	18,766	17,263	18,447	23,651	22,407	3,960	106%	21,077	3
Post Retirement Benefits	41,795	33,852	28,108	28,440	34,790	35,000	6,560	99%	35,000	
Payroll Taxes	40,786	40,870	37,630	38,573	45,494	46,645	8,072	98%	54,067	4
Accounting Costs	17,063	17,916	16,423	14,930	17,916	18,000	3,070	100%	18,811	
Advertising Expense	0	0	0	0	0	0	0	0%	0	
Audit Services	4,388	17,150	17,150	5,200	5,200	3,750	(1,450)	139%	8,750	5
Automobile Expense	3,601	2,875	2,875	3,619	3,869	3,500	(119)	111%	4,000	
Contracted Services (JE Knapp contract)	117,684	260,956	1,483	871	114,963	2,000	1,129	5748%	2,500	6
Depreciation	3,852	3,642	3,341	1,758	2,450	3,500	1,742	70%	19,500	7
Dues & Subscriptions	0	99	99	0	0	400	400	0%	200	
Insurance Expense	56,853	61,115	55,796	60,450	66,468	62,000	1,550	107%	73,115	8
Legal Expenses	117,853	37,453	35,753	58,020	66,020	60,000	1,980	110%	60,000	9
Legislative Expenses	45,320	45,320	41,490	38,559	46,059	46,000	7,441	100%	46,500	
Meetings Expense	607	815	460	311	411	1,000	689	41%	1,000	
Misc. (Ag Day Sponsor)	994	199	163	177	177	200	23	88%	200	
Office Supplies	6,248	6,533	5,902	4,392	5,392	7,000	2,608	77%	6,500	
Postage & Shipping	692	355	205	95	145	500	405	29%	500	
Rent (Tribute Road)	13,414	13,414	12,296	12,296	13,414	13,500	1,204	99%	13,500	
Repairs & Maintenance	0	0	0	0	0	500	500	0%	500	
Telephone Expense	3,517	4,789	4,260	5,269	6,238	4,500	(769)	139%	6,500	10
Training	0	0	0	0	0	1,000	1,000	0%	1,000	
Travel Expense	1,241	4,914	4,029	5,025	6,025	7,000	1,975	86%	7,000	11
Total Expenses	626,261	703,997	410,181	435,017	621,285	503,708	68,690	123%	559,703	
Agency Income (Loss)	164,108	92,544	111,701	114,391	68,446	50,000	64,392		9,004	
Southern Prog Income (Loss)	0	0	0	0	0	0	0		0	
Total Bal Sheet Net Income (Loss)	164,108	92,544	111,701	114,391	68,446	50,000	64,392		9,004	
GASB 68 PENSION EXPENSE	(83,906)	27,689	0	0	50,000	50,000		0%	25,000	12
GASB 75 OPEB EXPENSE	(74,651)	(72,478)	0	0	0	0		0%	0	
Total Net Income after GASB68, GASB75	173,363	(7,623)	111,701	114,391	18,446	(1)	0		(15,996)	

1	2023 OPEB reimbursement from CERBT trust and YE Journal Entry for Calypso 2023 activity , 2024 budget just for OPEB reimbursements
2	2024 Salary budget includes 8% increases
3	2023 slight increase in medical & dental benefits, 2024 budgeted with current staff benefits
4	2024 Taxes increased with 8% staff salary, increase in PERS pension rate increases and PERS unfunded payment increase
5	2023 Financial Review for 2022 Year greater than budgeted, 2024 budgeted for full Audit of 2023 performed in 2024
6	2023 YE Journal Entry for Calypso payments, 2024 budget no Calypso, Advent IT contract, Accountingware Timeswipe transition \$500
7	2024 Budget includes New Truck purchase \$80,000 depreciated over 5 years
8	2023 Insurance costs higher than budgeted due to higher property and General Liability costs, 2024 Insurance increased by 10%
9	2023 legal higher than budgeted, 2024 legal estimated but unknown with Capitol Racing
10	2023 Telephone expenses higher due to transition to AT&T 4G to 5G wifi, 2024 budget increased
11	2023 implemented new per diem rates in June, 2024 Travel estimated with full year new per diem rates



**California Authority of Racing Fairs
Live Racing Income Statement
November 30, 2023**

	2021 = 29 days	2022 = 35 days		2023 = 35 days		2023		2024 = 35 days	
	2021	2022	2022	2023	2023	2023	2023	2024	
	Year End Actual	Year End Actual	Jan-Nov YTD	Jan-Nov YTD	Estimated Year End	Annual Budget	Budget Variance	% Budget	Proposed Budget
Revenues:									
Reimb. From Live Racing Fairs	1,533,381	2,138,421	1,725,340	1,460,655	2,054,916	2,103,887	(643,232)	98%	2,070,376
3rd Party Lasik Reimb	22,184	39,652	62,936	38,999	29,740	50,000	(11,001)	59%	40,000
Racing Operations Augmentation Funds	0	0	0	0	0	0	0	0%	73,000 1
NCOTWINC Reimbursement	0	0	0	0	20,000	20,000	(20,000)	100%	20,000
RTM 1% Funds	0	0	0	0	0	0			0
Advertising Revenue									
Operating Expenses:									
Salaries	316,473	310,111	275,062	297,453	342,056	320,798	23,345	107%	346,464 2
Employee Benefits	44,169	45,301	41,061	42,187	50,239	50,736	8,549	99%	48,416
Payroll Taxes	84,438	96,211	86,093	86,987	101,909	100,857	13,870	101%	117,312 3
Accounting Costs	51,187	53,747	49,268	44,789	53,747	53,747	8,958	100%	56,434
Audit Services	11,063	24,750	24,750	13,500	13,500	11,250	(2,250)	120%	26,250 4
Automobile Expense	4,067	2,907	2,907	0	0	5,000	5,000	0%	5,000
Depreciation	0	0	0	0	0	0	0	0%	0
Telephone Expense	5,797	6,375	5,878	4,992	6,006	6,000	1,008	100%	6,000
Travel Expense	49,772	75,376	68,270	50,523	55,523	70,000	19,477	79%	70,000
Sub-Totals	566,966	614,794	553,305	540,432	622,979	618,388	77,956	101%	675,876
Racing Support Services:									
Announcer	13,775	16,625	16,625	15,200	15,200	30,000	14,800	51%	25,000 5
Condition Bk/Program Cover	9,326	9,325	7,642	9,519	9,519	10,000	481	95%	10,000
Racing Operations Support	107,195	158,152	157,646	150,268	151,268	160,000	9,732	95%	160,000
Signal Broadcast (RCN)	7,878	26,595	26,595	13,308	13,308	40,000	26,692	33%	40,000
Simulcast Management	0	0	0	40,000	40,000	40,000	0	100%	40,000
Fitness Vet/TC02 Testing	91,741	103,427	98,436	104,988	104,988	120,000	15,012	87%	120,000
3RD PARTY LASIKS	22,184	39,652	39,652	29,740	29,740	50,000	20,260	59%	40,000
Marketing/Web Devel	120	12,695	12,695	8,160	8,320	2,000	(6,160)	416%	8,500 6
Network Management	0	0	0	0	0	0	0	0%	0
Paymaster Operations	8,448	9,045	8,569	3,453	4,103	12,500	9,047	33%	6,000
Incompass Racing Office	96,964	120,163	120,163	111,822	113,422	135,000	23,178	84%	135,000
Racing Office Expenses	5,613	16,739	16,694	21,429	21,563	18,000	(3,429)	120%	22,000 7
Recruitment	2,800	798	798	101	2,601	10,000	9,899	26%	10,000
Jumbo Screen	69,150	81,900	81,900	76,800	76,800	100,000	23,200	77%	100,000
Supplies	7,895	21,183	14,497	10,301	11,801	15,000	4,699	79%	15,000
Tattooing	5,074	10,598	1,994	8,953	13,953	15,000	6,047	93%	15,000
Timing/Clocker	13,340	0	0	0	0	15,000	15,000	0%	0
Transportation-silks	0	500	500	500	500	3,000	2,500	17%	1,000
TV Production/Simulcast	220,696	291,866	291,866	296,368	296,368	330,000	33,632	90%	330,000
RTM ALLOCATION (MAINT)	135,833	187,821	181,697	199,827	209,827	200,000	173	105%	200,000 8
RTM TRANSPORTATION	51,617	84,692	84,692	78,286	83,286	90,000	11,714	93%	90,000
RTM PRIOR YEAR LOAN	0	0	0	0	0	0	0	0%	0
STABILING AND TRAINING	0	0	0	0	0	0	0	0%	0
RTM SUPPORT COSTS	118,950	371,946	367,496	270,660	275,110	160,000	(110,660)	172%	160,000 9
Sub-Totals	988,599	1,563,721	1,530,157	1,449,683	1,481,677	1,555,500	105,817	95%	1,527,500
Total Gross Expenses	1,555,565	2,178,515	2,083,462	1,990,115	2,104,656	2,173,888	183,773	97%	2,203,376
Total Net Expenses	1,555,565	2,138,863	2,043,810	1,960,375	2,054,916	2,103,888			2,070,376

- 1 2024 budgeted for Gray Funds from F&E to offset RTM Maint/Repair costs
- 2 2023 Staff salary includes approved bonuses not budgeted, 2024 budget includes 8% rate increases with no bonuses
- 3 2023 payroll taxes includes PERS rate increases and salary increases of 8%, 2024 budget includes PERS rate increases and PERS unfunded payments with staff 8% increases
- 4 2023 Financial review for 2022 Year higher than budgeted, 2024 budgeted for 2023 Calendar Year Full Audit costs
- 5 2023 Announcer costs lower than budget, 2024 Announcer cost will have workshop costs for Live Racing billbacks instead of Daily Racing funds
- 6 2023 Marketing/Web Development higher than budget due to Cal Expo NCOT marketing transitioned to billback thru CARF, 2024 budget to include Cal Expo Marketing billback
- 7 2023 Racing office expense for Pacific Mobile Structures and Frontier racing phone lines greater than budgeted, 2024 increased budget to \$22,000
- 8 2023 RTM repairs & maintenance cost higher than budget, 2024 budget estimates for existing tractors
- 9 2023 RTM Support Costs include Trackmaster contract, Trackmaster Labor, Cal Expo amendments all paid thru CARF, 2024 budgeted to shift Cal Expo extra racing support back to track



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

	2021	2022	2023	2023	2023	2023	2023	2024
	Year End	Year End	Actual	Estimated	Annual	Budget	% Budget	Proposed
	Actual	Actual	Jan-Nov	Year End	Budget	Variance		Budget
Summary Operating Expenses								
Agency & Live Racing Expenses:								
SALARIES	449,461	443,077	436,039	504,660	486,103	50,064	104%	525,947
BENEFITS	61,535	64,066	60,634	73,890	73,143	12,509	101%	69,493
POST RETIREMENT BENEFITS	41,795	33,852	28,440	34,790	35,000	6,560	99%	35,000
ER TAXES	125,224	137,081	125,560	147,403	147,502	21,942	100%	171,378
ACCOUNTING	68,250	71,663	59,719	71,663	71,747	12,028	100%	75,245
AUDIT SERVICES	15,450	41,900	18,700	18,700	15,000	(3,700)	125%	35,000
AUTOMOBILE	7,667	5,781	3,619	3,869	8,500	4,881	46%	9,000
OUTSIDE LABOR	117,684	260,956	871	114,963	2,000	1,129	5748%	2,500
DEPRECIATION	21,960	34,751	1,758	2,450	3,500	1,742	70%	19,500
DUES/SUBSCRIP	0	99	0	0	400	400	0%	200
INSURANCE	56,853	61,115	60,450	66,468	62,000	1,550	107%	73,115
LEGAL	117,853	37,453	58,020	66,020	60,000	1,980	110%	60,000
LEGISLATIVE	45,320	45,320	38,559	46,059	46,000	7,441	100%	46,500
MEETINGS	607	832	311	411	1,000	689	41%	1,000
MISC	994	199	177	177	200	23	88%	200
OFFICE SUPP	6,248	6,533	4,392	5,392	7,000	2,608	77%	6,500
POSTAGE/SHIP	692	355	95	145	500	405	29%	500
RENT/UTIL	13,414	13,414	12,296	13,414	13,500	1,204	99%	13,500
REPAIRS/MTCE	0	0	0	0	500	500	0%	500
TELEPHONE	9,314	11,164	10,261	12,244	10,500	239	117%	12,500
TRAINING	0	0	0	0	1,000	1,000	0%	1,000
TRAVEL	51,013	80,290	55,548	61,548	77,000	21,453	80%	77,000
Total Operating Expenses	1,211,335	1,349,899	975,448	1,244,265	1,122,095	146,647	111%	1,235,578

1 2023 Salary includes bonuses, 2024 Salary includes 8% increases but no bonuses
2 2024 Taxes with 8% increase and PERS pension rate and PERS unfunded payment increases
3 Financial Review for 2022 audit performed in 2023 greater than budgeted & 2023 Calendar Year will be Full Audit performed in 2024 2023 Outside Labor mainly due to YE Journal Entry for Calypso payments from change fund for 2023, 2024 budget for Advent IT support,
4 Accountingware timeswipe transition \$500
5 2023 Insurance cost higher than estimated due to Property & General Liability insurance market.. 2024 budget increase insurance by 10%
6 2023 Legal higher than budgeted
7 2023 Telephone year end estimated higher than budget with AT&T mobile transition to 4G to 5G wifii, 2024 budget increased to new costs

21450-0-0-A		CHANGE FUND		1,014,000.00-			
8/5/2021	Michael Knapp, Calypso Consulting	211	AP-Invoice	10063	\$	25,000.00	
9/1/2021	Michael Knapp, Calypso Consulting	212	AP-Invoice	10083	\$	25,000.00	
9/1/2021	Michael Knapp, Calypso Consulting	213	AP-Invoice	10083	\$	16,667.00	
10/1/2021	Michael Knapp, Calypso Consulting	214	AP-Invoice	10104	\$	16,667.00	
10/31/2021	Fernandes Group, Inc	6586	AP-Invoice	10104	\$	1,600.00	
11/1/2021	Michael Knapp, Calypso Consulting	215	AP-Invoice	10132	\$	16,667.00	
12/1/2021	Michael Knapp, Calypso Consulting	216	AP-Invoice	10153	\$	16,667.00	\$ 118,268.00
1/1/2021 - 12/31/2021		Change Fund Balance estimated at year end 12/31/2021		118,268.00	118,268.00	0.00	\$(895,732.00)
1/1/2022	Michael Knapp, Calypso Consulting	217	AP-Invoice		\$	16,667.00	
2/1/2022	Michael Knapp, Calypso Consulting	Feb 2022	AP-Invoice		\$	16,667.00	
3/1/2022	Michael Knapp, Calypso Consulting	Mar 2022	AP-Invoice		\$	16,667.00	
3/31/2022	Pegasus Communications, Inc.	30151	AP-Invoice		\$	38,000.00	
4/1/2022	Michael Knapp, Calypso Consulting	April2022	AP-Invoice		\$	16,667.00	
4/28/2022	AmTote International, Inc.	9999978	AP-Invoice		\$	4,759.83	
5/1/2022	Michael Knapp, Calypso Consulting	221 May2022	AP-Invoice		\$	16,667.00	
6/1/2022	Michael Knapp, Calypso Consulting	222 June2022	AP-Invoice		\$	16,667.00	
7/1/2022	Michael Knapp, Calypso Consulting	223 July2022	AP-Invoice		\$	16,667.00	
8/31/2022	Michael Knapp, Calypso Consulting	224 aug 2022	AP-Invoice		\$	16,667.00	
9/30/2022	Michael Knapp, Calypso Consulting	225	AP-Invoice		\$	20,833.00	
10/31/2022	Michael Knapp, Calypso consulting	oct			\$	20,833.00	
11/30/2022	Michael Knapp, Calypso consulting	nov			\$	20,833.00	
12/31/2022	Michael Knapp, Calypso consulting	dec			\$	20,833.00	\$ 259,427.83
Change Fund Balance estimated at year end 12/31/2022						\$(636,304.17)	
1/31/2023	Michael Knapp, Calypso Consulting	229 Jan 2023	AP-Invoice			9,375.00	
2/28/2023	Michael Knapp, Calypso Consulting	229 Feb 2023	AP-Invoice			9,375.00	
3/31/2023	Michael Knapp, Calypso Consulting	231 March 2023	AP-Invoice			9,375.00	
4/30/2023	Michael Knapp, Calypso Consulting	232 April 2023	AP-Invoice			9,375.00	
5/31/2023	Michael Knapp, Calypso Consulting	233 May 2023	AP-Invoice			9,375.00	
6/30/2023	Michael Knapp, Calypso Consulting	234 June 2023	AP-Invoice			9,375.00	
7/31/2023	Michael Knapp, Calypso Consulting	235 July 2023	AP-Invoice			9,375.00	
8/31/2023	Michael Knapp, Calypso Consulting	236 Aug 2023	AP-Invoice			9,375.00	
9/30/2023	Nielsen Merksamer Parrinello Gross & Leo	263503	AP-Invoice			8,092.50	
5/31/2023	UN/COMMON ADVERTISING	788	AP-Invoice			6,000.00	89,092.50
1/1/2023 - 11/17/2023		Change Fund Balance estimated at year end 11/17/2023		89,092.50	89,092.50	0.00	(\$547,211.67)
Balance from 500K Calypso approved by CARF board						\$	33,211.67