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NOTICE
CALIFORNIA AUTHORITY OF RACING FAIRS
BOARD OF DIRECTORS MEETING
JOHN ALKIRE, CHAIR
12:30 P.M., TUESDAY, APRIL 7, 2015

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Board of Directors will commence at 12:30 p.m., Tuesday, April 7, 2015. The meeting will be held in Sacramento. 1776 Tribute Road, Conference Room, Sacramento, CA 95815.

CARF Board of Directors Meeting
Toll Free Dial In Number: (800) 791-2345
Participant Code: 83711#
Via Teleconference

In order to ensure that all meeting participants are able to hear discussions during the teleconference, we ask that teleconference participants call from a **Landline Phone** and **Please Place Phone on MUTE While Not Speaking**. The Public and members of the California Authority of Racing Fairs Board of Directors may participate from the following locations:

Alameda County Fair
4501 Pleasanton Ave.
Pleasanton, CA 94566

California State Fair
1600 Exposition Blvd.
Sacramento, CA 95815

Stanislaus County
900 North Broadway
Turlock, CA 95380

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

Monterey County Fair
2004 Fairground Road
Monterey, CA 93940

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

San Mateo County Fair
2495 So. Delaware Street
San Mateo, CA 94403



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AGENDA
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AGENDA

- I. Date, time and location of next meeting: May 5, 2015
- II. Public Comment.
- III. Approval of minutes.
- IV. Report, discussion and action, if any, on CARF 2015 Legislative Program.
- V. Discussion and action, if any, on proposal made to NCOTWINC regarding potential simulcast network expansion.
- VI. Report, discussion and action, if any, on Racing Dates for 2016 and beyond.
- VII. Financials
- VIII. Executive Director's Report

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors
Tuesday, March 3, 2015

MINUTES

A teleconference meeting of the California Authority of Racing Fairs (CARF) Board of Directors was held at 12:30 P.M., Tuesday, March 3, 2015. The teleconference meeting was hosted at the CARF offices, 1776 Tribute Road, Sacramento, California.

CARF Board Directors attending: John Alkire, Jerome Hoban, Rick Pickering and Kelly Violini. Joining by teleconference: Chris Borovansky.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Amelia White, Jeanne Wasserman, Brian May, Kelly Olds and Steve Wood. Joining by teleconference: Louie Brown.

Agenda Item 1 – Date, Time and Location of Next Meeting: April 7, 2015. The next CARF Board of Directors meeting will be held Tuesday, April 7, 2015 in Sacramento.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Approval of Minutes. Mr. Pickering moved to approve the meeting minutes as presented. Mr. Hoban seconded, unanimously approved.

Agenda Item 4 – Report, Discussion and Action, if any, on CARF 2015 Legislative Program. Mr. Brown reported that the deadline to introduce new bills is February 27 and legislative staff has been busy going through those bills. Mr. Brown reported that racing legislation is light and most bills appears to be spot bill placeholders.

Mr. Brown reported that the main topic for the racing industry in 2015 will be Internet Poker. Four bills on the topic have been introduced, once each authored by the Chairs of the Assembly and Senate G.O Committees with identical language. Those two bills would allow the horse racing industry to compete for a license. Of the other two bills, one (AB 9) does not allow for racing and the other (AB 167) does allow racing to compete for a license.

Mr. Brown stated that he met yesterday with the racing industry lobbyists to gauge the positions of the different racing interests. Principals for the TOC, Santa Anita and Del Mar continue to have discussions with the faction of the tribal community that is willing to engage with horse racing, but those discussions are not public or in writing at this time. Some of the

bills preclude outside financing which would significantly reduce the number of tracks that could consider participating. Another issue is which of the Internet Poker platform operators racing could partner with as most have already made some sort of alliance.

Mr. Brown stated that his message to the racing lobbyists was that fairs will not agree to support anything that does not list the distributions in writing as part of the bill language; anything less than a written commitment will be opposed. Mr. Brown stated that we are still early in the process, but that making the racing fair position clear early will be beneficial to our cause. Mr. Brown stated that there will be more to report next month.

Agenda Item 5 – Update on Award of Totalisator Contract. Mr. Korby reported the Totalisator contract was awarded to American Totalisator (Amtote) after a lengthy RFP process between the two largest tote companies in the nation and careful consideration by a working group of industry principals. Amtote is owned by the Stronach Group, the same ownership group that operates Santa Anita and Golden Gate Fields in California. The SCOTWINC and NOTWINC Boards, which awarded the bid, will now negotiate the terms of the contract with Amtote representatives. Implementation of the changeover in machinery will be conducted in the late fall/winter of this year. CARF and Amtote staff will work closely with the live racing and satellite network to manage any structural modifications required well in advance of the implementation date. Mr. Korby stated that he has made it clear to the industry that SCOTWINC and NOTWINC should be responsible for any needed modifications at fair satellites. Mr. Korby will make that requirement in writing.

Agenda Item 6 – Report on Developments at Fair Satellite Wagering Facilities. Mr. Korby reported that to help trim expenses, CARF is working with industry principals to remove the requirement for a satellite supervisor at smaller fair satellites. Monterey County Fair is a pilot facility for implementing this change. Currently, new mini-satellite facilities are not required to have a satellite supervisor which is a helpful precedent. Ms. Violini reported that her satellite supervisors recently took new positions outside the fair and that she has worked closely with CARF and NCOTWINC to transition her mutuel manager into a dual role. Ms. Violini stated that so far the change has been beneficial to the fair and regarded highly by satellite patrons.

Mr. Alkire stated that he is working with the proprietor of Fresno Club One to partner in a new mini-satellite in the town of Goshen. The site is small, but would benefit the patrons displaced from Tulare. Mr. Alkire stated that the new site would utilize a dual mutuel/satellite manager. Mr. Alkire also added that Mr. Swartzlander is useful in troubleshooting cost savings at satellites.

Mr. Borovansky reported that the Stanislaus County Fair is in conversations with representatives at the Turlock Poker Club in moving the site.

Agenda Item 7 – Financials. Mr. Korby noted that financials were not included in the meeting packet, but that Ms. Gibbons will furnish end-of-year financials for the April meeting.

Agenda Item 8 – Executive Director’s Report. Mr. Korby reported that the Saint Louis Rams owner is in conversations with Bay Meadows Land Company in regards to developing an NFL stadium on the old Hollywood Park property.

Respectfully submitted,
Heather Haviland

CA Authority of Racing Fairs Legislative Report - Last 10 Days 3/20/2015

[AB 315](#) ([Bigelow R](#)) **Fairs: annual reports and expenditures.**

Current Text: Amended: 3/19/2015 [pdf](#) [html](#)

Introduced: 2/12/2015

Last Amend: 3/19/2015

Status: 3/19/2015-From committee chair, with author's amendments: Amend, and re-refer to Com. on AGRI. Read second time and amended.

Location: 3/19/2015-A. AGRI.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Existing law provides for admission to a state, district, county, or citrus fair without payment of an established admission price to persons with credential admissions or courtesy pass admissions, and requires each fair to make an annual report to the Department of Food and Agriculture of the total number of credential and courtesy pass admissions issued and honored at the fair. This bill would repeal the annual reporting requirement. This bill contains other related provisions and other existing laws.

Organization **Position**
CARF Watch

[AB 701](#) ([Garcia, Cristina D](#)) **Gaming: Gaming Policy Advisory Committee.**

Current Text: Introduced: 2/25/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Status: 3/12/2015-Referred to Com. on G.O.

Location: 3/12/2015-A. G.O.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Existing law, the Gambling Control Act, provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Department of Justice. Existing law requires the commission to establish a 10-member Gaming Policy Advisory Committee for the purpose of discussing matters of controlled gambling regulatory policy and other relevant gambling-related issues. The committee is composed of representatives of controlled gambling licensees and members of the general public in equal numbers. This bill would increase the membership of the committee from 10 to 12 members, and would instead require the committee to be composed of 5 representatives of controlled gambling licensees, 5 members of the general public, and 2 representatives from the Department of Justice.

Organization **Position**
CARF Watch

[SB 650](#) ([Hall D](#)) **Gambling licenses: annual renewal.**

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 3/12/2015-Referred to Com. on G.O.

Location: 3/12/2015-S. G.O.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Gambling Control Act provides for the licensure and regulation of various legalized gambling activities by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Department of Justice. Existing law requires a gambling license to be renewed biennially. Existing law requires the owner licensee or key employee to file an application for renewal with the Department of Justice no later than 120 calendar days before the expiration of the current license. A willful violation of these provisions is punishable as a misdemeanor. This bill would require the owner licensee or key employee to file an application for renewal with the California Gambling Control Commission by no later than 120 calendar days after the end of the owner licensee's fiscal year. The bill would automatically renew a license annually upon the payment of an annual renewal fee, as specified. The bill would also make conforming changes. Because a willful violation of these provisions would be a crime, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Organization **Position**
CARF Watch

[SB 692](#) ([Vidak R](#)) **Gambling: California Gambling Control Commission.**

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 3/19/2015-Referred to Com. on G.O.

Location: 3/19/2015-S. G.O.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Existing law, the Gambling Control Act, provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Department of Justice. The act specifies qualifications for eligibility as a member of the commission, and provides that a person is ineligible for appointment if, within 2 years prior to appointment, the person was employed by, retained by, or derived substantial income from, a gambling establishment. The act prohibits a member of the commission, the executive director, the chief, and any employee of the commission or department designated by regulation, for a period of 3 years after leaving office or terminating employment, from acting as agent or attorney for any other person before the commission or the department, if the appearance or communication is for the purpose of influencing administrative action, as specified. A person who willfully violates any provision of the act for which a penalty is not expressly provided is guilty of a misdemeanor. This bill would additionally prohibit a member of the commission, the executive director, the chief, and any employee of the commission or department designated by regulation, for a period of 2 years after leaving office or terminating employment, from being employed as a consultant or key employee of a gambling establishment. By creating a new crime, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Organization **Position**
CARF Watch

[SB 777](#)

(Lara D) Gambling Control Act: corporations.

Current Text: Introduced: 2/27/2015 [pdf](#) [html](#)

Introduced: 2/27/2015

Status: 3/19/2015-Referred to Com. on RLS.

Location: 3/19/2015-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Existing law, the Gambling Control Act, provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Department of Justice. Existing law requires a corporation to comply with specified requirements in order to obtain a gambling license, including a requirement that the corporation register as a corporation with the department and supply specified supplemental information to the department. This bill would make technical, nonsubstantive changes to that provision.

Organization **Position**
CARF Watch

Total Measures: 5

Total Tracking Forms: 5

--NCOTWINC--

**PROPOSED RESOLUTIONS REGARDING THE TESTING OF A
DIFFERENT ECONOMIC MODEL FOR
NORTHERN CALIFORNIA SATELLITES**

WHEREAS, under the applicable provisions of the current California Horse Racing Law, satellite wagering facilities (including so-called “minisatellite facilities”) (collectively, the “Satellites”) are entitled to receive certain statutorily mandated distributions from the various hosts tracks (the “Hosts”);

WHEREAS, currently the statutorily mandated distributions payable by Hosts to Satellites is equal to approximately two percent (2%) of the applicable handle (the “Distributable Amount”);

WHEREAS, it has become apparent to the members of NCOTWINC’s Board of Directors that the statutorily mandated Distributable Amount is not enough to incentivize potential Satellites to underwrite and incur the costs necessary to open a Satellite and then keep that Satellite operating in a “first class manner”. As a result, it has been difficult for NCOTWINC to expand the Satellite business in the Northern Zone;

WHEREAS, the NCOTWINC Board has now determined that it is in the best interest of NCOTWINC and its members (as well as in the best interest of California horse racing), that the Satellite business in the Northern Zone be expanded;

WHEREAS, the NCOTWINC Board is aware that SCOTWINC has recently undertaken efforts to expand the Satellite business in the Southern and Central Zones by implementing a different business model for its Satellites;

WHEREAS, the different business model that is now being utilized by SCOTWINC for Satellites in the Southern and Central Zones has shown early promise and success; so much so that the NCOTWINC Board has decided that it is in the best interest of NCOTWINC and its members that NCOTWINC, on an experimental basis (with respect to both new, to-be-opened Satellites and existing Satellites that are willing to re-model and/or expand), implement a different business model for Northern Zone Satellites (as described below), with the hope and expectation being that use of such different business model will expand the Satellite business in the Northern Zone; and

WHEREAS, the Board would now like to authorize the officers of NCOTWINC to negotiate an alternative economic model (as described below) with such

Satellites (both new and existing) as are from time to time deemed appropriate by the officers of NCOTWINC.

NOW, THEREFORE, BE IT RESOLVED, that NCOTWINC's Board hereby authorizes the new economic model described below for use with such Northern Zone Satellites (both new and existing) as are from time to time deemed appropriate by NCOTWINC's officers.

RESOLVED FURTHER, that the new economic model for the Northern Zone Satellites will include each of the following components:

- The owner of the applicable Satellite (the "Designated Satellite"), on the one hand, and NCOTWINC, on the other hand, will agree on the nature, type, scope and timing of the capital improvements (including expansion or re-modeling of existing Satellites) to be undertaken at the applicable Satellite (the "Capex Project");
- The owner of the Designated Satellite will agree to undertake and complete the Capex Project in accordance with a time-table to be mutually agreed-upon by the owner of the Designated Satellite and NCOTWINC;
- During the construction phase, an amount equal to 1% of the handle generated at the Designated Site will be devoted and held by NCOTWINC for purposes of funding the Capex Project at the applicable Designated Site;
- The owner of the Designated Satellite will also contribute a certain amount of the funds necessary to pay the costs of the Capex Project (with the owner's contribution to be based on a percentage that is to be determined by NCOTWINC on a case-by-case basis);
- In addition to the owner of the Designated Satellite being obligated to undertake and complete the Capex Project, the owner of the Designated Satellite will also agree to abide (post-completion of the applicable Capex Project) to new standards and customer amenities that will be established by NCOTWINC with respect to the applicable Designated Satellite, including parking, admission, technology, availability of food and beverage (and the types of food and beverage to be available), the hours of operation, other logistics and events that could be held at the Designated Site during racing hours, etc.;
- After completion of the Capex Project at a particular Designated Satellite, NCOTWINC will pay an extra one-half of 1% (.50%) of the applicable handle to the Designated Satellite (this amount is over and above the Distributable Amount paid by the Hosts), and NCOTWINC will reserve an additional one-half of 1% (.50%) of applicable handle as a reserve for

future capital improvements and/or further expansion/re-model costs at the applicable Designated Satellite (payment of the additional one-half of 1% (.50%) to the owner of the Designated Satellite and the reserving of the additional one-half of one percent (.50%) for future capital improvements/expansion needs, will continue for a period of ____ years following the completion of the Capex Project); and

- In consideration for NCOTWINC's contribution of a portion of the costs of the applicable Capex Project and in consideration of the extra .50% of handle to be paid to the owner of the Designated Satellite for a certain period of time following the completion of the Capex Project, the owner of the Designated Satellite will agree to reduce its statutory exclusivity protection from the statutorily mandated 20 mile radius down to a 10-mile radius (so that the Designated Satellite's consent will no longer be needed for the establishment of additional Satellites outside a 10-mile radius of the Designated Satellite).

RESOLVED FURTHER, that the appropriate officers of NCOTWINC be, and they hereby are, given all right, power and authority necessary, desirable or appropriate in order for them to move forward with the selection of Designated Satellites and the establishment and negotiation of the new business model (as outlined above) for such Designated Satellites.

RESOLVED FURTHER, that the new business model (as outlined above) for each Designated Satellite will be in effect for a maximum of ____ years.

RESOLVED FURTHER, that all officers, directors and shareholders of NCOTWINC be, and they hereby are, authorized and directed to take such further actions, and execute and deliver such further documents, as may from time to time be necessary, desirable or appropriate in order to more fully implement the foregoing Resolutions regarding the selection of Designated Satellites and the establishment of the new economic model (as outlined above) for the Designated Satellites.

Tote Handle	\$22,829,476	\$10,420,236	\$3,594,596	\$9,205,653	\$14,377,457	\$60,427,417
ADW Handle	\$8,102,758	\$4,828,976	\$2,537,038	\$4,228,906	\$4,817,496	\$24,515,174
All Handle Total	\$30,932,234	\$15,249,212	\$6,131,633	\$13,434,559	\$19,194,953	\$84,942,592
2014 Race Meet	Pleasanton	Sacto	Humboldt	Stockton	Fresno	Total
REVENUE:	6/18-7/8	7/9-7/22	8/13-8/24	9/17-9/30	10/1-10/15	
Takeout	4,962,833	2,237,901	776,908	1,983,737	3,064,479	13,025,857
Programs	23,522	15,633	3,782	14,227	16,625	73,789
Overlap/Redistribute *preliminary (Track & Purse)			42,446			42,446
Intra Outs/Refunds	79,285	42,261	9,775	26,730	59,227	217,278
2013/2014 CHRB Surplus	5,667	3,320	698	2,147	3,912	15,744
Rights Fees/Tattsbet/tabcorp non-merged	26,942	14,086	11,996	11,972	18,177	83,173
Misc Revenue	5,629	4,414	1,817	3,046	4,156	19,062
Starter Purses (Performance)	41,200	19,750	13,500	19,650	27,200	121,300
Combined Purse Report	(129,581)	(43,582)	29,285	91,530	(89,654)	(142,002)
Decoder Revenue	28,240	21,275	7,273	30,435	17,397	104,619
AB509 Los Alamitos Proxy Fees	23,327	18,485	593	9,804	16,651	68,859
2013 Los Alamitos Expense fund excess/Intl Outs	4,524	3,087	1,773	1,878	2,749	14,011
Share On Track Expenses						0
ADW California & Exports	1,043,287	643,182	339,755	557,839	630,143	3,214,206
Total	6,114,873	2,979,812	1,239,600	2,752,997	3,771,061	16,858,343
DISTRIBUTED:						
F&E Fund 19614d/License	52,609	17,225	9,005	19,508	34,342	132,688
F&E Recapture	6,971	3,194	1,136	2,377	4,237	17,915
CHRB Support	92,981	46,709	16,619	34,767	61,980	253,056
Commingle Guest O/S	1,357,999	389,401	120,077	347,161	664,384	2,879,022
Interstate Host	223,676	138,793	38,945	134,923	141,290	677,626
Location Fee	215,519	138,119	45,976	129,221	158,915	687,749
Promotion	30,079	18,336	5,810	16,901	20,688	91,814
City/County	50,462	26,814	9,599	23,661	34,854	145,390
Stabling/Vanning	150,395	91,678	29,051	84,505	103,438	459,068
Chrims	6,016	3,667	1,162	3,380	4,137	18,363
Equine Lab	15,292	8,126	2,909	7,170	10,562	44,059
Owners	11,059	5,881	2,108	5,245	7,748	32,041
Breeders	83,707	42,633	15,185	37,429	56,283	235,236
Rights Fee Breeders	808	423	360	359	545	2,495
2013/2014 CHRB Surplus						0
ADW DISTRIBUTED:						
DIR	1,977	1,303	710	1,182	1,260	6,431
Equine	7,247	4,777	2,604	4,333	4,620	23,581
Backstretch	10,871	7,166	3,905	6,500	6,930	35,371
Location Fees	108,878	65,922	35,759	59,856	63,834	334,248
Retirement Fund	19,766	13,029	7,102	11,820	12,602	64,320
AB480	22886.97	20933.13	11577.47	18930.03	20165.42	94,493
Workers Comp (CA & Exports)	12,153	6,751	3,835	4,458	6,888	34,084
Breeders (CA & Exports)	37,338	25,379	11,017	23,897	22,435	120,066
F&E	317	85	26	43	111	582
CHRB Support	4,279	1,238	376	629	1,623	8,144
MOVED TO PURSE ACCT						
Purses Generated	1,004,665	444,719	175,711	375,282	656,354	2,656,731
License SB16	37,174	18,823	6,697	14,010	24,977	101,682
Overlap/Redistribute						0
Excess 6%	86,732	54,967	7,545	60,452	79,293	288,988
Rfees	13,067	6,832	5,818	5,806	8,816	40,339
Misc Revenue	2,814	2,207	908	1,523	2,078	9,531
Decoder Revenue	14,120	10,637	3,637	15,218	8,699	52,310
Intra Outs/Refunds	39,642	21,131	4,888	13,365	29,613	108,639
AB509 Los Alamitos Proxy Fee	11,663	9,243	296	4,902	8,325	34,429
2013 Los Alamitos Expense fund excess/Intl Outs	2,262	1,544	887	939	1,375	7,006
Combined Purse Report	(129,581)	(43,582)	29,285	91,530	(89,654)	(142,002)
Performance	41,200	19,750	13,500	19,650	27,200	121,300
AB 701 W/C	51,817	19,558	7,190	16,997	30,786	126,348
2013/2014 CHRB Surplus	2,834	1,660	349	1,074	1,956	7,872
ADW - SB1072	60,000	34,692	20,301	22,942	34,980	172,914
ADW - Purses (CA & Export)	373,125	225,694	119,998	196,201	224,322	1,139,340
ADW - AB480	8,082	5,328	2,947	4,819	5,133	26,309
PAID TO TRACK:						
Commissions Generated	813,351	365,352	143,586	311,571	528,029	2,161,889
License SB16	37,174	18,823	6,697	14,010	24,977	101,682
Redistribute			42,446			42,446
Excess 6%	86,732	54,967	7,545	60,452	79,293	288,988
Rfees	13,067	6,832	5,818	5,806	8,816	40,339
Misc Revenue	2,814	2,207	908	1,523	2,078	9,531
Decoder Revenue	14,120	10,637	3,637	15,218	8,699	52,310
Intra Outs/Refunds	39,642	21,131	4,888	13,365	29,613	108,639
AB509 Los Alamitos Proxy Fee	11,663	9,243	296	4,902	8,325	34,429
2013 Los Alamitos Expense fund excess/Intl Outs	2,262	1,544	887	939	1,375	7,006
2013/2014 CHRB Surplus	2,834	1,660	349	1,074	1,956	7,872
Simulcast Expense (ncot)	548,423	330,117	124,354	284,716	337,910	1,625,520
Track Programs	23,522	15,633	3,782	14,227	16,625	73,789
Share of Ontrack Expense						0
ADW - Track (CA & Export)	368,284	225,559	116,650	197,411	220,107	1,128,012
ADW - AB480	8,082	5,328	2,947	4,819	5,133	26,309
rounding						0
	6,114,873	2,979,812	1,239,600	2,752,997	3,771,061	16,858,343
	0	0	(0)	0	(0)	0
						0
Total Purses	1,619,617	833,201	399,956	844,710	1,054,253	4,751,737
Total Commissions	1,423,547	738,915	340,436	645,317	935,027	4,083,241



**California Authority of Racing Fairs
Agency Income Statement
December 31, 2014**

	2012 Year End Actual	2013 Year End Actual	2014 Jan-Dec YTD	2014 Annual Budget	2014 Budget Variance	2014 % Budget	2015 Proposed Budget	2014 vs 2015 Budget Diff
Revenue:								
Other Revenue/OPEB trust Reimb	82	22,060	96,264	94,916	1,348	101%	35,000	(59,916)
Interest Income	18,533	(713)	8,229	2,500	5,729	329%	2,500	0
Member Dues	270,062	246,963	234,370	234,368	2	100%	234,368	0
CARF South Prog Admin Fee	18,841	16,259	14,608	17,987	(3,379)	81%	15,000	(2,987)
	4,100	2,700						
CARF Live Racing Agency Allocation	124,644	113,667	157,410	157,410	0	100%	252,326	94,916
Total Revenue	436,272	400,936	510,881	507,181	3,700	101%	539,194	32,013
Expenses:								
Salaries	250,529	201,085	176,783	185,098	8,315	96%	182,513	(2,585)
Employee Benefits	27,265	16,864	20,592	19,827	(765)	104%	19,960	133
Post Retirement Benefits	4,108	40,220	40,675	34,916	(5,759)	116%	36,175	1,259
Payroll Taxes	7,171	18,183	18,223	20,831	2,608	87%	19,648	(1,183)
Accounting Costs	16,579	16,395	16,250	16,250	(0)	100%	16,250	0
Audit Services	9,485	9,485	6,775	6,775	0	100%	6,775	0
Automobile Expense	7,690	218	1,267	3,000	1,733	42%	3,000	0
Contracted Services	11,770	9,071	4,222	9,500	5,278	44%	9,500	0
Depreciation	17,369	20,170	19,135	19,280	145	99%	17,748	(1,532)
Dues & Subscriptions	2,640	2,949	2,367	3,000	633	79%	3,000	0
Insurance Expense	44,196	47,930	50,883	48,000	(2,883)	106%	50,950	2,950
Legal Expenses	37,126	72,642	62,286	20,000	(42,286)	311%	50,000	30,000
Legislative Expenses	53,344	56,617	45,479	45,000	(479)	101%	45,000	0
Meetings Expense	2,189	2,730	1,360	3,000	1,640	45%	3,000	0
Misc. (Ag Day Sponsor)	326	349	396	0	(396)	0%	500	500
Office Supplies	31,394	24,815	24,405	20,000	(4,405)	122%	25,000	5,000
Postage & Shipping	3,849	2,693	3,161	3,600	439	88%	3,600	0
Rent (Tribute Road)	35,770	35,770	35,770	35,770	0	100%	45,478	9,708
Repairs & Maintenance	0	0	0	500	500	0%	500	0
Telephone Expense	9,481	8,592	8,375	10,000	1,625	84%	10,000	0
Training	350	0	369	1,000	631	37%	1,000	0
Travel Expense	26,767	15,188	18,609	15,000	(3,609)	124%	17,000	2,000
Total Expenses	599,399	601,964	557,383	520,347	(37,036)	107%	566,598	46,251
Agency Income (Loss)	(163,127)	(201,028)	(46,501)	(13,166)	(33,335)		(27,404)	(14,238)
Total Bal Sheet Net Income (Loss)	(154,682)	(197,518)	(44,040)	(10,633)	(40,166)		(24,904)	(14,271)



**California Authority of Racing Fairs
Southern Region Income Statement
December 31, 2014**

	2012	2013	2014	2014	2014	2014	2015	2014 vs 2015
	Year End	Year End	Jan-Dec	Annual	Budget	% Budget	Proposed	Budget Diff
	Actual	Actual	YTD	Budget	Variance		Budget	
Program Revenue:								
Program Sales	262,545	221,902	195,769	239,828	(44,059)	82%	200,000	(39,828)
Other Revenue	0	0	0	0	0	0%	0	0
Royalties/Fees Due Host	(235,260)	(202,133)	(178,700)	(219,308)	40,608	81%	(182,500)	36,808
Total Revenue	27,285	19,769	17,069	20,520	(3,451)	83%	17,500	(3,020)
Expenses:								
Legal Expenses	0	0	0	0	0	0%	0	0
Meetings Expense	0	0	0	0	0	0%	0	0
Misc Exp.(Storage)	0	0	0	0	0	0%	0	0
Office Supplies	0	0	0	0	0	0%	0	0
Paper Expense	0	0	0	0	0	0%	0	0
Postage & Shipping	0	0	0	0	0	0%	0	0
Printing Supplies	0	0	0	0	0	0%	0	0
Rent & Utility Expenses	0	0	0	0	0	0%	0	0
Repairs & Maintenance	0	0	0	0	0	0%	0	0
Telephone Expense	0	0	0	0	0	0%	0	0
Travel Expense	0	0	0	0	0	0%	0	0
Total Expenses	0	0	0	0	0	0%	0	0
Operating Income (Loss)	27,285	19,769	17,069	20,520	(3,451)	83%	17,500	(3,020)
CARF Admin Fee	18,841	16,259	14,608	17,987	3,379	81%	15,000	(2,987)
Rebate								
Income (Loss)	8,444	3,510	2,461	2,533	(6,830)	97%	2,500	(33)



**California Authority of Racing Fairs
Revenues Generated and Paid through CARF
Race Recap Report**

2014 Race Meet

	Pleasanton	Sacramento	Humboldt	Stockton	Fresno	Total
Tote Handle	\$22,829,476	\$10,420,236	\$3,594,596	\$9,205,653	\$14,377,457	\$60,427,417
ADW Handle	\$8,102,758	\$4,828,976	\$2,537,038	\$4,228,906	\$4,817,496	\$24,515,174
All Handle Total	\$30,932,234	\$15,249,212	\$6,131,633	\$13,434,559	\$19,194,953	\$84,942,592

REVENUE:

Takeout	4,962,833	2,237,901	776,908	1,983,737	3,064,479	13,025,857
Programs	23,522	15,633	3,782	14,227	16,625	73,789
Summarized Revenues	28,279	61,324	102,905	165,487	36,588	394,582
ADW (California & Exports)	1,043,287	643,182	339,755	557,839	630,143	3,214,206
Total	6,057,920	2,958,039	1,223,350	2,721,290	3,747,835	16,708,434

EXPENSES:

2014 Circuit Billing	167,747	98,170	87,881	86,132	127,254	567,185
2014 Jan-June Billbacks	77,097	24,502	11,765	15,557	17,458	146,379
2014 July-September Billbacks	58,019	43,070	30,856	71,170	45,943	249,057
2014 Oct-December Billbacks	49,786	28,772	29,024	42,151	89,136	238,869
Relocation Costs	13,033	13,033	6,517	13,033	13,033	58,650
Total Track Expenses	365,682	207,547	166,043	228,043	292,824	1,260,140

Revenues Generated and Paid through CARF

Total Purses Revenue	1,619,617	833,201	399,956	844,710	1,054,253	4,751,737
Total Track Commissions Revenue	1,423,547	738,915	340,436	645,317	935,027	4,083,242
TOTAL PURSES/FAIR COMMISSIONS	3,043,164	1,572,116	740,392	1,490,027	1,989,280	8,834,979



**California Authority of Racing Fairs
Live Racing Income Statement
December 31, 2014**

	2012= 61days 2012 Year End Actual	2013=43 days 2013 Year End Actual	2014=41 days 2014 Jan-Dec YTD	2014 Annual Budget	2014 Budget Variance	2014 % Budget	2015 Proposed Budget	2014 vs 2015 Budget Diff
Revenues:								
Reimb. From Live Racing Fairs	1,067,571	1,013,148	1,047,662	1,029,473	18,189	102%	1,111,494	82,021
Operating Expenses:								
Salaries	362,294	407,250	348,075	365,747	17,672	95%	367,001	1,254
Employee Benefits	41,443	66,112	44,137	45,196	1,059	98%	44,667	(529)
Payroll Taxes	15,317	33,228	35,988	42,070	6,082	86%	39,770	(2,300)
Accounting Costs	49,394	49,186	48,761	48,750	(11)	100%	48,750	0
Audit Services	17,615	17,615	20,325	20,325	0	100%	20,325	0
Automobile Expense	40	54	2,718	1,000	(1,718)	272%	1,000	0
Dues & Subscriptions, NTRA	0	0	0	0	0	0%	0	0
Insurance Expense	0	0	0	0	0	0%	0	0
Legal Expenses	811	0	0	5,000	5,000	0%	5,000	0
Meetings Expense	870	1,109	242	2,000	1,758	12%	2,000	0
Misc. Exp (Storage,Bank fee)	339	37	12	0	(12)	0%	0	0
Telephone Expense	5,794	4,547	4,982	5,000	18	100%	5,000	0
Travel Expense	40,923	38,090	34,423	25,000	(9,423)	138%	35,000	10,000
Sub-Totals	534,841	617,227	539,664	560,088	20,424	96%	568,513	8,425
Racing Support Services:								
Announcer	22,800	0	33,387	37,852	4,465	88%	40,530	2,678
Condition Bk/Program Cover	15,575	23,412	26,560	25,000	(1,560)	106%	25,000	0
Racing Operations Support	79,596	54,323	65,326	53,983	(11,343)	121%	65,000	11,017
TC02 Testing	6,915	5,235	7,040	6,500	(540)	108%	6,500	0
Marketing/Web Devel	120	331	236	1,000	764	24%	1,000	0
Network Management	260	0	0	0	0	0%	0	0
Paymaster Operations	7,383	6,292	6,285	6,500	215	97%	6,500	0
Program Production	179,919	128,370	145,411	110,000	(35,411)	132%	150,000	40,000
Racing Office System	38,120	26,995	28,969	50,000	21,031	58%	30,000	(20,000)
Recruitment	13,712	1,862	1,562	15,000	13,438	10%	15,000	0
Jumbo Screen	114,750	68,850	68,850	70,000	1,150	98%	70,000	0
Supplies	13,326	10,737	12,573	10,500	(2,073)	120%	13,000	2,500
Tattooing	16,313	11,741	10,867	17,000	6,133	64%	15,000	(2,000)
Timing/Clocker	0	0	13,120	14,712	1,592	89%	18,740	4,028
Transportation	1,915	1,700	1,250	3,500	2,250	36%	3,500	0
TV Production/Simulcast	42,916	53,206	64,040	55,000	(9,040)	116%	60,000	5,000
RTM ALLOCATION (TRANS.&MAINT)	0	73,689	73,689	91,528	17,839	81%	73,689	(17,839)
RTM SUPPORT COSTS	0	0	47,553	0	(47,553)	0%	49,523	49,523
Sub-Totals	553,619	466,744	606,718	568,075	(38,643)	107%	642,982	74,907
Total Gross Expenses	1,088,459	1,083,971	1,146,381	1,128,163	(18,218)	102%	1,211,495	83,332
Augmentation LRF	0	52,457	73,689	73,689	0	100%	75,000	
NCOTWINC Reimbursement	25,000	25,000	25,000	25,000	0	100%	25,000	
Total Net Expenses	1,063,459	1,006,514	1,047,692	1,029,473			1,111,494	



**CALIFORNIA AUTHORITY OF RACING FAIRS
BALANCE SHEET
December 31, 2014**

ASSETS		CURRENT YTD	PRIOR YTD
		12/31/14	12/31/13
Current Assets			
CASH - LAIF & INVESTMENTS		1,786,724	865,476
CASH - OPERATING/MM		492,984	843,920
CASH - TRUST & TOC		520,594	1,184,745
MARKETABLE SECURITIES		1,324,111	1,923,122
A/R - DUES		21,358	22,498
A/R - PROGRAMS		37,539	39,881
A/R - RACING FAIRS & SETTLEMNT		424,565	609,854
A/R - OTHER A/R		304,648	177,292
PREPAIDS/DEPOSITS		101,922	58,563
OPEB ASSETS		126,118	126,118
Total Current Assets		5,140,562	5,851,469
Fixed Assets			
AUTOMOBILE		29,064	45,817
FURNITURE & EQUIPMENT		0	0
COMPUTER HARDWARE/SOFTWARE		2,512	3,727
TRACK EQUIPMENT		0	50,078
Total Fixed Assets (Net of Depr.)		31,575	99,622
TOTAL ASSETS		5,172,137	5,951,091
LIABILITIES & NET ASSETS			
Current Liabilities			
A/P & WITHHOLDINGS		970,342	1,007,597
COMPENSATED LEAVE ACCRUALS		117,821	121,851
A/P - PROGRAM ROYALTIES TO HOST		33,662	50,265
RACING DISTRIBUTIONS		304,419	194,028
PURSES		191,317	515,496
TRACK SAFETY/MAINT.		(7,656)	130,405
HORSEMENS RECRUITMENT PROGRAMS		13,716	20,257
LOU-5 - SYMPOSIUM		3,805	3,805
REV GEN PROJECT FUNDS		458,955	507,634
AUGMENTATION FUNDS		618,535	615,437
Total Current Liabilities		2,704,917	3,166,774
Non-Current Liabilities			
CHANGE FUND		1,014,000	1,014,000
FAIRS - EQUIP REPLACEMENT FUNDS		879,655	1,102,633
Total Non-Current Liabilities		1,893,655	2,116,633
TOTAL LIABILITIES		4,598,572	5,283,407
Net Assets			
FUND EQUITY		617,606	815,124
F&E Net Assets		0	50,078
NET INCOME/LOSS		(44,040)	(197,518)
Total Net Assets		573,565	667,684
TOTAL LIABILITIES & NET ASSETS	Balance Sheet	5,172,137	5,951,091

Calendar for year 2015 (United States)

January						
Su	Mo	Tu	We	Th	Fr	Sa
				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

February						
Su	Mo	Tu	We	Th	Fr	Sa
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

March						
Su	Mo	Tu	We	Th	Fr	Sa
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				

April						
Su	Mo	Tu	We	Th	Fr	Sa
			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		

May						
Su	Mo	Tu	We	Th	Fr	Sa
					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						

June						
Su	Mo	Tu	We	Th	Fr	Sa
	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				

July						
Su	Mo	Tu	We	Th	Fr	Sa
			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	

August						
Su	Mo	Tu	We	Th	Fr	Sa
						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					

September						
Su	Mo	Tu	We	Th	Fr	Sa
		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			

October						
Su	Mo	Tu	We	Th	Fr	Sa
				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

November						
Su	Mo	Tu	We	Th	Fr	Sa
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					

December						
Su	Mo	Tu	We	Th	Fr	Sa
		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		

Calendar for year 2016 (United States)

January						
Su	Mo	Tu	We	Th	Fr	Sa
					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						

February						
Su	Mo	Tu	We	Th	Fr	Sa
	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					

March						
Su	Mo	Tu	We	Th	Fr	Sa
		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		

April						
Su	Mo	Tu	We	Th	Fr	Sa
					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

May						
Su	Mo	Tu	We	Th	Fr	Sa
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				

June						
Su	Mo	Tu	We	Th	Fr	Sa
			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		

July						
Su	Mo	Tu	We	Th	Fr	Sa
					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						

August						
Su	Mo	Tu	We	Th	Fr	Sa
	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			

September						
Su	Mo	Tu	We	Th	Fr	Sa
				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	

October						
Su	Mo	Tu	We	Th	Fr	Sa
						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					

November						
Su	Mo	Tu	We	Th	Fr	Sa
		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			

December						
Su	Mo	Tu	We	Th	Fr	Sa
				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