



*a California joint powers agency*

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

**NOTICE**  
**CALIFORNIA AUTHORITY OF RACING FAIRS**  
**BOARD OF DIRECTORS & LIVE RACING COMMITTEE**  
**CONCURRENT MEETING**  
**JEROME HOBAN, CHAIR**  
**11:00 A.M., TUESDAY, DECEMBER 10, 2024**

Notice is hereby given that a meeting of the California Authority of Racing Fairs Board of Directors and Live Racing Committee will commence at 11:00 A.M., Tuesday, December 10, 2024. The meeting will be held via teleconference originating from the CARF Office, 1776 Tribute Road, Sacramento, CA 95815.

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

Dial-In Number: 1-669-900-6833  
Meeting ID: 830 1651 6007  
Access Code: 682225

Zoom Link:

<https://us06web.zoom.us/j/83016516007>

Alameda County Fair  
4501 Pleasanton Ave.  
Pleasanton, CA 94566

Monterey County Fair  
2004 Fairground Road  
Monterey, CA 93940

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

San Joaquin County Fair  
1658 S. Airport Way  
Stockton, CA 95206

California Department of Food & Ag  
1220 N Street  
Sacramento, CA 95814

San Mateo Event Center  
2495 S. Delaware Street  
San Mateo, CA 94403

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

Solano County Fair  
900 Fairgrounds Drive  
Vallejo, CA 94589



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**AGENDA**  
**CALIFORNIA AUTHORITY OF RACING FAIRS**  
**BOARD OF DIRECTORS & LIVE RACING COMMITTEE**  
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**AGENDA**

- I. Date, Time, and Location of Next Meeting: TBD.
- II. Public Comment.
- III. Closed Session: Conference with Legal Counsel – Anticipated Litigation.
- IV. Report, Discussion and Action, if any, on 2023 Independent Audit Report by Gilbert and Associates.
- V. Report, Discussion and Action, if any, on Legislative Program.
- VI. Report, Discussion and Action, if any, on 2025 Golden State Racing License Application.
- VII. Report, Discussion and Action, if any, on Summer Fair Racing Operations.
- VIII. Report, Discussion and Action, if any, on 2025 CARF Agency & Live Racing Budget.
- IX. Report, Discussion and Action, if any, on 2025 Golden State Racing Budget.
- X. Executive Director's Report.

## CALIFORNIA AUTHORITY OF RACING FAIRS

### Communications With Those Charged With Governance

We have audited the financial statements of the California Authority of Racing Fairs (the Authority) for the year ended December 31, 2023. We are providing the Authority's Board of Directors with information regarding the scope and results of the audit to assist the Board of Directors in overseeing management's financial reporting and disclosure process. This information is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties. The following pages summarize these required communications.

November 25, 2024

Submitted by  **GILBERT**  
Tax. Audit. Advisory.

## RESPONSIBILITIES AND OPINION

<p><b>Auditors' Responsibilities under Generally Accepted Auditing Standards (GAAS)</b></p> <p>The financial statements are the responsibility of management. As stated in our engagement letter, our responsibility is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.</p>	<p>We issued an unmodified opinion on the financial statements of the Authority for the year ended December 31, 2023.</p>
<p><b>Required Supplementary Information</b></p> <p>Government Accounting Standards Board (GASB) requires certain supplementary information to accompany the Authority's basic financial statements to be in conformity with generally accepted accounting principles. Such information has been subjected to limited procedures such as inquiries of management about the methods of preparing the information and comparing the information for consistency with the basic financial statements, however, we do not express an opinion because of the limited nature of our procedures.</p>	<p>The following required supplementary information is required to accompany the Authority's basic financial statements and subjected to limited procedures, but no opinion has been expressed:</p> <ul style="list-style-type: none"> <li>• Management's Discussion and Analysis</li> <li>• Schedule of the Authority's Proportionate Share of the Net Pension Liability</li> <li>• Schedule of the Authority's Pension Contributions</li> <li>• Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios</li> <li>• Schedule of the Authority's OPEB Contributions</li> </ul>

## INTERACTIONS WITH MANAGEMENT

<p><b>Management Consultations with Other Independent Accountants</b></p> <p>In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.</p>	<p>To our knowledge, there were no such consultations with other accountants.</p>
<p><b>Disagreements with Management</b></p> <p>For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.</p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p><b>Management Representations</b></p>	<p>We have requested certain representations from management that are included in their letter to us.</p>
<p><b>Difficulties Encountered in Performing the Audit</b></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit. Management and staff were well prepared and cooperative.</p>

# QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

<p><b>Significant Accounting Policies</b></p> <p>Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application.</p>	<p>The significant accounting policies used by the Authority are described in notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023.</p> <p>We noted no transactions entered into the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p>
<p><b>Management Judgments and Accounting Estimates</b></p> <p>Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.</p>	<p>We considered the methodologies and judgments used in:</p> <ul style="list-style-type: none"> <li>• Management's estimate of the collectability of receivables is based on Management's assessment of the likelihood of receivable payments on individual accounts</li> <li>• The Authority's Net Pension Liability (NPL) is measured as the proportionate share of the NPL. The NPL is measured as of June 30, 2023. The total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. Using the Authority's individual employer rate plan's share of the risk pool TPL and Fiduciary Net Position (FNP), the proportionate shares of the TPL and FNP at the measurement date are determined for the Authority by the actuary.</li> <li>• The Authority's Net OPEB Liability (NOL) and related deferred inflows and deferred outflows are based upon an actuarial valuation dated December 31, 2021, with a measurement date of December 31, 2022.</li> </ul> <p>We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole. In addition, the related financial statement disclosures are neutral, consistent and clear.</p>

# RESULTS OF THE AUDIT

<p><b>Planned Scope and Timing of the Audit</b></p>	<p>We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.</p>
<p><b>Risk Assessment Process</b></p> <p>In order to design appropriate audit procedures in accordance with GAAS, the engagement team is required to perform a risk assessment during its audit planning process.</p>	<p>Auditing standards require us to consider the following risks of material misstatement when planning our audit:</p> <ul style="list-style-type: none"> <li>• Improper revenue recognition due to fraud.</li> <li>• Management override of controls.</li> </ul> <p>As part of our audit planning process, we identified the following additional significant risks of material misstatement which were addressed by our audit procedures:</p> <ul style="list-style-type: none"> <li>• Improper accounting for new and unusual transactions.</li> <li>• Lack of segregation of duties at the Paymaster.</li> <li>• Limited oversight over Controller.</li> <li>• Undisclosed related parties due to Board relationships.</li> </ul>
<p><b>Other Audit Findings or Issues</b></p>	<p>We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p><b>Significant Adjustments or Disclosures Not Reflected in the Financial Statements</b></p> <p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.</p>	<p>No significant adjustments or omitted disclosures were identified during our audit.</p>

**CALIFORNIA AUTHORITY  
OF RACING FAIRS**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED  
DECEMBER 31, 2023 (AUDITED)  
AND 2022 (REVIEWED)**

# CALIFORNIA AUTHORITY OF RACING FAIRS

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## **INDEPENDENT AUDITOR’S REPORT**

**Board of Directors  
California Authority of Racing Fairs  
Sacramento, California**

### ***Opinion***

We have audited the accompanying financial statements of the California Authority of Racing Fairs (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the California Authority of Racing Fairs as of December 31, 2023, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the California Authority of Racing Fairs, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor’s Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and



therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Authority's Proportionate Share of the Net Pension Liability, Schedule of the Authority's Pension Contributions, Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios, and Schedule of the Authority's OPEB Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The combining statement of revenues, expenses, and changes in net position is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of revenues, expenses, and changes in net position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The ADW Racing Activity has not been subjected to the procedures applied in the audit of the basic financial statements and we do not express an opinion or provide any assurance on it.

***Emphasis of Matter***

We did not audit the 2023 activity as disclosed in Note 8. The activity is being examined by other accountants, but no report was available as of the issuance of the Authority's audit report. The 2022 activity was examined by other accountants, whose report dated May 3, 2023, was furnished to us, and our audit, insofar as it relates to the amounts included for live racing, is based on the report of other accountants.

***Report on 2022 Financial Statements***

The December 31, 2022 financial statements were reviewed by us, and in our conclusion dated November 3, 2023, we were not aware of any material modifications that should be made to the 2022 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Gilbert CPAs*

**GILBERT CPAs  
Sacramento, California**

**November 25, 2024**

# CALIFORNIA AUTHORITY OF RACING FAIRS

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

---

The following report reflects the financial condition of California Authority of Racing Fairs (CARF) for the year ended December 31, 2023. It is provided in order to enhance the information in the financial review and should be reviewed in concert with that report.

### Financial Highlights, December 31, 2023

- **Total Operating Revenues:** In 2023, total operating revenues reached \$3,153,500, reflecting a decrease of 1.36% (or \$43,390) compared to the previous year. This decline can be attributed to reduced revenue from racing fairs, despite a slight increase in administrative fees. The live racing member fairs, including the Alameda County Fair, California State Fair, Humboldt County Fair, and Big Fresno Fair, hosted 35 live racing days in both 2022 and 2023. Additionally, combined brick-and-mortar handle decreased approximately 7.1%, from \$45,056,414 in 2022 to \$41,842,258 in 2023, while ADW handle dropped about 9.5%, from \$56,926,618 to \$51,523,341.
- **Total Operating Expenses:** Operating expenses for 2023 amounted to \$3,064,503, down 1.01% (or \$31,141) from the previous year. This decrease was driven by lower live racing expenses, an increase in salaries and benefits, and a reduction in other operating costs related to the ongoing development of Calypso Challenge LLC.
- Government Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71 (GASB 71), *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* (collectively, the Statements) was implemented during the fiscal year ended December 31, 2015. The net pension liability as of December 31, 2023 was \$1,223,711.
- Government Accounting Standards Board Statement No. 75 (GASB75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* was implemented during the fiscal year ended December 31, 2018. The Agency's OPEB asset as of December 31, 2023 was \$151,416.

### Description of the Basic Financial Statements

CARF financial statements are prepared in conformity with generally accepted accounting principles. A Statement of Net Position, a Statement of Revenues, Expenses & Changes in Net Position, and the Statement of Cash Flows are included along with Notes to Financial Statements to clarify unique accounting policies and financial information.

The Statement of Net Position provides information on all the Authority program assets, deferred outflows, liabilities and deferred inflows with the difference reported as Net Position. Net Position may be an indicator of the overall financial changes across the years. The "Statement of Revenues, Expenses, Changes in Net Position", presents information showing total revenues versus total expenses and the resulting effect on Net Position. The Statement of Cash Flows presents the cash provided by and used by CARF during the year resulting in the ending cash balance.

CARF's accounting system is organized so that each program can be accounted for and evaluated independently. Separate governmental enterprise funds are operated for the remaining Fairs' Equipment Replacement, Revenue Generating/Mini Satellite Development, Track Safety and Maintenance and other funds. The assets, liabilities, revenues and expenses for all funds are reported on a full accrual basis.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

Gilbert CPAs, Certified Public Accountants, have performed an independent audit of our financial statements in accordance with Generally Accepted Auditing Standards. Their opinion is included in the Financial Section of this report.

### Agency Wide Financial Analysis CARF's Statement of Net Position

	12/31/2023	Percentage	12/31/2022	Percentage	12/31/2021	Percentage
Current Assets	\$ 3,834,783	95.21%	\$ 3,395,825	85.38%	\$ 4,247,625	85.71%
Fixed Assets	41,721	1.04%	56,010	1.41%	106,646	2.15%
Other Non-Current Assets	151,416	3.75%	525,379	13.21%	601,917	12.14%
<b>Total Assets</b>	<b>4,027,920</b>	<b>100.00%</b>	<b>3,977,214</b>	<b>100.00%</b>	<b>4,956,188</b>	<b>100.01%</b>
<b>Deferred Outflows of Resources:</b>	<b>719,668</b>		<b>623,907</b>		<b>153,882</b>	
Current Liabilities	1,787,892	45.89%	1,629,999	44.70%	2,407,615	61.63%
Non-Current Liabilities	2,108,222	54.11%	2,016,743	55.30%	1,499,043	38.37%
<b>Total Liabilities</b>	<b>3,896,114</b>	<b>100.00%</b>	<b>3,646,742</b>	<b>100.00%</b>	<b>3,906,658</b>	<b>100.00%</b>
<b>Deferred Inflows of Resources:</b>	<b>179,407</b>		<b>378,501</b>		<b>733,323</b>	
Net Investment in Capital Assets	41,721	6.21%	56,010	9.76%	106,646	22.69%
Restricted Net OPEB	151,416	22.53%	523,379	91.20%	601,917	128.04%
Unrestricted	478,930	71.26%	(5,511)	-0.96%	(238,474)	-50.73%
<b>Total Net Position</b>	<b>\$ 672,067</b>	<b>100.00%</b>	<b>\$ 573,878</b>	<b>100.00%</b>	<b>\$ 470,089</b>	<b>100.00%</b>

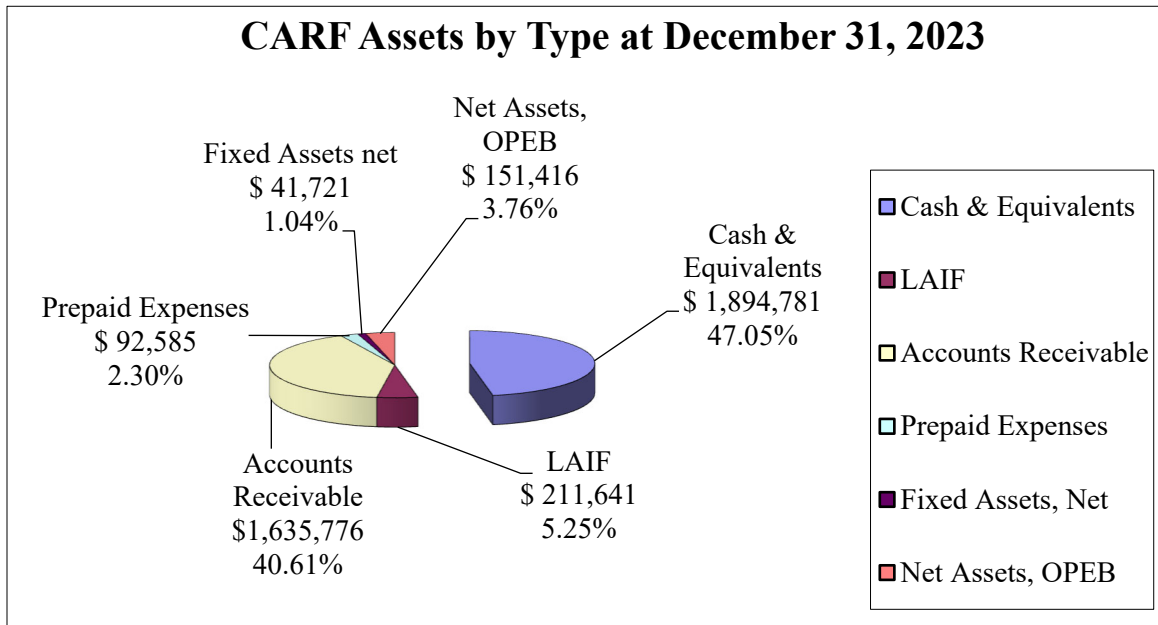
Unrestricted Net Position deficit in 2022 and 2021 was due to GASB 68 pension liability which is a long-term liability that is not due immediately and does not impact operations in the next 12 months.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

### Assets

Total agency assets increased \$50,706 from \$3,977,214 as of December 31, 2022 to \$4,027,920 at December 31, 2023.



### Deferred Outflows and Inflows of Resources

The deferred outflows of resources related to pensions and OPEB rose in 2023, increasing from \$623,907 to \$719,668. Conversely, the deferred inflows of resources for pensions and OPEB decreased from \$378,501 to \$179,407. These fluctuations are mainly attributed to the variances between projected and actual earnings on plan investments within the OPEB and pension plans.

### Program Liabilities

Total Liabilities increased from \$3,646,742 as of December 31, 2022 to \$3,896,114 as of December 31, 2023. The net pension liability was \$1,223,711 for 2023 compared to \$1,120,187 for 2022. Additionally, purse overpayments in 2023 caused the purse account balance to decrease from \$629,385 to \$201,626, as the amounts paid out exceeded the purses generated. All other liabilities listed in the Statement of Net Position pertain to the actual obligations of the individual programs.

### Revenues and Expenses

Operating revenues include various Member contributions, administrative fees, reimbursements from racing fairs, program revenues, and income from other projects. These revenues declined from \$3,196,890 in 2022 to \$3,153,500 in 2023. Similarly, operating expenses decreased from \$3,095,644 in 2022 to \$3,064,503 in 2023.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

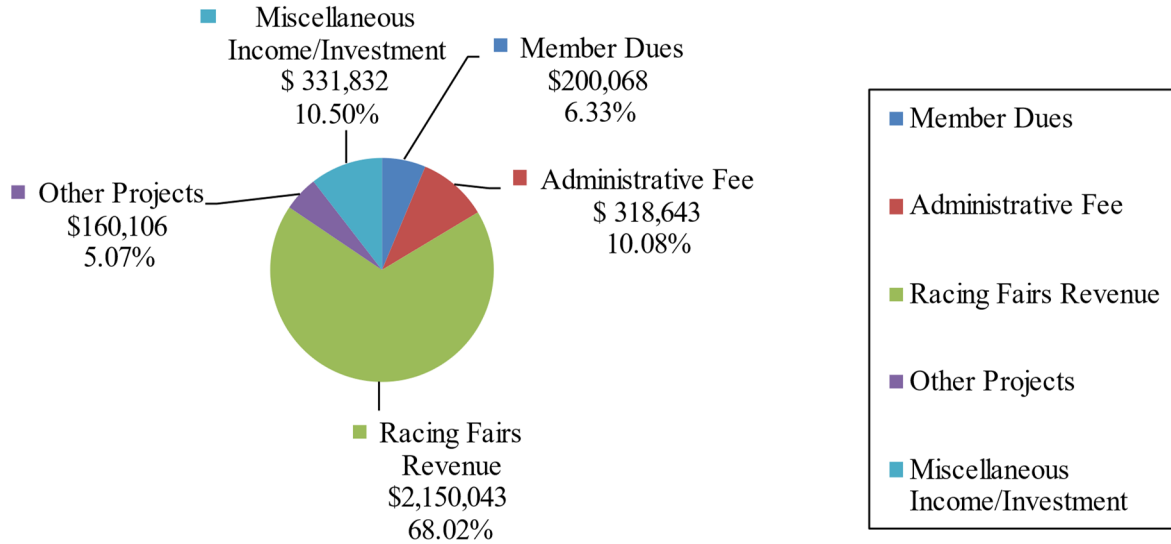
### CARF Statements of Revenue, Expenses, and Changes in Net Position

Operating Revenues	Year Ended 12/31/2023	Year Ended 12/31/2022	Percentage Change	Year Ended 12/31/2021	Percentage Change
Member Dues	\$ 200,068	\$ 200,067	0.00%	\$ 201,064	-0.50%
Administrative Fee	318,643	299,797	6.29%	299,797	0.00%
Programs	0	0	0.00%	34	-100.00%
Racing Fairs Revenue	2,150,043	2,178,073	-1.29%	1,555,565	40.02%
Other Projects/Purse Rec.	160,106	163,601	-2.14%	46,967	248.33%
Miscellaneous Income/Other	324,640	355,352	-8.64%	204,227	74.00%
<b>Total Operating Revenues</b>	<b>3,153,500</b>	<b>3,196,890</b>	<b>-1.36%</b>	<b>2,307,654</b>	<b>38.53%</b>
<b>Operating Expenses</b>					
Racing Projects	\$160,106	\$163,601	-2.14%	\$46,967	248.33%
Live Racing Fairs	1,127,873	1,210,085	-6.79%	749,210	61.51%
Salaries and Benefits	888,142	613,432	44.78%	477,663	28.42%
Accounting and Legal	156,513	151,016	3.64%	201,554	-25.07%
Travel and Meetings	77,524	87,404	-11.30%	59,288	47.42%
Other Operating	654,345	870,106	-24.80%	594,943	46.25%
<b>Total Operating Expenses</b>	<b>3,064,503</b>	<b>3,095,644</b>	<b>-1.01%</b>	<b>2,129,625</b>	<b>45.36%</b>
<b>Operating Gain/(Loss)</b>	<b>88,997</b>	<b>101,246</b>	<b>12.10%</b>	<b>178,029</b>	<b>43.13%</b>
Gain on forgiveness of paycheck protection program loan	0	0	0.00%	126,300	0.00%
Investment Income	7,192	4,543	58.31%	249	1724.50%
Increase/(decrease) in net assets	96,189	105,789	9.07%	304,578	65.27%
<b>Beginning Net Position</b>	<b>575,878</b>	<b>470,089</b>	<b>22.50%</b>	<b>165,511</b>	<b>184.02%</b>
<b>Ending Net Position</b>	<b>\$ 672,067</b>	<b>\$ 575,878</b>	<b>16.70%</b>	<b>\$ 470,089</b>	<b>22.50%</b>

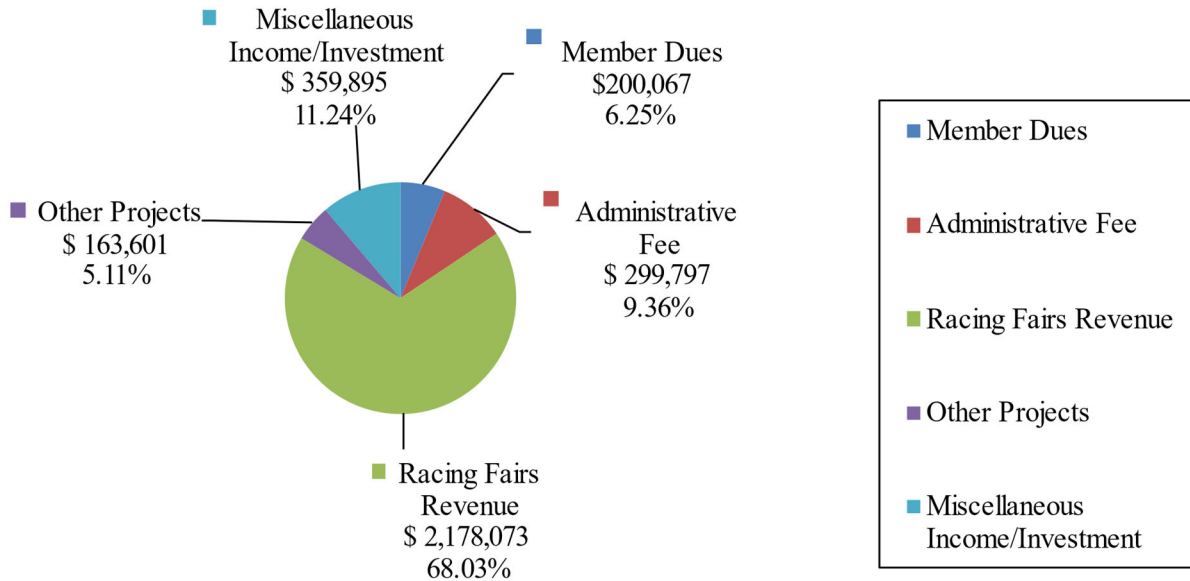
# CALIFORNIA AUTHORITY OF RACING FAIRS

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

### 2023 Operating and Non -Operating Revenues



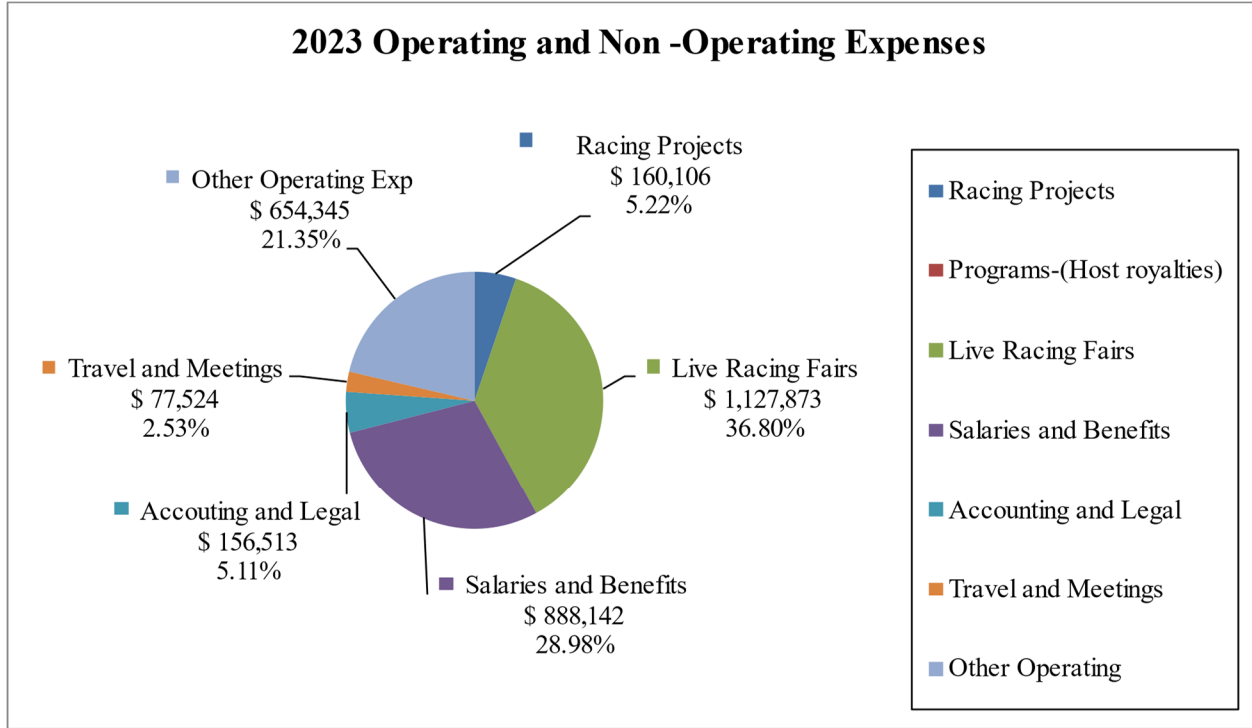
### 2022 Operating and Non -Operating Revenues



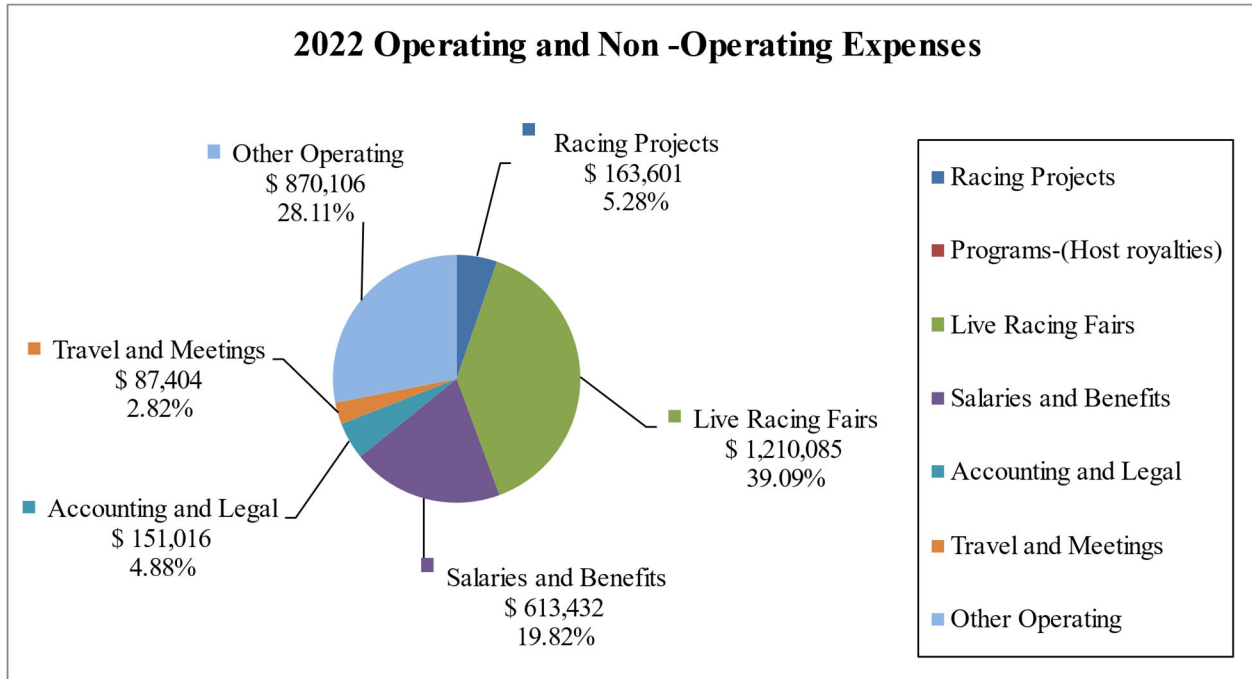
# CALIFORNIA AUTHORITY OF RACING FAIRS

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

### 2023 Operating and Non -Operating Expenses



### 2022 Operating and Non -Operating Expenses





# CALIFORNIA AUTHORITY OF RACING FAIRS

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

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### Budgetary Highlights

Each year, the CARF Board of Directors approves a budget and sets rates and funding levels for all programs. This budget is presented to the Board for approval towards the end of the current year.

Below is a summary of budget information compared to actual revenues and expenditures. Note that individual line items are based on internal financial statements and may differ from the reviewed financial statements due to variations in the classification of certain revenues and expenses.

### Significant Variances

- **Agency Revenues:** In 2023, revenues reached 127% of the budget, largely due to the reclassification of Calypso Challenge LLC transactions included in Change Fund revenues.
- **Agency Expenses:** Total expenses were 98% of the budget. While audit services and telephone expenses exceeded expectations at 138%, savings in other operating expenses helped keep overall expenses within budget. Additionally, costs for contracted services related to Calypso Challenge LLC were reclassified.
- **Live Racing Revenues and Expenses:** Both revenues and expenses for live racing were 99% of the approved budget. Operating expenses for live racing were 103% of the budget, whereas racing support services were at 97%.
- **Net Income:** The difference between the reviewed report and the agency's budgeted financial statement is primarily due to the impacts of GASB 68 and GASB 75, which were not included in the agency's budgeted figures.

### Subsequent Events

In 2023, Golden Gate Fields announced it would cease live racing activities, closing its track on June 11, 2024. While CARF does not transact directly with Golden Gate Fields, this closure is anticipated to significantly impact the live racing ecosystem in Northern California, potentially affecting CARF's financial results. The California Horse Racing Board (CHRB) has approved the transition of northern racing to CARF for October to December 2024 under a new meet called Golden State Racing @ Pleasanton. Additionally, the racing calendar for January to June 2025 has also been approved for CARF/Golden State Racing @ Pleasanton.

### Required Supplementary Information

Following the basic financial statements is required supplementary information which provides further detail of prorated share of net pension liability, the pension contributions, changes in the net OPEB liability and related ratios, and the OPEB contributions.

### Conclusion

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in California Authority of Racing Fair's finances. Questions concerning any of the information should be addressed to the Financial Officer, 1776 Tribute Road, Suite 150, Sacramento, California 95815.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## STATEMENTS OF NET POSITION DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

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	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current assets:		
Cash and equivalents	\$ 2,106,422	\$ 2,053,179
Accounts receivable	1,463,082	1,065,290
Outstanding/refund tickets	172,694	198,564
Advanced deposit wagering asset	2,374	
Prepaid expenses and deposits	<u>90,211</u>	<u>78,792</u>
Total current assets	<u>3,834,783</u>	<u>3,395,825</u>
Noncurrent assets:		
Net OPEB asset	151,416	525,379
Fixed assets, net	<u>41,721</u>	<u>56,010</u>
Total noncurrent assets	<u>193,137</u>	<u>581,389</u>
Total assets	<u>4,027,920</u>	<u>3,977,214</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred outflows of resources related to pension	459,238	504,448
Deferred outflows of resources related to OPEB	<u>260,430</u>	<u>119,459</u>
Total deferred outflows of resources	<u>719,668</u>	<u>623,907</u>

The accompanying notes are an integral part of these financial statements.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## STATEMENTS OF NET POSITION - CONTINUED DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

	<u>2023</u>	<u>2022</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accruals	\$ 995,174	\$ 338,982
Unredeemed winning tickets	172,694	198,564
Advanced deposit wagering liability		234
Purse liability	201,626	629,385
Notes payable, due within one year		83,074
Unearned revenue	<u>418,398</u>	<u>379,760</u>
Total current liabilities	<u>1,787,892</u>	<u>1,629,999</u>
Noncurrent liabilities:		
Member equipment replacement fund	354,134	260,252
Net pension liability	1,223,711	1,120,187
Change fund liability	<u>530,377</u>	<u>636,304</u>
Total noncurrent liabilities	<u>2,108,222</u>	<u>2,016,743</u>
Total liabilities	<u>3,896,114</u>	<u>3,646,742</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred inflows of resources related to pension	147,011	167,710
Deferred inflows of resources related to OPEB	<u>32,396</u>	<u>210,791</u>
Total deferred inflows of resources	<u>179,407</u>	<u>378,501</u>
<b>NET POSITION:</b>		
Net investment in capital assets	41,721	56,010
Restricted for OPEB	151,416	525,379
Unrestricted	<u>478,930</u>	<u>(5,511)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 672,067</u>	<u>\$ 575,878</u>

The accompanying notes are an integral part of these financial statements.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEARS ENDED DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

	<u>2023</u>	<u>2022</u>
<b>OPERATING REVENUES:</b>		
Member dues	\$ 200,068	\$ 200,067
Administration fees	318,643	299,797
Live racing reimbursements	2,150,043	2,178,073
Purse receivable from members	160,106	163,601
Miscellaneous income	324,640	355,352
Total operating revenue	<u>3,153,500</u>	<u>3,196,890</u>
<b>OPERATING EXPENSES:</b>		
Live racing	1,127,873	1,210,085
Salaries and benefits	888,142	613,432
Racing projects	160,106	163,601
Accounting and legal	156,513	151,016
Travel and meetings	77,524	87,404
Other operating	654,345	870,106
Total operating expenses	<u>3,064,503</u>	<u>3,095,644</u>
Operating income	88,997	101,246
<b>NON-OPERATING INCOME:</b>		
Investment income	<u>7,192</u>	<u>4,543</u>
Increase in net position	96,189	105,789
Net position, beginning of year	<u>575,878</u>	<u>470,089</u>
Net Position, end of year	<u>\$ 672,067</u>	<u>\$ 575,878</u>

# CALIFORNIA AUTHORITY OF RACING FAIRS

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from members, member activities, and member support	\$ 2,469,706	\$ 2,453,612
Payments to members, member activities, and member support	(2,109,366)	(3,222,483)
Payments to/on behalf of employees	(210,249)	(206,598)
Other operating receipts	324,640	355,352
Other operating payments	(344,481)	(363,873)
Net cash provided (used) by operating activities	<u>130,250</u>	<u>(983,990)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of fixed assets	(1,125)	(67,189)
Investment income	<u>7,192</u>	<u>4,543</u>
Net cash provided (used) by investing activities	<u>6,067</u>	<u>(62,646)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on note payable	<u>(83,074)</u>	<u>(83,075)</u>
Increase (decrease) in cash and equivalents	53,243	(1,129,711)
Cash and equivalents – beginning of year	<u>2,053,179</u>	<u>3,182,890</u>
Cash and equivalents – end of year	<u>\$ 2,106,422</u>	<u>\$ 2,053,179</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 88,997	\$ 101,246
Reconciliation to net cash provided (used) by operating activities:		
Depreciation expense	15,414	117,825
Changes in:		
Accounts receivable	(397,792)	(234,627)
Outstanding/refund tickets	25,870	(39,120)
Prepaid expenses and deposits	(11,419)	(4,164)
Net OPEB asset	373,963	76,538
Deferred outflows of resources	(95,761)	(470,025)
Accounts payable and accruals	656,192	(513,882)
Net pension liability	103,524	703,520
Change fund liability	(105,927)	(259,428)
Unredeemed winning tickets	(25,870)	39,120
Advanced deposit wagering liability	(2,608)	234
Purse liability	(427,759)	(149,789)
Deferred revenue	38,638	(153,299)
Deferred inflows of resources	(199,094)	(354,822)
Member equipment replacement fund	<u>93,882</u>	<u>156,683</u>
Net cash provided (used) by operating activities	<u>\$ 130,250</u>	<u>\$ (983,990)</u>

The accompanying notes are an integral part of these financial statements.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

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### 1. SIGNIFICANT ACCOUNTING POLICIES

#### ORGANIZATION

The California Authority of Racing Fairs (the Authority) was created in 1986, as authorized by the California Government Code, Sections 6500, et. seq. The Government Code authorizes two or more public agencies to jointly exercise common powers by agreement (Section 6502). In addition, the Government Code specifically authorizes public agencies conducting fairs to enter into a joint powers agreement to form pooling arrangements for losses incurred by such agencies (Section 6516). Section 6516 states that the Department of Food and Agriculture may enter into such a joint powers agreement on behalf of district agricultural associations and citrus fruit fairs. The power of a joint powers agency “is subject to the restrictions upon the manner of exercising the power of one of the contracting parties, which party shall be designated by the agreement” (Section 6509).

The primary activities of the Authority include:

- Providing a central administrative body to represent its members and handle their mutual concerns and requirements. Annual dues are charged to each member on a calendar year basis. Administrative fees are charged for various programs administered by the Authority.
- Coordinating and promoting live racing at member fairs.
- Promoting satellite wagering and account deposit wagering in California through the legislature.
- Providing the necessary legal vehicle for the ongoing operation of the satellite wagering system.
- Administering various construction, equipment replacement, and maintenance funds on behalf of its members.

#### BASIS OF ACCOUNTING

The accounting records of the Authority are kept on the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

#### USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### STATEMENTS OF CASH FLOWS

With regards to the statements of cash flows, the Authority considers cash in banks, all money market funds, and cash in the Local Agency Investment Fund (LAIF) to be cash equivalents. The Authority records its cash in the LAIF at fair value. Changes in fair value are reported as revenue in the statement of operations. The Authority’s investment in LAIF is valued based on the relative fair value of the entire external pool to the external pool’s respective amortized cost.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

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### OUTSTANDING/REFUNDING TICKETS

Pari-mutuel tickets (Outs), winning wagers that are unclaimed, refunds, and wagers that are scratched are purged on May 15th of the year following the year in which the meet at which they were purchased concludes. By law, they are split between CHRB, Horsemen's Welfare Fund, Tracks, and Purses, or held for three years before escheating to the State as unclaimed personal property.

### FIXED ASSETS

Fixed assets are stated at cost. Major additions are capitalized, and repair and maintenance costs are expensed. Depreciation is computed using the straight-line method over estimated useful lives of three years for automobiles and computer equipment and five years for furniture and equipment. When assets are sold or abandoned, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in the Statement of Revenues, Expenses, and Changes in Net Position.

### UNEARNED REVENUE

Amounts received but for which the earning process has not yet been completed are recorded as unearned revenue.

### DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets and liabilities, the Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Contributions made to the Authority's pension and OPEB plan(s) after the measurement date but before the fiscal year-end are recorded as deferred outflows of resources and will reduce the net pension liability and net OPEB liability in the next fiscal year.

Additional factors involved in the calculation of the Authority's pension and OPEB expense and liabilities include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the Authority's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Note 6 for further details related to these pension deferred outflows and inflows. See Note 7 for details related to the OPEB deferred outflows and inflows.

### PENSIONS

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's portion of the California Public Employees' Retirement System (CalPERS) Miscellaneous plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported to CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's (OPEB Plan) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

### 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents:		
Deposits with financial institutions	\$ 1,364,344	\$ 1,805,346
Money market	530,437	43,167
Deposits in LAIF	<u>211,641</u>	<u>204,666</u>
Total cash and cash equivalents	<u>\$ 2,106,422</u>	<u>\$ 2,053,179</u>

#### Local Agency Investment Fund

The Authority is a voluntary participant in LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Separate complete financial statements are available at P.O. Box 942809, Sacramento, CA 94209-0001.

### 3. FIXED ASSETS

Fixed assets activity consisted of the following during the year ended December 31, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Vehicles	\$ 352,786			\$ 352,786
Furniture and equipment	857,321			857,321
Computers	49,269	\$ 1,125		50,394
Total	<u>1,259,376</u>	<u>1,125</u>		<u>1,260,501</u>
Less accumulated depreciation	<u>(1,203,366)</u>	<u>(15,414)</u>		<u>(1,218,780)</u>
Fixed assets - net	<u>\$ 56,010</u>	<u>\$ (14,289)</u>	<u>\$</u>	<u>\$ 41,721</u>



# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

Fixed assets activity consisted of the following during the year ended December 31, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Vehicles	\$ 287,786	\$ 65,000		\$ 352,786
Furniture and equipment	857,321			857,321
Computers	47,080	2,189		49,269
Total	1,192,187	67,189		1,259,376
Less accumulated depreciation	<u>(1,085,541)</u>	<u>(117,825)</u>		<u>(1,203,366)</u>
Fixed assets - net	<u>\$ 106,646</u>	<u>\$ (50,636)</u>	<u>\$</u>	<u>\$ 56,010</u>

#### 4. NOTES PAYABLE

In February 2018, the Authority entered into notes payable totaling \$415,371 (including principal and interest), to finance the purchase of equipment. The notes payable were secured by the equipment, bore interest at 2.90%, and had payments of \$83,074 due annually beginning February 2019. Final payments on the notes were made in 2023.

#### 5. DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all regular employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The Authority does not make contributions to the plan.

In 1997, the Board authorized revisions to the plan to implement federal legislative changes. These changes clarified that plan assets are held for the benefit of participating employees and are not subject to claims by creditors of the Authority. Therefore, the plan is not included in the Authority's financial statements.

#### 6. EMPLOYEE RETIREMENT SYSTEM

##### Plan Description

The Authority provides pension benefits to its employees through the California Authority of Racing Fairs Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan maintained by CalPERS, an agency of the State of California. The Authority had less than 100 active members as of the June 30, 2023 actuarial valuation. As a result, qualified employees are covered under the Miscellaneous 2% at 55 Risk Pool. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at [www.calpers.ca.gov](http://www.calpers.ca.gov).

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

### Benefits Provided

The benefits for the Plan are established by contract with CalPERS, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. To be eligible for service retirement, members must be at least 50 and have a minimum of five years of CalPERS-credited service. Members after January 1, 2013 must be at least 52.

### Contributions

Section 20814(c) of the PERL requires employer contribution rates for all public employers be determined on an annual basis by the actuary and are effective on the July 1 following notice of a change in the rate. The contributions are determined through the CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The Authority's required contribution rate for the June 30, 2023 measurement period was 10.32% and 7.47% of annual pay for Classic and PEPRA employees, respectively. Employer contributions rates may change if plan contracts are amended. The Authority makes the contributions required of certain Authority employees on their behalf and for their account. For the year ended December 31, 2023 and 2022, the employer contributions to the plan were \$78,158 and \$69,197, respectively.

### Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

The Authority's Net Pension Liability (NPL) for the Plan is measured as the proportionate share of the NPL. The NPL of the Plan is measured as of June 30, 2023 and 2022 for the years ended December 31, 2023 and 2022, respectively. The total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2022 and 2021 rolled forward to June 30, 2023 and 2022, respectively, using standard update procedures. As of December 31, 2023 and 2022, the Authority's proportionate share of the Plan's NPL was \$1,223,711 and \$1,120,187, respectively.

Using the Authority's individual employer rate plan's share of the risk pool TPL and Fiduciary Net Position (FNP), the proportionate shares of the TPL and FNP at the measurement date are determined for the Authority by the actuary. The Authority's employer allocation factor for the Plan as of June 30, 2023 was as follows:

#### **2023:**

	<u>Plan</u>
Proportion - June 30, 2023	0.0244720%
Proportion - June 30, 2022	<u>0.0239400%</u>
Change - increase	<u>0.0005320%</u>

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

**2022:**

	<b>Plan</b>
Proportion - June 30, 2022	0.0239400%
Proportion - June 30, 2021	0.0219437%
Change - increase	0.0019963%

For the year ended December 31, 2023, the Authority recognized pension expense of \$206,193. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 62,514	\$ (9,697)
Changes in assumptions	73,881	
Net differences between projected and actual investment earnings of pension plan investments	198,130	
Change in proportions	81,008	
Change in proportionate share of contributions		(137,314)
Pension contributions subsequent to measurement date	43,705	
Total	\$ 459,238	\$ (147,011)

The \$43,705 reported as deferred outflows of resources related to employer contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ending December 31, 2024. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Year Ended December 31</b>		
2024	\$	75,698
2025		51,319
2026		135,821
2027		5,684
Total	\$	268,522

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

For the year ended December 31, 2022, the Authority recognized pension expense of \$96,887. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 22,496	\$ (15,067)
Changes in assumptions	114,787	
Net differences between projected and actual investment earnings of pension plan investments	205,189	
Change in proportions	124,756	
Change in proportionate share of contributions		(152,643)
Pension contributions subsequent to measurement date	37,220	
Total	\$ 504,448	\$ (167,710)

The \$37,220 reported as deferred outflows of resources related to employer contributions subsequent to the measurement date was recognized as a reduction of the NPL in the year ending December 31, 2023. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Year Ended December 31</b>	
2023	\$ 65,569
2024	66,044
2025	42,402
2026	125,503
Total	\$ 299,518

### Actuarial Assumptions

For the measurement period ended June 30, 2023 (the measurement date), the TPL was determined by rolling forward the June 30, 2022 TPL. The June 30, 2023 was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS' Membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

<sup>(1)</sup> The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

### Changes in Assumptions

For the measurement period ended June 30, 2023, there were no changes in assumptions that applied to the Plan. For the measurement period ended June 30, 2022, the accounting discount rate was reduced from 7.15% to 6.90%.

### Discount Rate

The discount rate used to measure the TPL for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the longer term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 – 10<sup>(a)(b)</sup></u>
Global Equity – cap-weighted	30.00%	4.54%
Global equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporations	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00)	(0.59)
Total	<u>100.00%</u>	

<sup>(a)</sup> An expected inflation of 2.30% was used for this period.

<sup>(b)</sup> Figures are based on the 2021-22 Asset Liability Management study.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

### Sensitivity of the Authority's Proportional Share of the NPL to Changes in the Discount Rate

The following presents the Authority's Proportional Share of the NPL of the Plan as of the June 30, 2023 measurement date, calculated using the discount rate of 6.90%, as well as what the Authority's Proportional Share of the NPL would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	<b>Discount Rate – 1% (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>Discount Rate + 1% (7.90%)</b>
Authority's Proportionate Share of Plan's NPL	\$ 1,897,702	\$ 1,223,711	\$ 668,959

The following presents the Authority's Proportional Share of the NPL of the Plan as of the June 30, 2022 measurement date, calculated using the discount rate of 6.90%, as well as what the Authority's Proportional Share of the NPL would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	<b>Discount Rate – 1% (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>Discount Rate + 1% (7.90%)</b>
Authority's Proportionate Share of Plan's NPL	\$ 1,764,638	\$ 1,120,187	\$ 589,963

## 7. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

### Plan Description

In addition to the pension benefits described in Note 6, the Authority provides other postemployment health, dental, and long term care benefits for eligible retired employees and their dependents through the California Authority of Racing Fairs OPEB Plan (the Plan). The Authority, through the authorization of its Board of Directors, elected to establish an irrevocable trust for the Plan through the California Employers' Retiree Benefit Trust (CERBT) Fund, an agent multiple-employer plan, administered by CalPERS. The CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance with the terms of the participating employers' plans. The CERBT offers three investment strategies for employers to choose from depending on their expected levels of return and volatility. Benefit provisions are established by the Authority.

### Benefits Provided

*Medical benefits provided:* The Authority's medical benefits provided to retirees are based on Government Code sections collectively known as Public Employees' Medical & Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (age 52, if a miscellaneous employee new to PERS on or after January 1, 2013) with 5 years of State or public agency service or (b) an approved disability retirement. Once eligible, coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

As a condition of participation in the CalPERS medical program, the Authority is obligated to contribute toward retiree medical premiums for the retiree’s lifetime or until coverage is discontinued. The maximum monthly benefits paid by the Authority in 2023 are equal to the maximum amounts provided by the “100/90” formula, as shown below.

### 2023 Subsidy for the 100/90 Formula

<u>Retiree</u>	<u>Retiree + 1</u>	<u>Retiree + 2</u>
\$883	\$1,699	\$2,124

*Dental and long-term care benefits provided:* the Authority currently subsidizes dental and long term care premiums for eligible retired employees and their dependents, up to fixed dollar amounts varying by coverage level. Eligibility requirements for subsidized dental and long-term care are shown in the chart below.

Coverage	Hire Date	Minimum Years of Service	Minimum PERS Years of Service	Date of Retirement	Lifetime Benefit: 100% of premiums up to maximums shown below	Extends to Survivors
Dental	Any	10	Any	On or after August 1, 2015	100% for employee and dependents	Yes
Long-Term Care					100% for employee & spouse up to \$184.17	

The 2023 maximum portion of the dental premiums paid by the Authority are \$54.08 for single coverage and \$138.50 for family coverage.

As of the December 31, 2021 actuarial valuation, the following inactive and active employees were covered by the benefit terms under the OPEB Plan:

Inactive employees receiving benefits	6
Inactive employees entitled to but not receiving benefits	0
Participating active employees	4
Total	10

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

### Contributions

The Authority provides benefits on a pay-as-you-go basis, and also makes contributions to the OPEB Trust. The Authority's policy is to prefund their benefits by contributing the full actuarially determined contribution, or more, to the CERBT each year. Because trust assets exceed TOL as of the measurement date, the Actuarial Determined Contribution (ADC) in fiscal year 2023 and 2022 was \$0. The Authority's employees are not required to contribute to the Plan.

### Net OPEB Liability

The Authority's net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated December 31, 2022, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	5.55%
Inflation	2.50%
Salary Increases <sup>(1)</sup>	3.00%
Investment Rate of Return <sup>(2)</sup>	5.55%
Mortality <sup>(3)</sup>	MacLeod Watts Scale 2022
Health care cost trend rates <sup>(4)</sup>	See table below

Year beginning January 1	Premium Increase
2023	5.80%
2024	5.60%
2025	5.40%
2026-2027	5.20%
2028-2029	5.10%
2030-2038	5.00%
2039 & Later	4.90%-4.80%

- (1) Since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years.
- (2) Net of OPEB plan investment expense; includes inflation and a margin for adverse investment return
- (3) The MacLeod Watts Scale 2022 was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2021 Report, published in October 2021 and (2) the demographic assumption used on the 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published August 2021.
- (4) Dental plan premiums are assumed to increase by 3.5% per year.



# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

### Changes in Assumptions

For the measurement periods ended December 31, 2022, there were no changes in assumptions that applied to the Plan. For the measurement period ended December 31, 2021, the discount rate and trust rate of return were reduced from 6.00% to 5.55%.

### Discount Rate

The discount rate used to measure the total OPEB liability was 5.5 percent. The projection of cash flows used to determine the discount rate assumed that Authority will continue contributing 100% or more of the actuarially determined contributions each year, consistent with past practice. An actuarially determined contribution is determined to ensure the trust has sufficient assets to pay benefits when due. Therefore, with the Authority's approval, the discount rate used in this valuation is 5.5 percent, the agency's expectation of the long-term expected return on trust assets.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CERBT took into account long-term market return expectations as well as the expected trust fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term.

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Expected Real Rate of Return Years 1-10<sup>5</sup></b>
Public Equity	34.00%	4.50%
Fixed Income	41.00%	1.40%
Global Real Estate (REITs)	17.00%	3.70%
Treasury Inflation Protected Securities	5.00%	0.50%
Commodities	3.00%	1.10%
Total	<u>100.00%</u>	

<sup>(5)</sup> Real rates of return come from a geometric representation of returns that assume a general inflation rate of 2.30%.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

### Changes in the Net OPEB Liability

The changes in the Net OPEB liability for the OPEB Plan are as follows:

	<b><u>Increase (Decrease)</u></b>		
	<b>Total OPEB Liability (TOL) (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (Asset) (a)-(b)</b>
Balance at December 31, 2022	\$ 1,117,929	\$ 1,643,308	\$ (525,379)
(Roll back balance at December 31, 2021 measurement date)			
Changes recognized for the measurement period:			
Service cost	35,445		35,445
Interest on TOL	62,881		62,881
Differences between expected and actual experience			
Expected investment income		90,441	(90,441)
Contributions—employer		13,996	(13,996)
Contributions—employee			
Investment experience		(379,368)	379,368
Changes of assumptions			
Benefit payments	(40,773)	(40,773)	
Administrative expense		(706)	706
Net changes	<u>57,553</u>	<u>(316,410)</u>	<u>373,963</u>
Balance at December 31, 2023 (Measurement date December 31, 2022)	<u>\$ 1,175,482</u>	<u>\$ 1,326,898</u>	<u>\$ (151,416)</u>

### Sensitivity of the Authority's Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Authority, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate as of December 31, 2023:

	<b><u>Discount Rate -1% (4.55%)</u></b>	<b><u>Current Discount Rate (5.55%)</u></b>	<b><u>Discount Rate +1% (6.55%)</u></b>
Net OPEB liability (asset)	\$ (6,704)	\$ (151,416)	\$ (271,808)

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

The following presents the net OPEB liability of the Authority, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate as of December 31, 2022:

	<b>Discount Rate -1% (4.55%)</b>	<b>Current Discount Rate (5.55%)</b>	<b>Discount Rate +1% (6.55%)</b>
Net OPEB liability (asset)	\$ (384,355)	\$ (525,379)	\$ (642,632)

### Sensitivity of the Authority's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Authority, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate as of ended December 31, 2023:

	<b>Trend Rate -1% (4.55%)</b>	<b>Current Health Care Trend Rate (5.55%)</b>	<b>Trend Rate +1% (6.55%)</b>
Net OPEB liability (asset)	\$ (209,253)	\$ (151,416)	\$ 18,742

The following presents the net OPEB liability of the Authority, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate as of ended December 31, 2022:

	<b>Trend Rate -1% (5.675%)</b>	<b>Current Health Care Trend Rate (6.675%)</b>	<b>Trend Rate +1% (7.675%)</b>
Net OPEB liability (asset)	\$ (657,418)	\$ (525,379)	\$ (363,552)

### OPEB plan fiduciary net position

The OPEB Trust issues a separate financial report that may be obtained by contacting the CalPERS CERBT (OPEB) at 400 Q Street, Sacramento, CA 95811.

### Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

The recognition period differs depending on the source of the gain or loss:

Net differences between projected and actual earnings on OPEB Trust investments	5 years
All other amounts	Expected average remaining service lives (EARSL) of plan participants

### OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ended December 31, 2023, the Authority recognized OPEB expense of \$47,323. At December 31, 2023, the District reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 50,813	\$ 7,088
Differences between expected and actual experience	17,775	25,308
Net difference between projected and actual earnings on OPEB plan investments	199,116	
OPEB contributions subsequent to the measurement date	<u>(7,274)</u>	
Total	<u>\$ 260,430</u>	<u>\$ 32,396</u>

The (\$7,274) reported as deferred outflows of resources related to contributions (reimbursements) subsequent to the December 31, 2022 measurement will be recognized as a reduction (increase) of the net OPEB liability during the fiscal year ending December 31, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Fiscal Year Ended December 31,</u>	
2024	\$ 18,613
2025	77,566
2026	63,257
2027	75,872

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

For the year ended December 31, 2022, the Authority recognized OPEB expense of \$(58,482). At December 31, 2022, the District reported deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 78,132	\$ (16,528)
Differences between expected and actual experience	27,331	(57,752)
Net difference between projected and actual earnings on OPEB plan investments		(136,511)
OPEB contributions subsequent to the measurement date	13,996	
Total	\$ 119,459	\$ (210,791)

The \$13,996 reported as deferred outflows of resources related to contributions subsequent to the December 31, 2021 measurement date was recognized as a reduction of the net OPEB liability during the fiscal year ending December 31, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<b>Fiscal Year Ended December 31,</b>		
2023	\$	(37,276)
2024		(57,217)
2025		1,736
2026		(12,571)

### 8. LIVE RACING FAIR ACTIVITY

The Authority administers the horse racing receipts and disbursements on behalf of the live racing fairs. Such takeout and disbursements are not reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Horse racing receipts and disbursements on behalf of the live racing fairs are detailed as follows for the year ended December 31, 2023:

Receipts:	
Takeout	\$ 8,948,557*
CHRB short/over	(8,844)
Intra outs/refunds	165,349
Misc. revenue	17,400
Programs	14,449
AB509 Los Alamitos Proxy Fees	20,795
Rights Fees/Tattsbet/Tabcorp	45,566
Total receipts	\$ 9,203,272

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

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Expenses:	
License fees	\$ 84,545*
Intrastate/interstate fees	3,103,049*
Location fees	391,827*
City/county fees	88,197*
Stabling/Vanning	418,008*
Equine lab	26,726*
Owners/Breeders	170,814*
Host commission/horsemen	4,743,077*
CHRB Support	175,423*
CHRIMS	10,450*
CHRB Shortfall	<u>(8,844)</u>
Total expenses	<u>\$ 9,203,272</u>

Horse racing receipts and disbursements on behalf of the live racing fairs are detailed as follows for the year ended December 31, 2022:

Receipts:	
Takeout	\$ 9,679,319*
Programs	18,559
CHRB short/over	17,841
Intra outs/refunds	132,973
Rights Fees/Tattsbet/tabcorp non-merged	13,503
Misc. revenue	12,000
TOC purse sponsorship	116,800
AB509 Los Alamitos Proxy Fees	22,728
Elite 17 GWG contract	<u>82,259</u>
Total receipts	<u>\$ 10,095,982</u>
Expenses:	
License fees	\$ 83,434*
Intrastate/interstate fees	3,316,398*
Location fees	434,127*
City/county fees	97,547*
Stabling/Vanning	465,155*
Equine lab	29,560*
Owners/breeders	184,643*
Host commission/horsemen	5,269,467*
CHRB Support	186,172*
CHRIMS	116,29*
CHRB Surplus	<u>17,841*</u>
Total expenses	<u>\$ 10,095,973</u>

\* For 2023, represents activity for which audit by other auditors was not complete as of the issuance of the Authority's audit. For 2022, represents activities for live racing that were audited by other auditors.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (AUDITED) AND 2022 (REVIEWED)

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### 9. MEMBER FUNDS

The Authority administers various construction and maintenance funds on behalf of its members. These transactions are included in the accompanying financial statements. The advances are considered revenue to the extent to which the Authority incurs related expenses. The balances of the funds are classified as liabilities.

### 10. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2023, the Authority used the State Compensation Insurance Fund (SCIF) for Workers' Compensation; Associated Industries Insurance Company for General Liability, Automobile, Public Officials' Errors & Omissions, and Employment Practices Liability; Lexington Insurance Company for property; and National Union Fire Insurance Company for Government Crime bond. Coverage is as follows:

1. Workers' Compensation to statutory limits.
2. Property  
Deductible: \$1,000  
Coverage: All risk at repair or replacement value
3. Liability  
Deductibles: \$1,000 except \$10,000 for employment practices liability  
Coverages and limits: General liability \$3,000,000, Automobile liability \$3,000,000, Public officials' errors and omissions \$3,000,000, Employment Practices liability \$2,000,000.
4. Crime  
Deductible: \$2,500  
Coverages and limits: Public Employee Theft, Including Faithful Performance of Duty, \$1,000,000, Forgery or Alteration including Credit, Debit or Charge Card Forgery \$1,000,000, Theft, Disappearance and Destruction \$1,000,000, Robbery and Safe Burglary \$1,000,000, Computer Fraud including Funds Transfer Coverage \$1,000,000, Money Orders & Counterfeit Paper Currency \$1,000,000.

### 11. SUBSEQUENT EVENT

During 2023, Golden Gate Fields announced that it would cease live racing activities starting June 1, 2024. In light of this change to the racing ecosystem of Northern California, effective August 28, 2024, CARF entered into an agreement with the Alameda County Agricultural Fair Association (the Fair) to jointly administer and operate the races previously held at Golden Gate Fields, at the Alameda County fairgrounds. Additionally, the FAIR issued CARF a \$4,000,000 revolving line of credit for expenditures related to the setup of this agreement, and setup of Golden Gate racing operations at the Alameda County fairgrounds. As of audit issuance, \$3,234,750 had been drawn on the line of credit.

**REQUIRED SUPPLEMENTARY INFORMATION**



**CALIFORNIA AUTHORITY OF RACING FAIRS**

**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
AS OF DECEMBER 31, 2023  
LAST 10 YEARS\***

	<u>Measurement Date</u>									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Authority's proportion of the net pension liability	0.024472%	0.023940%	0.021944%	0.021337%	0.019905%	0.018497%	0.018251%	0.016924%	0.013711%	
Authority's proportionate share of the net pension liability	\$ 1,223,711	\$ 1,120,187	\$ 416,667	\$ 900,032	\$ 797,110	\$ 697,111	\$ 719,467	\$ 587,914	\$ 376,158	
Authority's covered-employee payroll	\$ 510,579	\$ 476,723	\$ 421,065	\$ 520,721	\$ 526,248	\$ 600,423	\$ 694,275	\$ 595,038	\$ 499,136	
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	239.67%	234.98%	98.96%	172.84%	151.47%	116.10%	103.63%	98.80%	75.36%	
Plan fiduciary net position as a percentage of the total pension liability	76.21%	76.68%	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	

**Notes to Schedule:**

**Change of benefit terms** – In 2016 through 2023, there were no changes to the benefit terms.

**Changes in assumptions** – In 2022, the accounting discount rate reduced from 7.15% to 6.90 %. In 2018, the inflation rate was decreased from 2.75% to 2.50%. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, 2019, 2020, 2021 and 2023 there were no changes to the assumptions.

\* Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

**CALIFORNIA AUTHORITY OF RACING FAIRS**

**SCHEDULE OF THE AUTHORITY’S PENSION CONTRIBUTIONS**

**AS OF DECEMBER 31, 2023**

**LAST 10 YEARS\***

	<b>Fiscal Year</b>									
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	
Contractually required contribution (actuarially determined)	\$ (78,158)	\$ (69,197)	\$ (62,657)	\$ (69,751)	\$ (67,573)	\$ (39,059)	\$ (31,389)	\$ (29,537)	\$ (35,190)	
Contributions in relation to the contractually required contributions	<u>78,158</u>	<u>69,197</u>	<u>62,657</u>	<u>69,751</u>	<u>67,573</u>	<u>39,059</u>	<u>31,389</u>	<u>29,537</u>	<u>35,190</u>	
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
Authority’s covered-employee payroll	\$ 529,600	\$ 447,057	\$ 479,571	\$ 447,701	\$ 529,312	\$ 555,163	\$ 593,559	\$ 700,256	\$ 472,976	
Contributions as a percentage of covered-employee payroll	14.76%	15.48%	13.07%	15.58%	12.77%	7.04%	5.29%	4.22%	7.44%	

\* Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## SCHEDULE OF CHANGES IN THE AUTHORITY'S NET OPEB LIABILITY AND RELATED RATIOS FOR THE MEASUREMENT PERIODS ENDED DECEMBER 31, LAST 10 YEARS\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>TOTAL OPEB LIABILITY</b>						
Service cost	\$ 35,445	\$ 34,674	\$ 33,664	\$ 60,492	\$ 58,943	\$ 57,088
Interest	62,881	56,437	53,664	62,210	57,711	53,461
Differences between expected and actual experience		36,887		(155,084)		
Changes of assumptions		105,451		(43,440)	(3,100)	
Benefit payments	<u>(40,773)</u>	<u>(42,919)</u>	<u>(41,318)</u>	<u>(38,255)</u>	<u>(41,974)</u>	<u>(41,190)</u>
<b>NET CHANGE IN TOTAL OPEB LIABILITY</b>	57,553	190,530	46,010	(114,077)	71,580	69,359
<b>TOTAL OPEB LIABILITY, Beginning</b>	<u>1,117,929</u>	<u>927,399</u>	<u>881,389</u>	<u>995,466</u>	<u>923,886</u>	<u>854,527</u>
<b>TOTAL OPEB LIABILITY, Ending (a)</b>	<u>1,175,482</u>	<u>1,117,929</u>	<u>927,399</u>	<u>881,389</u>	<u>995,466</u>	<u>923,886</u>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions—employer	13,996	925			1,623	3,714
Net investment income	(288,927)	156,772	169,861	230,030	(69,133)	160,389
Benefit payments	(40,773)	(42,919)	(41,318)	(38,255)	(41,974)	(41,190)
Administrative expense	<u>(706)</u>	<u>(786)</u>	<u>(692)</u>	<u>(655)</u>	<u>(636)</u>	<u>(624)</u>
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	(316,410)	113,992	127,851	191,120	(110,120)	122,289
<b>PLAN FIDUCIARY NET POSITION, Beginning</b>	<u>1,643,308</u>	<u>1,529,316</u>	<u>1,401,465</u>	<u>1,210,345</u>	<u>1,320,465</u>	<u>1,198,176</u>
<b>PLAN FIDUCIARY NET POSITION, Ending (b)</b>	<u>1,326,898</u>	<u>1,643,308</u>	<u>1,529,316</u>	<u>1,401,465</u>	<u>1,210,345</u>	<u>1,320,465</u>
<b>AUTHORITY'S NET OPEB LIABILITY, Ending (a) - (b)</b>	<u>\$ (151,416)</u>	<u>\$ (525,379)</u>	<u>\$ (601,917)</u>	<u>\$ (520,076)</u>	<u>\$ (214,879)</u>	<u>\$ (396,579)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	112.88%	147.00%	164.90%	159.01%	121.59%	142.93%
Covered-employee payroll	\$ 449,137	\$ 417,092	\$ 447,701	\$ 479,001	\$ 497,659	\$ 538,824
Authority's net OPEB liability as a percentage of covered-employee payroll	-33.71%	-125.96%	-134.45%	-108.58%	-43.18%	-73.60%

**Notes to Schedule:**

There were no changes to benefit terms or assumptions during the measurement periods ending December 31, 2022, 2018 and 2017.

For the measurement period ended December 31, 2021, the discount rate decreased from 6.00% to 5.55%. For the measurement period ended December 31, 2019, the inflation rate decreased from 2.75% to 2.5% and the salary increase rate decreased from 3.25% to 3.00%.

\* Fiscal year 2018 was the 1st year of implementation, therefore only six years are presented.

# CALIFORNIA AUTHORITY OF RACING FAIRS

## SCHEDULE OF AUTHORITY'S OPEB CONTRIBUTIONS AS OF DECEMBER 31, LAST 10 YEARS\*

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarial determined contribution					\$ 9,405	\$ 29,294
Contributions in relation to the actuarially determined contribution	\$ 7,274	\$ (13,996)	_____	_____	_____	(1,623)
Contribution deficiency (excess)	<u>\$ 7,274</u>	<u>\$ (13,996)</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 9,405</u>	<u>\$ 27,671</u>
Covered-employee payroll	446,035	449,137	417,092	447,701	479,001	497,659
Contributions as a percentage of covered-employee payroll	-1.63%	3.12%	0.00%	0.00%	0.00%	0.33%

**Notes to Schedule:**

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019 and 2018 were from the December 31, 2017 valuation.

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021 and 2020 were from the December 31, 2019 valuation.

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2023 and 2022 were from the December 31, 2021 valuation.

Because trust assets exceed the TOL as of the measurement date, contributions made during fiscal years 2019 and 2018 were intentionally less than the ADC in order to avoid potential over-funding of the plan.

**Methods and assumptions used to determine contributions:**

Refer to FN 7 for summary of methods and assumptions

\* Fiscal year 2018 was the 1st year of implementation, therefore only six years are presented.

## **ADDITIONAL INFORMATION**

# CALIFORNIA AUTHORITY OF RACING FAIRS

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEAR ENDED DECEMBER 31, 2023

	<u>Agency</u>	<u>Programs</u>	<u>Live Racing</u>	<u>Racing Projects</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>					
Member dues	\$ 200,068				\$ 200,068
Administration fees	318,643				318,643
Racing program reimbursements					
Live racing reimbursements			\$ 2,150,043		2,150,043
Purse receivable from members				\$ 160,106	160,106
Miscellaneous income	324,640				324,640
Total operating revenue	<u>843,351</u>		<u>2,150,043</u>	<u>160,106</u>	<u>3,153,500</u>
<b>OPERATING EXPENSES:</b>					
Racing projects				160,106	160,106
Racing programs					
Live racing			1,127,873		1,127,873
Salaries and benefits	392,881		495,261		888,142
Accounting and legal	89,266		67,247		156,513
Travel and meetings	9,573		67,951		77,524
Other operating	249,637		404,708		654,345
Total operating expenses	<u>741,357</u>		<u>2,163,040</u>	<u>160,106</u>	<u>3,064,503</u>
Operating income (loss)	101,994		(12,997)		88,997
<b>NON-OPERATING INCOME:</b>					
Investment income	7,192				7,192
Increase (decrease) in net position	<u>\$ 109,186</u>	<u>\$</u>	<u>\$ (12,997)</u>	<u>\$</u>	<u>\$ 96,189</u>

# CALIFORNIA AUTHORITY OF RACING FAIRS

## ADW RACING ACTIVITY YEAR ENDED DECEMBER 31, 2023

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ADW distributions payable at December 31, 2022	\$ _____
Receipts:	
Net market access fees	6,015,393
Host Fees	266,540
Worker's Compensation	7,850
Total receipts	<u>6,289,783</u>
Disbursements:	
CHRB Support & F&E Fund	272,847
Host commissions/horsemen	3,820,412
Breeders	251,148
Worker's Comp to Horsemen	39,432
Equine	52,572
Backstretch	78,858
Location Fees	576,926
AB480	381,989
Retirement Fund	115,113
DIR	14,338
Co-Op Fund	630,222
HISA	<u>58,300</u>
Total disbursements	<u>6,292,157</u>
ADW distributions payable at December 31, 2023	<u>\$ (2,374)</u>



**CALIFORNIA AUTHORITY OF RACING FAIRS**  
**STATEMENT OF NET POSITION**  
**November 30, 2024**

	<b>CURRENT YTD</b>	<b>PRIOR YTD</b>
	<b>11/30/24</b>	<b>11/30/23</b>
<b>ASSETS</b>		
Cash - LAIF & Investments	11,641	209,536
Cash - Operating/Money Market	146,609	688,219
Cash - Trust	3,409,199	1,068,477
CHECKING - PPP PMB	0	0
Marketable Securities	0	0
A/R - Member Dues	49,354	32,442
A/R - Programs South	0	0
A/R - Racing Fairs & Settlements	4,450,130	1,002,033
A/R - Other Receivables ERF,Misc	142,476	163,283
A/R - GOLDEN STATE RACING	0	0
RECEIVABLE FROM HORSEMEN UNSECURED	0	0
Prepays/Deposits	109,896	101,214
OPEB Assets	151,416	525,379
Total Current Assets	<u>8,470,723</u>	<u>3,790,584</u>
<b>Fixed Assets</b>		
AUTOMOBILE	204,018	204,018
FURNITURE & EQUIPMENT	0	0
COMPUTER HARDWARE/SOFTWARE	1,346	2,885
SIMULCAST EQUIPMENT	0	0
PRINTING EQUIPMENT	0	0
TRACK EQUIPMENT	(149,907)	(152,018)
Total CARF Fixed Assets (Net of Depr.)	<u>55,457</u>	<u>54,885</u>
GOLDEN STATE RACING EQUIPMENT	1,395,153	0
GOLF RIGHT OF USE	3,234,750	0
<b>TOTAL ASSETS</b>	<u>13,156,083</u>	<u>3,845,470</u>
<b>DEFERRED OUTFLOWS - OPEB</b>	<b>364,808</b>	<b>119,459</b>
<b>DEFERRED OUTFLOWS - PENSION GASB68</b>	<b>459,238</b>	<b>504,448</b>
<b>TOTAL ASSETS</b>	<u><b>13,980,129</b></u>	<u><b>4,469,377</b></u>
<b>LIABILITIES</b>		
A/P & Withholdings	1,846,266	128,875
Compensated Leave Accruals	48,039	57,757
A/P - Program Royalties to Host	0	0
PPP LOAN	0	0
LINE OF CREDIT GSR	3,174,847	0
Racing Distributions	4,250,531	1,855,487
Purses - FAIRS	2,987,836	(483,598)
Purses - GSR	(456,586)	0
AB460 1%/RTM	207,299	25,215
PROMOTIONAL MATERIALS	20,186	34,170
LOU-5 - Symposium Funds	0	0
Revenue Generating Project Funds	138,911	142,722
Racing Operations Augmentation Funds	106,815	106,815
Change Fund	492,877	547,212
FAIRS - Equipment Replacement Funds	254,134	354,134
NET PENSION LIABILITY, GASB68	1,223,711	1,120,187
NET OPEB LIABILITY	0	0
<b>TOTAL CURRENT &amp; NONCURRENT LIAB.</b>	<u><b>14,294,866</b></u>	<u><b>3,888,975</b></u>
<b>DEFERRED INFLOWS - OPEB</b>	<b>136,774</b>	<b>210,791</b>
<b>DEFERRED INFLOWS - PENSION GASB68</b>	<b>147,011</b>	<b>167,710</b>
<b>NET POSITION</b>		
Equity CARF	1,230,102	1,021,350
Equity GSR	0	0
F&E Net Assets	(26,000)	(96,074)
Reserves - PENSION GASB68	(911,484)	(783,449)
Reserves, OPEB GASB 75	379,450	434,047
Net Income/(Net Loss) CARF	(235,859)	(373,974)
Net Income/(Net Loss) GSR	(1,034,732)	0
<b>TOTAL NET POSITION</b>	<u><b>(598,522)</b></u>	<u><b>201,900</b></u>
	13,980,129	4,469,377





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

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
	<b>Year End</b>	<b>Year End</b>	<b>Actual</b>	<b>Annual</b>	<b>Budget</b>	<b>% Budget</b>
	<b>Actual</b>	<b>Actual</b>	<b>Jan-Nov</b>	<b>Budget</b>	<b>Variance</b>	
<b>Summary Operating Expenses</b>						
<b>Agency &amp; Live Racing Expenses:</b>						
SALARIES	443,077	494,943	490,262	525,947	35,685	93%
BENEFITS	64,066	71,558	71,269	69,493	(1,776)	103%
POST RETIREMENT BENEFITS	33,852	35,068	29,714	35,000	5,286	85%
ER TAXES	137,081	146,285	149,130	171,379	22,249	87%
ACCOUNTING	71,663	71,663	62,774	75,245	12,471	83%
AUDIT SERVICES	41,900	18,700	85,598	35,000	(50,598)	245%
AUTOMOBILE	5,781	3,619	10,959	9,000	(1,959)	122%
OUTSIDE LABOR	260,956	2,444	2,902	2,500	(402)	116%
DEPRECIATION	34,751	(67,660)	1,375	19,500	18,125	7%
DUES/SUBSCRIP	99	0	99	200	101	49%
INSURANCE	61,115	66,468	67,427	73,115	5,688	92%
LEGAL	37,453	66,150	417,600	60,000	(357,600)	696%
LEGISLATIVE	45,320	46,159	41,555	46,500	4,945	89%
MEETINGS	832	633	555	1,000	445	56%
MISC (LOC interest)	199	213	23,524	200	(23,324)	11762%
OFFICE SUPP	6,533	6,093	4,795	6,500	1,705	74%
POSTAGE/SHIP	355	284	375	500	125	75%
RENT/UTIL	13,414	13,414	12,296	13,500	1,204	91%
REPAIRS/MTCE	0	0	0	500	500	0%
TELEPHONE	11,164	12,224	14,100	12,500	(1,600)	113%
TRAINING	0	0	0	1,000	1,000	0%
TRAVEL	80,290	72,773	74,925	77,000	2,075	97%
<b>Total Operating Expenses</b>	<b>1,349,899</b>	<b>1,061,030</b>	<b>1,561,234</b>	<b>1,235,579</b>	<b>(325,655)</b>	<b>126%</b>



**California Authority of Racing Fairs  
Agency Income Statement  
November 30, 2024**

	2022 Year End Actual	2023 Year End Actual	2022 Jan-Nov YTD	2023 Jan-Nov YTD	2024 Jan-Nov YTD	2024 Annual Budget	2024 Budget Variance	2024 % Budget
<b>Revenue:</b>								
Other Revenue/OPEB trust Reimb	292,133	177,981	21,875	27,613	(101,209)	50,000	(151,209)	-202%
Interest Income	4,544	7,192	143	5,053	184	0	184	0%
Member Dues	200,067	200,068	200,068	200,068	200,068	200,064	4	100%
Live Racing variance billing								
CARF Live Racing Agency Allocation	299,797	318,643	299,797	318,643	518,643	318,643	200,000	163%
<b>Total Revenue</b>	<b>796,552</b>	<b>703,883</b>	<b>521,883</b>	<b>551,376</b>	<b>617,686</b>	<b>568,707</b>	<b>48,979</b>	<b>109%</b>
<b>Expenses:</b>								
Salaries	132,966	150,412	125,457	144,591	155,393	179,483	24,090	87%
Employee Benefits	18,766	22,542	17,263	19,329	21,786	21,077	(709)	103%
Post Retirement Benefits	33,852	35,068	28,108	31,021	29,714	35,000	5,286	85%
Payroll Taxes	40,870	44,569	37,630	40,907	45,405	54,067	8,662	84%
Accounting Costs	17,916	17,916	16,423	16,423	15,746	18,811	3,065	84%
Advertising Expense	0	0	0	0	0	0	0	0%
Audit Services	17,150	5,200	17,150	5,200	18,225	8,750	(9,475)	208%
Automobile Expense	2,875	3,619	2,875	3,619	10,959	4,000	(6,959)	274%
Contracted Services	260,956	2,444	1,483	1,285	2,902	2,500	(402)	116%
Depreciation	3,642	2,414	3,341	2,250	1,375	19,500	18,125	7%
Dues & Subscriptions	99	0	99	0	99	200	101	49%
Insurance Expense	61,115	66,468	55,796	60,450	67,427	73,115	5,688	92%
Legal Expenses	37,453	66,150	35,753	63,045	417,600	60,000	(357,600)	696%
Legislative Expenses	45,320	46,159	41,490	42,309	41,555	46,500	4,945	89%
Meetings Expense	815	633	460	311	538	1,000	462	54%
Misc. (Ag Day Sponsor)	199	213	163	194	171	200	29	86%
Office Supplies	6,533	6,093	5,902	4,932	4,795	6,500	1,705	74%
Postage & Shipping	355	284	205	130	375	500	125	75%
Rent (Tribute Road)	13,414	13,414	12,296	12,296	12,296	13,500	1,204	91%
Repairs & Maintenance	0	0	0	0	0	500	500	0%
Telephone Expense	4,789	6,213	4,260	5,712	5,434	6,500	1,066	84%
Training	0	0	0	0	0	1,000	1,000	0%
Travel Expense	4,914	5,321	4,029	5,025	1,749	7,000	5,251	25%
<b>Total Expenses</b>	<b>703,997</b>	<b>495,133</b>	<b>410,181</b>	<b>459,028</b>	<b>853,545</b>	<b>559,704</b>	<b>(293,842)</b>	<b>152%</b>
<b>Agency Income (Loss)</b>	<b>92,555</b>	<b>208,750</b>	<b>111,701</b>	<b>92,349</b>	<b>(235,859)</b>	<b>9,004</b>	<b>(244,862)</b>	
<b>Total Bal Sheet Net Income (Loss)</b>	<b>92,555</b>	<b>208,750</b>	<b>111,701</b>	<b>92,349</b>	<b>(235,859)</b>	<b>9,004</b>	<b>(244,862)</b>	
GASB 68 PENSION EXPENSE	27,689	128,035	0	0	0	25,000		0%
GASB 75 OPEB EXPENSE	(72,478)	54,597	0	0	0	0		0%
Total Net Income after GASB68, GASB75	(7,612)	135,312	111,701	92,349	(235,859)	(15,997)		0



**California Authority of Racing Fairs  
Live Racing Income Statement  
November 30, 2024**

	2022 = 35 days	2023 = 35 days	2022 = 35 days	2023 = 35 days	2024 = 70 days	2024 = 70 days	2024 = 70 days	2024 = 70 days
	2022	2023	2022	2023	2024	2024	2024	2024
	Year End	Year End	Jan-Nov	Jan-Nov	Jan-Nov	Annual	Budget	% Budget
	Actual	Actual	YTD	YTD	YTD	Budget	Variance	
<b>Revenues:</b>								
Reimb. From Live Racing Fairs	2,138,421	2,120,303	1,725,340	1,497,068	2,529,266	2,090,376	438,890	121%
3rd Party Lasik Reimb	39,652	29,740	62,936	65,249	61,724	40,000	21,724	154%
Racing Operations Augmentation Funds	0	0	0	0	0	73,000	(73,000)	0%
NCOTWINC Reimbursement	0	0	0	0	0	0	0	0%
RTM 1% Funds	0	0	0	0	0	0	0	0%
<b>Revenue Sub-Totals</b>	<b>2,178,073</b>	<b>2,150,043</b>	<b>1,788,276</b>	<b>1,562,317</b>	<b>2,590,989</b>	<b>2,203,376</b>	<b>387,613</b>	<b>118%</b>
<b>Operating Expenses:</b>								
Salaries	310,111	344,530	275,062	308,604	334,870	346,464	11,594	97%
Employee Benefits	45,301	49,015	41,061	44,200	49,482	48,416	(1,066)	102%
Payroll Taxes	96,211	101,716	86,093	91,622	103,725	117,312	13,587	88%
Accounting Costs	53,747	53,747	49,268	49,268	47,028	56,434	9,406	83%
Audit Services	24,750	13,500	24,750	13,500	67,373	26,250	(41,123)	257%
Automobile Expense	2,907	0	2,907	0	0	5,000	5,000	0%
Depreciation	0	0	0	0	0	0	0	0%
Dues & Subscriptions, NTRA	0	0	0	0	0	0	0	0%
Insurance Expense	0	0	0	0	0	0	0	0%
Legal Expenses	0	0	0	0	0	0	0	0%
Meetings Expense	17	0	17	0	17	0	(17)	0%
Misc. Exp (Storage,Bank fee)	0	0	0	0	0	0	0	0%
Telephone Expense	6,375	6,012	5,878	5,504	8,666	6,000	(2,666)	144%
Travel Expense	75,376	67,451	68,270	52,918	64,858	70,000	5,142	93%
<b>Operating Exp. Sub-Totals</b>	<b>614,794</b>	<b>635,972</b>	<b>553,305</b>	<b>565,617</b>	<b>676,018</b>	<b>675,876</b>	<b>(142)</b>	<b>100%</b>
<b>Racing Support Services:</b>								
Announcer	16,625	15,200	16,625	15,200	23,865	25,000	1,135	95%
Condition Bk/Program Cover	9,325	9,519	7,642	9,519	8,414	10,000	1,586	84%
Racing Operations Support	158,152	150,724	157,646	150,268	157,722	160,000	2,278	99%
Simulcast Management	0	40,000	0	40,000	40,000	40,000	0	100%
RCN Broadcast	26,595	16,635	26,595	16,628	23,286	40,000	16,714	58%
Fitness Vet/TC02 Testing	103,427	104,988	98,436	104,988	200,809	120,000	(80,809)	167%
3RD Party Lasiks	39,652	29,740	39,652	29,740	42,599	40,000	(2,599)	106%
Marketing/Web Devel	12,695	8,160	12,695	8,160	8,180	8,500	320	96%
Network Management	0	0	0	0	0	0	0	0%
Paymaster Operations	9,045	3,571	8,569	3,499	3,355	6,000	2,645	56%
Incompass Racing Office	120,163	113,954	120,163	112,572	138,274	135,000	(3,274)	102%
Racing Office Expenses	16,739	21,566	16,694	21,520	10,147	22,000	11,853	46%
Recruitment	798	3,928	798	2,514	2,323	10,000	7,677	23%
Jumbo Screen	81,900	76,800	81,900	76,800	105,975	100,000	(5,975)	106%
Supplies	21,183	20,605	14,497	10,999	13,648	15,000	1,352	91%
Tattooing	10,598	13,330	1,994	8,953	11,080	15,000	3,920	74%
Timing/Clocker	0	0	0	0	0	0	0	0%
Transportation-silks	500	500	500	500	1,000	1,000	0	100%
TV Production/Simulcast	291,866	296,368	291,866	296,368	433,310	330,000	(103,310)	131%
RTM Allocation (Maintenance)	187,821	221,759	181,697	203,827	261,437	200,000	(61,437)	131%
RTM Transportation	84,692	91,612	84,692	80,307	124,622	90,000	(34,622)	138%
RTM Prior Year	0	0	0	0	0	0	0	0%
Stabling & Training	0	0	0	0	0	0	0	0%
RTM Support	371,946	275,110	367,496	270,660	304,925	160,000	(144,925)	191%
<b>Racing Support Exp. Sub-Totals</b>	<b>1,563,721</b>	<b>1,514,070</b>	<b>1,530,157</b>	<b>1,463,022</b>	<b>1,914,971</b>	<b>1,527,500</b>	<b>(387,471)</b>	<b>125%</b>
<b>Total Gross Expenses</b>	<b>2,178,515</b>	<b>2,150,041</b>	<b>2,083,462</b>	<b>2,028,639</b>	<b>2,590,989</b>	<b>2,203,376</b>	<b>(387,613)</b>	<b>118%</b>
Total Net Expenses	2,178,515	2,150,041	2,043,810	1,998,899	2,548,390	2,090,376		

(0) over (under) billbacks



**California Authority of Racing Fairs  
Golden State Racing Income Statement  
November 30, 2024**

	2022 Year End Actual	2023 Year End Actual	2022 Jan-Nov YTD	2023 Jan-Nov YTD	2024 Jan-Nov YTD	2024 Annual Budget	2024 Budget Variance	2024 % Budget
<b>Revenues:</b>								
B&M COMMISSIONS- GSR	0	0	0	0	745,689	0	(745,689)	0%
MISC RACING REVENUE - GSR	0	0	0	0	22,862	0	(22,862)	0%
ADW COMMISSIONS - GSR	0	0	0	0	1,253,922	0	(1,253,922)	0%
GRANDSTAND REV GSR @ ACF	0	0	0	0	0	0	0	0%
VANNING/STABLING REVENUE	0	0	0	0	564,879	0	(564,879)	0%
<b>Total Revenue</b>					<b>2,587,352</b>	<b>0</b>	<b>(2,587,352)</b>	
<b>ACF Invoice Expense</b>								
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,632,393</b>	<b>0</b>	<b>(2,632,393)</b>	<b>0%</b>
<b>NCOT - ontrack labor</b>								
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>182,020</b>	<b>0</b>	<b>(182,020)</b>	<b>0%</b>
<b>Operating Expenses:</b>								
Salaries	0	0	0	0	0	0	0	0%
Employee Benefits	0	0	0	0	0	0	0	0%
Payroll Taxes	0	0	0	0	0	0	0	0%
Accounting Costs	0	0	0	0	0	0	0	0%
Audit Services	0	0	0	0	0	0	0	0%
Automobile Expense	0	0	0	0	0	0	0	0%
Depreciation GSR	0	0	0	0	0	0	0	0%
Dues & Subscriptions, NTRA	0	0	0	0	0	0	0	0%
Insurance Expense	0	0	0	0	0	0	0	0%
Legal Expenses	0	0	0	0	0	0	0	0%
Meetings Expense	0	0	0	0	0	0	0	0%
GSR Misc LOC interest Exp	0	0	0	0	23,352	0	(23,352)	0%
Telephone Expense	0	0	0	0	0	0	0	0%
Travel Expense	0	0	0	0	8,319	0	(8,319)	0%
<b>Operating Exp. Sub-Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,671</b>	<b>0</b>	<b>(31,671)</b>	<b>0%</b>
<b>Racing Support Services:</b>								
Announcer	0	0	0	0	0	0	0	0%
Condition Bk/Program Cover	0	0	0	0	3,492	0	(3,492)	0%
Racing Operations Support	0	0	0	0	40,671	0	(40,671)	0%
Simulcast Management - GSR	0	0	0	0	16,667	0	(16,667)	0%
RCN Broadcast - GSR	0	0	0	0	0	0	0	0%
Fitness Vet/TC02 Testing	0	0	0	0	119,196	0	(119,196)	0%
3RD Party Lasiks	0	0	0	0	4,200	0	(4,200)	0%
Marketing/Web Devel	0	0	0	0	18,574	0	(18,574)	0%
Network Management	0	0	0	0	0	0	0	0%
Paymaster Operations	0	0	0	0	0	0	0	0%
Incompass Racing Office	0	0	0	0	37,108	0	(37,108)	0%
Racing Office Expenses	0	0	0	0	0	0	0	0%
Recruitment	0	0	0	0	0	0	0	0%
Jumbo Screen	0	0	0	0	0	0	0	0%
Supplies	0	0	0	0	28,525	0	(28,525)	0%
Tattooing	0	0	0	0	1,121	0	(1,121)	0%
Timing/Clocker	0	0	0	0	0	0	0	0%
Transportation-silks	0	0	0	0	0	0	0	0%
TV Production/Simulcast	0	0	0	0	214,130	0	(214,130)	0%
RTM Allocation (Maintenance)	0	0	0	0	21,690	0	(21,690)	0%
RTM Transportation	0	0	0	0	0	0	0	0%
RTM Prior Year	0	0	0	0	0	0	0	0%
Stabling & Training	0	0	0	0	0	0	0	0%
RTM Support	0	0	0	0	193,954	0	(193,954)	0%
<b>Racing Support Exp. Sub-Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>699,329</b>	<b>0</b>	<b>(699,329)</b>	<b>0%</b>
<b>Racing Billback Exp Allocation</b>								
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>76,671</b>	<b>0</b>	<b>(76,671)</b>	<b>0%</b>
<b>Total Gross Expenses</b>								
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,622,084</b>	<b>0</b>	<b>(3,440,064)</b>	<b>0%</b>
Total Net Expenses	0	0	0	0	3,622,084	0		
Net of Revenue minus Expenses					(1,034,732)			

# 2025 Calendar

## January

Su	Mo	Tu	We	Th	Fr	Sa
29	30	31	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	1

## February

Su	Mo	Tu	We	Th	Fr	Sa
26	27	28	29	30	31	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	1

## March

Su	Mo	Tu	We	Th	Fr	Sa
23	24	25	26	27	28	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	1	2	3	4	5

## April

Su	Mo	Tu	We	Th	Fr	Sa
30	31	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	1	2	3

## May

Su	Mo	Tu	We	Th	Fr	Sa
27	28	29	30	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	1	2	3	4	5

## July

Su	Mo	Tu	We	Th	Fr	Sa
29	30	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	1	2

## August

Su	Mo	Tu	We	Th	Fr	Sa
27	28	29	30	31	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	1	2	3	4	5	6

## September

Su	Mo	Tu	We	Th	Fr	Sa
31	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	1	2	3	4

## October

Su	Mo	Tu	We	Th	Fr	Sa
28	29	30	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	1

## November

Su	Mo	Tu	We	Th	Fr	Sa
26	27	28	29	30	31	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	1	2	3	4	5	6

## December

Su	Mo	Tu	We	Th	Fr	Sa
30	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	1	2	3