

Donna O'Leary

From: adam <[REDACTED]>
Sent: Saturday, January 09, 2021 5:25 PM
To: Richard Valdez; Lisa Barkett; Don Mosier; Frederick Schenk; Kathlyn Mead; Pierre Sleiman; Sam Nejabat; Joyce Rowland; Michael Gelfand; Carlene Moore; Katie Mueller; Donna O'Leary; [REDACTED]
Subject: Clarification needed

Good afternoon,

I hope everyone had a great Holiday season and Happy New Year!

It seems a lot of the information, from the public records request, that we have requested has discrepancies. Previously, in an email to the board, we addressed irregularities in the 2019 carnival midway food grosses.

In a recently received request for the 2019 breakage on the carnival midway, we found that the numbers do not match. There is an almost \$200,000 difference in what was presented at the February board meeting and what was received.

It is also very disturbing that we addressed the missing form 700 in a previous email from 2018 and now find out that the "breakage" for 2018 is categorized UNKNOWN.

Breakage is the carnival tickets that are not redeemed i.e. people leave the fair and do not redeem the carnival tickets. In 2019, the breakage was over a half million dollars. This money was not shared with vendors and was completely consumed by the district as 100% net.

Special contract deals for food concessions and carnival rides (5%, 12%, 24%, 25%, and 30% for certain food stands and 20% for certain carnival rides), unsolicited contracts (RCS 2019 game contract and RCS skyride), missing information (Breakage), missing required government forms (form 700), special trips to select vendors (fair staff to Pima county fair and Orange County fair to visit RCS), private meetings, and the list continues to grow!

The fair employed over 150 people in 2019; it seems odd that the person in charge of vendor selection, contracting, auditing, and almost every aspect of a \$30,000,000-\$40,000,000 annual food, ride, and game gross, is the same person in charge of the public records request.

It seems these shared duties lack the internal controls that the board members and the public would expect in a professionally ran state agency. This may be the reason for the differences or maybe more questions should be asked to better understand the accounting?

If you could please help us understand which numbers are accurate and which numbers are not or give us some direction on how to proceed?

Thank you

**22nd District Agri
Statement of
For the Twelve Months Endin
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	2019 Actual	2019 Budget	Variance Fav/(Unfav)
Revenues			
Admissions - Fair	\$9,404,711	\$10,246,348	(\$841,637)
Admissions to Concerts	2,077,502	2,002,465	75,097
Carnival Rides	10,014,027	10,900,000	(885,973)
Carnival Games/Space Rental	4,343,614	3,471,625	871,989
Commercial Space	3,780,516	3,804,000	(23,484)
Concessions	4,055,701	4,325,000	(269,299)
Entry Fees	707,737	973,185	(265,448)
Food & Beverage	23,261,125	24,635,920	(1,374,795)
Parking	6,220,762	7,193,627	(972,865)
Surf & Turf	2,030,661	1,804,732	225,929
Sponsorships	2,403,341	2,579,332	(175,991)
Admissions - NonFair	860,250	900,000	(39,750)
Facility Rentals	3,892,204	3,896,776	(4,572)
Reimbursement Costs	2,596,617	2,295,204	301,413
Admissions - OTB	54,698	66,700	(12,002)
Track Commissions	328,454	258,400	70,054
Account Wagering	424,066	495,000	(70,934)
Program Sales	96,914	71,000	25,914
Lottery	121,655	57,000	64,655
Other - OTB	1,408	1,377	31
Del Mar National Horse Show	1,052,535	1,211,039	(158,504)
Merchandise	808,152	907,180	(99,028)
Leases	598,369	638,877	(40,508)
Interest	621,231	417,967	203,264
Race Track	1,225,000	1,225,000	
Other	349,069	415,661	(66,592)
Total Revenues	\$81,330,379	\$84,793,415	(\$3,463,036)
Expenses			
Payroll Related & Benefits	27,587,046	28,668,747	1,081,701
Temporary Payroll Services	988,298	805,548	(182,750)
Professional Services	3,076,842	3,245,033	168,191

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Done

BREAKAGE.xlsx

2015	377,960.26
2016	381,990.78
2017	247,664.35
2018	UNKNOWN
2019	352,421.01