

**STATE OF NEW YORK  
ANNUAL REPORT  
AND  
SIMULCAST REPORT  
FOR THE CALENDAR YEAR 1994**



**NEW YORK STATE  
RACING AND WAGERING BOARD**

**GEORGE E. PATAKI  
Governor**

**JERRY BILINSKI  
Chairman**

**JOSEPH P. NEGLIA  
Member**

**BENNETT LIEBMAN  
Member**





STATE OF NEW YORK  
NEW YORK STATE RACING AND WAGERING BOARD  
120 Broadway - 13th Floor  
New York, New York 10271  
212 417-4200

Chairman  
Jerry Bilinski

Members  
Joseph P. Neglia  
Bennett Liebman

May 5, 1995

**TO: Honorable George E. Pataki**  
**The Director of the Budget**  
**The Chairman of the Senate Finance Committee**  
**The Chairman of the Assembly Ways and Means Committee**

In accordance with the provisions of Section 1002(2) of the Racing, Pari-Mutuel Wagering and Breeding Law, I am pleased to submit to you the eleventh annual Simulcast Report of the Racing and Wagering Board which, this year, is incorporated into the Board's 1994 Annual Report.

During 1994, New York State continued to lead the nation in total dollars wagered on horse races. Combined handle, both on and off-track, totalled over \$2.7 billion. "Simulcasting" (betting on live televised horse races), permanently authorized by Chapter 346 of the Laws of 1990, is an integral part of this achievement. Simulcast activities during 1994 and their results are described in this report.

The racing and wagering industry continues to be an important component of the Empire State's economy. It generates revenue for state and local governments and employs tens of thousands of New Yorkers. The Board believes that the 4.5% decrease in handle in 1994 was caused by the cancellation of numerous racing programs due to severe winter weather conditions.

The acrimony which characterized many of the relationships within the racing and wagering community for the past few decades has recently shown signs of being replaced by a spirit of cooperation. Revised legislation is largely responsible for this change. However, additional improvement is necessary.

The Board believes that a cooperative partnership among all elements of the industry must now, more than ever, be achieved if New York is to maintain its preeminence in the racing world.

In this report, the Board recommends that some modifications to the simulcast law be enacted, to give the Board the necessary authority to assure the continued success of simulcasting. For the remaining years of this century, the New York State racing, wagering and breeding industries must be directed to move toward the goals of enhancing the economy, increasing interest in racing, assuring the public's confidence in the sport, and achieving true industry-wide cooperation.

In addition, pursuant to the provisions of Chapter 360 of the Laws of 1991, the Board respectfully submits herein the reports concerning licensed thoroughbred and harness tracks prescribed by Sections 228(2) and 318(1), paragraph a(iii) and b(i) of the Racing, Pari-Mutuel Wagering and Breeding Law.

Respectfully submitted,



Jerry Bilinski  
Chairman



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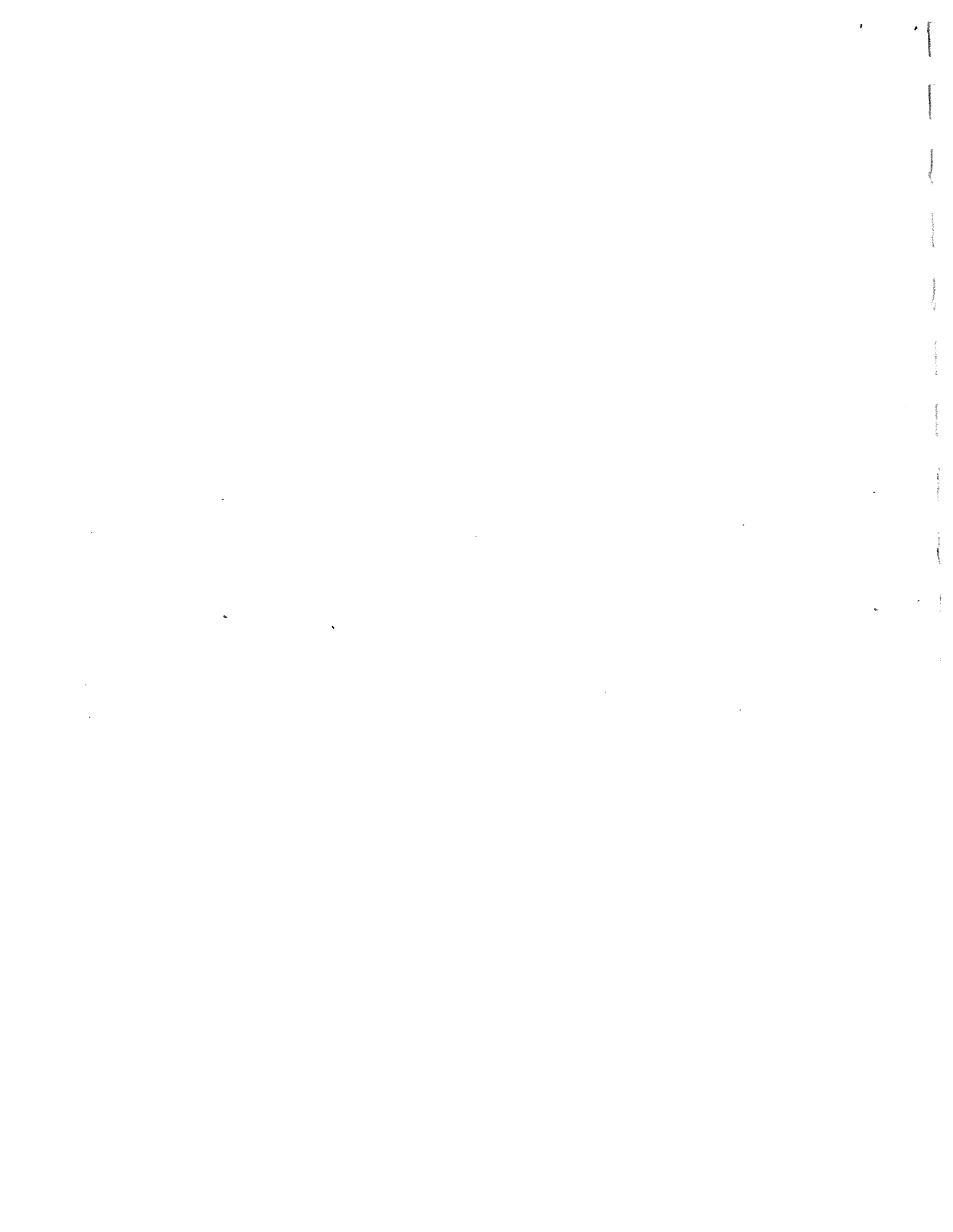
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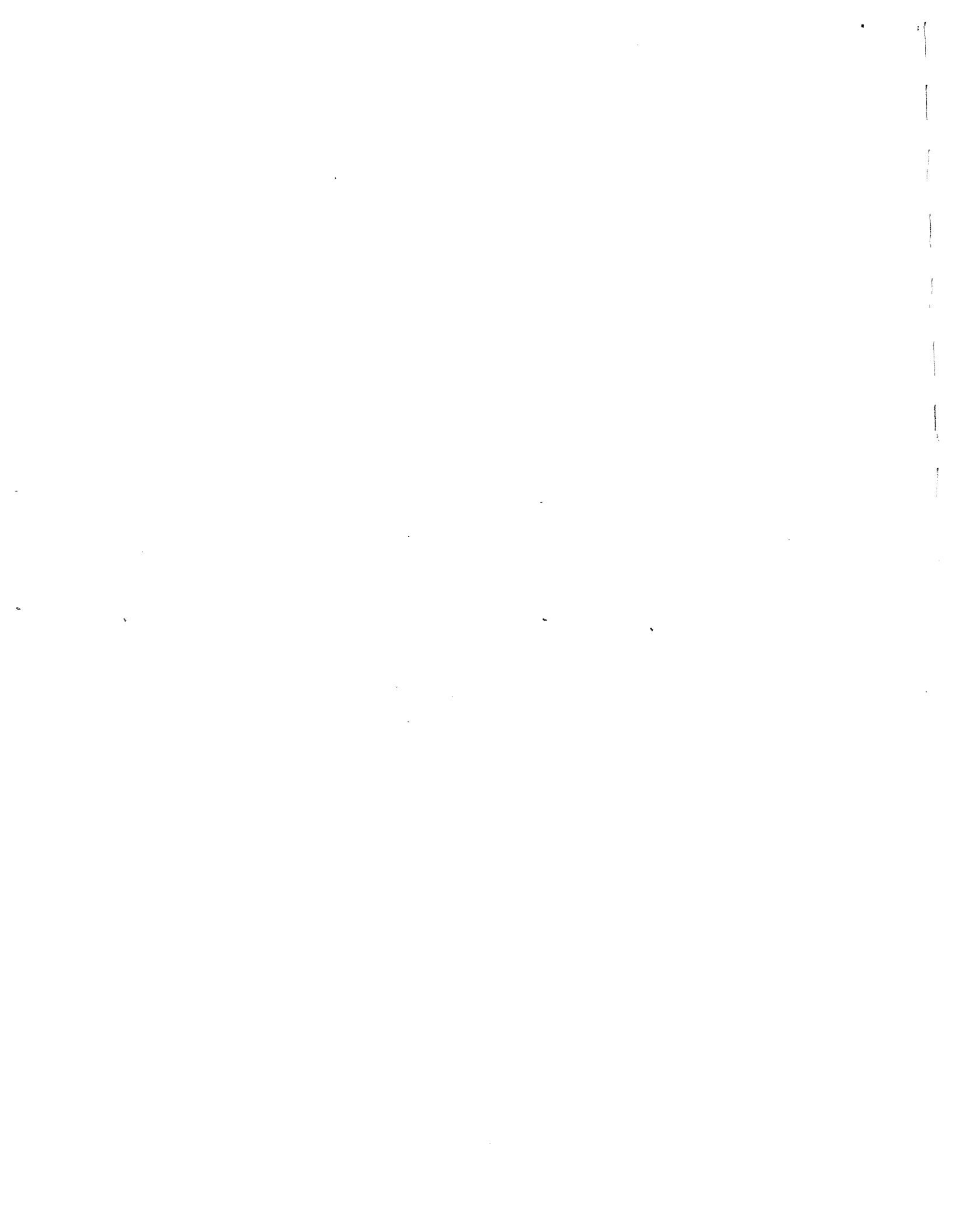
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THE

**PART I**  
**ANNUAL REPORT**



## HIGHLIGHTS

In 1994, the State of New York licensed 1,427 days of on-track racing (Thoroughbred and Harness) resulting in a combined handle of on and off-track wagers totaling \$2,712,633,136. On-track handle continued to decline. On-track handle of \$1,095,193,574 was 9.78% below 1993 figures. The 1994 off-track figure of \$1,617,439,563 was 1.37% below the previous year.

### THOROUGHBRED AND HARNESS RACING COMBINED ON AND OFF-TRACK

	<u>1994</u>	<u>1993</u>
Number of Racing Days	1,427	1,158
Attendance	5,403,490	6,330,691
Handle	\$2,712,633,136	\$2,853,766,129
Revenue to State	65,680,230	79,478,062
Revenues to Localities	57,014,768	59,906,161
Horsebreeder Funds	17,649,776	16,997,118
Net Commission and Breakage to Tracks	268,018,964	276,951,792
Purses Paid to Horsemen	130,368,479	137,822,256

### 1994 SUMMARY OF LEGAL DEPARTMENT CASES AND RULES

#### COURT CASES

1. The Appellate Division, Third Department, of the New York State Supreme Court, unanimously reversed a lower court decision which had found the Board's regulation, 9NYCRR 5204.15(c)(1) to be invalid. This rule requires off-track betting corporations to return to later common pools, the gains these corporations received from missed pools (i.e., failure to combine off-track wagers with on-track wagers).
2. The Supreme Court (Albany County) ruled that the "grandfathering" provisions, applicable to Section 13 of Chapter 281 of the Laws of 1994 do not apply to other sections of Chapter 281 concerning authority to conduct interstate simulcasting and tax rates. This decision in Saratoga Harness Racing, Inc. v. Corbisiero, affected on-going controversies at Saratoga Raceway. A motion for reconsideration and notice of appeal has been filed by an intervening party.
3. The Supreme Court (Albany County) ruled that the procedures utilized by the Board in the pre-hearing harness license revocation and suspension of the simulcast facility license of Saratoga Raceway did not violate procedural due process requirements, in view of the provision of a timely post-suspension hearing. This matter is on appeal to the Appellate Division, Third Department.

## RULES AND REGULATIONS

The Board promulgated numerous amendments to the rules and regulations governing racing. Among the rules enacted for the thoroughbred and quarterhorse industry were amendments requiring all jockeys to wear protective safety vests while participating in a pari-mutuel race in New York State, changes in the wagering rules regarding the failure to select winners in win pools, and the establishment of guidelines for promotional materials to be worn by jockeys.

In the harness division, the Board amended its rules regarding the disposition of wagering pools when there is a failure to select a placed entry, thereby providing a fairer and more uniform formula for calculating payoffs.

Additionally, the Board filed amendments to its rules which are awaiting formal adoption. These amendments would relax the burden presently existing on the industry concerning the automatic disqualification of a spouse from having a license based upon the other marital partner's disqualification; decreasing the number of betting interests when there is a shortage of horses; and expanding the requirement to wear safety vests to include any individual riding a horse anywhere on the grounds of a pari-mutuel racetrack.

## MISCELLANEOUS

In unprecedented actions, the Board terminated the racing licenses of two harness tracks which failed to conduct live pari-mutuel racing on dates assigned and thereby violated the terms of their licenses. In both instances, the licenses were later restored. The Board also rendered an arbitration decision in a dispute between a harness track and a regional off-track betting corporation regarding the terms and conditions of a contract for the simulcast of races to off-track betting facilities.



## LICENSING

All participants in racing in New York State are required to obtain occupational licenses which have been issued on a calendar year basis for one, two or three years.

In 1994, a total of 5,979 licenses were issued for participants at New York State's Harness tracks; Batavia Downs, Buffalo Raceway, Monticello Raceway, Saratoga Raceway, Syracuse Mile, Vernon Downs and Yonkers Raceway.

In Thoroughbred racing, there were 5,799 licenses issued for racing at Aqueduct Race Track, Belmont Park, Saratoga Race Track and Finger Lakes Race Track.

A total of 11,778 licenses were issued for the year. However, there were 19,946 licenses valid due to the multi-year license program.

Fingerprints processed totalled 6,362 (Federal and State), of these 3,645 were Federal and 2,717 were State prints.

In Thoroughbred racing, there were 64 suspensions causing 1,008 days of suspension and 111 fines for a total of \$13,230.

In Harness racing, there were 333 suspensions resulting in 7,328 days of suspension and 421 fines for a total of \$30,800.

In 1994, the License Investigations Unit triggered 1,518 case openings based on fingerprint searches which yielded criminal histories.

In 1994, the Investigations Unit handled 915 cases in all areas of questionable racing activities, i.e., equine and human drug usage, hidden ownership, insurance scams, organized crime interest, OTB concessionaires, racing fixing and other.

1994 Valid Licenses

Track	Admin., Mgm't	Agents	Clean. Serv.	Driver	FARRIER	FOOD	General	Jockey	Owner	Sec- urity	Stable Emp's	Trainer	Veteri- -narian	Track Total
Buff.-Batav.	20	1	9	188	6	48	95	870	870	15	224	411	8	1,593
Finger Lakes	62	20	14		8	42	126	44	486	34	313	202	6	1,445
Main Office	7			34	2	2	5	705	705	3	10	60	3	761
Monticello	10	109	17	203	10	40	63	802	802	24	297	426	9	1,464
NYRA	99		235		36	207	922	217	3,090	300	2,413	894	41	9,060
Saratoga	6		7	94	7	1	19	506	506	22	120	218	5	816
Vernon Downs	17		18	185	8	43	62	726	726	24	319	332	7	1,500
Yonkers	11		2	410	9	42	220	1,889	1,889	22	523	895	7	3,307
TOTAL	232	130	302	1,114	86	425	1,512	261	9,074	444	4,219	3,438	86	19,946

1994 Issued Licenses

Track	Admin., Mgm't	Agents	Clean. Serv.	Driver	FARRIER	FOOD	General	Jockey	Owner	Sec- urity	Stable Emp's	Trainer	Veteri- -narian	Track Total
Buff.-Batav.	15	1	8	124	3	47	82	528	528	10	207	263	5	1,074
Finger Lakes	15	20	14		1	41	103	30	291	30	313	131	1	1,016
Main Office	1			12	2	2	3	349	349	3	6	25	2	377
Monticello	9	17	17	156	5	40	51	604	604	19	280	328	4	1,169
NYRA	67	50	153		7	122	592	140	1,469	184	1,458	396	13	4,783
Saratoga	2		7	32	1		9	194	194	16	96	75		359
Vernon Downs	10		14	125	2	43	38	516	516	11	294	235	2	1,080
Yonkers	5		2	193	2	25	102	1,012	1,012	20	493	470	2	1,920
TOTAL	124	71	215	642	23	320	980	170	4,963	293	3,147	1,923	29	11,778

### HUMAN STRESS ASSISTANCE PROGRAM

In the year 1994, 211 urine tests were taken at our race tracks as per our human drug testing program. This number represents the fewest number of tests since we instituted the program. Of the 211 tests, 166 different persons were tested. Forty six positive test were reported, representing a 27 1/2% positive rate, down from 30%, in 1993.

The number of DWI and Drug Arrests for this period is consistent with those of the previous year (1993). Licenses denied for drug violations (14), were down from 26, in 1993.

The responsibility of the SAP program to identify substances abusers, and the goal to assist and guide those in rehabilitation continued to be our main objective. We again proudly record successes, yet we are well aware that those who relapse represents a greater number. What is apparent from our statistics, is that the problem continues to be significant. The back side of the race tracks reflect this in the drug positive and drug arrests. DWI arrests frequently reflect those on the front side of the tracks. In 1995, we will continue our efforts with the hope of showing more successes and less relapses.

Licensing Finger Print Program

The Search and Retain Program (arrest notifications), above the DWI and Drug arrests, resulted in 359 additional Administrative "A" List entries in 1994. In 1993, 394 arrests were entered in the "A" List.

Stress Assistance Program  
For the period: 1/1/94 thru 12/31/94

Track	#	Invest.	Ref >	Prg	Tests	Positive	%	Suspensions
BD	9	1			7	1	14.29	
BR	16	4			9	1	11.11	2
BLR	77	13	3		43	8	18.60	9
MR	97	20	6		53	13	24.53	2
MYR	1	1					.00	
NYR	192	95	12		54	20	37.04	2
OOS	344	344					.00	
SR	7	3			4		.00	
VD	17	5			10	1	10.00	1
YR	69	31	1		31	2	6.45	2
<b>Total</b>	<b>829</b>	<b>517</b>	<b>22</b>		<b>211</b>	<b>46</b>	<b>21.80</b>	<b>18</b>

(9) Repeat Tests: 45

Total entries for period: 829

Breakdown of Positives by Drug

Cocaine	17
THC	18
Valium	1
Heroin	2
Methadone	1
Alcohol	0
PCP	0
Codeine	2
Amphetamines	1
Barbituates	2

(10) New Drug & DWI Arrest reports for this period:

Drug Arrest: 155      DWI Arrests: 285

(11) Licenses Denied: 14

**KEY**

- 1 - Active Race Tracks in New York:
  - (BD) Batavia Downs      Harness
  - (BR) Buffalo Raceway                      Harness
  - (FLR) Finger Lakes Race Track              T-Bred
  - (MR) Monticello Race Track                      Harness
  - (OOS) Out of N.Y. State =  
Human Drug violations that reported in RCI and  
USTA publications.
  - (SR) Saratoga Raceway                      Harness
  - (VD) Vernon Downs                      Harness
  - (YR) Yonkers Raceway                      Harness
  
- 2 - Number of entries for the entire program.
- 3 - Number of investigations relating to human drugs.
- 4 - Number of persons who were referred to treatment.
- 5 - Number of urine tests conducted.
- 6 - Number of positives reported.
- 7 - Percentage of positives to the total number of tests.
- 8 - Number of suspensions relating to human drugs.
- 9 - Number of tests that were conducted of persons who were tested more than once:
  - Total number of tests -----266
  - Total number of repeat tests----- -50
  - Total number of different persons--216
  
- 10 - Reports of persons arrest for human drug and DWI violations by the FBI and NYS Department of Justice. These persons are currently licensed or have held a license within the current 5 year period.
  
- 11- Number of license applications that were denied relating to human drugs.



## TRACK CAPITAL IMPROVEMENT FUNDS

Sections 228-a and 319 of the Racing, Pari-Mutuel Wagering and Breeding Law permit certain tracks to elect to withhold an additional 1% from regular and multiple pools from on-track betting to be used exclusively for capital improvements. Effective July 15, 1991 Section 319 was amended to permit harness tracks to use up to one half of the 1% amounts added from on-track betting for advertising and promotion expenses as defined in the same section.

In addition, Section 527 requires the regional OTB Corporations to retain a similar 1% from such off-track betting pools for tracks electing to withhold on-track of which one-half is paid to the tracks to be used exclusively for capital improvements (and the remaining one half is retained by each regional corporation for its own corporate purposes.)

All tracks entitled to make the election have made it. The pari-mutuel take out at such tracks is 18% instead of 17% from regular betting pools and 20% instead of 19% from the multiple betting pools. The track association commission revenues derived from on-track betting and off-track betting for capital improvement additions are included, but not identified separately, in the accompanying charts as part of the total and association shares of commission. Therefore, the capital improvement commissions are indicated in the chart below.

### CAPITAL IMPROVEMENT COMMISSIONS

<u>TRACK</u>	<u>FROM ON-TRACK BETTING</u>	<u>FROM OFF-TRACK BETTING</u>	<u>TOTAL ADDED IN 1994</u>	<u>TOTAL ADDED IN 1993</u>
Finger Lakes	\$280,467	\$506,213	\$ 786,680	\$718,854
Batavia Downs	36,136	25,132	61,268	129,860
Buffalo Rcwy.	141,485	96,239	237,724	250,489
Monticello Rcwy.	40,196	196,529	436,725	445,356
Saratoga Rcwy.	65,478	14,002	79,480	216,544
Veron Downs	128,500	46,000	174,500	191,825
Syracuse Mile	<u>13,172</u>	<u>606</u>	<u>13,778</u>	<u>15,045</u>
<b>TOTAL</b>	<b>\$905,434</b>	<b>\$883,721</b>	<b>\$1,790,155</b>	<b>\$1,967,973</b>

## WAGERING SYSTEMS

The Division issued 159 Games of Chance identification numbers in 1994, bring the total to 4,851 and during the same period 46 Bingo identification numbers were issued raising the total to 8,130.

During 1994 the Games of Chance activities in each of the Division's regions were as follows:

### Games of Chance License Period

Albany Regional Office	850	(Estimated)
Rochester Regional Office	1,056	
N.Y.C. Regional Office	<u>1,085</u>	
<u>Total N.Y. State</u>	2,991	

### Bell Jar License Period

Albany Regional Office	633
Rochester Regional Office	1,087
N.Y.C. Regional Office	<u>320</u>
<u>Total N.Y. State</u>	2,040

Several important pieces of legislation were passed in the year 1994 dealing with Bingo, Games of Chance including the legalization of raffles.

With respect to Bingo, the maximum aggregate prize was increased to \$3,000 from \$1,000; the single prize was increased to \$1,000 from \$250 and admission to bingo games was changed from not more than \$1.00 to not more than \$5.00. Additionally, a new bingo games, known as, Early Bird or "share the wealth" was added to the inventory of games available to charitable oriented organizations.

A change in the Games of Chance laws in 1994 also added to the vitality of fund-raising by authorized organizations. The maximum prize limitation for bell jar was increased to \$3,000 from \$1,000 and maximum prize limitation for a single winning ticket was increased to \$500 from \$250.

The Raffle Law passed in 1994, effective January 22, 1995, permitted authorized organizations to offer a single prize up to \$100,000; provided for a yearly license fee of \$25; did not require the presence of a ticket holder at the drawing in order to win and set no limitation on the price of the raffle ticket.

It is anticipated that raffles will be a successful gaming activity capable of raising substantial funds for charitable purposes.

## INDIAN GAMING

Indian Gaming is handled by the Board's Bureau of Gaming Regulation. During 1993 what is known as Class III gaming on Native American land came to in New York State pursuant to the Federal Indian Gaming and Regulatory Act of 1988 ("IGRA"), consistent with the Federal and State goals to promote tribal economic development, self-sufficiency, and to strengthen Native American governments.

In addition, on July 20, 1993, the "Turning Stone" casino was opened in Verona in accordance with the Oneida Nation-State Compact, made effective by Federal approval on June 4, 1993. Earlier negotiations with the St. Regis-Mohawk Tribe, were stayed by a 1990 court order, were concluded with the signing of a Tribe-State Compact, made effective by Federal approval on December 13, 1993, to establish the regulatory environment for casino gaming on Mohawk Tribal land. The St. Regis-Mohawk Tribe have not, to date established the casino operations authorized to such compact.

IGRA requires that upon the receipt of the request from a federally recognized Native American Nation or Tribe, the State enter into negotiations to produce a compact which establishes the regulatory framework for the conduct of what is referred to under IGRA as Class III gaming on Indian lands to the extent that same is not prohibited in such state as a matter of public policy or criminal law. Had the State and the Native American Nation or Tribe been unable to agree on the terms of a compact within one hundred and eighty (180) days following such request, the Native American Tribe or Nation could have brought suit in Federal district court to compel the appointment of a mediator. Should the parties fail to reach agreement within sixty days (60) thereafter, the mediator would, without further negotiation, choose between the best offer presented by each party.

Included in Class III gaming are games of chance normally associated with casinos such as roulette, craps and black-jack, the limited conduct of which for charitable fundraising purposes is permitted and regulated by the Board. Slot machines, which are illegal throughout New York State, remain prohibited on Nation land, as are coin-operated gambling devices, and telephone betting beyond the bounds of the Nation or Tribal land on which such gaming takes place. In addition to being legal within the State, Class III games must be included in the Compact and conducted in accordance with the rules for play set forth in the Appendices. Gambling on horse races was not addressed in either Compact and is, therefore, not authorized.

The two Compacts, which are substantially identical, further the State's three principal goals, to preserve public order and safety, ensure the integrity of gaming operations, and establish accounting and auditing practices and procedures.

The types of games played in the casinos, the rules and internal controls governing the operation thereof are approved by the Board, consistent with State law and IGRA.

The Board maintains a constant presence on the casino floor which, in the case of the Turning Stone, is a twenty-four (24) hour operation. Two Board gaming inspectors per each eight hour shift ensure that gaming operations, such as dealing procedures, internal accounting and other controls, strictly conform to the applicable provisions of the relevant Compact and its appendices. Our inspectors are experienced professional investigators who also monitor the activities of the Nation or Tribal gaming inspectors, security officers and surveillance departments. Casino patrons look to our inspectors to clarify the rules of the games and as a recourse for any complaints.

Our Certification and Registration Unit is responsible for the review and subsequent denial of the applications submitted by all persons involved with Class III gaming in the State.

No employee or manager can be hired or retained by the casino operator (whether the operator is the Native government or an outside contractor approved by the U.S. Department of Interior) unless the individual or firm has been previously approved by the Board. The level of scrutiny to which employee applicants are subject depends upon the nature of their responsibilities at the casino and their degree of access to and ability to influence gambling activities on the gaming floor. At the minimum, all are fingerprinted and required to provide basic biographical details verified by the FBI, State Division of Criminal Justice Services and State Police - Casino Detail.

With respect to the Turning Stone between July 17, 1993 and December 31, 1994, the Board received and processed 2,669 applications for certification. Of these, the Board certified 2,624 applicants and denied 24 others. In addition, applications of 28 persons were withdrawn by the applicant or the Oneida Indian Nation Gaming Commission. These were applicants who failed to begin work or whose employment at the Turning Stone casino was terminated for any reason. Because withdrawal or termination can occur at any step in the certification process after applicant is certified, the combined approval, denial and withdrawal figures exceed the total number of applications processed.

Pursuant to the Compacts, enterprises or individuals wishing to conduct gaming-related business with the Class III facility of either the Nation or the Tribe must be approved in advance by the Board through the registration and licensing process. These Registered Gaming Enterprises range from the solo proprietary bus company retained by the casino to transport patrons, to publicly traded multi-national corporations supplying cards and dice for the gaming floor. At year end, there were approximately eighteen Gaming Enterprises registered to conduct business with the Turning Stone.

The State's regulatory expenses are paid or reimbursed by the Nation or the Tribe, as the case may be pursuant to procedures set forth in each Compact.

COMPARISON OF COMBINED ON AND OFF-TRACK HANDLE 1994 AND 1993

	ON-TRACK HANDLES		OFF-TRACK HANDLES		COMBINED ON AND OFF TRACK		% OF INCREASE/DECREASE	
	1994	1993	1994	1993	1994	1993	1994	1993
<b>NYRA</b>								
Aqueduct	\$296,537,828	\$339,209,410	\$440,519,105	\$575,524,144	\$737,056,933	\$914,733,554	-23.46%	-19.42%
Belmont	260,192,895	292,976,264	398,049,268	422,812,424	656,242,163	715,788,688	-6.33%	-8.32%
Saratoga	110,337,651	112,283,204	139,077,724	131,269,747	249,415,375	243,552,951	5.95%	2.41%
<b>NYRA HANDLE</b>	<b>\$667,068,374</b>	<b>\$744,468,878</b>	<b>\$975,646,097</b>	<b>\$1,129,606,315</b>	<b>\$1,642,714,471</b>	<b>1,874,075,193</b>	<b>-13.63%</b>	<b>-12.35%</b>
<b>NYRA SIMULCASTS TO:</b>								
Aqueduct	\$41,401,709	\$38,027,019			\$41,401,709	\$38,027,019		8.87%
Belmont	2,341,316	5,180,879			5,180,879	5,180,879		-54.81%
Buffalo Raceway	5,171,655	5,575,118			5,575,118	5,575,118		-7.24%
Finger Lakes Race Track	6,497,517	6,804,322			6,804,322	6,804,322		-4.51%
Monticello Raceway	5,297,824	6,232,425			6,232,425	6,232,425		-15.00%
Saratoga Raceway	15,334,609	18,825,786			18,825,786	18,825,786		-18.54%
Vermont Downs	3,324,228	4,022,504			4,022,504	4,022,504		-17.36%
Yonkers Raceway	86,950,525	99,276,291			99,276,291	99,276,291		-12.42%
<b>NYRA SIMULCASTS OUT TOTAL</b>	<b>\$166,319,383</b>	<b>\$183,944,344</b>			<b>\$166,319,383</b>	<b>\$183,944,344</b>		<b>-9.58%</b>
<b>TOTAL BETTING NYRA TOTALS</b>	<b>\$833,387,757</b>	<b>\$928,413,222</b>	<b>\$975,646,097</b>	<b>\$1,129,606,315</b>	<b>\$1,809,033,854</b>	<b>\$2,058,019,537</b>	<b>-13.63%</b>	<b>-12.10%</b>
<b>FINGER LAKES HANDLES</b>								
Finger Lakes Simulcasts:	\$36,512,946	\$36,392,740	\$127,052,765	\$114,408,763	\$163,565,711	\$150,801,503	11.05%	8.46%
Batavia	920,236	1,757,373			920,236	1,757,373		-47.64%
Buffalo	2,407,173	2,187,165			2,407,173	2,187,165		10.06%
Monticello	1,455,258	1,453,156			1,455,258	1,453,156		0.14%
Saratoga	1,025,278	215,114			1,025,278	215,114		376.62%
Vermont	1,320,803	1,221,408			1,320,803	1,221,408		8.14%
<b>FINGER LAKES SIMULCASTS OUT</b>	<b>\$7,128,748</b>	<b>\$6,834,216</b>			<b>\$7,128,748</b>	<b>\$6,834,216</b>		<b>4.31%</b>
<b>TOTAL BETTING FINGER LAKES RACES</b>	<b>\$43,641,694</b>	<b>\$43,226,956</b>	<b>\$127,052,765</b>	<b>\$114,408,763</b>	<b>\$170,694,459</b>	<b>\$157,635,719</b>	<b>11.05%</b>	<b>8.28%</b>
<b>TOTAL IN-STATE THOROUGHBRED</b>	<b>\$877,029,451</b>	<b>\$971,640,178</b>	<b>\$1,102,698,862</b>	<b>\$1,244,015,078</b>	<b>\$1,979,728,313</b>	<b>\$2,215,656,256</b>	<b>-11.36%</b>	<b>-10.65%</b>
<b>OTB OUT-OF-STATE RACES*</b>			<b>\$244,682,271</b>	<b>\$109,378,535</b>	<b>\$244,682,271</b>	<b>\$109,378,535</b>	<b>123.70%</b>	<b>123.70%</b>
<b>THOROUGHBRED BETTING TOTALS</b>	<b>\$877,029,451</b>	<b>\$971,640,178</b>	<b>\$1,347,381,133</b>	<b>\$1,353,393,613</b>	<b>\$2,224,410,584</b>	<b>\$2,325,033,791</b>	<b>-0.44%</b>	<b>-4.33%</b>
<b>HARNESS RACES</b>								
Batavia Downs	\$6,045,784	\$10,475,909	\$7,287,583	\$14,604,347	\$12,333,367	\$26,080,256	-50.10%	-50.82%
Buffalo Raceway	19,923,600	21,378,502	26,978,156	27,180,252	46,901,756	48,568,754	-0.74%	-3.41%
Monticello Raceway	32,477,247	35,057,864	52,216,121	48,284,963	84,693,368	83,342,817	8.14%	1.62%
Saratoga Raceway	7,804,726	20,897,321	3,367,354	10,880,491	11,172,080	31,777,812	-69.05%	-64.84%
Vermont Downs	17,625,425	19,824,295	12,617,554	11,101,631	30,242,979	30,925,926	13.65%	-2.21%
Yonkers Raceway	117,681,658	122,284,486	160,969,363	173,417,670	278,651,021	295,702,156	-7.18%	-5.77%
Syracuse Mile	1,817,360	1,971,594	182,996	165,717	2,000,356	2,137,311	10.43%	-6.41%
<b>HARNESS HANDLES</b>	<b>\$202,375,800</b>	<b>\$231,889,971</b>	<b>\$263,619,127</b>	<b>\$285,635,061</b>	<b>\$465,994,927</b>	<b>\$517,525,032</b>	<b>-7.71%</b>	<b>-9.96%</b>
<b>HARNESS SIMULCASTS TO NY TRACKS*</b>								
TOTAL IN-STATE HARNESS BETTING	\$7,472,201	\$10,393,449	\$263,619,127	\$285,635,061	\$473,467,128	\$527,918,481	-7.71%	-10.31%
<b>OTB OUT-OF-STATE RACES</b>			<b>\$6,439,303</b>	<b>\$813,857</b>	<b>\$6,439,303</b>	<b>\$813,857</b>	<b>691.21%</b>	<b>691.21%</b>
<b>HARNESS RACES TOTAL</b>	<b>\$208,848,001</b>	<b>\$242,283,420</b>	<b>\$270,058,430</b>	<b>\$286,448,918</b>	<b>\$479,906,431</b>	<b>\$528,732,338</b>	<b>-5.72%</b>	<b>-9.25%</b>
<b>OUT-OF-STATE SIMULCASTS TO NY TRACKS</b>	<b>\$8,316,121</b>	<b>\$8,316,121</b>			<b>\$8,316,121</b>	<b>\$8,316,121</b>		
<b>ALL HANDLES COMBINED</b>	<b>\$1,095,193,573</b>	<b>\$1,213,923,598</b>	<b>\$1,617,439,563</b>	<b>\$1,639,842,531</b>	<b>\$2,712,633,136</b>	<b>\$2,853,766,129</b>	<b>-1.37%</b>	<b>-4.95%</b>

\*See page A-2 for detail of "Harness Simulcasts to N.Y. Tracks and page A-22 for detail of "OTB Out-of-State Races" and page A-2 for detail of "Out-of-State Simulcasts to N.Y. Tracks"



ON TRACK BETTING HANDLES AND ATTENDANCE 1994 COMPARED TO 1993 TRACKS OWN RACING AND TRACK TO TRACK SIMULCASTS INCLUDING TRACK TO TRACK SIMULCASTS FROM NEW YORK TRACKS AND OUT OF STATE

THOROUGHBRED RACES	PROGRAMS RACED		HANDLE		INCREASE/DECREASE		ATTENDANCE		INCREASE/DECREASE	
	1994	1993	AMOUNT	PERCENTAGE	AMOUNT	PERCENTAGE	1994	1993	AMOUNT	PERCENTAGE
Aqueduct	149	160	\$298,537,828	(-12.58%)	42,671,582	(-11.19%)	1,080,941	1,301,147	(210,206)	(-16.16%)
Belmont	106	113	292,976,264	(-11.19%)	32,783,369	(-11.19%)	1,021,125	1,189,077	(167,952)	(-14.12%)
Saratoga	34	30	1,122,853,204	(-17.3%)	177,400,503	(-15.40%)	719,168	793,374	(74,206)	(-9.23%)
NYRA (Excluding Aqueduct Simulcasts)	291	303	\$667,068,378	(-10.40%)	77,400,503	(-10.40%)	2,831,234	3,273,968	(442,734)	(-13.52%)
Finger Lakes Betting	177	158	36,512,948	(-10.33%)	120,206	(-10.33%)	307,737	308,039	(302)	(-0.10%)
TOTAL FOR THOROUGHBRED BETTING MEETS	468	461	\$780,861,618	(-8.90%)	77,280,297	(-8.90%)	3,188,871	3,681,637	(492,766)	(-13.26%)
HARNESS RACES	61	94	\$5,045,784	(-46.81%)	(5,430,125)	(-111.83%)	81,045	122,268	(41,223)	(-33.70%)
Bellevue Downs	160	153	19,823,600	(-3.53%)	21,378,502	(-8.81%)	198,848	207,646	(8,798)	(-4.24%)
Monticello Raceway	235	213	32,477,247	(-17.36%)	35,057,884	(-8.28%)	221,727	243,953	(22,226)	(-9.11%)
Saratoga Raceway	68	170	7,804,726	(-54.85%)	20,897,321	(-62.85%)	94,266	268,051	(173,785)	(-45.81%)
Yonkers Raceway	144	132	17,625,425	(-11.09%)	19,824,295	(-11.09%)	232,169	249,711	(17,542)	(-7.03%)
Syracuse Mills	284	288	117,691,658	(-17.82%)	\$122,284,486	(-4.78%)	457,148	517,316	(60,168)	(-11.63%)
TOTAL FOR HARNESS BETTING	7	7	1,811,360	(-10.54%)	1,971,594	(-9.44%)	15,658	19,900	(4,242)	(-21.32%)
TOTAL THOROUGHBRED & HARNESS MEETS	959	1,057	\$202,375,600	(-10.54%)	\$23,189,971	(-10.54%)	4,201,032	4,820,482	(619,450)	(-12.85%)
TRACK TO TRACK SIMULCASTING	1,427	1,518	\$655,957,121	(-10.54%)	\$1,012,751,568	(-35.33%)	214,319	214,319	5,313	(2.48%)
Aqueduct (Saratoga Meet)	34	30	\$41,401,709	(-9.43%)	3,374,680	(-8.87%)	219,632	214,319	5,313	(2.48%)
Bellevue Downs	183	296	2,341,316	(-37.51%)	5,180,879	(-54.81%)	15,088	12,616	2,472	(19.58%)
Finger Lakes Race Track	290	302	5,171,655	(-18.74%)	6,497,517	(-20.84%)	22,305	42,100	19,795	(47.03%)
Monticello Raceway	68	130	6,575,118	(-49.41%)	4,033,463	(-39.24%)	37,507	34,723	2,784	(7.99%)
Saratoga Raceway	291	303	5,297,824	(-18.74%)	3,068,603	(-42.44%)	26,958	80,237	(53,279)	(-66.41%)
Vernon Downs	265	274	15,334,809	(-43.64%)	9,348,001	(-38.80%)	74,185	41,068	33,117	(80.65%)
Yonkers Raceway	287	303	3,324,228	(-18.54%)	18,825,786	(-84.54%)	1,176	11,757	10,581	(90.15%)
NYRA SIMULCASTS TOTAL	291	303	88,950,525	(-25.74%)	99,276,291	(-11.44%)	537,929	603,200	(65,271)	(-10.82%)
Finger Lakes Simulcasts to Bellevue	1,729	1,943	\$168,319,363	(-12.42%)	\$183,944,344	(-8.70%)	933,602	1,028,283	(94,681)	(-9.21%)
Finger Lakes Simulcasts to Buffalo	102	157	820,236	(-46.81%)	1,757,373	(-53.14%)	12,976	11,757	1,219	(10.37%)
Finger Lakes Simulcasts to Monticello	177	158	2,407,173	(-24.81%)	637,137	(-38.71%)	2,851	2,261	590	(26.09%)
Finger Lakes Simulcasts to Saratoga	177	158	2,187,165	(-24.81%)	220,008	(-10.06%)	1,577	838	739	(88.19%)
Finger Lakes Simulcasts to Vernon	73	6	1,455,258	(-95.04%)	2,102	(0.14%)	17,404	12,479	4,925	(39.53%)
FINGER LAKES SIMULCAST TOTALS	165	156	1,025,276	(-6.73%)	810,164	(-20.40%)	17,404	27,335	(9,931)	(-36.35%)
HARNESS SIMULCASTS	684	637	\$1,320,803	(-39.64%)	98,395	(-25.98%)	15,500	31,875	(16,375)	(-51.37%)
Bellevue Simulcasts to Buffalo	53	98	\$7,128,748	(-27.03%)	\$8,634,218	(-17.32%)	1,219	1,219	0	(0.00%)
Bellevue Simulcasts to Saratoga	5	4	\$1,480,047	(-36.48%)	\$3,674,947	(-59.45%)	15,500	31,875	(16,375)	(-51.37%)
Bellevue Simulcasts to Vernon	20	14	187,804	(-25.03%)	45,238	(-75.84%)	914	1,423	(509)	(-35.84%)
Buffalo Simulcasts to Bellevue	14	22	62,466	(-72.03%)	167,804	(-63.41%)	8,765	2,721	6,044	(221.75%)
Buffalo Simulcasts to Finger Lakes	84	153	900,414	(-41.11%)	2,028,783	(-55.62%)	1,423	8,765	(7,342)	(-83.74%)
Buffalo Simulcasts to Saratoga	37	6	164,330	(-93.41%)	1,128,369	(-85.44%)	268	11,083	(10,815)	(-97.85%)
Buffalo Simulcasts to Vernon	9	9	34,208	(0.00%)	100,349	(-29.18%)	408	408	0	(0.00%)
Monticello Simulcasts to Vernon	75	96	484,874	(-49.48%)	34,208	(-92.84%)	268	11,083	(10,815)	(-97.85%)
Vernon Downs Simulcasts to Bellevue	19	6	1,084,803	(-81.52%)	99,929	(-90.80%)	11,083	408	(396,925)	(-97.00%)
Vernon Downs Simulcasts to Buffalo	28	6	38,903	(-84.78%)	16,260	(-57.20%)	11,083	408	(29,177)	(-71.44%)
Vernon Simulcasts to Saratoga	58	15	22,155	(-32.73%)	16,913	(-24.33%)	408	408	0	(0.00%)
Yonkers Simulcasts to Bellevue	17	1	557,151	(-98.24%)	373,177	(-33.04%)	408	408	0	(0.00%)
Yonkers Simulcasts to Buffalo	1	1	11,398	(0.00%)	11,398	(0.00%)	408	408	0	(0.00%)
Yonkers Simulcasts to Saratoga	43	4	482,858	(-91.74%)	77,464	(-84.04%)	408	408	0	(0.00%)
Yonkers Simulcasts to Vernon	4	3	3,283	(-18.86%)	482,858	(12047.28%)	408	408	0	(0.00%)
NEW YORK HARNESS SIMULCASTS TOTALS	72	66	93,454	(-6.31%)	3,283	(-3.51%)	5,562	9,294	(3,732)	(-39.19%)
Out of State Simulcasts to New York Tracks	131	131	1,182,760	(-0.00%)	1,494,951	(-22.22%)	5,562	9,294	(3,732)	(-39.19%)
TRACK TO TRACK SIMULCASTS TOTAL	666	632	\$1,053,819	(-3.21%)	\$1,487,735	(-29.22%)	32,452	15,200	17,252	(113.49%)
ALL ON TRACK BETTING COMBINED	3,978	3,212	\$1,890,236,453	(-11.93%)	\$2,011,720,008	(-6.53%)	5,403,490	6,330,691	(927,201)	(-14.63%)

The handle figures for the first two groupings in the chart above for thoroughbred and harness tracks reflect both live racing and simulcast programs from out of state and New York tracks. Such mixed racing handles are in addition to the separately listed groupings for track to track simulcasts including out of state. Attendance figures for track to track simulcasts are not available for all simulcasts.

OUT OF STATE SIMULCASTS TO NEW YORK TRACKS-1994

PROFITABLE	HANDLE
To Finger Lakes	156
To Bellevue Downs	154
To Buffalo Raceway	261
To Monticello Raceway	66
To Saratoga Raceway	2
To Vernon Downs	258
Total	969

**DISTRIBUTIONS OF REVENUE FROM ON AND OFF TRACK BETTING IN NEW YORK STATE 1994 COMPARED WITH 1993**

	ON-TRACK		OFF-TRACK		COMBINED	
	1994	% OF INC/DEC	1994	% OF INC/DEC	1994	% OF INC/DEC
<b>HANDLE TAKEOUT - NYS BETTING</b>						
TAKE-OUT	\$205,511,332	-8.85%	\$309,699,353	0.17%	\$515,210,685	-3.63%
BREAKAGE	5,815,508	-16.44%	7,512,461	-11.72%	13,327,969	-13.85%
TOTAL	\$211,326,840	-9.07%	\$317,211,814	-0.14%	\$528,538,854	-3.92%
<b>DISTRIBUTIONS OF TAKEOUTS AND OTHER REVENUES:</b>						
REVENUE TO N.Y. STATE	\$38,257,234	-17.53%	\$20,342,199	-21.29%	\$58,599,433	-18.87%
State Tax from N.Y. Wagering	(1,743,624)	-30.35%	0	0	(1,743,624)	-30.35%
Less OTB Simulcast Credits	\$36,513,610	-16.79%	\$20,342,199	-21.29%	\$56,855,809	-18.46%
Net State Taxes	1,782,766	-19.16%	5,583,300	-6.82%	7,366,066	-10.14%
Uncashed Winning Tickets	343,005	-6.94%	42,507	13.22%	385,512	-5.08%
State Admission Taxes	0	0	0	0	0	0
NYRA Franchise Tax	1,072,843	-6.48%	0	-18.53%	1,072,843	-6.48%
Licenses, Fees and Fines *	\$39,712,224	-16.58%	\$25,968,006	-18.53%	\$65,680,230	-17.36%
Revenues from NY Betting	\$162,278,034	-6.51%	\$100,212,893	4.44%	\$262,490,927	-2.61%
REVENUES TO TRACKS	3,784,413	-23.02%	0	0	3,784,413	-23.02%
Commissions	\$166,062,447	-6.97%	\$100,212,893	4.44%	\$266,275,340	-2.98%
Breakage(net of minus pools)	1,743,624	-30.35%	0	0	1,743,624	-30.35%
Total Commission and Breakage	\$181,003,047	-7.29%	\$100,212,893	4.44%	\$281,215,940	-3.23%
Add OTB Simulcast Credits	\$6,570,848	-10.12%	\$11,078,930	14.37%	\$17,649,776	3.84%
Total to Tracks	\$6,570,848	-10.12%	\$11,078,930	14.37%	\$17,649,776	3.84%
<b>COMMISSIONS TO BREEDERS FUNDS</b>						
	\$0		\$0		\$0	
<b>REVENUES TO LOCAL GOVERNMENTS</b>						
OTB Surcharges	\$119,150	-13.39%	\$53,926,938	-5.84%	\$54,046,088	-5.84%
Earnings from OTB Corporations	102,000	3.43%	3,087,830	17.34%	\$2,631,574	17.34%
Racing Revenues to Localities	656,244	-9.21%	\$59,906,161	-4.83%	\$60,562,405	-4.83%
*Detail for Licenses, Fees & Fines	\$103,200					
Track License Fees	105,500					
Simulcast License Fees	585,829					
Occupational License Fees	222,231					
Fingerprint Fees	44,683					
Fines	1,400					
Miscellaneous	\$1,072,843					
Total Fees And Fines	\$1,072,843					

NOTE: STATE TAX ON YONKERS COMMISSIONS FROM CONNECTICUT, \$130,706 FOR 1994 AND \$135,207 FOR 1993, IS NOT INCLUDED ABOVE

1994 Summary of Takeout and Breakeven From On-Track Betting  
Including Simulcasts from New York Tracks and Its Out-of-State Tracks

PLACE OF BET THOROUGHBRED RACES	COMMISSIONS		TOTAL	SHARES			UNCASHED TICKETS 1993 RACING
	TAKEOUT	BREAKOUT		TO STATE	TO ASSOCIATION	TO BREEDERS FUND	
Aqueduct	\$54,707,954	\$1,421,598	\$56,129,552	12,595,269	42,041,780	1,492,503	75,745
Belmont	46,927,357	1,356,087	48,283,444	12,148,428	34,823,184	1,311,852	143,868
Saratoga	19,979,889	702,204	20,679,093	5,054,820	15,084,381	580,092	184,100
<b>NYRA On-Track Meet Total</b>	<b>\$121,612,200</b>	<b>\$3,479,890</b>	<b>\$125,092,090</b>	<b>26,798,517</b>	<b>91,929,345</b>	<b>3,364,447</b>	<b>373,643</b>
<b>NYRA SIMULCASTS TO NY TRACKS</b>							
Aqueduct (Saratoga Meet)	\$7,508,157	\$218,526	\$7,726,683	\$1,289,454	\$6,248,200	\$207,009	\$12,304
Finger Lakes	32,263	1,254,822	1,287,085	143,849	1,077,359	33,614	803
Batavia Downs	429,746	10,249	439,995	42,512	385,778	33,814	11,875
Buffalo Raceway	948,437	25,068	973,505	86,232	859,140	11,707	300
Monticello Raceway	859,298	25,910	885,208	85,080	872,411	26,797	419
Saratoga Raceway	2,844,128	77,728	2,921,856	251,990	2,592,752	77,112	18,265
Vernon Downs	605,273	17,175	622,448	66,747	549,080	18,821	195
Yonkers Raceway	15,996,514	437,409	16,433,923	1,664,914	14,270,464	438,545	17,458
<b>NYRA TOTALS</b>	<b>\$30,449,100</b>	<b>\$44,318</b>	<b>\$30,493,418</b>	<b>3,600,758</b>	<b>26,855,182</b>	<b>\$37,478</b>	<b>49,542</b>
<b>TOTAL NYRA ON-TRACK AND SIMULCASTS OUT</b>	<b>\$152,091,300</b>	<b>\$4,324,207</b>	<b>\$156,395,507</b>	<b>\$33,399,075</b>	<b>\$118,784,507</b>	<b>\$4,201,925</b>	<b>\$1,320,943</b>
<b>Finger Lakes On-Track</b>	<b>\$7,579,036</b>	<b>\$180,408</b>	<b>\$7,759,444</b>	<b>\$1,011,522</b>	<b>\$6,875,357</b>	<b>\$182,565</b>	<b>\$53,950</b>
<b>FINGER LAKES SIMULCASTS TO:</b>							
Batavia Downs	\$101,163	\$4,009	\$105,172	\$19,212	\$171,359	\$4,601	---
Buffalo Raceway	502,046	11,309	513,355	52,569	446,951	12,095	41
Monticello Raceway	301,676	6,717	308,393	29,768	271,360	7,277	21
Saratoga Raceway	211,541	4,071	215,612	20,013	190,473	5,128	5
Vernon Downs	276,208	6,046	282,254	29,254	245,508	6,904	8
<b>Finger Lakes Simulcasts Total</b>	<b>\$1,462,724</b>	<b>\$32,152</b>	<b>\$1,494,876</b>	<b>\$150,984</b>	<b>\$1,328,639</b>	<b>\$35,843</b>	<b>\$75</b>
<b>TOTAL FINGER LAKES AND SIMULCASTS OUT</b>	<b>\$9,061,760</b>	<b>\$212,560</b>	<b>\$9,274,320</b>	<b>\$952,119</b>	<b>\$8,203,996</b>	<b>\$218,208</b>	<b>\$987</b>
<b>TOTAL FROM THOROUGHBRED RACING</b>	<b>\$161,123,060</b>	<b>\$4,536,787</b>	<b>\$165,659,847</b>	<b>\$34,251,191</b>	<b>\$126,968,503</b>	<b>\$4,420,133</b>	<b>\$1,419,066</b>
<b>HARNESSES RACES</b>							
Batavia Downs	\$1,087,203	\$31,585	\$1,118,788	\$75,806	\$962,524	\$60,458	\$28,657
Buffalo Raceway	4,177,043	116,260	4,293,323	410,805	3,883,285	199,298	130
Monticello Raceway	6,793,377	176,311	6,969,688	618,471	6,028,444	324,773	404
Saratoga Raceway	1,577,745	51,414	1,629,159	107,681	1,443,420	78,047	141
Vernon Downs	3,685,870	105,980	3,791,850	386,293	3,248,303	176,254	650
Yonkers Raceway	23,411,519	709,458	24,120,977	2,065,863	20,868,478	1,176,817	10,165
Syracuse Mile	380,862	10,781	391,643	45,979	327,491	18,173	6,454
<b>TOTAL HARNESSES BETTING ON-TRACK MEETS</b>	<b>\$41,063,639</b>	<b>\$1,201,789</b>	<b>\$42,265,428</b>	<b>\$3,713,728</b>	<b>\$36,547,943</b>	<b>\$2,023,758</b>	<b>\$359,801</b>
<b>HARNESSES SIMULCASTS:</b>							
Batavia to Buffalo	\$315,588	\$6,583	\$322,171	\$36,841	\$272,389	\$14,900	\$82
Batavia to Saratoga	34,542	1,001	35,543	30,504	1,678	1,678	2
Batavia to Vernon	18,622	542	19,164	1,843	14,498	825	1
Buffalo to Batavia	191,637	4,016	195,653	23,138	163,513	9,004	1
Buffalo to Saratoga	7,307	134	7,441	737	6,982	342	---
Buffalo to Vernon	102,360	2,327	104,687	11,704	88,134	4,849	3
Buffalo to Finger Lakes	34,511	792	35,303	4,174	28,686	1,643	1
Monticello to Vernon	11,922	316	12,238	1,397	10,279	662	---
Vernon Downs to Buffalo	8,002	258	8,260	786	7,069	391	---
Vernon Downs to Saratoga	122,323	3,390	125,713	17,935	102,206	5,572	---
Vernon Downs to Batavia	2,318	78	2,396	214	2,068	114	---
Yonkers to Buffalo	15,234	442	15,676	1,431	13,484	781	---
Yonkers to Monticello	97,209	2,884	99,993	10,981	84,083	4,829	9
Yonkers to Saratoga	19,250	596	19,846	1,680	16,231	935	1
Yonkers to Vernon	227,841	8,394	236,235	21,807	208,472	5,958	---
Yonkers to Finger Lakes	333,860	10,488	344,348	38,969	281,081	18,638	---
<b>TOTAL HARNESSES SIMULCASTS</b>	<b>689</b>	<b>18</b>	<b>707</b>	<b>117</b>	<b>557</b>	<b>33</b>	<b>984</b>
<b>TOTAL FROM HARNESSES RACING</b>	<b>\$42,623,854</b>	<b>\$1,403,252</b>	<b>\$44,027,106</b>	<b>\$3,830,455</b>	<b>\$37,887,747</b>	<b>\$2,092,810</b>	<b>\$320</b>
<b>SIMULCASTS FROM OUT-OF-STATE</b>							
To Batavia Downs	\$181,034	\$4,018	\$185,052	\$11,635	\$167,088	\$6,328	---
To Buffalo Raceway	519,887	11,908	531,795	32,879	480,389	18,027	107
To Monticello Raceway	112,354	1,901	114,255	6,980	102,694	2,801	5
To Saratoga Raceway	2,824	40	2,864	218	2,329	119	---
To Vernon Downs	407,981	6,731	414,712	20,582	374,624	18,218	612
To Finger Lakes Race Track	540,828	9,819	550,647	42,648	485,199	12,612	---
<b>TOTAL FROM OUT-OF-STATE TRACKS</b>	<b>\$1,784,116</b>	<b>\$32,815</b>	<b>\$1,816,931</b>	<b>\$119,918</b>	<b>\$1,622,513</b>	<b>\$57,803</b>	<b>\$724</b>
<b>ALL ON TRACK BETTING COMBINED TOTALS</b>	<b>\$205,511,332</b>	<b>\$5,816,508</b>	<b>\$211,327,840</b>	<b>\$38,257,234</b>	<b>\$168,468,783</b>	<b>\$6,570,846</b>	<b>\$1,782,768</b>

Some on-track meet totals include simulcasts from New York Tracks and From out of State

SUMMARY OF OTB SIMULCAST TAX CREDITS  
TO TRACKS FROM NEW YORK STATE TAXES

<u>TRACKS</u>	<u>1994</u>	<u>1993</u>
Finger Lakes Race Track	\$293,485	\$358,586
Yonkers Raceway	1,084,333	1,642,385
Saratoga Raceway	8,067	41,402
Batavia Downs	30,154	92,502
Buffalo Raceway	145,683	180,323
Monticello Raceway	89,273	94,265
Vernon Downs	<u>92,629</u>	<u>94,061</u>
Total OTB Simulcast Credits	<u>\$1,743,624</u>	<u>\$2,503,524</u>
The effects of the above credits are as follows:		
Total Pari-Mutuel Revenues To Tracks (see chart-distribution of revenues)	166,062,447	\$178,499,523
Plus Credits	1,743,624	<u>2,503,524</u>
Pari -Mutuel -Revenues Revenues To Tracks Including Credits	<u>\$167,806,071</u>	<u>\$181,003,047</u>
Total Pari-Mutuel Revenues to State (see chart-distribution of revenues)	38,257,234	\$46,387,238
Less Credits	(1,743,624)	(2,503,524)
Net Pari-Mutuel Revenues to State After Credits	<u>\$36,513,610</u>	<u>\$43,883,714</u>

1994 IN STATE BETTING ON NEW YORK AND OUT-OF-STATE RACING AND COMPARISON WITH 1993 TOTALS  
 COMPRISES HANDLES FROM TRACKS OWN RACING ON TRACK, TRACK TO TRACK SIMULCASTS AND FROM OTB BETTING ON NEW YORK AND OUT-OF-STATE RACES  
 (READ ACROSS FOR TOTAL BETTING AT EACH TRACK SITE FROM SIMULCASTS FROM OTHER TRACKS AND OWN RACING)  
 (READ DOWN FOR TOTAL BETTING ON A TRACKS OWN RACES AT ALL LOCATIONS, INCLUDING SIMULCASTS TO OTHER NEW YORK TRACKS, NEW YORK OTB AND ON-TRACK)

RECEIVING TRACK	TRACK TO TRACK SIMULCASTS FROM										TOTAL	ON-TRACK BETTING AT OWN RACING	1994 TOTAL BETTING AT EACH TRACK	
	NYRA TO	FINGER LAKES TO	BATAVIA TO	BUFFALO TO	MONTICELLO TO	SARATOGA TO	VERNON TO	YONKERS TO	SYRACUSE TO	OUT-OF-STATE				
THOROUGHBRED														
NYRA	\$4,401,709													\$4,401,709
Finger Lakes	6,497,517													\$9,187,556
TOTAL THOROUGHBRED TRACKS	\$47,898,226	\$164,330	\$164,330	\$900,414	\$0	\$0	\$39,068	\$78,107	\$882,106	2,522,426	\$2,522,426	\$667,068,374	\$1,008,470,083	
HARNESSES														
Bellevue	32,341,316	\$820,236	1,490,047	0	0	0	557,151	482,859	2,465,512	0	0	35,045,784	\$10,207,031	
Buffalo	5,171,655	2,407,173	0	0	0	0	0	0	0	0	0	10,823,600	\$32,487,988	
Monticello	5,297,824	1,455,258	0	0	0	0	0	0	0	0	0	32,477,247	\$39,638,335	
Saratoga	15,334,609	1,025,278	167,804	34,208	0	0	11,988	1,627,600	514,552	0	0	7,804,726	\$25,552,736	
Vernon	3,324,228	1,320,803	82,468	484,874	55,163	0	0	1,663,816	11,953	0	0	17,625,425	\$26,477,347	
Yonkers	88,950,525	24,6890	20,1011	35,1890	501,542	0	72,9067	0	11,400,067	0	0	104,257,191	\$204,632,183	
Syracuse Mile	0	0	0	0	0	0	0	0	0	0	0	1817,360	\$1,817,360	
TOTAL AT HARNESSES TRACKS	\$118,420,157	\$7,375,638	\$1,941,328	\$1,171,388	\$557,705	\$0	\$3,480,895	\$3,480,895	\$17,183,762	\$0	\$0	\$188,851,353	\$341,022,888	
TOTAL THOROUGHBRED & HARNESSES	\$166,316,383	\$7,375,638	\$1,941,328	\$1,835,716	\$557,705	\$0	\$3,484,278	\$3,484,278	\$19,716,188	\$0	\$0	\$892,532,653	\$1,095,183,573	
TOTAL OTB BETTING - N.Y. RACING	\$975,646,097	\$127,862,785	\$7,287,583	\$26,978,156	\$52,216,121	\$3,387,354	\$12,817,554	\$182,098	\$25,121,574	\$0	\$0	\$1,386,317,909	\$2,611,121,574	
TOTAL OTB BETTING - OUT-OF-STATE RACING														
TOTAL AT OTHER LOCATIONS	\$1,141,965,480	\$134,426,403	\$9,228,911	\$28,913,872	\$52,773,826	\$3,367,354	\$13,948,238	\$182,996	\$270,857,762	\$0	\$0	\$1,820,100,483	\$3,431,221,574	
ON-TRACKDOWN RACING	\$87,088,374	35,512,846	5,045,784	19,823,600	32,477,247	7,804,726	17,625,425	104,257,191	1,817,360	0	0	892,532,653	\$1,095,183,573	
1994 BETTING EACH TRACK RACING	\$1,808,033,854	\$170,941,349	\$14,274,685	\$48,837,472	\$85,251,073	\$11,172,080	\$31,573,663	\$288,710,832	\$2,000,356	\$270,837,762	\$0	\$2,712,633,136	\$5,525,766,129	
1993 BETTING EACH TRACK RACING	\$2,658,019,537	\$157,635,719	\$29,865,777	\$51,736,321	\$83,382,720	\$31,777,812	\$31,132,055	\$298,685,485	\$2,137,311	\$110,182,392	\$0	\$2,053,766,129	\$5,525,766,129	
INCREASE/(DECREASE) 1994-1993	(\$748,985,683)	(\$13,305,630)	(\$14,792,092)	(\$2,896,849)	\$1,868,353	(\$20,605,732)	\$441,608	(\$29,974,653)	(\$136,955)	\$160,646,370	\$0	(\$141,132,993)	\$0	

1994 ON-TRACK BETTING COMPARED TO 1993

RECEIVING TRACK	1994 TOTAL BETTING AT EACH TRACK	1993 TOTAL BETTING AT EACH TRACK	\$ INCREASE (DECREASE) 1993-1994	% INCREASE (DECREASE) 1993-1994
THOROUGHBRED	\$708,470,083	\$782,485,887	(\$74,025,814)	-9.46%
NYRA	45,009,502	43,306,281	2,394,221	5.53%
Finger Lakes	\$754,170,585	\$825,802,178	(\$71,631,593)	-8.67%
TOTAL THOROUGHBRED TRACKS	\$1,907,650,165	\$2,051,594,346	(\$143,944,181)	-7.01%
HARNESSES	\$118,420,157	\$118,420,157	\$0	0.00%
Bellevue	\$166,316,383	\$166,316,383	\$0	0.00%
Buffalo	\$7,375,638	\$7,375,638	\$0	0.00%
Monticello	\$1,941,328	\$1,941,328	\$0	0.00%
Saratoga	\$7,375,638	\$7,375,638	\$0	0.00%
Vernon	\$3,484,278	\$3,484,278	\$0	0.00%
Yonkers	\$3,484,278	\$3,484,278	\$0	0.00%
Syracuse Mile	\$1,817,360	\$1,817,360	\$0	0.00%
TOTAL AT HARNESSES TRACKS	\$118,420,157	\$118,420,157	\$0	0.00%
TOTAL THOROUGHBRED & HARNESSES	\$1,095,183,573	\$1,169,014,503	(\$73,830,930)	-6.32%

1994 SUMMARY OF ON-TRACK HANDLES  
INCLUDING LIVE RACING AND SIMULCASTS FROM OTHER TRACKS

	TOTAL BETTING AT NYRA JAN.-DEC.	TOTAL BETTING AT FINGER LAKES JAN.-DEC.	TOTAL BETTING AT BATAVIA JAN.-DEC.	TOTAL BETTING AT BUFFALO JAN.-DEC.	TOTAL BETTING AT MONTICELLO JAN.-DEC.	TOTAL BETTING AT SARATOGA JAN.-DEC.	TOTAL BETTING AT VERMION DOWNS JAN.-DEC.	TOTAL BETTING AT YONKERS JAN.-DEC.	TOTAL BETTING AT SYRACUSE JAN.-DEC.	TOTAL BETTING AT NYS TRACKS LIVE & SIMULCAST JAN.-DEC.
Programs Raced	291	177	61	160	235	68	144	284	7	1427
Simulcast Days	34	287	566	872	537	442	949	291	0	3,978
Attendance	3,050,866	346,158	84,898	249,629	251,534	177,301	232,169	995,077	15,858	5,403,490
Regular	\$192,857,507	\$8,931,667	\$2,177,572	\$7,837,646	\$7,805,060	\$7,001,732	\$5,946,127	\$51,251,676	\$379,869	\$284,188,856
Multiple	416,290,273	26,047,531	5,436,386	15,828,770	22,307,458	14,238,197	13,633,875	113,939,809	937,348	628,659,647
Exotic	84,544,416	10,721,304	2,593,073	8,831,580	9,464,583	3,971,253	6,897,345	37,551,824	500,143	165,065,521
Superexotic	14,777,887	0	0	0	271,234	0	0	1,888,874	0	17,279,549
Handle	\$708,470,083	\$45,709,502	\$10,207,031	\$32,497,996	\$39,838,335	\$25,552,736	\$26,477,347	\$204,632,183	\$1,817,360	\$1,095,193,573
Takeout	\$129,118,336	\$9,377,633	\$2,074,018	\$6,680,313	\$8,183,955	\$4,908,044	\$5,440,117	\$39,348,033	\$380,882	\$205,511,331
Breakage	3,698,415	223,090	54,573	178,902	211,435	142,860	148,605	1,146,867	10,761	5,815,508
Total Takeout and Breakage	\$132,816,751	\$9,600,723	\$2,128,591	\$6,859,215	\$8,395,390	\$5,050,904	\$5,588,722	\$40,494,900	\$391,643	\$211,326,839
State Tax on Handle	\$30,275,209	\$781,040	\$155,330	\$578,823	\$651,209	\$367,192	\$467,931	\$3,345,073	\$40,598	\$36,662,405
State tax on Breakage	792,563	111,868	19,172	69,219	92,728	38,837	59,538	405,524	5,381	1,594,830
Total Pari Mutual Tax	\$31,067,771	\$892,908	\$174,502	\$648,042	\$743,937	\$406,029	\$527,469	\$3,750,597	\$45,979	\$38,257,234
Association Commission	\$95,271,675	\$8,366,127	\$1,835,419	\$5,820,708	\$7,170,423	\$4,372,357	\$4,731,616	\$34,387,599	\$322,110	\$162,278,034
Association Breakage	2,905,850	111,221	35,402	109,733	118,707	104,023	89,067	741,342	5,381	4,220,726
Total to Association	\$98,177,525	\$8,477,348	\$1,870,821	\$5,930,441	\$7,289,130	\$4,476,380	\$4,820,683	\$35,128,941	\$327,491	\$166,498,760
Horse Breeders Fund Share	\$3,571,455	\$230,467	\$83,270	\$280,732	\$362,323	\$168,495	\$240,569	\$1,615,362	\$18,173	\$6,570,846
Association Payouts	\$1,853,809	\$520,427	\$301,302	\$799,245	\$457,429	\$1,112,089	\$410,552	\$6,463,907	\$985,796	\$11,918,760
Paid to simulcast senders	\$81,999,900	\$10,701,411	\$1,207,850	\$4,104,000	\$5,340,000	\$2,012,342	\$3,757,180	\$20,250,000	\$895,796	\$130,368,479
Gross Purses Paid	\$385,846	\$1,495	\$52	\$649	\$850	\$18,413	\$1,397	\$27,611	\$6,454	\$436,313
Minus Pool										
Uncashed Tickets	\$1,118,557	\$95,565	\$28,657	\$68,365	\$76,289	\$67,486	\$54,181	\$267,212	\$6,454	\$1,782,766
State Admission Taxes	\$287,794	\$9,639	\$1,757	\$1,659	\$2,658	\$6,339	\$9,420	\$23,308	\$431	\$343,005

NYRA  
 1994 ON-TRACK BETTING STATISTICS  
 TRACK'S OWN RACING AND SIMULCAST RACES FROM OTHER TRACKS

	Total Betting at 'Aquaduct Jan 1-May 1 Oct18-Dec.31 (exc. Saratoga Simu.)	149	Total Betting At Belmont May3-July20 Sept. 2-Oct. 16	108	34	Saratoga Thoroughbred July 22-Aug. 29	Saratoga Thoroughbred Simulcast TO Aqueduct July 22-Aug. 29	34	291 34	Total Betting at NYRA Jan. 1-Dec.31
Programs Raced										
Simulcast Days										
Attendance	1,090,941		1,021,125		719,168		219,632		3,050,866	
Regular	\$75,608,044		\$70,085,172		\$37,042,747		\$10,121,544		\$192,857,507	
Multiple	\$174,706,450		\$157,391,790		58,759,996		25,432,037		416,290,273	
Exotic	\$40,838,440		\$27,371,309		11,876,952		4,657,715		84,544,416	
Superexotic	\$5,384,894		\$5,344,624		2,857,956		1,190,413		14,777,887	
Handle	\$296,537,828		\$260,192,895		\$110,337,651		\$41,401,709		\$708,470,083	
Takeout	\$54,707,954		\$46,927,357		\$19,976,889		\$7,506,136		\$129,118,336	
Breakage	\$1,421,598		\$1,356,087		702,204		218,526		3,698,415	
Total Takeout and Breakage	\$56,129,552		\$48,283,444		\$20,679,093		\$7,724,662		\$132,816,751	
State Tax on Handle	\$12,255,185		\$11,868,715		4,903,707		\$1,247,601		\$30,275,208	
State Tax on Breakage	\$340,084		\$279,713		150,913		21,853		792,563	
Total Pari Mutual Tax	\$12,595,269		\$12,148,428		5,054,620		\$1,269,454		\$31,067,771	
Association Commission	\$40,960,265		\$33,746,792		\$14,513,091		\$6,051,527		\$95,271,675	
Association Breakage	\$1,081,515		\$1,076,372		551,290		196,673		2,905,850	
Total to Association	\$42,041,780		\$34,823,164		15,064,381		\$6,248,200		\$98,177,525	
Horse Breeders Fund Share	\$1,492,503		\$1,311,852		\$560,092		\$207,009		\$3,571,455	
Association Payout	\$1,305,336		\$371,922		\$176,551		\$0		\$1,853,809	
Payments to Sending Tracks	\$33,830,890		\$34,957,710		\$13,211,300		\$0		\$81,999,900	
Gross Purses Paid	\$75,745		\$143,698		\$154,100		\$12,304		\$385,846	
Minus Pool	\$0		\$0		\$0		\$0		\$0	
Uncashed Tickets	\$62,405		\$100,253		\$123,652		\$1,484		\$1,118,557	
State Admission Taxes			\$0		\$0		\$0		\$287,794	
Average Daily Attendance	7,322		9,455		21,152		6,460			
Average Daily Handle	\$1,990,187		\$2,409,193		\$3,245,225		\$1,217,697			
Per Capita Handle	\$272		\$255		\$153		\$189			
Percent of Breakage to Handle	0.48%		0.52%		0.64%		0.53%			

FINGER LAKES RACETRACK  
1994 ON-TRACK BETTING STATISTICS  
TRACK'S OWN RACING AND SIMULCAST RACES FROM OTHER TRACKS

	FINGER LAKES THOROUGHBRED OWN RACING APRIL 8-DEC. 13	SIMULCASTS FROM NYRA & 'SPECIAL EVENTS JAN. 1 - DEC.31	SIMULCASTS OUT-OF-STATE THOROUGHBRED JAN.-MARCH	SIMULCASTS FROM 'BUFFALO HARNESS JAN.-MARCH	SIMULCASTS FROM YONKERS HARNESS MARCH	'TOTAL BETTING AT FINGER LAKES JAN.-DEC.
Programs Raced	177	88	158	37	4	177
Simulcast Days	307,737	37,507	914			287
Attendance						346,158
Regular	\$7,314,594	\$1,180,050	\$412,562	\$23,941	\$520	8,931,667
Multiple	20,732,151	3,948,446	1,270,844	94,587	1,503	26,047,531
Exotic	8,466,201	1,369,021	839,020	45,802	1,260	10,721,304
Superexotic	0	0	0	0	0	0
Handle	\$36,512,946	\$6,497,517	\$2,522,426	\$164,330	\$3,283	45,700,502
Takeout	\$7,579,036	\$1,222,569	\$540,828	\$34,511	\$689	9,377,633
Breakage	180,408	32,253	\$9,619	792	18	223,090
Total Takeout and Breakage	\$7,759,444	\$1,254,822	\$550,447	\$35,303	\$707	9,600,723
State Tax on Handle	\$602,298	\$136,095	\$37,837	\$4,695	\$115	781,040
State tax on Breakage	99,224	7,754	\$4,809	79	2	111,868
Total Pari Mutual Tax	\$701,522	\$143,849	\$42,646	\$4,774	\$117	892,908
Association Commission	\$6,794,174	\$1,052,859	\$490,380	\$28,173	\$541	8,366,127
Association Breakage	81,183	24,500	\$4,809	713	16	111,221
Total to Association	\$6,875,357	\$1,077,359	\$495,189	\$28,886	\$557	8,477,348
Horse Breeders Fund Share	\$182,565	\$33,614	\$12,612	\$1,643	\$33	230,467
Association Payouts						
Paid to simulcast senders		\$427,624	\$84,489	\$8,216	\$98	520,427
Gross Purses Paid	\$10,701,411		\$0			10,701,411
Minus Pool	\$892	\$603	\$0			1,495
Uncashed Tickets (Prior Year)	\$83,560	\$11,675	\$0	\$330		\$95,565
State Admission Taxes	\$9,639		\$0			\$9,639
Average Daily Attendance	1,739	426	0	25	0	
Average Daily Handle	\$206,288	\$73,835	\$15,965	\$4,441	\$821	
Per Capita Handle	\$119	\$173	\$180	\$180		
Percent of Breakage to Handle	0.49%	0.50%	0.38%	0.48%	0.55%	



BATAVIA DOWNS  
1994 ON-TRACK BETTING STATISTICS  
TRACK'S OWN RACING AND SIMULCAST FROM OTHER TRACKS

	BATAVIA HARNESS 'OWN RACING 'AUG. 3 - OCT. 15	SIMULCASTS FROM BUFFALO JAN. 1 - FEB. 20 JULY 1-30 OCT19 -DEC. 31	SIMULCASTS FROM YONKERS HARNESS JULY 23 SEPT. 9 - DEC. 7	SIMULCASTS FROM VERNON HARNESS AUG. -OCT. 14	SIMULCASTS FROM NYRA THOROUGHBRED JAN.1-DEC.31	SIMULCASTS FROM 'FINGER LAKES THOROUGHBRED JULY 15- DEC. 12	SIMULCASTS FROM OUT-OF-STATE THOROUGHBRED & HARNES JAN.1-DEC.31	TOTAL BETTING AT BATAVIA JAN.1-DEC.31
Programs Raced	61	84	17	26	183	102	0	61
Simulcast Days		8,765			15,088		154	566
Attendance	61,045						0	84,898
Regular	\$1,178,175	\$187,080	\$23,290	\$11,002	\$408,849	\$191,100	\$178,076	\$2,177,572
Multiple	2,435,418	407,415	40,517	19,901	1,537,719	510,382	\$485,034	5,436,386
Exotic	1,432,191	305,919	14,300	8,165	394,748	218,754	\$218,986	2,593,073
Superexotic	0	0	0	0	0	0	\$0	0
Handle	\$5,045,784	\$900,414	\$78,107	\$39,068	\$2,341,316	\$920,236	\$882,106	\$10,207,031
Takeout	\$1,057,203	\$191,637	\$15,234	\$8,002	\$429,745	\$191,163	\$181,034	\$2,074,018
Breakage	31,585	4,016	442	256	10,249	4,009	\$4,016	54,573
Total Takeout and Breakage	\$1,088,788	\$195,653	\$15,676	\$8,258	\$439,994	\$195,172	\$185,050	\$2,128,591
State Tax on Handle	\$60,013	\$22,736	\$1,387	\$742	\$41,477	\$18,811	\$0	\$155,330
State tax on Breakage	15,793	402	44	26	1,035	401	\$1,471	19,172
Total Pari Mutual Tax	\$75,806	\$23,138	\$1,431	\$768	\$42,512	\$19,212	\$11,635	\$174,502
Association Commission	\$946,732	\$159,897	\$13,066	\$6,869	\$376,561	\$167,751	\$164,543	\$1,835,419
Association Breakage	15,792	3,614	398	230	9,215	3,608	\$2,545	35,402
Total to Association	\$962,524	\$163,511	\$13,464	\$7,099	\$385,776	\$171,359	\$167,088	\$1,870,821
Horse Breeders Fund Share	50,458	9,004	781	391	11,707	4,601	\$6,328	\$83,270
Association Payouts								
Paid to simulcast senders		\$58,752	\$2,343	\$1,953	\$152,186	\$59,815	\$26,253	\$301,302
Gross Purses Paid	\$1,207,850							\$1,207,850
Minus Pool	\$52							52
Uncashed Tickets	\$28,657							\$28,657
State Admission Taxes	\$1,757							\$1,757
Average Daily Attendance	1,001	104	0	0	82	0	0	0
Average Daily Handle	\$82,718	\$10,719	\$4,595	\$1,503	\$12,794	\$9,022	\$5,728	\$5,728
Per Capita Handle	\$83	\$103			\$155			
Percent of Breakage to Handl	0.63%	0.45%	0.57%	0.66%	0.44%	0.44%	0.46%	0.46%

BUFFALO RACEWAY  
 1994 ON TRACK BETTING STATISTICS  
 TRACK'S OWN RACING AND SIMULCASTS FROM OTHER TRACKS

	BUFFALO OWN RACING JAN.1-FEB.20 MARCH 18-JULY 31 OCT.19-DEC.31	SIMULCAST FROM BATAVIA HARNESSES AUG.3-OCT.15	SIMULCAST FROM NYRA THOROUGHBRED JAN.-DEC.	SIMULCAST FROM 'OUT OF STATE' THOROUGHBRED & HARNESSES JAN.1-31 DEC	SIMULCAST FROM FINGER LAKES MAY 5-OCT.15 APRIL 8-MAY13	SIMULCAST FROM VERNON DOWNS HARNESSES MAY 11-OCT.15	SIMULCAST FROM YONKERS RACEWAY HARNESSES FEB. 24-DEC.7	TOTAL BETTING AT BUFFALO JAN.-DEC.
Programs Raced	160	0	290	251	177	58	43	160
Simulcast Days	0	53	290	251	12,976	58	43	872
Attendance	198,848	15,500	22,305	\$588,464	\$477,202	\$128,030	\$130,163	\$7,837,646
Regular	\$4,821,610	\$291,702	\$1,400,475	1,113,825	1,326,756	160,060	218,215	15,826,770
Multiple	9,326,898	730,491	2,952,525	763,223	603,215	269,061	134,480	8,831,580
Exotic	5,775,092	467,854	818,655	0	0	0	0	0
Superexotic	0	0	0	\$2,465,512	\$2,407,173	\$557,151	\$482,858	\$32,497,996
Handle	\$19,923,600	\$1,490,047	\$5,171,655	\$519,687	\$502,046	\$122,323	\$97,209	\$6,680,313
Takeout	\$4,177,043	\$315,568	\$946,437	11,608	11,309	3,390	2,684	178,902
Breakage	116,280	8,563	25,068	\$531,295	\$513,355	\$125,713	\$99,893	\$6,859,215
Total Takeout and Breakage	\$4,293,323	\$324,131	\$971,505	\$27,363	\$51,238	\$17,596	\$10,712	\$578,823
State Tax on Handle	\$352,664	\$35,985	\$83,245	5,496	1,131	339	269	69,219
State tax on Breakage	58,141	956	2,987	\$32,879	\$52,369	\$17,935	\$10,981	\$646,042
Total Pari Mutual Tax	\$410,805	\$36,941	\$86,232	\$474,229	\$438,773	\$99,155	\$81,668	\$5,820,708
Association Commission	\$3,625,143	\$264,662	\$837,058	6,160	10,178	3,051	2,415	109,733
Association Breakage	58,139	7,708	22,082	\$480,389	\$448,951	\$102,206	\$84,083	\$5,930,441
Total to Association	\$3,683,282	\$272,390	\$859,140	\$18,027	\$12,035	\$5,572	\$4,829	\$280,732
Horse Breeders Fund Share	\$199,236	\$14,900	\$26,133	\$186,396	\$120,359	\$27,858	\$14,486	\$799,245
Association Payouts	\$0	\$105,615	\$344,531	\$0	\$0	\$0	\$0	\$4,104,000
Paid to simulcast senders	\$4,104,000	\$0	\$0	\$107	\$41	\$0	\$9	\$649
Gross Purses Paid	\$130	\$62	\$300	\$0	\$0	\$0	\$0	\$0
Minus Pool	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncashed Tickets	46,275	0	13,938	8,152	0	0	0	\$68,365
State Admission Taxes	1,659	0	0	0	0	0	0	\$1,659
Average Daily Attendance	1,243	292	77	0	73	0	0	0
Average Daily Handle	124,523	28,114	17,833	9,823	13,600	9,606	11,229	11,229
Per Capita Handle	100	96	232	186	186	0.61%	0.56%	0.56%
Percent of Breakage to Handle	0.56%	0.57%	0.48%	0.47%	0.47%	0.61%	0.56%	0.56%

MONTICELLO RACEWAY  
1994 ON-TRACK BETTING STATISTICS  
TRACK'S OWN RACING AND SIMULCASTS FROM OTHER TRACKS

	MONTICELLO HARNESS OWN RACING JAN. 1 - DEC. 31	SIMULCASTS FROM NYRA & SPECIAL EVENTS JAN. 1 DEC. 31	SIMULCASTS FROM FINGER LAKES 'APRIL 8-DEC. 13	TOTAL OUT-OF-STATE THOROUGHBRED JAN. 1 MARCH 31	SIMULCASTS FROM YONKERS APRIL 16-30	TOTAL BETTING AT MONTICELLO
Programs Raced	235	291	177	66	3	235
Simulcasts Days						537
Attendance	221,727	26,956	2,851			251,534
Regular	\$6,247,742	\$1,155,865	\$271,095	\$108,150	\$22,208	\$7,805,060
Multiple	17,771,861	3,442,470	863,233	\$174,277	55,617	22,307,458
Exotic	8,457,644	465,075	284,531	\$231,704	15,629	9,454,583
Superexotic	0	234,414	36,399	\$421	0	271,234
Handle	\$32,477,247	\$5,297,824	\$1,455,258	\$514,552	\$83,454	\$39,838,335
Takeout	\$6,793,377	\$958,298	\$301,676	\$112,354	\$18,250	\$8,183,955
Breakage	176,311	25,910	6,717	\$1,901	596	\$211,435
Total Takeout and Breakage	\$6,969,688	\$984,208	\$308,393	\$114,255	\$18,846	\$8,395,390
State Tax on Handle	\$530,315	\$82,170	\$29,094	\$8,010	\$1,620	\$651,209
State Tax on Breakage	88,156	2,890	672	\$950	60	92,728
Total Pari Mutuel Tax	\$618,471	\$85,060	\$29,766	\$8,960	\$1,680	\$743,937
Association Commission	\$5,938,289	\$849,391	\$265,305	\$101,743	\$15,695	\$7,170,423
Association Breakage	88,155	23,020	6,045	\$951	536	118,707
Total to Association	\$6,026,444	\$872,411	\$271,350	\$102,694	\$16,231	\$7,289,130
Horse Breeders Fund Share	\$324,773	\$26,737	\$7,277	\$2,601	\$935	\$362,323
Association Payouts						
Paid to Simulcasts Senders		\$351,484	\$72,763	\$30,378	\$2,804	\$457,429
Gross Purses Paid	\$5,340,000					\$5,340,000
Minus Pools	\$404	\$419	\$21	\$5	\$1	\$850
Uncashed Tickets	\$60,051	\$11,918	\$4,320			\$76,289
State Admission Taxes	\$2,658					\$2,658
Average Daily Attendance	944	93	16			
Average Daily Handle	\$138,201	\$18,206	\$8,222			\$31,151
Per Capita Handle	\$146	\$197	\$510			
Percent of Breakage to Handle	0.54%	0.49%	0.46%			0.64%

SARATOGA RA CEWAY  
1994 ON-TRACK BETTING STATISTICS  
TRACK'S OWN RACING AND SIMULCASTS FROM OTHER TRACKS

	SARATOGA OWN RACING JUNE 24-NOV.26		SIMULCASTS FROM YONKERS HARNES JAN. 1-DEC.31		SIMULCASTS FROM BATAVIA HARNES AUG. 10-OCT. 12		SIMULCASTS FROM BUFFALO HARNES OCT. 19-DEC.30		SIMULCASTS FROM VERNON DOWNS HARNES AUG. 10		SIMULCASTS FROM OUT OF STATE HARNES SEPT.22 DEC.30		SIMULCASTS FROM NYRA THOROUGHBRED JAN1-DEC.31		SIMULCASTS FROM FINGER LAKES THOROUGHBRED APRIL 12-DEC. 13		TOTAL BETTING AT SARATOGA
	68	72	20	9	1	2	265	73	68	442							
Programs Raced	68	72	20	9	1	2	265	73	68	442							
Simulcast Days			1,423	298			74,185	1,577									
Attendance	94,266	5,552															
Regular	\$2,231,516	\$298,897	\$40,925	\$7,052	\$3,519	\$2,763	\$4,225,451	\$191,609	\$7,001,732	\$191,609	\$2,763	\$4,225,451	\$191,609	\$7,001,732			
Multiple	4,344,616	648,937	90,886	18,652	5,705	4,258	8,497,830	627,313	14,238,197	627,313	4,258	8,497,830	627,313	14,238,197			
Exotic	1,228,594	214,926	35,993	8,504	2,174	4,932	2,269,774	206,356	3,971,253	206,356	4,932	2,269,774	206,356	3,971,253			
Superexotic	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Handle	\$7,804,726	\$1,162,760	\$167,804	\$34,208	\$11,398	\$11,953	\$15,334,609	\$1,025,278	\$25,552,736	\$1,025,278	\$11,953	\$15,334,609	\$1,025,278	\$25,552,736			
Takeout	\$1,577,745	\$227,841	\$34,542	\$7,307	\$2,318	\$2,624	\$2,844,126	\$211,541	\$4,908,044	\$211,541	\$2,624	\$2,844,126	\$211,541	\$4,908,044			
Breakage	51,414	8,394	1,001	134	78	\$40	77,728	4,071	\$142,860	4,071	\$40	77,728	4,071	\$142,860			
Total Takeout and Breakage	\$1,629,159	\$236,235	\$35,543	\$7,441	\$2,396	\$2,664	\$2,921,854	\$215,612	\$5,050,904	\$215,612	\$2,664	\$2,921,854	\$215,612	\$5,050,904			
State Tax on Handle	\$81,984	\$20,968	\$3,261	\$724	\$206	\$206	\$240,237	\$19,606	\$367,192	\$19,606	\$206	\$240,237	\$19,606	\$367,192			
State tax on Breakage	25,707	839	100	13	8	\$10	11,753	407	\$38,837	407	\$10	11,753	407	\$38,837			
Total Pari Mutuel Tax	\$107,691	\$21,807	\$3,361	\$737	\$214	\$216	\$251,990	\$20,013	\$406,029	\$20,013	\$216	\$251,990	\$20,013	\$406,029			
Association Commission	\$1,417,713	\$200,918	\$29,603	\$6,241	\$1,998	\$2,298	\$2,526,777	\$186,809	\$4,372,357	\$186,809	\$2,298	\$2,526,777	\$186,809	\$4,372,357			
Association Breakage	25,707	7,554	901	121	70	\$31	65,975	3,664	\$104,023	3,664	\$31	65,975	3,664	\$104,023			
Total to Association	1,443,420	208,472	30,504	6,362	2,068	\$2,329	2,592,752	190,473	\$4,476,380	190,473	\$2,329	2,592,752	190,473	\$4,476,380			
Horse Breeders Fund Share	\$78,048	\$5,956	\$1,678	\$342	\$114	\$119	\$77,112	\$5,126	\$168,495	\$5,126	\$119	\$77,112	\$5,126	\$168,495			
Association Payouts			\$5,094	\$1,026	\$342	\$359	\$1,019,121	\$51,264	\$1,112,089	\$51,264	\$359	\$1,019,121	\$51,264	\$1,112,089			
Paid to Simulcast Senders			\$2			\$0		\$5	\$2,012,342	\$5	\$0		\$5	\$2,012,342			
Gross Purses Paid			\$2			\$0			\$18,413	\$2	\$0		\$5	\$18,413			
Minus Pool																	
Uncashed Tickets	\$35,741	\$934							\$30,811	\$30,811				\$30,811			
State Admission Taxes	\$4,070								\$2,269	\$2,269				\$2,269			
Average Daily Attendance	1,386	77	71	33			280	22	\$67,486	\$67,486				\$67,486			
Average Daily Handle	\$114,775	\$16,149	\$8,390	\$3,801	\$11,398	\$359	\$57,866	\$14,045	\$270,207	\$270,207				\$270,207			
Per Capita Handle	\$83	\$209	\$118	\$115	0.68%	\$0	\$207	0.40%	\$650	\$650				\$650			
Percent of Breakage to Handle	0.66%	0.72%	0.60%	0.39%			0.51%										

VERNON DOWNS  
1994 ON-TRACK BETTING STATISTICS  
TRACK'S OWN RACING AND SIMULCASTS FROM OTHER TRACKS

	VERNON OWN RACING MARCH 24-NOV.26	SIMULCASTS FROM YONKERS HARNESS JAN.1-DEC.7	SIMULCASTS FROM BATAVIA HARNESS AUG.3-OCT. 12	SIMULCASTS FROM MONTICELLO HARNESS JAN.3-MARCH 16	SIMULCASTS FROM BUFFALO HARNESS JAN. 1-DEC.31	SIMULCASTS FROM NYRA THOROUGHBRED JAN. 1-DEC.31	SIMULCASTS FROM FINGER LAKES THOROUGHBRED APRIL8 -DEC.10	SIMULCASTS FROM OUT-OF-STATE THOROUGHBRED HARNESS JAN.-DEC	TOTAL BETTING AT VERNON JAN.-DEC
Programs Raced	144	131	14	19	75	287	165	258	144
Simulcast Days	232,169								949
Attendance									232,169
Regular	\$3,898,690	\$400,148	\$17,672	\$9,783	\$99,283	\$824,587	\$244,339	\$451,615	\$5,946,127
Multiple	8,951,544	834,373	43,019	28,687	238,166	1,997,706	735,966	804,414	13,633,875
Exotic	4,775,191	429,295	21,775	17,693	147,425	501,925	340,498	663,543	6,897,345
Superexotic	0	0	0	0	0	0	0	0	0
Handle	\$17,625,425	\$1,663,816	\$82,466	\$56,163	\$484,874	\$3,324,228	\$1,320,803	\$1,919,572	\$26,477,347
Takeout	\$3,685,870	\$333,880	\$16,622	\$11,922	\$102,360	\$605,273	\$276,298	\$407,892	\$5,440,117
Breakage	105,980	10,488	542	316	2,327	17,175	6,046	5,731	\$148,605
Total Takeout and Breakage	\$3,791,850	\$344,368	\$17,164	\$12,238	\$104,687	\$622,448	\$282,344	\$413,623	\$5,588,722
State Tax on Handle	\$316,303	\$35,620	\$1,799	\$1,365	\$11,471	\$55,030	\$28,629	\$17,714	\$467,931
State Tax on Breakage	52,990	1,049	44	32	233	1,717	605	2,868	\$59,538
Total Pari Mutual Tax	\$369,293	\$36,669	\$1,843	\$1,397	\$11,704	\$56,747	\$29,234	\$20,582	\$527,469
Association Commission	\$3,193,313	\$281,622	\$13,998	\$9,995	\$88,040	\$533,622	\$241,065	\$371,981	\$4,731,616
Association Breakage	52,990	9,439	498	284	2,094	15,458	5,441	2,863	\$89,067
Total to Association	\$3,246,303	\$291,061	\$14,496	\$10,279	\$90,134	\$549,080	\$246,506	\$374,824	\$4,820,683
Horse Breeders Fund Share	\$176,254	\$16,638	\$825	\$562	\$4,849	\$16,621	\$6,604	\$18,216	\$240,569
Association Payouts									
Paid to simulcast senders		\$49,914	\$4,123	\$1,404	\$24,244	\$216,075	\$66,040	\$48,752	\$410,552
Gross Purses Paid	\$3,757,180								\$3,757,180
Minus Pool	\$550	\$27	\$1	\$1	\$3	\$195	\$8	\$612	\$1,397
Uncashed Tickets	\$43,567	\$1,314			\$623	\$5,986	\$2,691	0	\$54,181
State Admission Taxes	\$9,420							0	\$9,420
Average Daily Attendance	1,612								
Average Daily Handle	\$122,399	\$12,701	\$5,890	\$2,956	\$6,465	\$11,593	\$9,005	\$7,440	
Per Capita Handle	\$76	0.63%	0.66%	0.56%	0.48%	0.52%	0.46%	0.30%	
Percent of Breakage to Handle	0.60%								

SYRACUSE MILE  
1994 ON-TRACK BETTING STATISTICS  
TRACK'S OWN RACING

YONKERS RACEWAY  
1994 ON-TRACK BETTING STATISTICS  
TRACK'S OWN RACING AND SIMULCAST RACES FROM OTHER TRACKS

	YONKERS RACEWAY TRACK'S OWN RACING & SIMULCASTS JAN.1- DEC.31	THOROUGHBRED SIMULCASTS FROM NYRA & OUT OF STATE JAN.1-DEC.31	TOTAL BETTING AT YONKERS
Programs Raced	284	291	284
Simulcast Days	291		291
Attendance	457,148	537,929	995,077
Regular	\$28,767,511	\$22,484,165	51,251,676
Multiple	62,474,087	51,465,722	113,939,809
Exotic	26,440,060	11,111,764	37,551,824
Superexotic	0	1,888,874	1,888,874
Handle	\$117,681,658	\$86,950,525	\$204,632,183
Takeout	\$23,411,519	\$15,936,514	\$39,348,033
Breakage	709,458	437,409	1,146,867
Total Takeout and Breakage	\$24,120,977	\$16,373,923	\$40,494,900
State Tax on Handle	\$1,734,676	\$1,610,397	\$3,345,073
State Tax on Breakage	351,007	54,517	405,524
Total Pari Mutuel Tax	\$2,085,683	\$1,664,914	\$3,750,597
Association Commission	\$20,500,027	\$13,887,572	\$34,387,599
Association Breakage	358,450	382,892	741,342
Total to Association	\$20,858,477	\$14,270,464	\$35,128,941
Horse Breeders Fund Share	\$1,176,817	\$438,545	\$1,615,362
Association Payouts	\$333,308	\$6,130,599	\$6,463,907
Paid to simulcast senders	\$20,250,022	\$0	\$20,250,022
Gross Purses Paid	\$10,155	\$17,456	\$27,611
Minus Pool			
Uncashed Tickets	\$139,156	\$128,056	\$267,212
State Admission Taxes	\$18,129	\$5,179	\$23,308
Average Daily Attendance	1,610	1,849	2,265
Average Daily Handle	\$414,372	\$298,799	\$259,623
Per Capita Handle	\$257	\$162	\$115
Percent of Breakage to Handle	0.60%	0.50%	0.59%
TOTAL BETTING AT SYRACUSE HARNESSESS AUG.6-21			7
			15,858
			\$379,869
			937,348
			500,143
			0
			\$1,817,360
			\$380,882
			10,761
			\$391,643
			\$40,598
			5,381
			\$45,979
			\$322,110
			5,381
			\$327,491
			\$18,173
			\$995,796
			\$6,454
			\$431
			2,265
			\$259,623
			\$115
			0.59%

Gross Purses Paid 1994 Compared to 1993

TRACK	Purses Paid in 1994			Gross Purses Paid 1993	1994-1993 Increase (Decrease)	
	Track Fund	Horsebreeder Funds	Horsemen's Fees & 'Other Sources		Amount	Percent
Aqueduct	\$33,085,550	\$745,340	---	\$38,083,534	(\$4,252,644)	-11.17%
Belmont	33,653,585	1,304,125	---	36,042,400	(1,084,690)	-3.01%
Saratoga	12,656,950	554,350	---	11,608,400	1,602,900	13.81%
NYRA Total	\$79,396,085	\$2,603,815	---	\$85,734,334	(\$3,734,434)	-4.36%
Finger Lakes	\$9,000,700	\$1,700,711	---	\$8,389,550	\$2,311,861	27.56%
Total Thoroughbred	\$88,396,785	\$4,304,526	---	\$94,123,884	(\$1,422,573)	-1.51%
Harness	\$1,136,850	\$54,000	\$17,000	\$2,708,732	(\$1,500,882)	-55.41%
Batavia	3,130,208	408,000	565,792	4,354,350	(250,350)	-5.75%
Buffalo Raceway	4,355,858	618,000	366,142	5,254,055	85,945	1.64%
Monticello	1,510,568	200,882	300,892	4,301,570	(2,289,228)	-53.22%
Saratoga	155,931	637,165	202,700	1,114,275	(118,479)	-10.63%
Syracuse Mile	2,745,048	180,000	832,132	3,594,840	162,340	4.52%
Vermont Downs	16,313,125	1,848,994	2,087,881	22,370,550	(2,120,550)	-9.48%
Yonkers Raceway	\$29,347,588	\$3,947,041	\$4,372,539	\$43,698,372	(\$6,031,204)	-13.80%
Total All Tracks	\$117,744,373	\$8,251,567	\$4,372,539	\$137,822,256	(\$7,453,777)	-5.41%

**TAKEOUT DISTRIBUTIONS AS PERCENTAGES OF ON-TRACK AND TRACK TO TRACK HANDLES  
REFLECTS REDUCED STATE TAXES - EFFECTIVE AUGUST 1, 1994 OR SEPTEMBER 1, 1994**

**TRACK'S OWN RACING**

	<u>State Tax</u>	<u>Breeding Fund</u>	<u>Track Retention Before Purses</u>	<u>For Track Capital Improvements</u>	<u>Total (Takeout)</u>
<b>THOROUGHBRED RACING:</b>					
<b><u>New York Racing Association</u></b>					
Regular Bets	4.00%	.50%	12.50%	-----	17.00% <i>15</i>
Multiple Bets	4.00%	.50%	12.50%	-----	17.00% <i>20</i>
Exotic And Super-Exotic Bets	7.50%	.50%	17.00%	-----	25.00% <i>25</i>
(In Effect From August 1, 1994 to March 31, 1995)					
<b><u>Finger Lakes</u></b>					
Regular Bets	.50%	.50%	16.00%	1.00%	18.00%
Multiple Bets	.50%	.50%	18.00%	1.00%	20.00%
Exotic Bets	.50%	.50%	24.00%	-----	25.00%
Super-Exotic Bets	.50%	3.00%	30.50%	-----	34.00%
(In Effect From September 1, 1994 - Tax is Net of Breeding Fund Credit)					
<b>HARNESS RACING</b>					
<b><u>Yonkers</u></b>					
Regular Bets	.50%	1.00%	15.50%	-----	17.00%
Multiple Bets	.50%	1.00%	17.50%	-----	19.00%
Exotic Bets	.50%	1.00%	23.50%	-----	25.00%
Super-Exotic Bets	.50%	3.00%	30.50%	-----	34.00%
(In Effect from September 1, 1994)					
<b><u>Other Harness Tracks</u></b>					
Regular Bets	.50%	1.00%	15.50%	1.00%	18.00%
Multiple Bets	.50%	1.00%	17.50%	1.00%	20.00%
Exotic Bets	.50%	1.00%	23.50%	-----	25.00%
Super-Exotic Bets	.50%	3.00%	30.50%	-----	34.00%
(In effect from September 1, 1994)					

*Same as harness tracks*

**TRACK TO TRACK SIMULCASTS**

Section 1007 of the racing law specifies that the takeout percentages from simulcast betting pools shall be the same as those applicable to the sending track (the track holding the race). However, the pari-mutuel tax rates are different - 2% of regular wagers, 2 and 1/2% of multiple wagers, and 7% of exotic and super exotic wagers, plus 10% of the breaks. Or if lower, the pari mutuel tax rates in effect December 31, 1993 at the receiving track (where the betting takes place), plus 10% of the breaks, are applicable to simulcast betting. The taxes in effect prior to September 1, 1994 for on track handles are presently the lower rates for all receiving tracks except for NYRA simulcasts to its own tracks.

The receiving tracks also obligated to pay 1% of the pools on harness races or 1/2% of the pools on thoroughbred races to the appropriate breeding fund. Of the sums retained by a receiving track, after payment of the pari-mutuel taxes and breeder fund shares, an amount as determined by agreement is payable to the sending track. The 1% allocations for capital improvements do not apply to track to track simulcasts.

Pursuant to Sections 905, 905-a, 906, 1014, 1015, and 1016 the takeouts and/or state tax rates or breeding fund shares may differ from the above for specified special thoroughbred and harness races, for designated thoroughbred races of special interest, and for certain out of state races simulcast to New York tracks.

**NOTES:**

Pursuant to Section 301.4, NYRA has elected to reduce the takeout on super-exotic bets to 25% resulting in taxes and distributions at the same rates as for exotic bets. \*Pursuant to Board rules, for all tracks except NYRA, 2% of the super-exotic take outs are accumulated and must be returned to the bettors in guaranteed prizes or in the final payoff of the meeting. As a result, the effective takeout is 34% rather than the initial 36%.

**SHARING PERCENTAGES OF BREAKS**

	<u>State Tax</u>	<u>Track Retention Before Minus Pools And Purses</u>
NYRA	20%	80%
Finger Lakes	55%	45%
Harness Tracks	50%	50%
Track to Track Simulcasts	10%	90%



TAX RATES IN EFFECT PRIOR TO AUGUST 1, 1994 OR SEPTEMBER 1, 1994

TAKEOUT DISTRIBUTIONS AS PERCENTAGES OF ON-TRACK HANDLES

	<u>State Tax</u>	<u>Breeding Fund</u>	<u>Track Retention Before Purses</u>	<u>For Track Capital Improvements</u>	<u>Total (Takeout)</u>
<b>THOROUGHBRED RACING:</b>					
<u>New York Racing Association</u>					
Regular Bets	5.00%	.50%	11.50%	---	17.00%
Multiple Bets	4.00%	.50%	12.50%	---	17.00%
Exotic And Super-Exotic Bets (In Effect From July 1, 1985)	7.50%	.50%	17.00%	---	25.00%
<u>Finger Lakes</u>					
Regular Bets	1.00%	.50%	15.50%	1.00%	18.00%
Multiple Bets	1.00%	.50%	17.50%	1.00%	20.00%
Exotic Bets	6.25%	.50%	18.25%	--	25.00%
Super-Exotic Bets* (In Effect From April 1, 1988)	7.75%	3.00%	23.25%	--	34.00%
<b>HARNESS RACING:</b>					
<u>Yonkers</u>					
Regular Bets	1.60%	1.00%	14.40%	--	17.00%
Multiple Bets	1.35%	1.00%	16.65%	--	19.00%
Exotic	4.85%	1.00%	19.15%	--	25.00%
Super-Exotic Bets* (In Effect From April 1, 1988)	7.00%	3.00%	24.00%	--	34.00%
<u>Other Harness Tracks</u>					
Regular Bets	.60%	1.00%	15.40%	1.00%	18.00%
Multiple Bets	1.10%	1.00%	16.90%	1.00%	20.00%
Exotic Bets	5.60%	1.00%	18.40%	--	25.00%
Super-Exotic Bets* (In Effect From April 1, 1988)	7.00%	3.00%	24.00%	--	34.00%

TAKEOUT DISTRIBUTIONS FOR TRACK TO TRACK SIMULCASTS

Section 1007 of the racing law specifies that the takeout percentages from simulcast betting pools shall be the same as those applicable to the sending track (the track holding the race). However, the pari-mutuel tax rates are different - 2% of regular wagers, 2 and 1/2% of multiple wagers, and 7% of exotic and super exotic wagers, plus 10% of the breaks. Or if lower, the pari-mutuel tax rates in effect at the receiving track (where the betting takes place), plus 10% of the breaks, are applicable to simulcast betting. The taxes listed above for on-track handles are presently the lower rates for all receiving tracks (Finger Lakes has no super exotic pools) except for NYRA simulcasts to its own tracks.

The receiving tracks are also obligated to pay 1% of the pools on harness races or 1/2% of the pools on thoroughbred races to the appropriate breeding fund. Of the sums retained by a receiving track, after payment of the pari-mutuel taxes and breeder fund shares, an amount as determined by agreement is payable to the sending track. The 1% allocations for capital improvements do not apply to track to track simulcasts.

SHARING PERCENTAGES OF BREAKS (ODD CENTS OVER MULTIPLES OF 10 FOR REGULAR/MULTIPLE, OR 50 FOR EXOTIC, \$1 FOR SUPER-EXOTIC)

	<u>State Tax</u>	<u>Track Retention Before Minus Pools And Purses</u>
NYRA	20%	80%
Finger Lakes	55%	45%
Harness Tracks	50%	50%
Track To Track Simulcasts	10%	90%

Pursuant to Section 301.4, NYRA has elected to reduce the takeout on super-exotic bets to 25%, resulting in taxes and distributions at the same rates as for exotic bets.

\*Pursuant to Board rules, for all tracks except NYRA, 2% of super-exotic takeouts are accumulated and must be returned to the bettors in guaranteed prizes or in the final payoff of the meeting. Accordingly, the "effective" takeout is 34%, rather than the initial 36%.

Pursuant to section 905,905-a, 906, and 1014, the takeouts and/ or state tax rates or breeding fund shares may differ from the above for specified special thoroughbred and harness races, for designated thoroughbred races of special interest, and for certain out of state races simulcast to New York tracks.

Breakage as Defined in the Racing Law

Breakage Redefined Effective October 16, 1994

1. Odd cents over any multiple of five cents for payoffs\* greater than \$1.05 but less than \$5.
2. Odd cents over any multiple of ten cents for payoffs\* greater than \$5 but less than \$25.
3. Odd cents over any multiple of twenty five cents for payoffs\* greater than \$25 but less than \$250.
4. Odd cents over any multiple of fifty cents for payoffs\* over \$250.

Breakage as Defined Prior to October 16, 1994

1. Odd cents over any multiple of ten cents for regular and multiple bets.
2. Odd cents over any multiple of fifty cents for exotic bets.
3. Odd cents over any multiple of one dollar for super exotic bets.

\* Both new and old breakage is calculated on the basis of one dollar.

**COMPARISON OF FINES AND SUSPENSIONS  
THOROUGHBRED AND HARNESS RACING**

<u>TRACK</u>	<u>FINES</u>			<u>SUSPENSIONS</u>		
	<u>NUMBER ISSUED</u>	<u>TOTAL AMOUNT</u>	<u>NUMBER ISSUED</u>	<u>NUMBER ISSUED</u>	<u>NUMBER OF DAYS</u>	<u>NUMBER OF DAYS</u>
	1994	1993	1994	1993	1994	1993
NYRA	28	38	\$7,750	27	440	676
Finger Lakes	<u>83</u>	<u>68</u>	<u>\$5,580</u>	<u>40</u>	<u>553</u>	<u>688</u>
<b>TOTAL THOROUGHBRED</b>	<u>111</u>	<u>106</u>	<u>\$13,330</u>	<u>67</u>	<u>993</u>	<u>1364</u>
Batavia	16	26	\$850	20	295	143
Buffalo	37	58	\$2,300	76	790	984
Monticello	202	179	\$11,200	92	1547	1705
Saratoga	19	63	\$1,059	56	1104	580
Syracuse						
Vernon Downs	30	50	\$2,450	33	478	969
Yonkers	<u>115</u>	<u>110</u>	<u>\$12,950</u>	<u>110</u>	<u>3507</u>	<u>2293</u>
<b>TOTAL HARNESS</b>	<u>419</u>	<u>486</u>	<u>\$33,340</u>	<u>388</u>	<u>7729</u>	<u>6679</u>
Main Office	<u>7</u>	<u>19</u>	<u>\$2,900</u>	<u>12</u>	<u>516</u>	<u>389</u>
<b>TOTAL ALL TRACKS</b>	<u>537</u>	<u>611</u>	<u>\$47,039</u>	<u>467</u>	<u>9238</u>	<u>8432</u>

1994 OFF-TRACK BETTING TOTAL HANDLE BY TRACK AND REGION

	NEW YORK CITY	NASSAU	SUFFOLK	CATSKILL	CAPITAL	WESTERN	ALL REGIONS
<b>IN-STATE THOROUGHBRED</b>							
NYRA							
Aqueduct	\$221,087,960	\$57,826,770	\$49,582,879	\$28,419,200	\$48,561,576	\$35,040,720	\$440,519,105
Belmont	213,456,090	46,798,362	43,667,111	25,883,724	43,199,107	23,044,874	396,049,268
Saratoga	66,623,563	16,755,966	13,910,504	8,287,623	23,969,449	9,530,619	139,077,724
NYRA TOTAL HANDLE	\$501,167,613	\$121,381,098	\$107,160,494	\$62,590,547	\$115,730,132	\$67,616,213	\$975,646,097
Finger Lakes	31,689,997	6,199,692	4,983,420	14,850,149	25,987,285	43,342,222	127,052,765
<b>TOTAL IN-STATE THOROUGHBRED</b>	<b>\$532,857,610</b>	<b>\$127,580,790</b>	<b>\$112,143,914</b>	<b>\$77,440,696</b>	<b>\$141,717,417</b>	<b>\$110,958,435</b>	<b>\$1,102,698,862</b>
<b>OUT-OF-STATE THOROUGHBRED</b>							
Arlington Park	\$3,002,854	\$532,484	\$443,161	\$375,206	\$584,470	\$380,410	\$5,318,585
Atlantic City	368,510	110,979	80,261	69,829	194,177	60,515	884,271
Caldor	7,335,285	1,618,877	1,366,534	983,166	1,555,608	1,306,458	14,165,928
Delaware Park	529,489	71,400	82,862	73,269	112,797	63,545	933,362
Del Mar	431,205	90,685	75,138	49,329	102,303	60,516	809,176
Garden State Park						342,667	342,667
Gulfstream	47,299,594	11,398,753	8,586,606	6,502,282	11,554,851	8,936,916	94,279,002
Hialeah	7,721,484	1,640,020	1,359,523	1,040,814	1,838,515	1,315,000	14,915,356
Hollywood Park	207,684	39,915	30,464	22,168	39,914	24,584	364,729
Laurel	340,528	70,487	71,322	59,039	80,672	107,479	729,527
Monmouth Park	4,809,366	907,862	608,552	551,336	766,794	424,373	8,068,283
Penn National	238,804	106,637	75,756	74,833	110,475	111,378	717,883
Philadelphia Park	17,064,041	3,607,702	2,466,307	2,011,357	3,177,642	2,861,897	31,188,946
Pimlico	1,737,819	340,390	235,667	189,094	364,557	201,787	3,069,314
Santa Anita	2,695,602	505,047	318,788	175,900	661,950	5,271,769	9,629,056
Suffolk Downs	4,926,805	1,165,225	772,194	697,982	1,243,999	1,245,286	10,051,491
Turf Paradise	3,676,991	1,042,260	884,084	754,523	1,235,013	1,150,569	8,743,440
<b>TOTAL OUT-OF-STATE THOROUGHBRED</b>	<b>\$102,386,061</b>	<b>\$23,248,723</b>	<b>\$17,457,219</b>	<b>\$13,630,127</b>	<b>\$23,623,737</b>	<b>\$23,865,149</b>	<b>\$204,211,016</b>
<b>SPECIAL EVENTS - THOROUGHBRED</b>							
Breeders' Cup	\$3,807,198	\$986,563	\$843,345	\$634,802	\$1,184,481	\$789,739	\$8,246,128
Kentucky Derby	3,084,776	831,781	688,925	730,421	946,486	959,167	7,241,556
Preakness Stakes	2,091,769	526,849	461,501	476,474	591,705	595,717	4,744,015
OTHERS (see next page)	10,221,641	2,338,975	1,941,044	1,468,788	2,581,314	1,687,794	20,239,556
<b>TOTAL SPECIAL EVENTS</b>	<b>\$19,205,384</b>	<b>\$4,684,168</b>	<b>\$3,934,815</b>	<b>\$3,310,485</b>	<b>\$5,303,986</b>	<b>\$4,032,417</b>	<b>\$40,471,255</b>
<b>TOTAL THOROUGHBRED HANDLE</b>	<b>\$654,449,055</b>	<b>\$155,513,681</b>	<b>\$133,535,948</b>	<b>\$94,381,308</b>	<b>\$170,645,140</b>	<b>\$138,856,001</b>	<b>\$1,347,381,133</b>
<b>IN-STATE HARNESS HANDLE</b>							
Yonkers Raceway	\$71,485,368	\$26,450,476	\$22,713,529	\$17,647,540	\$15,028,913	\$7,643,537	\$160,969,363
Monticello Raceway	27,193,913	6,201,576	4,793,075	7,850,227	4,398,527	1,778,803	52,216,121
Saratoga Raceway					3,367,354		3,367,354
Vernon Downs	2,066,684	297,203	227,110	1,047,775	6,493,374	2,485,408	12,617,554
Batavia Downs		49,237	38,692	226,923	645,001	6,327,730	7,287,583
Buffalo Raceway	2,350,227	81,774	68,312	580,372	3,713,341	20,184,130	26,978,156
Syracuse Mile					49,488	133,508	182,996
<b>TOTAL IN-STATE HARNESS</b>	<b>\$103,096,192</b>	<b>\$33,080,266</b>	<b>\$27,840,718</b>	<b>\$27,352,837</b>	<b>\$33,695,998</b>	<b>\$38,553,116</b>	<b>\$263,619,127</b>
<b>OUT-OF-STATE HARNESS</b>							
Delaware County Fair					\$35,946	\$44,517	\$80,463
Garden State Park	17,027	2,298,185	2,219,319		130,902		4,665,433
Meadowlands		135,292	96,866				232,158
The Meadows					39,196	17,843	57,039
Pompano Park		229,618	164,366		443,996	372,898	1,210,878
<b>TOTAL OUT-OF-STATE HARNESS</b>	<b>\$17,027</b>	<b>\$2,663,095</b>	<b>\$2,480,551</b>	<b>\$0</b>	<b>\$650,040</b>	<b>\$435,258</b>	<b>\$6,245,971</b>
<b>SPECIAL EVENTS HARNESS</b>							
Breeders' Crown		\$21,340	\$23,210		\$16,756	\$28,061	\$89,367
Hambletonian							
OTHERS (see next page)	49,935	18,181	7,809	6,421	7,207	14,412	103,965
<b>TOTAL SPECIAL EVENTS</b>	<b>\$49,935</b>	<b>\$39,521</b>	<b>\$31,019</b>	<b>\$6,421</b>	<b>\$23,963</b>	<b>\$42,473</b>	<b>\$193,332</b>
<b>TOTAL HARNESS HANDLE</b>	<b>\$103,163,154</b>	<b>\$35,782,882</b>	<b>\$30,352,288</b>	<b>\$27,359,258</b>	<b>\$34,370,001</b>	<b>\$39,030,847</b>	<b>\$270,058,430</b>
<b>TOTAL OFF-TRACK HANDLE</b>	<b>\$757,612,209</b>	<b>\$191,296,563</b>	<b>\$163,888,236</b>	<b>\$121,740,566</b>	<b>\$205,015,141</b>	<b>\$177,886,848</b>	<b>\$1,617,439,563</b>

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1994 OFF-TRACK BETTING OTHER SPECIAL EVENTS TOTAL HANDLE BY EVENT AND REGION

THOROUGHBRED OTHER SPECIAL EVENTS	NEW YORK CITY	NASSAU	SUFFOLK	CATSKILL	CAPITAL	WESTERN	TOTAL ALL REGIONS
Apple Blossom Handicap	\$99,934	\$17,531	\$15,191	\$11,058	\$29,767	\$25,017	\$198,498
Arlington Washington Futurity	199,083	43,408	37,660	27,404	37,653	22,325	367,533
Arlington Handicap	187,078	46,233	40,675	22,829	44,480	23,607	364,902
Arlington Million	326,667	88,893	58,055	49,398	91,099	52,405	666,517
Arkansas Derby	336,693	77,640	57,259	56,516	83,573	63,421	675,102
Bay Meadows Derby					18,799		18,799
Beverly D. Stakes	221,631	50,509	39,655	27,597	78,785	31,835	450,012
Blue Grass Stakes	269,310	61,736	64,151	40,183	70,459	53,318	559,157
Arlington Classic	193,569	47,830	38,727	25,923	46,374	26,107	378,530
Fantasy Stakes	97,982	16,639	8,012	12,441	30,366	10,923	176,363
Gulfstream Park Handicap	255,846	69,095	48,837	36,922	55,308	35,931	501,939
Caesars' International Handicap	109,380	24,534	29,336	16,467	24,865	14,668	219,250
Delaware Handicap	169,359	41,267	43,555	23,056	40,625	23,240	341,102
Donn Handicap	333,329	85,030	67,648	52,132	90,251	60,132	688,522
Early Times Dixie Classic	159,952	30,017	26,150	9,873	25,753	1,009	252,754
Early Times Turf Classic	218,486	42,511	29,135	20,544	41,701	27,573	379,950
El Camino Real	43,278	10,469	9,521	3,887		11,016	78,171
Florida Derby	480,725	112,484	86,402	82,848	141,407	112,497	1,016,383
Fountain of Youth Stakes	201,419	45,770		34,280	64,331	38,073	383,873
General George Stakes	65,173	14,725	13,694	11,727	17,962	12,932	136,213
Haskell Invitational	186,239	48,557	42,085	26,529	48,631	22,865	374,906
Louisiana Derby	216,550	38,394	33,617	31,877	62,409	51,495	434,342
Hollywood Gold Cup	121,831	19,198	21,540	17,599	26,605	17,675	224,448
Hollywood Turf Handicap	179,431	42,630	39,010	23,439	42,558	24,209	351,277
Illinois Derby	249,705	59,889	50,429	35,535	58,555	43,225	497,338
Iselein Handicap	221,195	54,746	46,565	37,768	80,444	33,705	474,423
Lexington Stakes	202,972	50,254	41,529	23,780	40,856	28,490	387,881
Jim Beam Stakes	386,751	87,213	74,522	60,806	112,381	95,276	816,949
Kentucky Cup Classic	205,434	39,920	32,171	27,259	45,420	30,633	380,837
La Prevoyante Invitational	183,946	51,535	47,699	29,502	48,072	23,772	384,526
Louisiana Super Derby	273,267	47,061	46,452	40,541	58,081	47,313	512,715
Molly Pitcher	160,588	36,584	47,093	16,900	25,800	13,353	300,318
Molson Million	270,286	58,902	47,811	35,170	53,827	44,418	510,414
New Hampshire Handicap	175,172	42,305	29,836	23,518	42,300	23,296	336,427
Oaklawn Handicap	408,653	95,949	88,250	60,838	95,931	74,580	824,201
Ohio Derby	172,202	41,482	37,861	28,410	41,696	33,942	355,393
Pacific Classic	251,482	63,789	47,699	37,991	88,915	46,818	536,694
Pennsylvania Derby	255,893	57,673	60,670	31,232	59,024	34,127	498,619
Pimlico Special	279,872	55,598	53,793	37,988	63,419	47,023	537,693
Queen Elizabeth Challenge	248,071	61,223	50,844	36,781	55,700	34,026	486,445
Rothmans International	222,332	47,618	39,851	32,767	44,157	32,408	419,133
Santa Anita Derby	298,142	64,760	55,510	43,183	78,439	58,076	598,110
Santa Anita Handicap	290,696	66,976	44,996	38,622	73,298	64,908	579,496
Spinster Stakes	131,266	30,568	29,578	22,562	31,341	21,086	266,401
National Pick 3	69,783	17,407	14,414	17,848	22,419	10,498	152,369
Razorback Handicap	85,197	12,077	15,158	13,806	27,202	17,053	170,493
Tropical Park Derby	166,582	47,486	32,412	28,803	38,801	22,160	336,244
Sunset Handicap	143,130	33,256	25,911	18,648	42,522	19,380	282,847
Washington D. C. International	196,079	39,604	30,475	24,001	38,953	25,955	355,067
<b>TOTAL OTHER SPECIAL EVENTS</b>	<b>\$10,221,641</b>	<b>\$2,338,975</b>	<b>\$1,941,044</b>	<b>\$1,468,788</b>	<b>\$2,581,314</b>	<b>\$1,687,794</b>	<b>\$20,239,556</b>
<b>HARNESS SPECIAL EVENTS</b>							
Alfred E. Driscoll Pace	\$21,680	\$4,548	\$2,211	\$2,203	\$1,753	\$3,652	\$38,047
Meadowlands Pace	28,255	8,785	5,598	4,218	2,427	6,670	55,953
Messenger Stakes					3,027	4,090	7,117
Woodrow Wilson Pace		4,848					4,848
<b>TOTAL OTHER SPECIAL EVENTS</b>	<b>\$49,935</b>	<b>\$18,181</b>	<b>\$7,809</b>	<b>\$6,421</b>	<b>\$7,207</b>	<b>\$14,412</b>	<b>\$103,965</b>
<b>TOTAL ALL OTHER SPECIAL EVENTS</b>	<b>\$10,271,576</b>	<b>\$2,357,156</b>	<b>\$1,948,853</b>	<b>\$1,475,209</b>	<b>\$2,588,521</b>	<b>\$1,702,206</b>	<b>\$20,343,521</b>

**TOTAL HANDLE BY CORPORATION (SINCE INCEPTION)**

	NEW YORK CITY	NASSAU	SUFFOLK	CATSKILL	CAPITAL	WESTERN	TOTAL
1971	\$118,588,586				2,316,716		\$118,588,586
1972	450,316,518				11,414,046		452,633,234
1973	691,280,360				15,098,937	13,440,146	815,250,705
1974	786,711,622				19,796,767	55,239,443	906,858,411
1975 *	773,550,528	27,903,980	30,367,693		40,303,650	73,741,970	1,052,902,983
1976	785,910,123	69,662,629	67,723,374	15,561,237	52,433,415	85,725,016	1,128,052,298
1977	777,437,682	90,692,862	77,426,355	41,729,116	67,987,889	103,739,971	1,206,530,259
1978	791,853,715	102,674,979	87,840,290	87,840,290	91,720,613	133,535,290	1,372,026,710
1979	835,815,437	134,958,752	109,146,866	66,849,752	91,720,613	133,535,290	1,462,622,784
1980	879,639,694	142,586,319	117,253,548	73,982,592	102,669,278	146,491,353	1,505,363,713
1981	891,276,192	149,594,168	122,394,341	80,120,747	108,653,823	153,324,442	1,521,284,993
1982	883,510,575	155,304,423	130,558,401	82,561,063	124,920,812	144,429,719	1,521,284,993
1983	866,764,759	159,422,909	136,539,171	88,668,362	134,616,018	145,961,464	1,531,972,683
1984	886,006,827	158,728,337	142,821,166	96,713,909	147,563,225	151,659,615	1,583,493,079
1985	871,867,750	155,085,757	140,669,804	106,083,129	157,719,562	143,303,334	1,574,729,336
1986	945,803,419	165,303,500	167,050,479	117,491,015	193,409,257	167,696,983	1,756,754,653
1987	1,003,377,015	180,195,868	195,383,498	132,723,923	209,892,621	187,591,674	1,909,164,599
1988	1,000,766,523	196,117,404	201,599,802	135,770,751	223,291,861	193,291,107	1,950,837,448
1989	940,787,164	212,472,817	206,786,117	135,137,777	228,130,290	196,986,948	1,920,301,113
1990	961,469,708	214,668,830	197,045,073	115,881,524	234,806,538	199,835,843	1,923,707,516
1991	904,201,790	196,960,292	185,302,638	121,541,890	226,402,623	185,500,554	1,819,909,787
1992	858,961,315	193,595,504	178,747,643	125,246,625	220,805,067	184,970,088	1,762,326,242
1993	775,251,135	186,542,545	174,420,032	117,974,312	209,279,030	176,375,477	1,639,842,531
1994	757,612,209	191,296,563	163,888,236	121,740,566	205,015,141	177,886,848	1,617,439,563
<b>TOTAL</b>	<b>\$19,438,760,646</b>	<b>\$3,083,768,438</b>	<b>\$2,832,964,527</b>	<b>\$1,828,211,705</b>	<b>\$3,030,855,031</b>	<b>\$3,020,727,285</b>	<b>\$33,235,287,632</b>

**COMPARISON OF 1994 TOTAL HANDLE TO 1993 TOTAL HANDLE**

OTB CORPORATION	1994	1993	INCREASE (DECREASE)	INCREASE (DECREASE)
NEW YORK CITY	\$757,612,209	\$775,251,135	(\$17,638,926)	-2.28%
NASSAU	191,296,563	186,542,545	4,754,018	2.55%
SUFFOLK	163,888,236	174,420,032	(10,531,796)	-6.04%
CATSKILL	121,740,566	117,974,312	3,766,254	3.19%
CAPITAL	205,015,141	209,279,030	(4,263,889)	-2.04%
WESTERN	177,886,848	176,375,477	1,511,371	0.86%
<b>TOTAL</b>	<b>\$1,617,439,563</b>	<b>\$1,639,842,531</b>	<b>(\$22,402,968)</b>	<b>-1.37%</b>

\* Schenectady was superceded by Capital District on August 11, 1975.

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1994 GROSS REVENUE TO CITIES AND COUNTIES FROM OTB

LOCALITY	
New York City	\$20,104,379
Nassau	13,741,737
Suffolk	2,629,604
Catskill Participants	5,172,974
Capital Participants	2,987,403
Western Participants	4,572,852
City of Yonkers	2,714,964
Sullivan County	920,131
Ontario County	780,300
Saratoga County	2,510,351
Onondaga County	3,633
Oneida County	236,303
Erie County	506,346
Genesee County	133,791
<b>TOTAL</b>	<b>\$57,014,768</b>

GOVERNMENT REVENUE FROM OTB OPERATIONS

To New York State (Including Uncashed Tickets and Teletheater Admission Tax Less Tax Credits)	\$25,968,006
To Cities and Counties	\$57,014,768
City of Albany Simulcast Tax	\$325,827
City of Niagara Simulcast Tax	\$41,597
<b>TOTAL GOVERNMENT REVENUE</b>	<b>\$83,350,198</b>

RECORD OF OTB STATE REVENUE (SINCE INCEPTION)

	<u>OTB HANDLE</u>	<u>REVENUE TO STATE</u>	<u>UNCASHED TICKETS FROM PRIOR YEAR</u>	<u>TOTAL REVENUE TO STATE</u>
1971	\$118,588,586	\$592,943	\$0	\$592,943
1972	452,633,234	3,455,823	936,156	4,391,979
1973	702,694,406	8,814,429	4,093,266	12,907,695
1974	815,250,705	14,245,427	3,990,599	18,236,026
1975	906,858,411	16,692,646	4,258,538	20,951,184
1976	1,052,902,983	19,217,653	4,958,163	24,175,816
1977	1,128,052,298	20,113,234	5,687,335	25,800,569
1978	1,206,530,259	20,976,959	5,598,670	26,575,629
1979	1,372,026,710	23,275,300	5,893,911	29,169,211
1980	1,462,622,784	25,074,071	6,236,757	31,310,828
1981	1,505,363,713	25,365,499	6,152,721	31,518,220
1982	1,521,284,993	25,578,445	6,656,648	32,235,093
1983	1,531,972,683	25,603,056	6,744,063	32,347,119
1984	1,583,493,079	25,976,483	6,374,797	32,351,280
1985	1,574,729,336	25,471,775	6,483,356	31,955,131
1986	1,756,754,653	27,028,206	6,801,023	33,829,229
1987	1,909,164,599	28,450,424	6,979,094	35,429,518
1988	1,950,837,448	29,062,302	7,464,205	36,526,507
1989	1,920,301,113	28,436,236	7,253,790	35,690,026
1990	1,923,707,516	28,869,936	6,717,358	35,587,294
1991	1,819,909,787	28,095,320	6,433,000	34,528,320
1992	1,762,326,242	27,119,662	6,160,565	33,280,227
1993	1,639,842,531	25,881,503	5,991,657	31,873,160
1994	1,617,439,563	20,384,706	5,583,300	25,968,006
<b>TOTAL</b>	<b>\$33,235,287,632</b>	<b>\$523,782,038</b>	<b>\$133,448,972</b>	<b>\$657,231,010</b>

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**STATEMENT OF REVENUES NET OF EXPENSES - 1994 PRELIMINARY FIGURES**

	NEW YORK CITY	NASSAU	SUFFOLK	CATSKILL	CAPITAL	WESTERN	TOTAL
Non-Simulcast Handle	\$351,619,195	\$68,231,353	\$22,790,548	\$15,597,172	\$36,273,202	\$16,226,596	\$510,738,066
Simulcast Handle	405,993,014	123,065,211	141,097,688	106,143,394	169,741,939	161,660,252	\$1,106,701,498
Net Handle	\$757,612,209	\$191,296,563	\$163,888,236	\$121,740,566	\$205,015,141	\$177,886,848	\$1,617,439,563
OTB TAKE OUT AND BREAKAGE	\$147,301,429	\$37,191,727	\$31,785,333	\$24,251,284	\$40,333,450	\$36,348,591	\$317,211,814
Less Statutory Payments To:							
N.Y. State	9,373,291	2,261,681	1,896,632	1,711,502	2,643,927	2,455,166	\$20,342,199
Breeders' Fund	4,950,939	1,340,868	1,128,260	846,779	1,381,064	1,431,020	\$11,078,930
Track (Inc. Contractual)	44,449,568	11,541,485	10,547,965	8,090,951	13,014,609	12,568,315	\$100,212,893
City of Albany	0	0	0	0	325,827	0	\$325,827
City of Niagara	0	0	0	0	0	41,597	\$41,597
Total Statutory Payments	\$58,773,798	\$15,144,034	\$13,572,857	\$10,649,232	\$17,365,427	\$16,496,088	\$132,001,446
Net Racing Revenue	\$88,527,631	\$22,047,692	\$18,212,476	\$13,602,052	\$22,968,023	\$19,852,493	\$185,210,367
OTHER REVENUE:							
Admission Income	\$582,325	\$0	\$161,981	\$39,500	\$227,897	\$42,351	\$1,054,054
Lottery Income	0	0	97,618	178,628	528,301	340,045	\$1,144,592
Concession Income	432,790	0	198,396	26,475	383,533	64,528	\$1,105,722
Derived from Surcharge	1,564,635	359,872	162,991	479,661	710,887	667,364	\$3,945,410
Interest Income	589,730	64,303	45,298	125,635	55,051	88,795	\$968,812
Other	449,301	140,651	471,020	325,001	1,043,356	687,353	\$3,116,682
Total Operating Revenue	\$92,146,412	\$22,612,518	\$19,349,780	\$14,776,952	\$25,917,048	\$21,742,929	\$196,545,639
OPERATING EXPENSES:							
Branch Expenses	\$79,408,838	\$12,408,500	\$14,187,943	\$8,634,362	\$17,334,521	\$16,440,922	\$148,415,086
Corporate Expenses	17,072,733	5,513,491	5,242,070	3,342,447	9,413,822	3,786,515	\$44,371,077
TOTAL OPERATING EXPENSES	\$96,481,571	\$17,921,990	\$19,430,013	\$11,976,809	\$26,748,343	\$20,227,437	\$192,786,163
	12.73%	9.37%	11.86%	9.84%	13.05%	11.37%	11.12%
SURCHARGE TO PARTICIPATING LOCALITIES	\$14,774,049	\$3,745,924	\$2,709,837	\$2,464,477	\$3,818,698	\$3,637,361	\$31,150,346
Total Benefits to Participating Localities	\$10,438,890	\$8,436,452	\$2,629,604	\$5,172,974	\$2,987,403	\$4,572,853	\$34,238,176
SURCHARGE TO OTHER LOCALITIES	10,895,415	2,827,028	1,998,504	1,786,544	2,819,370	2,650,731	\$22,776,592
TOTAL BENEFITS TO ALL LOCALITIES	\$21,334,305	\$11,263,480	\$4,628,108	\$6,959,518	\$5,806,773	\$7,223,584	\$57,014,768
	2.82%	5.89%	2.82%	5.72%	2.73%	4.06%	3.53%
Capital Acquisition Funds:	\$0	\$0	\$0	\$91,646	\$0	\$580,000	\$671,646
Contributions from Net Earnings	3,876,452	1,005,639	685,151	680,759	1,014,818	1,085,099	\$8,347,918
Supplemental 1% Surcharge	\$3,876,452	\$1,005,639	\$685,151	\$772,405	\$1,014,818	\$1,665,099	\$9,019,564
Total Capital Acquisition Funds	\$3,876,452	\$1,005,639	\$685,151	\$772,405	\$1,014,818	\$1,665,099	\$9,019,564

NOTE: Percentages (%) are of Net Handle.



**1994 OTB PARI MUTUEL TAX, BREAKAGE AND ADMISSION TAX TO STATE PLUS UNCASHED TICKETS**

	<u>NEW YORK CITY</u>	<u>NASSAU</u>	<u>SUFFOLK</u>	<u>CATSKILL</u>	<u>CAPITAL</u>	<u>WESTERN</u>	<u>TOTAL ALL REGIONS</u>
<u>THOROUGHBRED TAX AND BREAKAGE</u>							
NYRA							
Aqueduct	\$2,653,226	\$660,273	\$578,650	\$384,717	\$613,569	\$442,335	\$5,332,770
Belmont	2,608,956	544,823	491,272	359,018	539,203	286,592	\$4,829,864
Saratoga	395,539	109,809	91,269	82,721	208,979	70,944	\$959,261
NYRA TOTAL	\$5,657,721	\$1,314,905	\$1,161,191	\$826,455	\$1,361,751	\$799,871	\$11,121,894
Finger Lakes	455,259	87,197	71,354	240,175	404,032	696,768	\$1,954,785
TOTAL NEW YORK STATE THOROUGHBRED	\$6,112,980	\$1,402,102	\$1,232,545	\$1,066,630	\$1,765,783	\$1,496,639	\$13,076,679
Out-of-State Tracks	1,759,023	414,937	311,479	239,734	397,541	415,940	\$3,538,654
Special Events	352,037	76,143	62,155	51,074	87,806	71,694	\$700,909
THOROUGHBRED TAX AND BREAKAGE	\$8,224,040	\$1,893,182	\$1,606,179	\$1,357,439	\$2,251,130	\$1,984,273	\$17,316,243
Less NYRA simulcast credit (1994)	129,044	27,452	0				\$156,496
NET THOROUGHBRED TAX AND BREAKAGE	\$8,094,996	\$1,865,730	\$1,606,179	\$1,357,439	\$2,251,130	\$1,984,273	\$17,159,747
<u>HARNESS TAX AND BREAKAGE</u>							
Yonkers	\$896,423	\$309,708	\$201,786	\$220,738	\$179,952	\$97,387	\$1,905,994
Monticello	337,573	77,896	60,855	107,361	53,596	23,895	\$661,176
Batavia	0	394	194	4,107	6,581	69,996	\$81,272
Buffalo	23,433	818	860	9,718	40,829	240,335	\$315,993
Saratoga Raceway	0	0	0	0	30,466	0	\$30,466
Vernon Downs	19,567	2,854	2,471	10,241	73,578	31,311	\$140,022
Syracuse Mile	0	0	0	0	600	1,558	\$2,158
TOTAL NEW YORK STATE HARNESS	\$1,276,996	\$391,670	\$266,166	\$352,165	\$385,602	\$464,482	\$3,137,081
Out-of-State Tracks	189	3,649	23,931	0	6,235	4,495	\$38,499
Special Events	1,110	632	356	1,898	960	1,916	\$6,872
TOTAL ALL HARNESS AND BREAKAGE	\$1,278,295	\$395,951	\$290,453	\$354,063	\$392,797	\$470,893	\$3,182,452
<u>TOTAL OTB PARI-MUTUEL TAX AND BREAKAGE THOROUGHBRED AND HARNES</u>							
TOTAL UNCASHED TICKETS - 1993	\$9,373,291	\$2,261,681	\$1,896,632	\$1,711,502	\$2,643,927	\$2,455,166	\$20,342,199
TELETHEATER ADMISSION TAX	\$2,846,425	\$451,244	\$622,776	\$427,288	\$700,567	\$535,000	\$5,583,300
	25,227	0	5,521	1,411	8,650	1,698	\$42,507
TOTAL TO STATE	\$12,244,943	\$2,712,925	\$2,524,929	\$2,140,201	\$3,353,144	\$2,991,864	\$25,968,006

## DISTRIBUTION OF SURCHARGE MONIES - 1994

	<u>NEW YORK CITY</u>	<u>NASSAU</u>	<u>SUFFOLK</u>	<u>CATSKILL</u>	<u>CAPITAL</u>	<u>WESTERN</u>	<u>TOTAL</u>
TO PARTICIPATING COUNTIES:							
Distributed	\$14,774,049	\$3,745,924	\$2,709,837	\$2,464,477	\$3,818,698	\$3,637,361	\$31,150,346
TO OTHER LOCALITIES:							
New York City	\$4,999,728	\$1,265,061	\$868,105	\$695,153	\$1,032,045	\$805,397	\$9,665,489
City of Yonkers	1,170,526	472,279	356,919	338,206	231,044	145,990	\$2,714,964
Nassau County	2,918,407	634,417	478,576	376,019	561,980	335,886	\$5,305,285
Sullivan County	457,776	109,765	82,587	157,823	79,679	32,501	\$920,131
Ontario County	89,870	28,165	7,837	27,955	46,915	579,558	\$780,300
Saratoga County	1,183,820	309,128	198,478	161,894	470,784	186,247	\$2,510,351
Oneida County	35,253	5,671	4,076	19,940	122,230	49,133	\$236,303
Onondaga County	0	0	0	0	834	2,799	\$3,633
Erie County	40,035	2,542	1,926	6,880	61,675	393,288	\$506,346
Genesee County	0	0	0	2,675	11,184	119,932	\$133,791
<b>TOTAL OTHER LOCALITIES</b>	<b>\$10,895,415</b>	<b>\$2,827,028</b>	<b>\$1,998,504</b>	<b>\$1,786,544</b>	<b>\$2,618,370</b>	<b>\$2,650,731</b>	<b>\$22,776,592</b>
<b>TOTAL SURCHARGE DISTRIBUTED</b>	<b>\$25,669,464</b>	<b>\$6,572,952</b>	<b>\$4,708,341</b>	<b>\$4,251,021</b>	<b>\$6,437,068</b>	<b>\$6,286,092</b>	<b>\$53,926,937</b>
Capital Acquisition Fund*	\$3,876,452	\$1,005,639	\$685,151	\$680,759	\$1,014,818	\$1,085,099	\$6,347,918
Earnings Derived from Surcharge:							
Finger Lakes	538,694	84,531	70,539	265,656	422,235	283,850	\$1,665,505
Out-of-State Racing	<u>1,025,941</u>	275,341	92,452	214,005	<u>288,652</u>	383,514	\$2,279,905
Total Earnings Derived from Surcharge	\$1,564,635	\$359,872	\$162,991	\$479,661	\$710,887	\$667,364	\$3,945,410
<b>TOTAL SURCHARGE COLLECTED</b>	<b>\$31,110,551</b>	<b>\$7,938,464</b>	<b>\$5,556,483</b>	<b>\$5,411,441</b>	<b>\$8,162,773</b>	<b>\$6,040,555</b>	<b>\$66,220,266</b>

\*The Laws of 1991, Section 532(3)(a) permitted a supplemental 1% surcharge on multiple, exotic and super exotic bets at off-track betting facilities. The money is used for a Capital Acquisition Fund. These funds are not distributed to participating localities, but are used by the corporations for capital improvements and acquisitions.

DISSEB04-WK3

**SUMMARY OF 1994 DIRECT AND REGIONAL OFF TRACK BETTING PAYMENTS TO TRACKS**

	<u>DIRECT TRACK COMMISSIONS</u>	<u>PAYMENTS TO TRACKS IN REGIONAL COMMISSIONS</u>	<u>SIMULCASTING CONTRACTUAL COMMISSIONS</u>	<u>TOTAL TRACK COMMISSIONS</u>
<b>IN-STATE THOROUGHBRED</b>				
<b>NYRA</b>				
Aqueduct	\$22,374,928	\$1,813,190	\$2,936,364	\$27,124,482
Belmont	20,443,879	1,435,795	2,610,808	24,490,482
Saratoga	7,320,391	477,625	907,587	8,705,603
<b>NYRA TOTAL HANDLE</b>	<b>\$50,139,198</b>	<b>\$3,726,610</b>	<b>\$6,454,759</b>	<b>\$60,320,567</b>
Finger Lakes	5,499,707	1,095,077	1,079,757	7,674,541
<b>TOTAL IN-STATE THOROUGHBRED</b>	<b>\$55,638,905</b>	<b>\$4,821,687</b>	<b>\$7,534,516</b>	<b>\$67,995,108</b>
<b>OUT-OF-STATE THOROUGHBRED</b>				
Atlantic City	\$19,832			\$19,832
Arlington	116,707			116,707
Calder	310,547			310,547
Garden State	8,440			8,440
Delaware	20,467			20,467
Del Mar	17,871			17,871
Gulfstream	4,355,120			4,355,120
Hialeah	786,330			786,330
Hollywood Park	15,665			15,665
Laurel	15,764			15,764
Penn National	14,359			14,359
Philadelphia Park	705,989			705,989
Pimlico	66,938			66,938
Santa Anita	323,777			323,777
Suffolk Downs	215,601			215,601
Monmouth	165,515			165,515
Turf Paradise	174,803			174,803
<b>TOTAL OUT-OF-STATE THOROUGHBRED</b>	<b>\$7,333,725</b>			<b>\$7,333,725</b>
<b>SPECIAL EVENTS THOROUGHBRED</b>				
Breeders Cup	\$366,269			\$366,269
Kentucky Derby	461,012			461,012
Preakness Stakes	305,524			305,524
Others	933,034			933,034
<b>TOTAL SPECIAL EVENTS THOROUGHBRED</b>	<b>\$2,065,839</b>			<b>\$2,065,839</b>
<b>TOTAL THOROUGHBRED</b>	<b>\$65,038,469</b>	<b>\$4,821,687</b>	<b>\$7,534,516</b>	<b>\$77,394,672</b>
<b>IN-STATE HARNESS</b>				
Yonkers Raceway	\$6,958,194	\$1,481,705	\$755,193	\$9,195,092
Monticello Raceway	2,519,013	1,443,991	0	3,963,004
Saratoga Harness	130,152	3,407,521	186,798	3,724,471
Vernon Downs	421,033	966,675	109,005	1,496,713
Batavia Downs	359,625	853,916	92,944	1,306,485
Buffalo Raceway	1,202,903	1,401,395	382,044	2,986,342
Syracuse Mile	5,715	0	0	5,715
<b>TOTAL IN-STATE HARNESS</b>	<b>\$11,596,635</b>	<b>\$9,555,203</b>	<b>\$1,525,984</b>	<b>\$22,677,822</b>
<b>OUT-OF-STATE HARNESS</b>				
Meadows	\$1,141			\$1,141
Meadowlands	6,965			6,965
Garden State	93,649			93,649
Pompano	24,216			24,216
<b>TOTAL OUT-OF-STATE HARNESS</b>	<b>\$125,971</b>			<b>\$125,971</b>
<b>SPECIAL EVENTS-HARNESS</b>				
Breeders' Crown	\$4,714			\$4,714
Hambletonian	0			0
Others	9,714			9,714
<b>TOTAL SPECIAL EVENTS-HARNESS</b>	<b>\$14,428</b>			<b>\$14,428</b>
<b>TOTAL HARNESS</b>	<b>11,737,034</b>	<b>9,555,203</b>	<b>1,525,984</b>	<b>22,818,221</b>
<b>TOTAL THOROUGHBRED AND HARNESS</b>	<b>\$76,775,503</b>	<b>\$14,376,890</b>	<b>\$9,060,500</b>	<b>\$100,212,893</b>

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1994 OTB PAYMENTS TO THOROUGHBRED AND HARNESS BREEDERS FUND

	NEW YORK	NASSAU	SUFFOLK	CATSKILL	CAPITAL	WESTERN	TOTAL
IN-STATE THOROUGHBRED							
NYRA							
Aqueduct	\$1,105,440	\$289,131	\$247,914	\$136,736	\$245,768	\$175,205	\$2,200,194
Belmont	1,067,281	233,990	218,336	127,913	218,165	115,224	\$1,980,909
Saratoga	333,118	83,778	69,553	41,438	114,710	47,653	\$690,250
NYRA TOTAL HANDLE	\$2,505,839	\$606,899	\$535,803	\$306,087	\$578,643	\$338,082	\$4,871,353
Finger Lakes	158,450	30,998	24,917	74,251	129,938	\$216,711	\$635,265
TOTAL IN-STATE THOROUGHBRED	\$2,664,289	\$637,898	\$560,720	\$380,338	\$708,581	\$554,793	\$5,506,618
OUT-OF-STATE THOROUGHBRED							
SPECIAL EVENTS THOROUGHBRED	511,929	115,245	87,286	67,315	118,641	119,324	\$1,019,739
	121,525	29,255	26,645	24,017	35,909	24,359	\$261,710
TOTAL OUT-OF-STATE THOROUGHBRED	\$633,454	\$144,500	\$113,931	\$91,332	\$154,550	\$143,683	\$1,281,451
THOROUGHBRED SHARE OF BREAKAGE *	310,781	100,321	75,082	50,758	87,130	171,119	\$795,191
TOTAL THOROUGHBRED	\$3,608,524	\$882,719	\$749,733	\$522,429	\$950,261	\$869,595	\$7,583,261
IN-STATE HARNESS							
Yonkers Raceway	\$714,854	\$264,505	\$227,136	\$176,475	\$150,291	\$76,435	\$1,609,696
Monticello Raceway	271,940	62,016	47,930	78,502	43,983	17,788	\$522,159
Saratoga Raceway	0	0	0	0	33,675	0	\$33,675
Vernon Downs	20,668	3,102	2,270	10,478	64,934	24,853	\$126,306
Batavia Downs	0	363	387	3,593	6,450	63,277	\$74,069
Buffalo Raceway	23,502	818	683	4,480	37,134	201,841	\$268,458
Syracuse Mills	0	0	0	0	495	1,335	\$1,830
TOTAL IN-STATE HARNESS	\$1,030,964	\$330,804	\$278,406	\$273,529	\$336,962	\$385,529	\$2,636,194
OUT-OF-STATE HARNESS							
SPECIAL EVENTS HARNESS	\$170	\$26,630	\$24,806	\$0	\$6,142	\$3,948	\$61,696
	500	395	233	64	569	829	\$2,591
TOTAL OUT-OF-STATE HARNESS	\$670	\$27,025	\$25,039	\$64	\$6,711	\$4,777	\$64,286
HARNESS SHARE OF BREAKAGE *	310,781	100,321	75,082	50,758	87,130	171,119	\$785,191
TOTAL HARNESS	\$1,342,415	\$458,150	\$378,527	\$324,352	\$430,803	\$561,425	\$3,485,672
TOTAL THOROUGHBRED AND HARNESS	\$4,950,939	\$1,340,868	\$1,128,260	\$846,779	\$1,381,064	\$1,431,020	\$11,076,930

\* Chapter 284 of the Laws of 1994 Section 527(1) states that 20% of OTB harness breakage and 50% of OTB thoroughbred breakage, formerly taxed are now directed to the Thoroughbred and Harness Breeding Funds regardless of its source. (This does not apply to simulcasts at simulcast theaters nor simulcasts of out-of-state races.)

**1994 STATE OF CONNECTICUT OFF-TRACK BETTING ON NEW YORK RACES**

<u>NEW YORK STATE THOROUGHBRED</u>	<u>TOTAL HANDLE</u>	<u>TRACK COMMISSION</u>	<u>LESS N.Y.S. STATE TAX*</u>	<u>NET TRACK REVENUE</u>
NYRA	\$69,165,318	\$3,458,266	\$0	\$3,458,266
<u>NEW YORK STATE HARNESS</u>				
YONKERS	\$8,999,783	\$404,990	\$130,706	\$274,284
<u>TOTAL THOROUGHBRED AND HARNESS</u>	<u>\$78,165,101</u>	<u>\$3,863,256</u>	<u>\$130,706</u>	<u>\$3,732,550</u>

CONNECTICUT OFF-TRACK BETTING HANDLE AND NEW YORK STATE REVENUE SINCE INCEPTION

<u>YEAR</u>	<u>HANDLE</u>	<u>STATE TAX</u>
1976	\$50,485,928	\$736,116
1977	102,810,257	1,461,454
1978	103,167,802	1,459,071
1979	123,075,567	1,734,870
1980	173,087,567	2,440,514
1981	179,111,092	2,525,957
1982	179,974,954	1,817,683
1983	177,160,735	718,301
1984	174,779,781	0 *
1985	170,910,815	0 *
1986	173,523,988	0 *
1987	164,711,542	0 *
1988	166,396,335	328,469
1989	157,194,647	573,791
1990	152,614,950	438,009
1991	142,859,569	388,986
1992	117,000,928	241,248
1993	101,591,658	135,207
1994	78,165,101	130,706

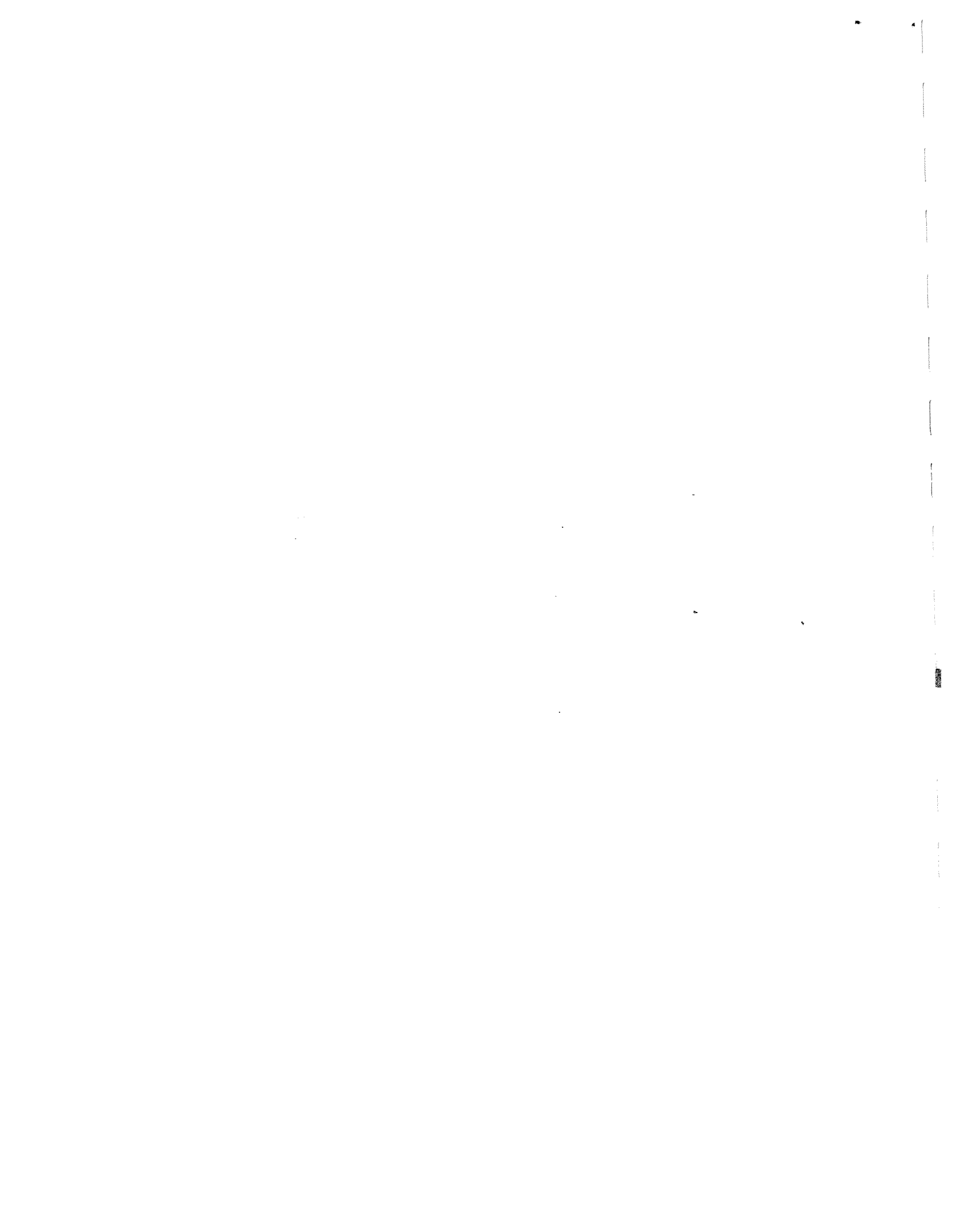
\* No State tax has been applied to NYRA commissions since July 1, 1983. The State tax on Yonkers commissions became effective April 1, 1988. The State taxes paid by Yonkers Raceway from mid 1982 through 1987 were refunded following a court decision and are not included above.

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**PART II**  
**SIMULCAST REPORT**





## INTRODUCTION

"Simulcasting" is the display of live televised horse races on which pari-mutuel betting is permitted at a site other than the track where the race is held. 1994 was the ninth full calendar year of comprehensive statewide simulcasting of horse races within New York State. It was the fourth full year under the permanent statutory authorization of simulcasting.

It was authorized by Governor Cuomo and the Legislature in July 1984, on a one-year experimental basis.

The Legislature then passed and Governor Cuomo approved comprehensive statewide simulcasting for five years through June 30, 1990.

Amendments relating to simulcasting were enacted during the 1986, 1988, and 1989 legislative sessions. These amendments expanded the type of services and amenities off-track betting corporations could offer in designated simulcast facilities, limiting the occasions when track consents are required for simulcasting, and expanded wagering and simulcasting opportunities on two major series of races, the Breeders Cup (thoroughbred) and the Breeders' Crown (harness).

Simulcasting on a permanent basis was authorized at the end of the experimental period in 1990. It was intended to provide for a more orderly implementation and expansion of simulcasting by establishing an arbitration mechanism for settling disputes. The broad-based legislation also included provisions for a more efficient workers' compensation plan for jockeys, financial restructuring of the New York Racing Association (NYRA), incentives and protection for the opening of Tioga Park, as well as other provisions to expand simulcasting for the benefit of the racing and breeding industry and State and local governments. The law was designed specifically to remove statutory obstacles to growth and establish a framework to race tracks and off-track betting corporations to work together and negotiate positions in good faith for the benefit of racing and government.

In subsequent years statutory changes authorized simulcasting of up to 47 other out-of-state thoroughbred special events for tracks and OTB corporations; simulcasts of out-of-state full cards into NYRA, its satellite receivers and OTBs were authorized on NYRA "dark days" or days that NYRA races were curtailed or called off for safety reasons; state and local withholding taxes on winning pari-mutuel payoffs were repealed; a treaty with the Oneida Indian Nation to regulate some casino-type gambling on its reservation near Syracuse, New York was negotiated by the governor; tracks were authorized to supplement regular race cards with simulcasts from other in-state tracks if authorized by the horsemen at the receiving track; and for the first three months of 1994 the simulcasting of five live out-of-state races combined with seven NYRA races on days NYRA raced was authorized as well as unlimited simulcasting of out-of-state thoroughbred races on NYRA dark days, and a special experiment to allow unlimited simulcasting in three western New York counties and at the three western New York race tracks even on days NYRA was racing.

In 1994, several substantial measures were enacted to deal with changing circumstances in the racing industry occasioned by the worsening shortage of race horses evolving since the mid 1980's.

Most thoroughbred and harness horses were exempted from the sales and compensating use taxes to encourage the purchase and importation of horses to New York tracks. In addition, simulcasting of out-of-state thoroughbred races into New York was authorized for the tracks and OTB's from December 15, 1994 to March 31, 1995 provided the NYRA agreed to race nine races five days a week during that "winter period". In addition, out-of-state harness races were authorized to be imported provided they accompanied in-state harness race simulcasting and, at harness tracks on live race days, provided the horsemen agreed. Besides granting tax reductions, the breakage on winning payoffs was reduced, increasing payoffs to the public. OTB's were granted "missed pool" monies unpaid to the public and accumulated by them as a result of their failure to merge all their bets at the track (overruling the Board's rules and court decisions), purses for horsemen were increased as well as subsidies to New York breeders, and "in-home simulcasting experiments conducted jointly by OTB's and tracks were authorized.

The state's thoroughbred breeding program was restructured by adding breeder members to the state's thoroughbred breeding fund board and qualification as "New York bred was extended to horses sired and conceived in other state but born and residing in New York.

In the areas of bingo and games of chance regulation the statute raised prize maximums from two hundred fifty dollars to one thousand dollars for single games and from one thousand to three thousand dollars for a single day's games for bingo; from one thousand to three thousand dollars for bell jar prizes; from one thousand to ten thousand dollars total prizes for merchandise wheels.

In a substantial change, "raffles" were added to the authorized games of chance conducted by the charities, etc. and prizes of up to \$100,000 were made possible.

## DEFINITIONS

In order to better understand this report on simulcasting, several specialized technical terms are defined.

A SIMULCAST is the display of live audio and visual signals of thoroughbred, harness or quarterhorse races for the purposes of pari-mutuel wagering at a site away from the track where the races are held.

A SENDING TRACK is the race track holding the races from which simulcasts originate.

There are three types of SIMULCAST RECEIVING FACILITIES - an OTB SIMULCAST BRANCH (including an OTB telebranch and an OTB enhanced telebranch), a RECEIVING TRACK or a SIMULCAST THEATER (including demonstration projects).

An OTB branch is the ordinary operating component of an OTB corporation, which is authorized to accept wagers. When simulcasting is permitted, it is then licensed as an OTB SIMULCAST BRANCH. This type of facility only offers the audio-visual signal of the races.

During 1985, a special type of OTB branch was developed, called a TELEBRANCH. A telebranch is a licensed OTB branch with additional amenities for patrons, including larger screens, food and non-alcoholic beverage service.

Chapter 919 of the Laws of 1986 as amended by Chapter 467 of the Laws of 1989 created a third category of OTB branch which offers simulcasting. The Board has classified this category as ENHANCED TELEBRANCH. An enhanced telebranch has all the amenities of a telebranch. In addition, an enhanced telebranch serves alcoholic beverages with the approval of the Board and issuance of appropriate licenses by the New York State Liquor Authority. The statute authorizes 15 enhanced telebranches in New York City and no more than three (3) such facilities per county for all other regions. The statute sets forth the minimum seating requirements in a restaurant setting for this new type of facility and authorizes the use of credit cards for the purchase of food and beverages. In telebranches (none) and enhanced telebranches (two), OTB corporations have exercised the option to charge an admission fee. Such fee is subject to the approval of the Board, and subject to state and local admission taxes.

A RECEIVING TRACK is a licensed pari-mutuel race track where simulcasts, which originate from another licensed pari-mutuel track, are displayed.

A SIMULCAST THEATER is defined as a public entertainment and wagering facility. It has such amenities as a large projection screen, a display system for odds, pools, and payout prices, areas for viewing and seating, food, alcoholic and non-alcoholic beverage service. An admission fee is charged, and winning wagers on simulcast races are not subject to the OTB surcharge. All seven authorized simulcast theater licenses have been granted.

In the July 1985 legislation, special types of simulcast theaters called SPECIAL DEMONSTRATION PROJECTS were created for purposes of stimulating economic development, employment opportunities and state and local revenues. These special demonstration projects were authorized only in privately owned hotels in Sullivan and Ulster Counties for the exclusive use of guests of the hotel. Hotels in Greene County were made eligible by a 1986 statutory amendment. Additionally, one such special demonstration project was authorized within the City of New York. These facilities were authorized to be operated (a) by an OTB corporation or (b) jointly by an OTB corporation and a track. In either case, an outside or third party may participate in the operation of these facilities. Only one such facility, Friar Tuck Inn in Greene County, is in operation.

Simulcasting uses the existing PARI-MUTUEL SYSTEM of betting (the only legalized form within the State of New York). In that system, all monies bet on a given race go into a pool. Odds on each horse or combination of horses are based upon the amount of money bet on each horse or combination in relation to the amount of the pool. Neither the track at which the races are run nor OTB contributes any funds to the pool from which winning bets are paid.

CANNIBALIZATION is the reallocation of bettors and their dollars to a simulcast facility from nearby OTB branches which do not have simulcasting. Simply put, simulcast branches tend to draw customers from non-simulcast branches.

SIMULCAST HANDLE is defined as the entire handle of OTB simulcast branches simulcast theaters and receiving tracks on the races which are simulcast.

## **APPLICATION PROCESS AND GUIDELINES**

In authorizing simulcasting, the Legislature mandated that each track or off-track betting corporation must apply for an annual license to operate a simulcast facility. Such a facility may be a race track, an OTB branch or a simulcast theater.

Applications for annual licenses shall be in such form as may be prescribed by the Board and contain such information, material or other evidence the Board may require. The Board has established an annual licensing cycle of July 1 through June 30 of the following year. This sequence follows the sunset provisions of both the experiment's statutory authority, as well as certain provisions of the permanent authorization. The Legislature prescribed a \$500 per year license fee for each simulcast facility to be paid by the licensee.

The application itself must contain a **SIMULCAST PLAN OF OPERATION** which is subject to the review and approval of the Board. Section 1003(2) of the Racing Law specifies the contents of such plan.

Each applicant must also submit a feasibility study projecting the estimated revenues and costs to operate a simulcast facility. To be included in the study is the following information:

1. the number of simulcast races to be displayed;
2. the types of wagering to be offered;
3. the level of attendance expected and the area from which such attendance will be drawn;
4. the level of anticipated wagering activity;
5. the source and amount of revenues expected from other than pari-mutuel wagering;
6. the costs of operating the simulcast facility and the identification of costs to be amortized and the method of amortization of such costs;
7. the amount and source of revenues needed for financing the simulcast facility; and
8. the probable impact of the proposed operation on revenues to local government.

In addition to the feasibility study, the Simulcast Plan of Operation details the security measures to be used to protect the facility, control crowds, safeguard the transmission of simulcast signals and accomplish the transmission of wagering data to effectuate common wagering pools. Information on the type of data processing, communication and transmission equipment to be utilized must also be provided. The applicant is required to describe the management groups responsible for the operation of the simulcast facility and the system of

accounts employed to maintain a separate record of revenues collected by the simulcast facility, the distribution of such revenues and the accounting costs relative to the simulcast operation. The Simulcast Plan of Operation also specifies the location of each facility and includes written confirmation from the appropriate local authorities that the location of the simulcast facility and the number of patrons expected to occupy such facility are in compliance with all applicable local ordinances.

The final requirement of Section 1003 states that an applicant must submit the written agreements or letters of consent by those parties specified in Sections 1007, 1008 and 1009 of the Racing Law (including as the case may be, race tracks, off-track betting corporations and/or local governments).

Chapter 346 of the Laws of 1990 added a new Section 1013, which provides for binding arbitration whenever a written agreement is required from a sending track in simulcast districts one or two, and such agreement has been unreasonably refused, declined or denied. This procedure expires on July 15, 1994.

In addition, Section 1010 mandates that the Simulcast Plan of Operation shall include provision for job security for race track and OTB corporation employees within the simulcast district where the simulcast facility is located.

The Board has imposed additional requirements for licensing a simulcast facility. During the course of preparing for litigation, the Board was advised that it must insure compliance with the State Environmental Quality Act with respect to the determination of the environmental impact relating to a simulcast facility. The Board now requires the submission of an Environmental Assessment Statement in a prescribed format for each new simulcast facility.

In 1986, the Board began an intensive effort to insure that all off-track betting facilities (including simulcast facilities) were in compliance with the New York State Uniform Fire Prevention and Building Code. A similar effort with respect to track facilities was also undertaken. With respect to race tracks, the appropriate local governments' code enforcement officer inspects the facility to insure compliance with the State's Uniform Code. Responsibility for the administration and enforcement of the Uniform Code at facilities operated by off-track betting corporations is that of the participating county and/or city.

The procedures adopted by the Board to effectuate these statutory guidelines recognized that the Governor and Legislature wished to encourage the broadest possible utilization of simulcasting. Basically, applicants are required to submit the principal elements of the Simulcast Plan of Operation and feasibility study to the Board, together with proof of agreement by all the necessary and required parties. Upon receipt of the above, the Board reviews a submission and makes a determination thereon. In several instances, temporary licenses have been issued contingent upon the receipt of further documentation. For the Board, "a meeting of the minds" between the essential players in this arrangement is critical in making a determination to authorize a specific simulcast operation. Of course, a speedy submission of the necessary written materials is always required.

## SIMULCAST FACILITY LICENSING

In accordance with the provisions of Section 1002(1) of the Racing Law, the Board issued guidelines for applications for simulcast facility licenses. An annual licensing cycle of July 1 through June 30 of the following year was established to coincide with the statutory authorization concerning Article X.

With the effective date of the revised Article X in 1985, the Board required each applicant to apply for a new simulcast facility license for the year July 1, 1985 through June 30, 1986. accordingly, renewal procedures were implemented for each licensing year beginning July 1, 1986. With the enactment of Chapter 346 of the Laws of 1990 on July 2nd, the cycle was reestablished for the year July 2, 1990 through June 30, 1992. July 1, 1993 commenced the 1994-95 licensing year. Under this procedure, 206 simulcast facility licenses were issued and a total of \$103,000 in fees was received and remitted to the State's general fund as of December 31, 1994.

A breakdown by applicant is set forth below:

### 1994 - 1995 LICENSING YEAR (JULY 1 - June 30, 1994)

<u>APPLICANTS</u>	<u>NUMBER OF LICENSES ISSUED</u>	<u>FEE PAID</u>
New York City OTB	54	\$27,000
Nassau OTB	14	7,000
Suffolk OTB	13	6,500
Catskill OTB	22	11,000
Capital OTB	48	24,000
Western OTB	47	23,500
New York Racing Assn.	1	500
Finger Lakes Race Track	1	500
Yonkers Raceway	1	500
Saratoga Raceway	1	500
Vernon Downs	1	500
Batavia Downs	1	500
Buffalo Raceway	1	500
Monticello Raceway	<u>1</u>	<u>500</u>
TOTAL	206	\$103,000

Three simulcast facility licenses were also issued during the first half of 1994 for the balance of the fiscal year, generating \$1,500 in fees.

Therefore, during calendar year 1994, a total of 209 simulcast facility licenses were issued, and fees totaling \$104,500 were received by the Board and paid to New York State's general fund, pursuant to Section 1003 of the Racing Law.

## SIMULCASTING OPERATIONS BY OFF-TRACK BETTING CORPORATIONS

### WESTERN REGIONAL OFF-TRACK BETTING CORPORATION

The Western Regional Off-Track Betting Corporation, located in Western New York State, is comprised of 18 counties, 15 of which participate in the management of off-track betting. The two major cities in the Western area, Buffalo and Rochester, also participate as full members of OTB. Western began and ended the year with 46 branches and the simulcast theater. Western simulcast to all branches, showing races on various days from NYRA, Finger Lakes Race Track, Batavia and Vernon Downs, Buffalo, and Monticello Raceways and 12 out-of-state thoroughbred tracks.

Within its region Western OTB contains a thoroughbred track, Finger Lakes Race Track, and two harness tracks, Buffalo Raceway and Batavia Downs.

In 1994, Western OTB handled \$138.9 million on thoroughbred races and \$39 million on harness races for a total of \$177.9 million, a increase of \$1.5 million or 0.9% as compared to 1993. This total accounts for 11% of all New York State OTB handle in 1994. Western ranks fourth in the State in terms of total betting handle.

During 1994 Western accepted wagers on 17 out of state thoroughbred tracks as compared to nine in 1993. Total handle for these tracks was \$23.9 million an increase of \$17.3 million or 266.3%. Western accepted wagers on three out-of-state harness tracks in 1994. Total handle for these tracks was \$435,000. Total handle for out-of-state racing was \$24.3 million, an increase of \$17.7 million or 272.3% over 1993. (See chart on page A-4 for a listing of the out-of-state tracks taken.)

Pursuant to Sections 905 and 905-a of the Law wagering was conducted on 50 thoroughbred races of special interest, including the Kentucky Derby, Preakness and Breeders Cup, as well as four harness races of special interest. Western OTB's handle totaled \$4.1 million for the 54 special events, an increase of \$31,000 or 0.8% over 1993.

All out-of-state wagering amounted to \$28.4 million for Western OTB, an increase of \$17.8 million or 167.9% over 1993.

Western attributes the trend of stagnating handle over the last three years largely to the proliferation of inter-track wagering at Buffalo Raceway, Batavia Downs and Finger Lakes Race Track. Western indicates that in 1994 over \$18 million was handled at these inter-track wagering sites, a large portion of which Western believes would have otherwise been wagered with them. This figure does not include business lost to Pennsylvania OTB and inter-track wagering at Fort Erie, Canada. Inclement weather impacted handle in the winter of 1994. The 1993 opening of the Oneida Indian Casino in Vernon increased competition for the gambling dollar in the Western region.



Western paid NYRA \$2.1 million in statutory payments and \$912,000 in simulcast contractual payments. On September 16, 1993 Western signed a contract with NYRA, which ran from July 14, 1993 through July 13, 1994. This agreement called for Western to pay NYRA 1.25% of the daily net handle generated by all wagers at all simulcast branches. Western will pay 6.5% of daily handle generated on all wagers at the Niagara Falls simulcast theater. NYRA will pay for the uplink. On September 19, 1994 Western signed a new contract with NYRA which runs from July 14, 1994 through July 13, 1995. The terms of this contract are the same as the previous contract.

Finger Lakes was paid \$2.4 million in statutory payments and \$468,000 as a simulcast contractual payment. Based on Western's contract with Finger Lakes which began with the April 1993 meet and extends through December 31, 1997, Western will pay Finger Lakes 1.1% of simulcast handle for each of the years 1993 through 1997. Finger Lakes will pay for the uplink.

Buffalo Raceway was paid \$1.1 million in statutory payments and \$354,000 in simulcast contractual payments. On January 13, 1992, Western and Buffalo Raceway entered into a contract beginning April 22, 1992 and running through the 1997 Winter meet. Under the terms of the agreement, Western will pay Buffalo Raceway 2% of the net simulcast handle for the six year term of the contract. Payments will not be less than 1.5% of the total net handle wagered in Western branches, except that Sunday evening handle, which is not simulcast to Western, shall not be subject to the agreement. For any meet in which the payment does not equal or exceed 1.5% of total net handle, Western agreed that an additional payment will be made to Buffalo Raceway to bring total payment to an amount equal to 1.5% of total net handle for the year. Buffalo Raceway pays the uplink. The simulcast payments include consideration for permission to establish a simulcast theater in Niagara County.

Batavia Downs was paid \$340,000 in statutory payments and \$83,000 in simulcast contractual payments. On February 24, 1993 Western signed a simulcast agreement with Batavia Downs which extends through Batavia's Fall meet of 1994. There is an option to extend the agreement upon the same terms for three consecutive one-year renewals at the mutual concurrence of Western and Batavia Downs. Western pays Batavia 1.5% of net simulcast handle on all wagers. Batavia Downs will pay for the uplink. Batavia Downs ran only 53 days in 1994 due to a dispute between the track and the horsemen.

Yonkers was paid \$148,000 in statutory payments and \$25,000 in simulcast contractual payments. Western's simulcast contract with Yonkers is open-ended. Western can accept Yonkers simulcasts anytime it would not interfere with racing at a regional harness track. Under the terms of the contract, Western pays Yonkers 0.5% of net wagers generated at simulcast branches on the first \$100,000 and 1% on anything over \$100,000.

Monticello Raceway was paid \$43,000 in statutory payments with no simulcast contractual payments. There is no written contract with Monticello Raceway. Monticello pays for the uplink.

Vernon Downs was paid \$93,000 in statutory payments and \$20,000 in simulcast contractual payments. On March 22, 1994 Western signed a simulcast agreement with Vernon Downs which ran through the 1994 Fall meet. The terms of the contract allow Western to simulcast to Oswego, Central Square, Phoenix, Auburn and any other branch, upon the mutual consent of the parties. Western paid Vernon 1.5% of net simulcast handle on all wagers. Vernon Downs paid for the uplink.

Wagering at Western OTB has produced significant payments both to in-region and out of region municipalities. Surcharge generated by winning wagers on NYRA, was \$3.1 million; Finger Lakes, \$2 million; Batavia, \$277,000; Buffalo, \$909,000; Yonkers, \$339,000; Monticello, \$75,000 and Vernon, \$113,000.

A 1985 amendment to Section 532 of the Racing Law provided that, where a track located in a thoroughbred special betting district simulcasts outside such special betting district, the 50% share of the surcharge allocated to the county in which such track is located shall be allocated 90% to the OTB corporation and 10% to the county. Under the terms of this statute Western received \$284,000 in revenue.

For the signal from Yonkers Raceway, Western paid \$114,000 to its simulcast vendor. In addition, Western paid \$115,000 and \$13,000 for the uplinks from Santa Anita and Garden State respectively. The cost of the signals from Finger Lakes Race Track, NYRA, Batavia and Vernon Downs, Buffalo, and Monticello Raceways was included in the contractual payments made to the tracks by Western OTB.

Beginning in May 1991, Western began the installation of Self-Vending Terminals (SVTs) in its branches. During 1994 Western had 50 SVTs operating in 25 branches. Total handle for these SVTs was \$7.3 million, a decrease of \$1.4 million or 16%. This decrease can be attributed to the fact that the SVTs were removed from the branches in November, with the installation of the new tote system.

Effective April 3, 1991 Western began offering surcharge-free wagering to its telephone betting account customers who agreed to maintain a minimum balance (currently \$300) in their account at the time of the wager, in accordance with the provisions of Section 1012 of the Racing Law. At the end of 1994 Western had 3,941 active accounts of which 191 were surcharge-free accounts. Total handle for all accounts was \$5.5 million of which \$2.3 million or 42.2% was surcharge-free. Telephone betting decreased overall \$747,000 or 12% from 1993. Telephone wagering accounted for 3.1% of Western's handle.

Western has acquired 26 properties through December of 1994 at a total cost of \$12.9 million including costs for land, buildings, renovations and improvements.

Western used the sale of bond anticipation notes from 1987 through 1989 to finance construction. On May 27, 1994 Western retired the last of the bonds and notes.

A new financing vehicle became available to Western in 1989. The New York State Legislature enacted legislation which allows all off-track betting corporations to establish a Capital Acquisition Fund to finance the acquisition, construction and equipping of facilities of the corporation. No contributions shall exceed the lesser of 1% of the corporation's quarterly net handle or 50% of the corporation's quarterly net revenue, exclusive of surcharge. The balance of the fund shall not exceed the lesser of 1% of total pari-mutuel wagering pools for the previous 12 months or the undepreciated value of the corporation's offices, facilities and premises. During 1994, Western contributed \$580,000 to the Fund. They earned \$2,000 in interest.

On July 2, 1990, the State Legislature mandated the imposition of a 1% supplemental surcharge on wagering pools of multiple, exotic and super-exotic wagers and provided that sums derived from the supplemental surcharge be distributed to its Capital Acquisition Fund. With this fund the corporation could make new capital acquisitions or pay off existing loans. In 1994, Western earned \$1.1 million from the supplemental surcharge and an additional \$15,000 in interest.

Western has earned a total of \$1.7 million from both sources in 1994. Since inception, Western has earned a total of \$9.7 million in the fund and expended \$7.8 million leaving \$1.9 million in the fund at year's end.

On January 27, 1994 Western's Board voted to award a new 10 year tote contract to United Tote. In November of 1994 this system was fully operational. Western pays United Tote 0.35% of all pari-mutuel wagers. Western estimates they will save \$2.2 million annually in total expenses by entering into this contract.

### SIMULCAST THEATER

Western opened its first simulcast theater on May 1, 1993 at the Rainbow Center Mall in Niagara Falls. This facility, which charges a \$3 admission, seats 240 people, offers restaurant service including alcoholic beverages and has no dress code. Winning wagers on simulcast races are not subject to the OTB surcharge. Winning wagers on non-simulcast races are subject to the surcharge. The 1994 handle for the simulcast theater was \$10.4 million an increase of \$4.3 million or 69.8%. The simulcast theater generated \$42,000 in admission fees and has paid \$1,700 in state admission taxes. Admissions in 1994 totaled 53,449. Western received \$9,300 from the concessionaire in rental income. Pursuant to Section 1009(10) of the Racing Law, Western OTB paid the City of Niagara Falls \$42,000 in 1994. This payment is derived from an agreement with the City of Niagara Falls to pay them 0.4% of simulcast theater handle in lieu of any other local taxes in 1994.

## CAPITAL DISTRICT REGIONAL OFF-TRACK BETTING CORPORATION

Capital District Regional Off-Track Betting Corporation is located in the northeastern portion of New York State. The major cities located within Capital OTB are Albany, Schenectady, Troy and Utica. Also located within Capital OTB is one thoroughbred track, Saratoga Race Track of the New York Racing Association (NYRA) and two harness tracks, Saratoga Raceway and Vernon Downs. The region is comprised of 21 counties; 15 of these counties as well as the City of Schenectady participated in off-track betting during 1994.

In the November 1994 elections Cortland County passed Local Law #5 authorizing the County to participate in the Capital District Regional Off-Track Betting Corporation. Capital opened an enhanced branch in Preble in March 1995.

Capital OTB closed one simulcast branch in 1994 and at years end was operating 52 branches and two simulcast theaters (one a special demonstration project in Greene County). In 1994, Capital had 47 branches simulcasting races from NYRA, Finger Lakes Race Track (52 branches during the in-home simulcast experiment) and various out-of-state thoroughbred tracks. On various days, differing number of branches simulcasts Batavia Downs, Vernon Downs, Saratoga, Buffalo, Monticello and Yonkers Raceways as well as four out-of-state harness tracks.

Capital's non-simulcast branches are Seneca (upgraded to simulcast branch in January 1995) in Utica, Fuller Rd. (Albany), Watervliet, Wynantskill, Crane St. (Schenectady) and Bellevue (Schenectady).

In 1994, Capital OTB handled \$170.6 million on thoroughbred races and \$34.4 million on harness races for a total handle of \$205 million, a decrease of \$4.3 million or 2% as compared to 1993. Capital OTB ranks second in the State in terms of total betting handle with 12.7% of the statewide handle.

Of Capital OTB's 1994 total handle, \$168.7 million or 82.3% was wagered on simulcast races. This is a decrease of \$1.3 million or 0.8% as compared to 1993.

During 1994, Capital accepted wagers on 17 out-of-state thoroughbred tracks, as compared to seven in 1993. Total handle for these thoroughbred tracks was \$23.6 million, an increase of \$16.7 million or 243.9% as compared to 1993. Total handle for the four out-of-state harness tracks was \$650,000, an increase of \$610,000 or 1,528% as compared to 1993. Total out-of-state handle was \$24.3 million, an increase of \$17.4 million or 255%. (See chart on Page A-4 for a listing of the out-of-state tracks taken.)

Pursuant to Section 905 and 905-a of the Law, Capital handled 49 thoroughbred races of special interest including the Kentucky Derby, Preakness and the Breeders' Cup, as well as three harness special events in 1994. Capital's handle totaled \$5.26 million for the 52 special events, compared to \$5.33 million in 1993 (57 special events), an increase of \$71,000 or 1.4%.

All out-of-state wagering amounted to \$29.6 million, compared to \$12.1 million in 1993, an increase of \$17.5 million or 144%.

In 1994, Capital OTB's handle for telephone accounts was \$20.2 million, an increase of \$3.3 million or 19.3% as compared to 1993. Regular accounts, of which there were approximately 8,500 active, handled \$17.2 million. Surcharge-free accounts, those with a minimum balance of \$300 at all times, had a total handle of \$3 million in 1994. Telephone wagering represents 9.9% of Capital's total handle.

On September 16, 1994 Capital OTB began in-home simulcasting of Finger Lakes Race Track as allowed by section 1003(1) of the Racing Law, on an experimental basis. Capital OTB, through its Channel 12 Communications Network, simulcast Finger Lakes races which were available in the Capital District and the immediate surrounding areas. The in-home simulcast consisted of the display of the race only without any pre-race nor post-race analysis. The in-home simulcasting continued through the end of Finger Lakes 1994 season (December 13th).

Capital OTB did experience a slight rise in phone handle but Finger Lakes handle on the whole decreased for the year. It appears that in-home simulcasting may have only cannibalized handle from the branches. The in-home simulcasting is scheduled to sunset on May 15, 1995.

Capital OTB distributed \$4 million in surcharge revenue from winning NYRA wagers. Statutory payments to NYRA in 1994 were \$3.8 million. Simulcast contractual payments in 1994 totaled \$755,000. Capital OTB's six-year contract calls for Capital to pay NYRA 2.75% of NYRA daily net handle at simulcast branches for the period of January 1, 1990 through December 31, 1992. From January 1, 1993 to December 31, 1995, the percentage will increase to 2.85%. Capital OTB pays 6.5% of NYRA daily net handle at the simulcast theaters. All percentages include statutory payments. Capital pays NYRA \$35,000 a year for the rights to broadcast the live call over commercial radio. In August 1992, Capital OTB's contract with NYRA was amended. The amendment allows Capital the right to broadcast the live audio race call and/or the "NYRA Pre-Race Show", at the option of Capital on the Off-Track Betting Communications Network in the Capital region only, at an annual rights fee of \$15,000.

Capital OTB distributed \$110,000 in surcharge revenue from winning Saratoga Raceway wagers. Statutory payments to Saratoga Raceway in 1994 were \$130,000. Simulcast contractual payments totaled \$187,000 in 1994. The term of Capital's contract with Saratoga Raceway is five years commencing July 1, 1993. The contract calls for Capital to pay \$160,000 annually in equal monthly payments. Capital will also pay 1% of the cumulative excess of wagers placed at four simulcast branches and the simulcast theater on Saratoga Raceway programs during each respective year, over such wagers placed at such facilities during the calendar year 1988 (the base year). The contract also allows Capital to simulcast other tracks into certain branches within Saratoga Raceway's region when that track is racing. The Friar Tuck Inn (a special demonstration project), New Lebanon, Plattsburgh and Lake George are allowed to simulcast other harness tracks when Saratoga Raceway is racing because of Capital's inability to microwave simulcasts of Saratoga to these branches.

In 1994 Saratoga Raceway experienced a racing stoppage. The Northeast Harness Horsemen Association (NHHA) and Saratoga Raceway were involved in a bitter dispute over the allocations of funds for purses. The dispute delayed Saratoga Raceway's opening from April 21st to June 24th. Although the track opened on June 24th the NHHA stayed away limiting the number of horses thus the number of programs run. Saratoga ran 68 of its scheduled 169 programs.

As a result of the dispute, Capital OTB's handle on Saratoga Raceway dropped dramatically. Capital's handle for Saratoga Raceway in 1994 was \$3.4 million as compared to \$10.9 million in 1993, a decrease of \$7.5 million or 69.1%. This was the lowest handle of any in-state track excluding the Syracuse mile (7 day meet) and Batavia, which experienced its own problems resulting in a shorter season.

The dispute resulted in Capital paying more in total statutory payments (\$3.7 million) to Saratoga Raceway than they handled (\$3.4 million) on its races. (Capital pays statutory payments to the Raceway based on its designation as a regional track.)

Capital distributed \$244,000 in surcharge revenue from winning Vernon Downs wagers in 1994. Statutory payments to Vernon Downs in 1994 were \$270,000. Simulcast contractual payments totaled \$89,000 in 1994. Capital's agreement with Vernon Downs has an indefinite term commencing on April 1, 1993. The agreement requires Capital to pay \$255 (to offset cost of uplink) plus 1.5% of the incremental handle which exceeds \$17,000 in the Vernon region, for each night of simulcasting. When Capital simulcasts Vernon into the Saratoga Raceway region there will be no additional charges beyond the statutory payments. Vernon Downs pays the uplink costs.

Capital OTB distributed \$938,000 in surcharge revenue from winning Finger Lakes wagers. Of this, \$422,000 was included in Capital OTB's regular earnings under the Board's interpretation of Section 532(3)(b)(v) of the Racing Law. A 1985 amendment to Section 532 provided that, when Finger Lakes simulcasts outside its special betting district, the 50% share of surcharge allocated to the county in which such track is located shall be reallocated 90% to the OTB corporation (as regular earnings) and 10% to the county.

Statutory payments to Finger Lakes in 1994 were \$1 million. Simulcast contractual payments totaled \$268,000 in 1994. Capital OTB had an agreement with Finger Lakes for the 1994 season. Under this agreement Capital paid Finger Lakes one percent (1%) of the corporation's net handle. Finger Lakes was responsible for the uplink and Capital for the downlink. The track provided Capital the necessary decoding devices.

Capital OTB distributed \$462,000 in surcharge revenue from winning Yonkers wagers. Statutory payments to Yonkers in 1994 were \$322,000. Simulcast contractual payments totaled \$54,000 in 1994. The contractual payment is 0.5% of the total daily Yonkers handle which exceeds \$83,000 for each race day. Capital OTB also pays Yonkers an annual fee of \$50,000. While there is no written contract, Capital OTB does have a verbal agreement with Yonkers. Capital was responsible for the uplink and satellite costs (\$11,500 per month).

Capital OTB distributed \$22,000 in surcharge revenue from winning Batavia wagers. Statutory payments to Batavia in 1994 were \$15,000. Simulcast contractual payments totaled \$10,000 in 1994. Capital OTB paid Batavia \$300 per race date, when both of its regional tracks were dark, and \$150 per race date when one regional track was dark. There was no simulcasting when both regional tracks were conducting racing.

Capital OTB distributed \$123,000 in surcharge revenue from winning Buffalo wagers. Statutory payments to Buffalo in 1994 were \$98,000. Simulcast contractual payments totaled \$29,000 in 1994. Capital OTB paid Buffalo Raceway \$300 per race date, when both of its regional tracks were dark, and \$150 per race date when one regional track was dark. There was no simulcasting when both regional tracks were conducting racing.

Capital OTB distributed \$159,000 in surcharge revenue from winning Monticello wagers. Statutory payments to Monticello in 1994 were \$118,000. For 1994 there were no simulcast contractual fees.

Capital OTB paid a fee of \$173,000 in 1994 to the simulcast vendor for satellite transmission time for various race tracks.

In October 1994 the Board approved Capital OTB's request to purchase a radio station, WVKZ in Schenectady. Capital had been leasing air time on WVKZ to broadcast live race calls and results. Capital believes the purchase of this radio station will decrease its operating expenses while expanding its ability to disseminate racing information. The purchase price of the radio station was \$90,000.

Capital finances many of its projects through loans and leases. In 1994, Capital borrowed \$340,000 to purchase a building which housed its North Pearl Street branch (Albany). Capital also financed its purchase of radio station WVKZ (\$90,000). At the end of 1994, Capital OTB had eight outstanding obligations:

	<u>BANK</u>	<u>LOAN AMOUNT</u>	<u>OUTSTANDING BALANCE</u>	<u>PURPOSE</u>
Fleet		\$7,500,000	\$3,930,000	Leasehold improvements
		290,000	123,250	Expand simulcast theater parking lot
		90,000	87,500	Purchase Radio Station
		590,000	150,967	Mortgage (Imperial Racing Center)
		340,000	340,000	Mortgage (69 N. Pearl St., Albany)
Adirondack Leasing		38,106*	1,905*	Restaurant equipment
CIT Equipment		120,274*		Bowlingo games
Financing, Inc.		115,014*	124,498*	Projector equipment

In June 1993, CIT assumed the Amplicon Financial lease payable.  
(\*Includes principal and interest)

Capital's largest loan is with Fleet Bank. In early 1993 Capital renegotiated this loan. The new terms call for the loan to be paid in full by 1997. The rate of interest for all of the

Fleet Bank loans is 75% of the prime rate adjusted quarterly (semi-annually for the mortgages). There is a 12% maximum and a 5% (6% for the two mortgages) minimum rate of interest. The interest rate as of December 31, 1994 was 6.375%. The interest rate on the Adirondack Leasing loan is 11%. The CIT and Amplicon obligations are leases with a payment schedule that includes principal and finance charges.

On July 2, 1990, the State Legislature mandated the imposition of a 1% supplemental surcharge on wagering pools of multiple, exotic and super-exotic wagers and provided that sums derived from the supplemental surcharge be distributed to a Capital Acquisition Fund. With this Fund, the corporations could make new capital acquisitions or pay off existing loans. Capital OTB has established such a fund and contributed \$1 million during 1994 and expended the same amount. A similar provision allows OTB's to further contribute to this fund, up to 1% of the quarterly net handle or 50% of the quarterly net revenue, whichever is lower. Capital has yet to avail itself of this provision in the law.

Capital presently has 120 player activated machines, which they refer to as VLCs. The VLCs had a total handle of \$29 million in 1994, 14.1% (13.8% in 1993) of Capital's total handle.

At the end of 1994, Capital OTB was operating 22 telebranches. These telebranches offer table service, deli food or vending machines. Capital OTB also operates 11 enhanced telebranches in ten different counties. All of these enhanced telebranches offer patrons a comfortable simulcast viewing area and food service with alcoholic beverages. The food service offered by these branches varies from table service to deli style to a combination of both.

#### **TELEPLEX RACING CENTER - 1994 UPDATE**

The Teleplex Racing Center is a single building and contains two OTB facilities. One is an enhanced telebranch; the other, a simulcast theater. The enhanced telebranch offers food and alcoholic beverages and has no dress code. The telebranch does not charge an admission fee and winning wagers are subject to the OTB surcharge.

Handle at the telebranch was \$10.4 million, a decrease of \$1.1 million or 9.6%. The rate of decrease for all other branches (combined) was 1.6%. It appears that the Scoreboard has been unable to stymie the annual decline in handle at this facility. Capital received \$164,000 from its food concessionaire and \$174,000 from various arcade and golf games.

In 1992, the Board authorized Capital OTB to charge an admission fee at the Scoreboard section of the Telebranch. Capital was allowed to charge \$1.00 on Wednesday, Friday and Saturday as well as a higher amount on special occasions, i.e. New Years Eve, concerts. Capital uses the admission fee as a way of controlling the number of patrons at the Scoreboard, so the fee is not in effect on every Wednesday, Friday and/or Saturday night. The fee for concerts and other similar events is used to cover the expenses of such an event. In 1994,



Capital collected \$112,000 in admission fees at the Scoreboard which generated \$4,308 in State admission taxes.

The simulcast theater charges \$3 per person for admission and winning wagers on simulcast races are not subject to the OTB surcharge. All non-simulcast races are subject to the OTB surcharge. This entertainment center offers food, alcoholic beverages, electronic sports information boards, special sporting events and assorted patron amenities. A dress code has been established. Capital received \$136,000 from concession sales at the theater. The simulcast theater's handle for 1994 was \$32.6 million, an increase of \$581,000 or 1.8%.

The simulcast theater has generated additional revenue for state and local governments. Capital OTB collected \$127,000 in admission fees (an increase of \$28,000) and paid \$3,363 in State admission taxes. Total attendance at the simulcast theater was 105,001. Capital OTB paid the City of Albany \$326,000 in 1994. This payment is derived from an agreement with the City of Albany to pay 1% of the simulcast theater handle, in lieu of any other local tax.

The Teleplex Racing Center's handle for 1994 was \$43 million, (simulcast theater \$32.6/telebranch \$10.4). In 1994, 21% of Capital OTB's total handle resulted from wagers placed at this unique facility. During this year Capital OTB spent \$25,900 on capital improvements at the simulcast theater and \$36,700 at the telebranch, which includes the sports bar.

#### **SPECIAL DEMONSTRATION PROJECT-1994 UPDATE**

On June 29, 1990, Capital OTB opened a simulcast theater in the Friar Tuck Inn (Greene County). The simulcast theater has an admission charge of \$3 per person and winning wagers on simulcast races are not subject to the OTB surcharge. This theater offers food, alcoholic beverages and a simulcast viewing area. The handle for 1994 in this facility was \$2.9 million. Total attendance at the project was 8,473 generating \$25,000 in admission fees, and resulting in \$979 in State admission taxes. Under the agreement between Capital and Friar Tuck Inn, the hotel retains any income from the restaurant's operations.

The theater is open year round except for two weeks (March 24 to April 3 in 1994) when a private organization, which disapproves of gambling, rents the entire hotel.

#### **CATSKILL REGIONAL OFF-TRACK BETTING CORPORATION**

Catskill Regional Off-Track Betting Corporation is comprised of 13 counties located in the eastern and southern regions of the State. Nine of these counties participate as members of this corporation. They are Broome, Chemung, Chenango, Dutchess, Orange, Putnam, Rockland, Tioga and Ulster. Some of the larger cities served by Catskill OTB are Binghamton, Kingston, Middletown, Newburgh, Poughkeepsie and Suffern. Many of Catskill's branches are bordering Connecticut, New Jersey and Pennsylvania and attempt to draw customers from those states.

Pawling and Brewster have branches near the Connecticut border. Pearl River, Nyack, Nanuet, Suffern and Hillburn are near the New Jersey state line as is Port Jervis which borders both New Jersey and Pennsylvania. Additionally, the Waverly and Elmira branches draw some customers from Pennsylvania as that state's off-track betting system does not take wagering on New York races.

In the Catskill region there are two operating race tracks both of which are harness tracks. Sullivan County is the home of Monticello Raceway with the closest OTB branches being in Ellenville and in Port Jervis. Yonkers Raceway is in Westchester County. Participating Tioga County in the state's southern tier region has a dormant race track, Tioga Park.

Catskill OTB operated 29 branches during 1994. On December 12, 1994, a branch in Kingston was relocated to the Kingston Mall, the city's largest shopping district. New amenities available to these customers included multiple large screen monitors, handicapping desks and chairs, Autotote SAM machines and modern rest rooms. The former Kingston OTB lacked all such amenities. In addition, separate areas were allocated for eating and smoking. A refreshment area with multiple vending machines is available. There is also a separate room available for bettors who are smokers. In the last three weeks of 1994 (the first three weeks of operation of this relocated branch), the Kingston handle was up 82%, 40% and 84% over 1993 respectively.

Catskill's 1994 handle was \$121.7 million, an increase of \$3.7 million or 3.1% over 1993. Of that total \$94.3 million was wagered on thoroughbred races and \$27.4 million on harness races. The total handle for Catskill OTB represents 7.5% of all New York Off-Track Betting handle in 1994. Catskill ranks sixth in the State in terms of total betting handle.

Of Catskill's \$121.7 million handle, \$106.1 million or 87.2% was wagered on simulcast races. This is a decrease of \$9.5 million or 9.8% as compared to 1993. Of the 29 Catskill branches, 22 simulcast the races from varying New York race tracks as allowed by State law and as stipulated by contract with each individual racing association. Thoroughbred simulcast handle at these 22 branches resulted in \$83.8 million in 1994.

Catskill OTB also accepted wagers and on 16 out-of-state tracks. Total handle for these out-of-state tracks was \$13.6 million, as compared to \$9.2 million in 1993, an increase of \$4.4 million or 209%. (See chart on page A-4 for a listing of the out-of-state tracks taken.)

Pursuant to Sections 905 and 905-a of the Law, wagering was conducted on 32 thoroughbred races and two harness races of special interest. These were in addition to the Kentucky Derby, the Preakness and the Breeders' Cup. Catskill's 1994 handle on these special events totaled \$3.3 million as compared to \$3.4 million in 1993, a decrease of \$66,000 or 1.9%.

All out-of-state wagering in 1994 for Catskill OTB amounted to \$16.9 million, an increase of \$9.1 million or 117% over 1993.

In 1994, the corporation's simulcast vendors were paid \$350,000 for their services and equipment upgrades.

Catskill has a multi-year simulcast contract with NYRA. The NYRA contract in effect calls upon Catskill OTB to pay NYRA 6.5% (including statutory payments) on total simulcast handle. This contract executed on November 30, 1990 extends through January 15, 1996. Statutory payments to NYRA in 1994 totaled \$4.3 million. Contractual payments by Catskill to NYRA totaled \$739,000. Surcharge revenue of \$2.8 million was generated by winning NYRA wagers.

Catskill's contract with Finger Lakes has been on a year to year basis coinciding with the Finger Lakes racing season. The Finger Lakes contract calls for Catskill OTB to pay a 1% premium commission on total simulcast handle for the Finger Lakes simulcast. Statutory payments of \$439,000 were paid to Finger Lakes. Contractual payments paid to Finger Lakes totaled \$149,000. Surcharge revenue of \$675,000 was generated by winning Finger Lakes wagers.

Catskill does not pay Monticello a premium for its simulcast but does pay a per card fee towards the cost of the simulcast uplink. Traditionally, this has been a \$250 per simulcast card fee. Statutory payments by Catskill to Monticello Raceway in 1994 totaled \$548,000 and there was \$23,000 in contractual payments made. Surcharge revenue of \$357,000 was distributed by Catskill OTB on winning Monticello wagers.

Catskill has not had a written contract with Yonkers since 1990: The long Catskill-Yonkers arbitration process came to a decision in 1994. The arbitrator decided in Yonkers favor and a contract was imposed. This contract provides that Catskill pay Yonkers the following commission rates: 0.5% on the first \$90,000 of handle after 7 p.m.; 0.75% on the incremental \$40,000; 1% on the incremental \$60,000; and 1.3% on the increment over \$190,000. There are also daily minimum payments of \$300 regardless of the number of races carded. Statutory payments to Yonkers by Catskill totaled \$983,000 in 1994. Contractual payments to Yonkers were \$80,000. Catskill distributed \$788,000 in surcharge revenue based on winning Yonkers wagers.

Catskill's 1994 agreement with Vernon Downs called for no simulcast contractual payments. Statutory payments of \$24,000 were paid to Vernon Downs. Catskill distributed \$46,000 in surcharge revenue based on winning Vernon Downs wagers.

Catskill's 1994 agreement with Buffalo Raceway called for no simulcast contractual payments. Statutory payments of \$9,500 were paid to Buffalo Raceway. Catskill distributed \$25,500 in surcharge revenue based on winning Buffalo wagers.

There was also no contractual payments due Batavia Downs in 1994. Statutory payments of \$3,700 were made by Catskill to Batavia. Catskill distributed \$9,900 in surcharge revenue based on winning Batavia wagers.

In 1989, the New York State legislature enacted a law which allowed OTB corporations to establish a Capital Acquisition Fund. From this fund an OTB corporation could finance an acquisition and fund the construction and equipping of facilities of the OTB. No contribution to the fund shall exceed the lesser of 1% of the OTB corporation's quarterly net handle or 50% of the corporation's quarterly net revenue, exclusive of surcharge. The balance of the fund shall not exceed the lesser of 1% of the total pari-mutuel wagering for the previous 12 months or the undepreciated value of the corporation's offices, facilities and premises. Catskill OTB had its Capital Acquisition Fund in place in 1989. During 1994 Catskill contributed \$91,600 to this Fund.

On July 2, 1990, the State Legislature mandated the imposition of a 1% supplemental surcharge on wagering pools of multiple, exotic and super-exotic wagers and provided that sums derived from the supplemental surcharge be distributed to the Capital Acquisition Fund. There was a carryover balance to 1994 of \$3.3 million. During 1994, \$681,000 was generated for this Fund by wagering at Catskill. During 1994, \$255,000 was expended by Catskill on various capital projects, leaving a balance of \$3.7 million in its Capital Acquisition Fund at year's end.

Telephone betting in 1994 for Catskill OTB totaled \$2.7 million. Account holders who maintain a balance of \$300 or more are exempt from the surcharge normally placed on winning wagers. Of the 6,500 Catskill telephone account holders, 200 customers maintain a \$300 minimum balance thus avoiding the surcharge on winning wagers. This \$2.7 million wagered by telephone with Catskill represents 2.2% of total Catskill handle.

The growth of telephone betting at Catskill OTB is stifled by nearby competition from both New York City OTB and Connecticut OTB. Both allow their customers to open an account with as little as \$25. In addition, there is no necessity to maintain the \$300 balance in that account to avoid the surcharge on winning wagers. Despite heavy advertising in the Daily Racing Form, Catskill OTB phone accounts have been increasing at a much slower rate than competing corporations because of the aforementioned restrictions.

This past year was the first full year that Catskill operated its own tote system. Previously, it contracted with NYCOTB for AmTote services. The new Catskill vendor, AutoTote has proven its worth to both the corporation and its customers. Catskill has the latest in pari-mutuel equipment in operation and the customers can now wager on most tracks right up until post time which previously was not the case.

## MT.FUGI - CATSKILL'S SIMULCAST THEATER

The stately Mt.Fugi restaurant located high on a mountain in Hillburn, N.Y. is Catskill's simulcast theater. Because of its mountain location and proximity to major New Jersey highways and the New York Thruway, this site is visible to millions of travelers each year. It was opened on April 30, 1993. In its first full year of operation, a total of \$6.7 million in handle was wagered. This is 5.5% of the total handle in 1994 of Catskill OTB. Currently there is a five dollar admission charge which reverts to the concessionaire. Catskill OTB reported admissions of 7,900 which resulted in \$1,400 in State admission taxes. On-track pari-mutuel prices are paid with no surcharge on winning simulcast wagers.

Catskill's philosophy in operating this simulcast theater, along with its enhanced telebranches, is to avoid any outlay of public money in favor of forming a "private partnership" in all restaurant and bar operations.

## SUFFOLK REGIONAL OFF-TRACK BETTING CORPORATION

Suffolk Regional Off-Track Betting Corporation is located entirely in Suffolk County. In 1994 it operated 16 branches and a simulcast theater. Suffolk OTB closed two branches leaving 14 branches and a simulcast theater at year's end. Twelve of these branches conducted simulcasting; two other branches, Southampton and Patchogue, did not.

In 1994, Suffolk handled \$133.5 million on thoroughbred races and \$30.4 million on harness races, for a total of \$163.9 million, an increase of \$21.6 million or 15.2% compared to a total handle of \$142.3 million in 1993. This contrasts with Suffolk's record 1989 year when \$206.9 million was handled. Currently in terms of total betting handle, Suffolk ranks fifth in the State with 10.1% of all New York State off-track betting handle.

Of Suffolk's total handle, \$141.1 million or 86.1% was wagered on simulcast races. This represents a decrease in simulcast handle of \$3.3 million or 2.3% from 1993.

Suffolk OTB has a simulcast vendor which is responsible for the encoding, uplink and satellite transmission. To receive the Yonkers harness races, Suffolk has to pay for this complete service. For all other harness simulcasts, it pays for the downlink only. Suffolk paid a total of \$222,000 for these services in 1994.

Suffolk's long-term contract with NYRA runs from June 30, 1992 through June 30, 1997. The contract provides for a payment of 1.5% of net simulcast handle over the statutory rates and not to exceed 6.5% at simulcast branches. At its Hauppauge simulcast theater, the payment will be 2% over the statutory rates with a ceiling of 7%. Under the aforementioned terms, Suffolk paid NYRA \$6.1 million in statutory payments and \$1.4 million in contractual payments in 1994. Suffolk distributed \$3.1 million in surcharge revenue on winning NYRA wagers.

Suffolk handled Finger Lakes races on NYRA dark days from April 8 through December 13 and on a regular basis while NYRA conducted its annual Saratoga meeting. Suffolk's 1994 agreement with Finger Lakes called for Suffolk to pay 1.15% of net handle in addition to statutory payments. Transmission costs were assumed by Finger Lakes. Finger Lakes received \$211,000 in statutory payments and more than \$51,000 in contractual payments during 1994. Suffolk distributed \$157,000 in surcharge revenue derived from winning Finger Lakes wagers.

Monticello received \$424,000 in statutory payments while there were no contractual payments to be made. In 1994, Suffolk distributed \$165,000 in surcharge revenue on winning Monticello wagers.

The last written contract with Yonkers expired on February 28, 1990. No new written contract has been forthcoming. Simulcasting from Yonkers continues under the terms of the expired contract. Suffolk pays a minimum of \$500 per program except for Sunday evenings. On these occasions, Yonkers is paid a premium of 0.5% based on simulcast handle. Payments for other programs are on an ascending scale of various percentages from 0.5% of handle (up to \$90,000) to 1.3% of all handle (over \$210,000). This applies to all wagers placed after 7 p.m. In addition, Suffolk is totally responsible for all costs and expenses relative to the simulcast transmission from Yonkers Raceway that it receives. In 1994, Yonkers received \$1.3 million in statutory payments and over \$120,000 in contractual payments. Suffolk distributed \$714,000 in surcharge revenue based on winning Yonkers wagers.

For part of the year, Suffolk simulcast harness racing from Vernon Downs. Suffolk paid Vernon \$3,600 in statutory payments and there were no contractual payments due. Suffolk distributed \$8,200 in surcharge revenue based on winning Vernon Downs wagers.

Suffolk also simulcast harness racing from Buffalo Raceway during 1994. Suffolk paid Buffalo \$1,100 in statutory payments and no contractual payments were due. Suffolk distributed \$3,900 in surcharge revenue based on winning Buffalo wagers.

Suffolk also accepted wagers and had limited simulcasting from various out-of-state tracks. During 1994, Suffolk handled 15 of these tracks mostly on NYRA dark days. Total handle for the out-of-state tracks was \$19.9 million as compared to \$5.1 million in 1993, an increase of \$14.7 million or 288%. (See chart on page A-4 for listing of out-of-state tracks handled.)

Pursuant to Sections 905 and 905-a of the Law, Suffolk accepted wagering on 49 thoroughbred special events including the Kentucky Derby, Preakness and the Breeders' Cup, as well as three harness races of special interest. The handle on these special event races totaled \$4 million, a decrease of \$300,000 or 7% as compared to 1993.

On July 2, 1990 the State Legislature mandated the imposition of a 1% supplemental surcharge on wagering pools of multiple, exotic and super-exotic wagers and provided that sums derived from this supplemental surcharge be put into a Capital Acquisition Fund. Suffolk generated \$685,000 from the supplemental surcharge in 1994.

A similar provision allows OTB corporations to further contribute to this fund up to 1% of the quarterly net handle or 50% of the quarterly net revenue, whichever is lower. Suffolk has yet to avail itself of this provision in the law.

There are a total of 49 screen activated pari-mutuel machines (SAMs) currently in use in 15 Suffolk branches including the simulcast theater which also has a machine which dispenses vouchers. Thus a customer could buy a voucher, make a wager and not come into contact with any Suffolk personnel until he decided to "cash-in" his voucher for currency. These machines have proven quite popular with Suffolk customers. These machines cost Suffolk \$12.50 per day to operate, enabling Suffolk to somewhat control its payroll for pari-mutuel tellers. In 1994, Suffolk reports that 7% of its total handle was wagered with the SAMs.

Since 1990 the simulcast theater has had Tiny Tims. Currently, there are seven available to Suffolk customers. These terminals allow customers who already have Suffolk telephone accounts to make wagers while sitting in the bar or in a restaurant in the simulcast theater. An added feature is that a customer may open a special "daily account" (similar to purchasing a voucher) and wager off that account. These units are also made available to certain Suffolk customers for use in remote locations such as a home or office. In 1994, these Tiny Tims accounted for less than 1% of the total Suffolk handle. Total Tiny Tim handle last year was \$2.2 million of which \$169,000 was wagered from remote units.

There were 2,850 telephone betting accounts at Suffolk OTB and the account holders wagered \$9.4 million in 1994. This total is an increase of \$3.7 million or 65% from the 1993 total of \$5.7 million. Approximately 10% of these account holders maintain a minimum balance of \$300 or more thus avoiding a surcharge on winning wagers.

#### TEL-A-RACE 1994 UPDATE

The simulcast theater at Suffolk OTB is called Tel-A-Race and it opened in May of 1986. This facility offers a full-sized restaurant, a snack bar, two large theater areas, a bar with alcoholic beverage service and plenty of room to either stand or sit down at tables. Television monitors of various sizes are scattered throughout this facility. As is the case with all New York State simulcast theaters, an admission is charged and track prices on simulcast races are paid. The admission charge at Tel-A-Race is five dollars and there is a dress code. The simulcast theater accounts for 29% of all Suffolk handle.

During 1994, the total handle was \$41.8 million, a decrease of \$4 million or 8.7% from 1993. Admission income of \$162,000 was generated by this simulcast theater resulting in State admission taxes of \$5,500. Suffolk received \$198,000 in lease payments from the restaurant vendor. Suffolk owns the furniture and the equipment in the restaurant and leases it to the concessionaire.

## NASSAU REGIONAL OFF-TRACK BETTING CORPORATION

Nassau Regional Off-Track Betting Corporation consists of one county, Nassau, on Long Island. Nassau OTB began 1994 with 20 operating branches and ended the year with 18. Two of its non-simulcast facilities were closed in December. Freeport was relocated and converted to a simulcast branch. Nassau now operates with simulcasting in 14 of its branches. Those without simulcasting were Elmont, Garden City Park, North Baldwin and North Lawrence.

One race track, NYRA's Belmont Park, is located within Nassau County. In-State simulcast operations at Nassau OTB remain limited because of the statutory track consent requirements necessitated by the proximity of Nassau OTB's branches to the local tracks.

In 1994, Nassau OTB handled \$155.6 million on thoroughbred races and \$35.7 million on harness races for a total of \$191.3 million (as compared to \$186.5 million in 1993), an increase of \$4.8 million or 2.6% over 1993. This total accounts for 11.8% of all the New York State OTB handle in 1994. Nassau OTB ranks third in the State in terms of total betting handle.

Of Nassau OTB's 1994 total handle, \$123.1 million or 64.3% was wagered on simulcast races. This is an increase of \$12.6 million or 11.4% over 1993.

During 1994 Nassau OTB accepted wagers on 16 out-of-state thoroughbred tracks with a total handle of \$23.2 million. It also accepted wagers on three out-of-state harness tracks with a total handle of \$2.7 million. The total handle for these out-of-state tracks was \$25.9 million. This was an increase of \$18.8 million, or 265% over 1993. (See chart on page A-4 for a listing of the out-of-state tracks taken.)

Pursuant to Sections 905 and 905-a of the Law, wagering was conducted on 48 thoroughbred races and four harness races of special interest. These were in addition to the Kentucky Derby, Preakness and the Breeders' Cup. Nassau OTB's handle totaled \$4.7 million for the special events, compared to \$5 million in 1993.

All out-of-state wagering amounted to \$30.6 million for Nassau OTB, compared to \$12.1 million in 1993, an increase of \$18.5 million or 153%.

Nassau's contract with NYRA covers the period from June 30, 1992 through June 30, 1995. The arrangement called for Nassau to pay 1.5% above the statutory rate on all NYRA wagers in simulcast branches. Nassau OTB paid NYRA \$6.7 million in statutory payments and \$1.1 million in simulcast contractual payments. Nassau OTB distributed a total of \$5.1 million in surcharge revenue on all NYRA winning wagers.

Nassau OTB negotiated a contract with Finger Lakes Race Track, effective March 31, 1994 through December 31, 1994, to simulcast the entire Finger Lakes card each Tuesday and five days a week during NYRA's Saratoga meet. The agreement called for a simulcast commission of one percent of the handle regardless of the number of simulcast branches. Finger Lakes was



paid \$258,000 in statutory payments and \$58,000 in simulcast contractual payments. Surcharge payments on all Finger Lakes winning wagers in 1994 totaled \$259,000.

Nassau OTB has no written contract with Yonkers Raceway. It continues to simulcast on a day-to-day basis. Compensation based on the prior agreement calls for a minimum payment of \$300 a day with an additional 0.5% above the statutory rate for all wagers placed after 7 p.m., up to \$90,000 a day. The percentage increases as the handle increases. As a result of this ascending scale agreement, Nassau OTB paid Yonkers Raceway \$1.2 million in statutory and \$103,000 in simulcast contractual payments. Nassau OTB distributed a total of \$945,000 in surcharge revenue on all Yonkers winning wagers.

Nassau OTB's agreement with Monticello Raceway called for no simulcast contractual payments. Nassau OTB paid Monticello Raceway \$317,000 in statutory payments. Nassau distributed \$220,000 in surcharge revenue on all Monticello winning wagers during 1994.

Nassau OTB's 1994 agreement with Vernon Downs called for no simulcast contractual payments. Statutory payments to Vernon from Nassau totaled \$4,700. Nassau OTB distributed \$11,300 in surcharge revenue on all Vernon Downs winning wagers.

Nassau OTB's 1994 agreement with Buffalo Raceway also called for no simulcast contractual payments. Statutory payments to Buffalo from Nassau totaled \$1,300. Nassau OTB distributed \$5,100 in surcharge revenue on all Buffalo winning wagers.

A new financing vehicle became available to all OTB corporations in 1989. The New York State Legislature enacted legislation which allows all off-track betting corporations to establish a Capital Acquisition Fund to finance the acquisition, construction and equipping of facilities of the corporation. No contributions shall exceed the lesser of 1% of the corporation's quarterly net handle or 50% of the corporation's net revenue, exclusive of surcharge. The balance of the fund shall not exceed the lesser of 1% of total pari-mutuel wagering pools for the previous 12 months or the undepreciated value of the corporation's offices, facilities and premises. To date Nassau OTB has not availed itself of this fund.

On July 2, 1990, the State Legislature mandated the imposition of a 1% supplemental surcharge on wagering pools of multiple, exotic and super-exotic wagers and provided that sums derived from the supplemental surcharge be distributed to the Capital Acquisition Fund. Nassau OTB has established such a fund and contributed \$1 million to it in 1994.

Nassau OTB's simulcast vendor was paid a total of \$197,000 in 1994 for providing the simulcast signal and other services.

Nassau OTB makes greater use of self-service automated machines than does any other State OTB corporation. Approximately 30% of its wagering takes place on this equipment. At the close of 1994, 18 branches had 175 screen activated machines (SAMs). In addition, 18

branches have 25 self-service voucher machines which convert cash into SAM vouchers. Nassau also has 35 Tiny Tims in 18 branches and an additional 40 more in customer control.

Unlike other OTB corporations throughout the State, Nassau does not offer beverages, food or the lottery in any branch. However, seating and separate smoking sections are available in many of its newly renovated branches.

Nassau has more than 5,000 telephone betting accounts which accounted for \$15 million in additional handle in 1994. The number of surcharge-free accounts cannot accurately be determined due to the fact that a customer must maintain a \$300 balance in order to receive track prices.

In the area of improvements and capital investments, Nassau OTB finished renovations on its Franklin Square simulcast branch. The emphasis in this branch is on "self-service." There are six betting windows and 26 self-service terminals. This expanded OTB now includes a smoking section with 11 televisions and seating for 48 customers. The main section has an additional 27 televisions and seating for 84 people. This is now Nassau's number one branch in terms of handle. Nassau also relocated its Freeport branch. It became a simulcast branch on an expanded site on Sunrise Highway. There is a regular seating area for 46 customers. It also has seating for 18 customers in an enclosed smoking area. Its Carle Place branch was relocated to the busy Old Country Road. It also has a separate smoking area for its customers.

### **NEW YORK CITY OFF-TRACK BETTING CORPORATION**

The New York City Off-Track Betting Corporation (NYCOTB), located entirely within the City of New York, is comprised of its five counties (New York, Kings, Richmond, Bronx and Queens). NYCOTB began 1994 with 90 branches (including three simulcast theaters) and ended the year with 89 branches. However, 8 of these branches closed permanently as of the close of business on December 31, 1994. This left NYCOTB with 81 remaining branches, almost half as many as it operated in the late 1970's. NYCOTB is part of the downstate OTB region which also includes the Nassau, Suffolk and Catskill OTB Corporations. The regional tracks for NYCOTB are the three NYRA thoroughbred tracks (Aqueduct, Belmont and Saratoga) and the two privately owned harness tracks, Yonkers and Monticello Raceways.

In 1994, the handle at NYCOTB totaled \$757.6 million, a decrease of \$17.7 million or 2.3% as compared to 1993. NYCOTB handled \$654.4 million on thoroughbred races and \$103.2 million on harness races. This total accounts for 46.8% of the total money wagered off-track in the State. NYCOTB ranks first in the State in terms of total betting handle.

Of NYCOTB's total corporate handle, \$406 million or 53.6% was wagered on simulcast races. This is an increase of \$43.7 million or 12.1% over 1993.

As is the case throughout the State, NYRA is the most popular racing entity to be offered. However, NYRA allows NYCOTB to simulcast its races to a select few of its branches. Although all 90 branches had the live call of each NYRA race, only 29 branches could offer the simulcast from Aqueduct and Belmont. This number rose to 45 branches for the Saratoga Race Track meet which operated from late July through August. The boroughs of Brooklyn and Queens receive no Aqueduct nor Belmont simulcasts. On NYRA dark days, 50 branches simulcast from Finger Lakes.

During the evening, harness racing from Yonkers was simulcast to only 16 of the 90 branches. This number increased to 37 for the Yonkers matinees. Simulcasting into all of the Bronx and some Queens and Manhattan OTBs is restricted by Yonkers. These restrictions could be a major reason why NYCOTB's Yonkers handle has been dwindling the past few years. Many customers opt not to go to the OTB branch since they are unable to view the live race.

NYCOTB generally receives Monticello simulcasts when Yonkers is dark. On these occasions, up to 50 NYCOTB branches simulcast Monticello's twilight card and 16 branches simulcast the full evening program.

Other upstate harness races were simulcast into NYCOTB on occasion during 1994. These races originating from Vernon Downs and Buffalo Raceway were simulcast into 16 branches.

During 1994 NYCOTB accepted wagers on 16 out-of-state thoroughbred tracks with a total handle of \$102.4 million. This was an increase of \$63.8 million or 165.3% over 1993 when only six out-of-state tracks were taken. NYCOTB accepted wagers on one out-of-state harness track (Garden State Park) on one occasion to supplement a shortened Yonkers racing card. Only \$17,000 was wagered. (See chart on page A-4 for a listing of the out-of-state tracks taken.)

Pursuant to Sections 905 & 905-a, of the Law, wagering was conducted on 47 thoroughbred and two harness races of special interest, in addition to the Kentucky Derby, Preakness and the Breeders' Cup. NYCOTB's handle totaled \$19.3 million for the 53 special events, compared to \$19.6 million in 1993 (48 special events), a decrease of \$300,000 or 1.6%.

All out-of-state wagering amounted to \$121.7 million for NYCOTB, compared to \$63.1 million in 1993, an increase of \$58.6 million or 92.9%.

NYCOTB has a contract with NYRA under which it pays NYRA \$1 million per year for its simulcasting rights. This sum is paid in advance on a quarterly basis and is in addition to statutory payments. A 6.5% premium on all simulcast theater wagering is in effect. Originally, this was a three year contract which expired in November 1993, and has been extended on a month-to-month basis. NYCOTB paid NYRA \$27.9 million in statutory payments and \$1.6 million in simulcast contractual payments. NYCOTB distributed \$18.2 million in surcharge revenue based on all winning NYRA wagers.

NYCOTB's contract with Finger Lakes calls for a payment of \$2,000 per race day. There is no charge during the Saratoga meet. Finger Lakes pays all transmission costs. NYCOTB paid Finger Lakes \$1.1 million in statutory payments and \$86,000 in simulcast contractual payments. NYCOTB distributed \$1.2 million in surcharge revenue based on all winning Finger Lakes wagers.

A contract with Yonkers Raceway was signed on May 8, 1992. Retroactive to July 1, 1990, this contract extends through June 30, 1995. NYCOTB makes an annual premium payment of \$355,000 for the simulcasting rights to Yonkers races. This is in addition to the required statutory payments. In 1994, NYCOTB paid Yonkers \$3.4 million in statutory payments and a contractual premium of \$355,000. Surcharge revenue of \$2.3 million was generated based on all Yonkers winning wagers.

There is no formal contract with Monticello Raceway. Statutory payments totaling \$1.4 million were made in 1994. Surcharge revenue of \$976,000 was generated based on all winning Monticello wagers.

NYCOTB continued to simulcast races from Vernon Downs in 1994 into its simulcast branches. NYCOTB paid Vernon Downs \$33,000 in statutory payments. There were no contractual payments made. NYCOTB distributed \$70,500 in surcharge revenue based on all winning Vernon Downs wagers.

NYCOTB continued the simulcasting of races from Buffalo Raceway in 1994. NYCOTB paid Buffalo Raceway \$37,800 in statutory payments. There were no contractual payments made. NYCOTB distributed \$80,100 in surcharge revenue based on all winning Buffalo Raceway wagers.

NYCOTB contracts with multiple simulcast vendors that are necessary to make simulcasting in the City possible. For one vendor which makes the Yonkers simulcast available, a fee of \$980 per Yonkers program is charged. This contract expires May 30, 1995.

Due to the height of the skyscrapers in Manhattan, a special set of technical problems is encountered in distributing the satellite downlink. To counter this problem, NYCOTB has contracted with Time Warner Cable Company to provide the signal. This contract which ran from October 13, 1989 through October 12, 1994 has been extended on a month to month basis. The company is paid \$2,000 per month for the downlink alone. In addition, Time Warner Cable also receives a sliding scale fee between \$2,000 and \$2,750 per month depending on the number of tracks the branches receive. NYCOTB also has to pay 51.375% of all costs associated with encoding and decoding equipment. In 1994, all the simulcast vendors were paid a total of \$738,000 for their services.

In 1994, NYCOTB had 25,657 telephone betting accounts which generated a total telephone betting handle of \$29.9 million which is 4% of the total corporate handle. This is a decrease of \$4.5 million or 13.1% as compared to 1993. Of the six State OTB corporations,

only NYCOTB has the right to offer surcharge-free accounts with no minimum balances to be maintained.

In 1994, NYCOTB undertook the installation of 151 Spectrum U2000 Screen Active Machines (SAMs) in 46 branches. These self service terminals accept vouchers, winning tickets, or cash and were purchased from NYCOTB's totalisator company, AmTote. Last year these SAMs accounted for \$17 million in NYCOTB handle which is 2.2% of total corporate handle.

A new financing vehicle became available to all OTB corporations in 1989. The New York State Legislature enacted legislation which allows all off-track betting corporations to establish a Capital Acquisition Fund to finance the acquisition, construction and equipping of facilities of the corporation. No contributions shall exceed the lesser of 1% of the corporation's quarterly net handle or 50% of the corporation's quarterly net revenue, exclusive of surcharge. The balance of the fund shall not exceed the lesser of 1% of total pari-mutuel wagering pools for the previous 12 months or the undepreciated value of the corporation's offices, facilities and premises. To date NYCOTB has not availed itself of this fund.

On July 2, 1990 the State Legislature mandated the imposition of a 1% supplemental surcharge on wagering pools of multiple, exotic and super-exotic wagers and provided that sums derived from the supplemental surcharge be distributed to the Capital Acquisition Fund. NYCOTB has established such a fund and contributed \$3.9 million to it in 1994.

#### SIMULCAST THEATERS - 1994 UPDATE

NYCOTB has three simulcast theaters each of which has a \$5.00 admission charge. As there is no surcharge on winning wagers, track prices are paid on simulcast races. The three simulcast theaters generated over \$582,000 in admissions revenue. All admissions generated over \$25,000 in State tax. The total simulcast handle for the three simulcast theaters was \$80.7 million which is 19.9% of the total NYCOTB simulcast handle.

#### THE WINNERS CIRCLE

NYCOTB opened its third simulcast theater on March 26, 1993 in midtown Manhattan at 515 Seventh Avenue near the famed Madison Square Garden. There is a telebranch with a snack bar on the ground floor. The simulcast theater occupies the upper floor of the building and has a separate entrance. This newest simulcast theater has many customer amenities including a fancy restaurant and large bar with comfortable seating and large screen televisions. Paid attendance in 1994 was 34,852 which produced \$174,000 in admission fees and \$7,700 in admissions taxes. During 1994 the total simulcast handle was \$24.3 million, as compared to \$17.1 million for slightly more than nine months in 1993.

### **THE INSIDE TRACK**

The Inside Track is located on the upper eastside of Manhattan at 1011 Second Avenue. It has seating for nearly 150 people. It offers full restaurant service including alcoholic beverages. During 1994 the total simulcast handle was \$30.5 million. This was a decrease of \$2.2 million or 6.7% from 1993. This simulcast theater has the largest handle of any NYCOTB facility. Paid attendance for 1994 was 39,192 as compared to 43,784 in 1993, a decrease of 4,592 or 10.5%. Total fees from all 1994 admissions were \$196,000, which resulted in State admissions taxes of \$8,300.

### **THE SELECT CLUB**

The Select Club is located in lower Manhattan near the financial district at 165 Water Street. It accommodates 350 patrons. Alcoholic beverages and full restaurant service is available in a modern attractive setting. Total simulcast handle in 1994 was \$25.8 million. This was an increase of \$2.2 million or 9.3% over 1993. Paid attendance for 1994 was 42,421, an increase of 2,291 or 5.7% over 1993. Total fees from 1994 admissions were \$212,100 which resulted in State admissions taxes of \$8,700.

## TRACK TO TRACK SIMULCASTING WITHIN NEW YORK STATE

See page A-6 for a detailed breakdown of track to track simulcasts within New York State. In addition to the data identifying the sending and receiving track simulcast handles, there were also mixed racing handles consisting of a track's own racing and simulcasts from other New York and out-of-state tracks which were not broken down as to the sources.

The separate statistics for each track's own racing and simulcast racing are also detailed on page A-7 through A-15. Said statistics may also include some mixed racing data for which there is no breakdown.

Additional comments are included in Part III of this report.

## RECOMMENDATIONS

In accordance with the provisions of Section 1002(2) of the Racing, Pari-Mutuel Wagering and Breeding Law, the New York State Racing and Wagering Board respectfully submits the following recommendations for consideration and appropriate action by the Governor and the Legislature:

### RECOMMENDATION #1

In the course of reviewing the statute, some minor, relatively technical problems have been identified.

The Board's annual certification requirement to the Commissioner of Taxation and Finance should be deleted when no credit for pari-mutuel taxes at harness tracks is applicable. This was introduced as S.2896/A.6621 and A.238. It would eliminate a time consuming and costly process which offers no benefit to any entity. With the advent of simulcasting and resulting growth in OTB handle, no credit has been applicable for the past five years and none is anticipated in the foreseeable future.

Another Board proposal, A.6127, would clarify an ambiguous situation relating to the imposition of the OTB surcharge on winning wagers on races that are not simulcast at simulcast theaters. The current law is completely silent with respect to the imposition or non-imposition of surcharge on such events. The Board's bill would merely codify existing practice. It would explicitly authorize OTB Corporations which operate simulcast theaters to offer wagering opportunities on non-simulcast events, in conjunction with simulcast programs (like an OTB branch) and require surcharge to apply to these non-simulcast events.

Additional modifications to clarify the language of the statute have emerged during the Board's preparation of this report. The Board recommends that the legislature modify the language contained in Section 1000 to reflect the end of the experimental period and declare simulcasting to be a permanent integral part of the racing and wagering framework in New York State.

### RECOMMENDATION #2

During the past several years, both the State and the racing and wagering industry have focused a great deal of attention on the issues of integrity and accountability. The Board has recommended, as departmental legislation since 1989, a series of proposals which would enhance the Board's oversight and regulatory functions with respect to OTB and help insure the integrity and accountability of this State's system of off-track betting.

The first proposal (S.2894/A.6123) would amend the Racing Law to empower the Board to impose monetary fines on off-track betting corporations and other persons or corporations participating in off-track betting. These fines could be imposed for violations of any provision



of the Racing Law, the Board's Rules, Regulations and Directives, or the approved Plan of Operation for the conduct of off-track betting. Currently, the only sanction the Board can impose for a violation of the legal authority governing off-track betting is to suspend the entire Plan of Operation for a given corporation. This is clearly impractical. The Board believes that it makes sense to hold individuals at OTB accountable for their own actions. Accordingly, the Board recommends the prompt enactment of this legislation.

The second proposal, S.2895/A.6124 would authorize the Chairman of the Board to designate a Board officer to preside at off-track betting hearings. Currently, the statute provides that the Chairman, a Board Member or the Board sitting en banc must preside at hearings involving off-track betting. This proposal will better facilitate the prompt scheduling of such hearings because of the availability of a greater number of individuals who may preside on a continuing basis. The Board would still be required to review the report and recommendation of the hearing officer, and only the Board could make findings of fact and the final determination.

With respect to the issue of accountability and integrity in the management of off-track betting, the Board has recommended the enactment of legislation which would bar a director of a regional off-track betting corporation from holding any position of employment with that off-track betting corporation.

The Board of Directors of an off-track betting corporation is responsible for the management of that corporation, including the appointment of its officers. It is not in the public interest to have directors also serve as paid employees of that corporation including the position of president and chief executive officer.

Under the common law doctrine of compatibility of office, dual employment is found to be contrary to public policy. In Formal Opinion No. 88-F1, Attorney General Abrams wrote:

"A director cannot effectively and impartially supervise himself nor can his colleagues on the board of directors exercise such supervision. Additionally, an appearance of impropriety would result. This dual employment would erode the natural checks and balances that flow from the employer-employee relationship to the detriment of corporate operations and public trust. Were this not prohibited, an entire board could serve as employees of the corporation creating conflicting interests and raising questions as to whether board decisions are made solely in the public interest".

The New York State Comptroller shares this concern. In recent audit reports, he concludes that service as a director of an off-track betting corporation, as well as its president and chief executive officer, is contrary to the doctrine of compatibility of office.

For the reasons set forth above, the Board recommends the enactment of S.2899/A.6125 in order to clarify the legal status of directors as employees, as well as insure that a system of

internal checks and balances is present within the decision-making structure of off-track betting corporations.

Another integrity proposal limits the amendment made by Chapter 908 of the Laws of 1990. Under that amendment, a public official or party officer who is ineligible for licensure under Section 107 of the Racing Law can defeat the purposes of that section by obtaining employment with an OTB corporation, thereby becoming eligible to participate in racing through Section 502. The 1990 law was not intended to let in everyone excluded under Section 107 through this new OTB exception.

To clarify this overly broad provision, the Board has submitted a Departmental Bill which has been introduced as A.6126, to prevent unintended consequences created by the overly broad provision. It would also consolidate all restrictions on licensing in Section 107 where they properly belong.

The Board has a financial accountability proposal which is comprehensive legislation to improve certain financial and accounting practices of the State's off-track betting corporations. The Board urges the enactment of S.2900/A.6122, which reflects many recommendations made by the State Comptroller.

The State Comptroller has reported that certain current statutory authorizations result in confusion with respect to the accounting and financial reporting practices of the State's six off-track betting corporations. This proposal is designed to require uniform reporting of financial data (both on a monthly and annual basis), as well as require off-track betting corporations to conduct their financial activities in accordance with generally accepted accounting practices (GAAP), as promulgated by the State Comptroller.

The Board's legislative proposal S.2898 would require OTB corporations to establish a system of internal controls, including administrative and accounting controls to insure the integrity of operations. It would amend Section 2930.5 of the Public Authorities Law, to require each OTB corporation to implement a comprehensive system of internal controls, pursuant to the "Accountability, Audit and Internal Control Act" (Section 6 of Chapter 814 of the Laws of 1988). With OTB corporations handling millions of dollars daily, and subject to only limited oversight by the local governments, the potential benefit of enacting the legislation is significant.

Taken together, this recommended package of legislation would provide a firm basis by which the State of New York can insure that its system of off-track pari-mutuel wagering operates in an effective and efficient manner. These proposals are important to the Board, to enable it to exercise enhanced oversight and regulatory authority, as well as essential to maintain the public's trust and confidence in racing and wagering activities.

### RECOMMENDATION #3

Some technological problems of simulcasting have inhibited its development and have been highlighted in prior Simulcast Reports, as well as the 1987 Report of the Legislative Commission on Science and Technology. They concern simulcast signal security and the efficient and effective transmission of wagering data.

The Board has concluded that a high level of integrity and security must be maintained. We recommend that Article X be amended to give the Board explicit statutory authority to prescribe and enforce minimum standards in relation to the methodology, equipment and means employed to safeguard and control the transmission of simulcast signals and wagering data.

### RECOMMENDATION #4

Section 907 of the Law authorizes the combining of New York wagers on horse races conducted in other states or foreign counties with wagers on such races made in those states only for those races of special interest designated in Section 905, 905-a and 906 of the Racing Law and pursuant to Section 1014. The Board believes that this provision of the Racing Law should be extended to other out-of-state racing events.

## CONCLUSION

The foregoing has been a detailed analysis of simulcast operations during 1994. Significant investments in simulcasting and related facilities have been made by the various off-track betting corporations and race tracks. In the Board's view, these investments have yielded positive results. Simulcasting has been given the opportunity to expand and develop. It has been the key element in stabilizing the total handle in New York State.

The various segments of the racing industry have joined together to resolve previous conflicts. However, problems still remain because of perceived inequitable monetary compensation. The Board continues to work with all segments of the industry to resolve all remaining disagreements.

Clearly, the statutory system prior to 1990 did not function as well as envisioned. In enacting Chapter 346 of the Laws of 1990, the State sought to establish a workable mechanism to resolve disputes by arbitration. The key element in this new system was its "make available" provision (i.e. a beneficiary of simulcasting must make simulcasting of its own races available to others). There have been some indications that this policy has become effective.

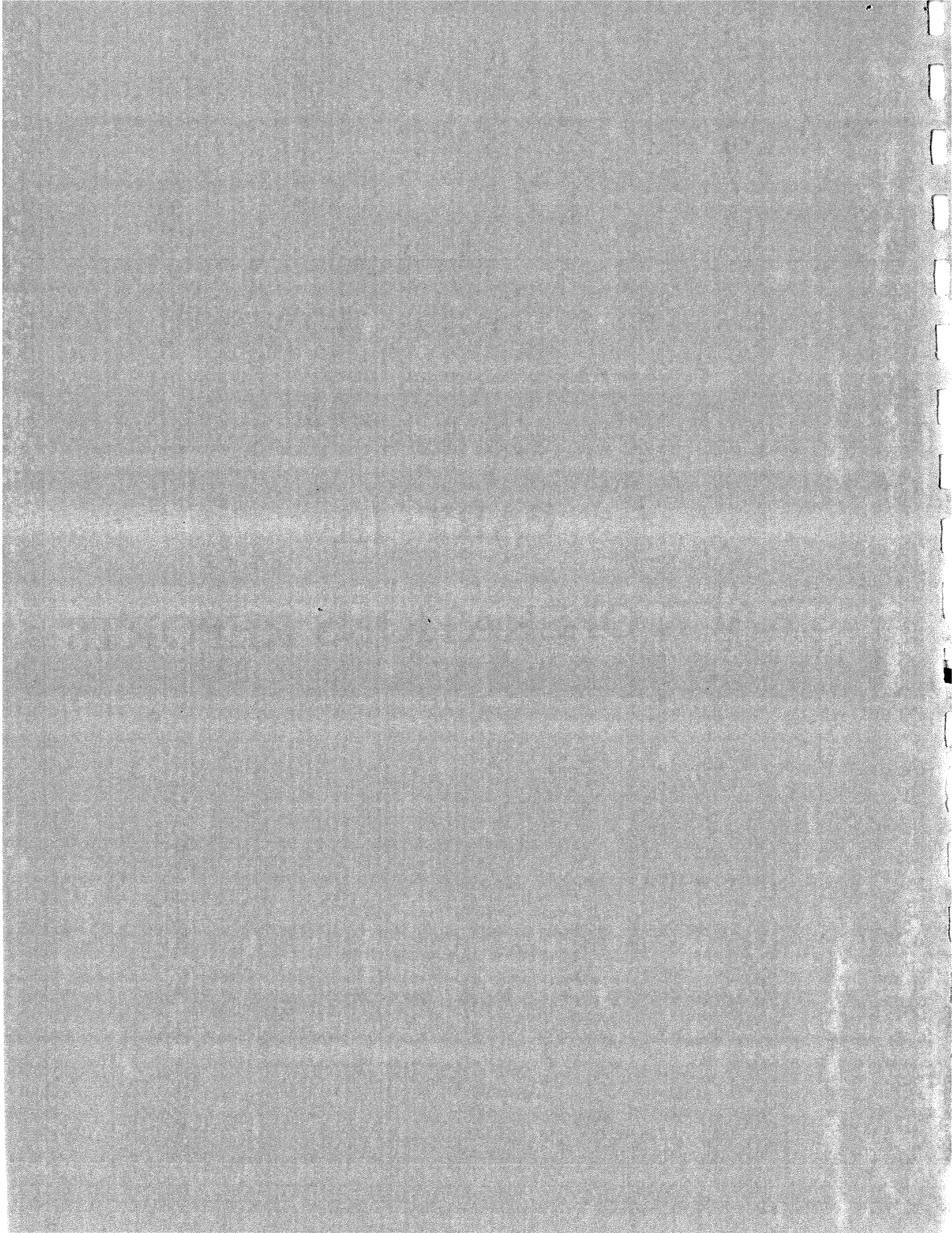
After extremely poor weather in the first few months of 1994 caused numerous cancellations throughout the State, the industry rebounded. Many segments of racing experienced improved business, stemming large handle losses of the past several years. Early 1995 results indicate further gains in handle. This can largely be attributed to widespread out-of-state simulcasting, which resulted from newfound cooperation among the various racing interests in the State.



**PART III**

**TRACK OPERATIONS REPORTS**





**REPORT ON THE FINANCIAL OPERATIONS OF THE RACETRACK CORPORATIONS  
PURSUANT TO SECTIONS 228(2) AND 318(1) OF THE RACING, PARI-MUTUEL  
WAGERING AND BREEDING LAW**

Sections 228(2) and 318(1) direct this board to report on the financial operations of six licensed harness race tracks and the Finger Lakes Racing Association, the one thoroughbred track licensee, (NYRA being a "franchisee"), as follows:

"The racing and wagering board shall report annually, on or before March thirty-first, to the director of the budget, the chairman of senate finance committee and the chairman of the assembly ways and means committee the extent to which such corporation or association utilized such retained percentages and breakage for operations, maintenance, capital improvements, advertising and promotion, administration and general overhead, and evaluate the effectiveness and make recommendations with respect to the application of the reduced rates of taxation as provided for in subparagraph (l) of this paragraph in accomplishing the objectives stated therein. (Ed. Note: The "reduced rates" refer to the rates amended by Laws 1988, Chap. 261.) Such report shall also specify the amount of such retained percentages and breakage used for investments not directly related to racing activities and such amounts used to declare dividends or other profit distributions, additions to retained earnings. Such report shall also include an analysis of any such agreements or proposals to conduct or otherwise expand wagers authorized under article ten of this chapter and presents its conclusions with respect to the conduct of such wagering, the nature of such proposals and agreements, and recommendations to ensure the future maintenance of the intent of this article and article ten of this chapter."

Because of the short time interval from the end of the calendar year to the due date of this report, it is not possible to compile and submit official and audited financial data. In order to comply with the reporting requirements set forth in Sections 228(2) and 318(1) of the laws, the Board notified all of the harness tracks and Finger Lakes Race Track (the beneficiaries of tax reductions and credits enacted in 1988) of the explicit legislative mandate, and directed these entities to compile and forward the required data. In addition, because off-track betting simulcasting is an integral part of the data to be furnished, we similarly directed the State's six regional off-track betting corporation to furnish relevant data.

While the Board attempted to have the reports prepared in a uniform format, this was not fully possible, since many of the affected entities have different accounting systems and statistical compilations. In addition, the reporting techniques were not consistent in all cases. Therefore, only minimal analysis by the Board has been possible and only preliminary observations can be made in limited areas.

The Board's staff has prepared separate track by track comparisons of the financial data for four years. The information was compiled from audited reports except for 1994

which is from preliminary unaudited data and is subject to change after audited financial statements are submitted by the race tracks. The variations in the annual results reflect mainly the change in handle reviewed below.

The simulcast credit figures derived from the preliminary data, some of which may have been accrued by the tracks, may differ from the Taxation and Finance Department figures which reflect the credits actually deducted by the tracks from tax payments.

### TRACK TO TRACK SIMULCAST HANDLES

During 1994, the Board licensed all eight race track corporations to conduct track to track simulcasts. No simulcasts were conducted for the limited Syracuse Mile meet.

NYRA races were simulcast to all tracks including to Aqueduct (during the Saratoga meet). The NYRA simulcast handles totalled \$166,319,383 of which the Aqueduct simulcast represented \$41,401,709 and other seven tracks \$124,917,674.

Finger Lakes races were simulcast to six harness tracks for a total handle of \$7,3758,638, including Yonkers Raceway.

Yonkers Raceway simulcast its harness races to six harness tracks and to Finger Lakes for total handles of \$3,484,278.

Buffalo Raceway generated \$1,941,328 in handle from simulcasts to five tracks including Finger Lakes.

Batavia's simulcast handle at Buffalo was \$1,490,047, plus \$451,281 at three other tracks for a total \$1,944,328.

Monticello's simulcasts to Yonkers Raceway \$501,542 and to Vernon Downs \$53,163, accounts for a total of \$557,705.

Vernon Downs simulcasts to Batavia amounted to \$39,068, to Yonkers \$723,067, and \$557,151 to Buffalo and \$11,398 to Saratoga for a total \$1,330,684.

See charts starting on page A-1 for the track by track detail. Some tracks with mixed betting meets, its own races and simulcasts from other tracks, did not identify all of the needed detail separately. For example, a total of \$2,024,400 bet on races at five other New York tracks appears with Yonkers on-track handle and pari-mutuel revenue statistics on page A-15, rather than with track-to-track simulcast data. However, these amounts appear on the page A-6 chart and in the above descriptions. The combined total on track betting on the tracks own racing and from track-to-track simulcasts are represented in the total handle of \$1,095,193,573.



The following schedule identifies each sending track and the tracks receiving the senders simulcasts:

SENDING TRACK	1994 TRACK TO TRACK SIMULCASTING							
	NYRA	FINGER LAKES	YONKERS	MONTICELLO	SARATOGA	VERNON	BATAVIA	BUFFALO
NYRA	X	X	X	X	X	X	X	X
FINGER LAKES				X	X	X	X	X
YONKERS					X	X	X	
MONTICELLO						X		
SARATOGA								
VERNON							X	X
BATAVIA		X				X		X
BUFFALO		X				X	X	
OUT OF STATE	X	X	X	X	X	X	X	X

#### ALL HANDLES

For 1994 the combined on and off track handles totalled \$2,712,633,136 compared to \$2,853,766,129, a decline of 4.95%. The declines affected thoroughbred and harness tracks. The full details are reflected in Part One of this report.

Betting on NYRA races and out-of-state simulcasts totalled \$1,809,033,085 compared to \$2,058,019,537 a decline of 12.10%.

Finger Lakes total handles increased by \$13,058,740 to \$170,694,459 an increase of 8.28%.

For harness tracks, the handle results were mixed. The combined harness handle total of \$473,467,128 reflected a \$54,451,353 decrease, or 10.31% less than 1993. On a combined basis all tracks declined except Monticello.

Separate charts in Part One of this report indicate for each track site the handles from each track's own racing and from simulcasts from other tracks. For the harness tracks, such simulcast handles provide a sizeable segment of their total handles. At Yonkers, the NYRA and out-of-state thoroughbred simulcasts accounted for \$86,950,525 of the on-track handle totalling \$204,632,183. Of Monticello's \$39,838,335, \$6,753,082 was from NYRA and Finger Lakes simulcasts.

Saratoga Raceway's \$17,748,010 from simulcasts was 69.46% of its \$25,552,736 in total handle. Vernon Downs total handle of \$26,477,347 included \$8,851,922 from simulcast betting.

At Batavia simulcasts accounted for \$5,161,247 of the \$10,207,031 total; and at Buffalo the simulcast handle of \$12,574,396 reflected 38.69% of the \$32,497,996 total.

### STATUTORY OBJECTIVES OF REDUCED TAX

As previously stated, the statute requires the Board to evaluate the effectiveness of the reduced rates of taxation in stimulating the tracks to meet the objectives defined in 1985 and 1988. These objectives have been made conditions for continued receipt of the full amount of such relief.

Effective for 1989 and each subsequent year, the Board is required to certify to the Commissioner of Taxation and Finance, no later than eighty days after the close of each calendar year, whether each track (other than NYRA) has expended an amount equal to a least one-half of one percent of its prior year's on-track handle for "enhancements" as defined in Sections 228 and 318 of the Racing Law. "Enhancements" consist of: (1) capital improvements as defined by Sections 228-a or 319; (2) repairs to the physical plant, structures and equipment used in racing or wagering operations; and (3) up to five special events not otherwise conducted in the ordinary course of business, for the purpose of encouraging, attracting and promoting new and continued track attendance. These events must be approved by the Board.

The Board has certified that all of the affected tracks except The Syracuse Mile did expend for enhancements at least one-half of 1% of their respective on-track bets during 1994.

Five of the seven reporting tracks, Monticello, Saratoga, Vernon, Buffalo and Batavia Lakes reflect sizable "losses from racing" in 1994, which losses remain even after including the capital improvement commissions. In 1993 five of the reporting tracks showed "losses from racing"; and after inclusion of the capital improvement commissions all the reporting tracks except Vernon and Batavia indicated profits.

The 1994 figures are preliminary unaudited figures subject to change when audited reports are submitted by the tracks.

It should be noted that when the capital improvement fund commissions eliminated the losses from racing for the financial results, actually, those revenues restricted in use were not available to cover operating expenses.

As previously stated, the other components of this report, i.e. tracks' expenditures for operations, maintenance, capital improvements, advertising and promotions, administrations and general overhead are set forth in the enclosed charts compiled by the Board's staff from

the tracks' unaudited 1994 financial statements and their prior year audited financial statements going back to 1991.

REVENUES AND EXPENSES 1994 ALL TRACKS COMPARED (UNAUDITED FIGURES)

	<u>YONKERS</u> <u>PRELIMINARY</u> <u>1994</u>	<u>MONTICELLO</u> <u>PRELIMINARY</u> <u>1994</u>	<u>SARATOGA</u> <u>PRELIMINARY</u> <u>1994</u>	<u>VERNON</u> <u>DOWNS</u> <u>PRELIMINARY</u> <u>1994</u>	<u>BATAVIA</u> <u>PRELIMINARY</u> <u>1994</u>	<u>BUFFALO</u> <u>PRELIMINARY</u> <u>1994</u>	<u>FINGER</u> <u>LAKES</u> <u>1994</u>
<u>OPERATING INCOME</u>							
On-Track Commissions and Breakage	\$20,848,322	\$5,785,843	\$1,359,594	\$3,335,845	\$926,388	\$3,541,634	\$6,593,998
Off-Track Commissions	8,779,578	3,601,101	3,523,672	1,323,166	1,161,844	2,490,906	6,132,968
Simulcast Commissions and Breakage	9,508,476	846,838	2,081,410	1,370,496	828,047	2,007,474	2,575,280
Simulcast tax Credits	1,084,333	89,273	8,067	92,629	30,754	145,683	293,485
Total Pari-Mutuel Revenues	\$40,220,709	\$10,323,055	\$6,972,743	\$6,122,136	\$2,947,033	\$8,185,697	\$15,595,731
Other Operating Income	2,403,545	681,938	1,090,258	1,374,892	249,840	498,163	894,673
Total Operating Income	\$42,624,254	\$11,004,993	\$8,063,001	\$7,497,028	\$3,196,873	\$8,683,860	\$16,490,404
<u>OPERATING EXPENSES</u>							
Purse and Horsemen Benefits	\$17,144,644	\$4,876,445	\$1,774,120	\$3,034,995	\$1,278,481	\$3,642,393	\$8,494,003
Racing Department	911,884	319,610	195,534	281,134	110,537	365,961	1,397,251
Pari-Mutuel Expenses	4,148,063	950,977	826,811	1,228,267	511,087	1,717,754	1,491,540
Advertising and Promotion	765,696	238,709	352,139	407,126	41,494	474,778	664,213
Maintenance and Cleaning	6,649,270	1,393,301	1,074,422	787,840	258,626	731,998	1,260,296
Patron and Security	1,970,284	455,694	571,701	514,207	86,832	646,670	823,436
General and Administrative	8,036,554	2,995,237	2,848,129	1,909,629	1,132,002	1,198,099	1,481,451
Total Operating Expenses	\$39,626,395	\$11,229,973	\$7,642,856	\$8,163,198	\$3,419,059	\$8,777,653	\$15,612,190
Depreciation	425,000	315,685	666,936	246,817	150,000	173,974	723,182
Total Racing Expenses	\$40,051,395	\$11,545,658	\$8,309,792	\$8,410,015	\$3,569,059	\$8,951,627	\$16,335,372
Profit from Racing	\$2,572,859	(\$540,665)	(\$246,791)	(\$912,987)	(\$372,186)	(\$267,767)	\$155,032
Capital Improvements	0	436,725	79,480	192,488	61,268	237,724	786,680
Profit from Racing Cap. Improv.	\$2,572,859	(\$103,940)	(\$167,311)	(\$720,499)	(\$310,918)	(\$30,043)	\$941,712
Net other Income	\$4,217,401	\$331,222	\$42,875	\$30,386	\$1,245,565	(\$523,907)	(\$278,254)
Income or Expense Before Taxes	\$6,790,260	\$227,282	(\$124,436)	(\$690,113)	\$934,647	(\$553,950)	\$663,458
Less: prov. for Income Taxes	2,859,356	4,788	0	1,008	180,000	489	282,691
Net Income(Loss)	\$3,930,904	\$222,494	(\$124,436)	(\$691,121)	\$754,647	(\$554,439)	\$380,767
<u>SELECTED BALANCE SHEET CHANGES</u>							
Fixed Asset Additions	\$648,041	\$360,618	\$299,921	\$147,471	\$589,349	\$0	\$1,133,066
Dividends or Distributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Stock Reacquired	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Operating Investments	\$224,504	\$196,185	\$9,543	\$0	\$0	\$0	(\$146,000)
Net Change Retained Earnings	\$3,930,904	\$222,494	(\$124,436)	(\$691,121)	\$754,647	(\$554,439)	\$380,767

REVENUES AND EXPENSES 1993 ALL TRACKS COMPARED(FINAL AUDITED FIGURES)

	<u>YONKERS</u>	<u>'MONTICELLO</u>	<u>SARATOGA</u>	<u>VERNON</u>	<u>BATAVIA</u>	<u>BUFFALO</u>	<u>FINGER LAKES</u>
	<u>1993</u>	<u>1993</u>	<u>1993</u>	<u>1993</u>	<u>1993</u>	<u>1993</u>	<u>1993</u>
<u>OPERATING INCOME</u>							
On-Track Commissions and Breakage	\$20,792,214	\$6,062,044	\$3,590,979	\$3,613,160	\$1,815,520	\$3,688,993	\$6,356,676
Off-Track Commissions	8,761,336	3,199,572	4,225,820	1,481,915	1,852,107	2,363,232	4,644,822
Simulcast Commissions and Breakage	10,278,787	827,349	2,247,473	913,414	1,416,319	1,918,890	2,013,215
Simulcast Tax Credit	1,642,385	94,265	41,402	95,572	92,502	180,323	358,586
Total Pari-Mutuel Revenues	\$41,474,722	\$10,183,230	\$10,105,674	6,104,061	\$5,176,448	\$8,151,438	\$13,373,299
Other Operating Income	2,578,096	705,769	1,585,292	1,233,772	392,432	515,765	703,923
Total Operating Income	\$44,052,818	\$10,888,999	\$11,690,966	\$7,337,833	\$5,568,880	\$8,667,203	\$14,077,222
<u>OPERATING EXPENSES</u>							
Purse and Horsemen Benefits	\$17,427,407	\$4,798,592	\$4,025,142	\$2,772,855	2,138,306	\$3,537,131	\$7,234,304
Racing Department	1,044,090	287,349	300,504	227,790	224,594	347,669	1,317,904
Pari-Mutuel Expenses	4,314,606	879,516	1,175,071	1,284,302	734,066	1,641,888	1,475,613
Advertising and Promotion	979,426	217,261	461,771	332,187	69,218	618,630	642,089
Maintenance and Cleaning	6,825,594	1,315,769	1,196,421	664,732	545,901	718,130	1,382,953
Patron and Security	2,093,891	489,452	689,584	471,537	165,678	626,847	530,785
General and Administrative	9,271,133	2,645,276	2,959,098	2,172,050	1,664,425	1,198,024	1,806,077
Total Operating Expenses	\$41,956,147	\$10,633,215	\$10,807,591	\$7,925,453	5,542,188	\$8,688,319	\$14,389,725
Depreciation	486,668	382,332	646,363	231,402	210,000	182,942	705,216
Total Racing Expenses	\$42,442,815	\$11,015,547	\$11,453,954	\$8,156,855	5,752,188	\$8,871,261	\$15,094,941
Profit from Racing	1,610,003	(\$126,548)	\$237,012	(819,022)	(\$183,308)	(\$204,058)	(\$1,017,719)
Capital Improvement Commissions	0	449,916	216,544	199,735	129,860	250,488	718,854
Profit From Racing & Cap. Improv.	1,610,003	\$323,368	453,556	(619,287)	(\$53,448)	\$46,430	(\$298,865)
Net Other Income or (Expense)	(\$3,594,755)	495,449	(\$317,211)	107,216	(\$89,613)	(\$407,798)	\$58,969
Income (Loss) Before Taxes	(1,984,752)	\$818,817	136,345	(\$512,071)	(143,061)	(361,368)	(239,896)
Less: Prov. for Income Taxes (Credit)	(566,364)	16,000	13,097	(99,871)	0	0	(120,234)
Net Income (Loss)	(1,418,388)	\$802,817	\$123,248	(\$412,200)	(143,061)	(\$361,368)	(\$119,662)
<u>SELECTED BALANCE SHEET CHANGES</u>							
Fixed Asset Additions	737,342	\$412,942	727,021	\$191,064	58,167	229,227	558,217
Dividends or Distributions	0	\$0	106,244	\$50,077	0	0	0
Capital Stock Reacquired	0	\$0	0	\$0	0	0	0
Non-Operating Investments	145,497	\$580,763	0	\$0	0	0	0
Net Change Retained Earnings	(1,699,878)	\$802,817	123,248	(\$462,277)	(143,061)	361,368	(\$119,662)

SUPPLEMENT TO TRACK REVENUES AND EXPENSES SCHEDULES  
FOR NET OTHER INCOME OR EXPENSES  
DETAIL OF SUMMARY FIGURES SHOWN FOR EACH TRACK

	YONKERS RACEWAY		MONTICELLO		SARATOGA RACEWAY		VERNON DOWNS		BATAVIA		BUFFALO RACEWAY		FINGER LAKES	
	1994	1993	1994	1993	1994	1993	1994	1993	1994	1993	1994	1993	1994	1993
OTHER INCOME														
Interest or Investment Income	570,959	1,271	331,222	224,833	60,886	96,776	30,386	107,216	6,800	2,304			42,801	45,739
Rental of Facilities- Non-Racing Activities		499,435												
Gain on Sale of Property				1,000	94,485	5,742			1,280,061				21,209	13,230
Capital Improvement Comm. Deferred Reversed					128,400									
Other	7,274,000			289,616	172,846	28,836			9,495			53,219	22,865	
TOTAL OTHER INCOME	\$7,844,959	\$500,706	\$331,222	\$495,449	\$456,617	\$131,354	\$30,386	\$107,216	\$1,296,356	\$2,304	\$0	\$53,219	\$86,875	\$58,969
OTHER EXPENSES														
Interest Expense	\$257,756	\$626,635			\$413,742	\$410,203			\$50,791	\$91,917	\$117,289	\$86,008		
Lease Expense	3,189,600	3,189,600									165,820	123,482		
Capital Improvement Comm. Deferred						38,362					237,724	250,488		
Subsidiary Loss		92,556												
Other	180,202	186,670									3,074	1,039	365,129	
TOTAL OTHER EXPENSES	\$3,627,558	\$4,095,461			\$413,742	\$448,565			\$50,791	\$91,917	\$523,907	\$461,017	\$365,129	
NET OTHER INCOME (EXPENSE)	\$4,217,401	(\$3,594,755)	\$331,222	\$495,449	\$42,875	(\$317,211)	\$30,386	\$107,216	\$1,245,565	(\$89,613)	(\$523,907)	(\$407,798)	(\$278,254)	\$58,969

**YONKERS RACEWAY  
REVENUES AND EXPENSE 1994-1991**

	<u>PRELIMINARY</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>INCREASE (DECREASE)</u> <u>1994-1993</u>
<b>OPERATING INCOME</b>					
On-Track Commissions and Breakage	\$20,848,322	\$20,792,214	\$28,773,142	\$31,533,962	\$56,108
Off-Track Commissions	8,779,578	8,709,165	11,170,787	12,149,023	\$70,413
Simulcast Commissions and Breakage	9,508,476	10,330,958	11,740,684	11,555,147	(\$822,482)
Simulcast Tax Credit	1,084,333	<u>1,642,385</u>	2,109,246	2,150,159	(\$558,052)
Total Pari-Mutuel Revenues	\$40,220,709	\$41,474,722	\$53,793,859	\$57,388,291	(\$1,254,013)
Other Operating Income	2,403,545	<u>2,578,096</u>	3,307,002	3,806,945	(\$174,551)
Total Operating Income	\$42,624,254	\$44,052,818	\$57,100,861	\$61,195,236	(\$1,428,564)
<b>OPERATING EXPENSES</b>					
Purse and Horsemen Benefits	\$17,144,644	\$17,427,407	\$23,011,212	\$24,717,105	(\$282,763)
Racing Department	911,884	1,044,090	1,238,789	1,337,935	(\$132,206)
Pari-Mutuel Expenses	4,148,063	4,314,606	5,057,184	5,247,858	(\$166,543)
Advertising and Promotions	765,696	1,145,440	1,345,485	1,494,174	(\$379,744)
Maintenance and Cleaning	6,649,270	6,825,594	8,387,928	8,253,737	(\$176,324)
Patron and Security	1,970,284	2,093,891	2,542,096	2,726,167	(\$123,607)
General and Administrative	8,036,554	9,105,119	11,115,443	11,303,956	(\$1,068,565)
Total Operating Expenses	\$39,626,395	\$41,956,147	\$52,698,137	\$55,080,932	(\$2,329,752)
Depreciation	<u>425,000</u>	486,668	2,888,060	3,388,918	(\$61,668)
Total Racing Expenses	\$40,051,395	\$42,442,815	\$55,586,197	\$58,469,850	(\$2,391,420)
Profit From Racing	\$2,572,859	\$1,610,003	\$1,514,664	\$2,725,386	\$962,856
Capital Improvement Commissions	0	0	0	0	\$0
Profit From Racing & Cap. Improv.	\$2,572,859	\$1,610,003	\$1,514,664	\$2,725,386	\$962,856
Net Other Income or (Expense)	4,217,401	(\$3,594,755)	(\$3,179,457)	(\$33,830)	\$7,812,156
Income (Loss) Before Taxes	\$6,790,260	(\$1,984,752)	(\$1,664,793)	\$2,691,556	\$8,775,012
Less: Prov. for Income Taxes(Credit)	2,859,356	(566,364)	(337,272)	1,476,682	\$3,425,720
Net Income (Loss)	\$3,930,904	(\$1,418,388)	(\$1,327,521)	\$1,214,874	\$5,349,292
<b>SELECTED BALANCE SHEET CHANGES</b>					
Fixed Asset Additions	\$648,041	\$737,342	\$1,689,229	\$1,002,944	(\$89,301)
Dividends or Distributions	\$0	\$0	\$0	\$0	\$0
Capital Stock Reacquired	\$0	\$0	\$0	\$0	\$0
Non-Operating Investments	\$224,504	\$145,497	\$488,015	\$739,071	\$79,007
Net Change Retained Earnings	\$3,930,904	(\$1,699,878)	(\$1,327,521)	\$1,214,874	\$5,630,782

**MONTICELLO RACEWAY REVENUES AND EXPENSE**  
**REVENUES AND EXPENSE 1994-1991**

1994-1993  
INCREASE  
(DECREASE)

PRELIMINARY	1993	1992	1991	1994-1993
1994				INCREASE (DECREASE)
<b>OPERATING INCOME</b>				
On-Track Commissions and Breakage	\$5,785,843	\$5,972,695	\$5,991,245	(\$276,201)
Off-Track Commissions	3,601,101	2,341,957	2,052,969	\$401,529
Simulcast Commissions and Breakage	846,838	769,071	659,764	\$19,489
Simulcast Tax Credits	89,273	16,956	13,109	(\$4,992)
Total Pari-Mutuel	\$10,323,055	\$9,100,679	\$8,717,087	\$139,825
Other Operating Income	681,938	765,917	810,011	(\$23,831)
Total Operating Income	\$11,004,993	\$9,866,596	\$9,527,098	\$115,994

<b>OPERATING EXPENSES</b>				
Purse and Horsemen Benefits	4,876,445	\$4,296,587	\$4,710,465	\$77,853
Racing Department	319,610	259,973	300,630	32,261
Pari-Mutuel Expenses	950,977	764,172	742,165	71,461
Advertising and Promotion	238,709	198,673	202,382	21,448
Maintenance and Cleaning	1,393,301	1,175,132	1,162,372	77,532
Patron and Security	455,694	459,755	490,025	(33,758)
General and Administrative	2,995,237	2,651,065	2,828,862	\$349,961
Total Operating Expenses	\$11,229,973	\$9,805,357	\$10,436,901	596,758
Depreciation	315,685	389,797	353,514	(66,647)
Total Racing Expenses	\$11,545,658	\$10,195,154	\$10,790,415	\$530,111

Profit From Racing	(\$540,665)	(\$328,558)	(\$1,263,317)	(\$414,117)
Capital Improvement Commissions	436,725	371,871	360,573	(13,191)
PROFIT(LOSS) FROM RACING & CAP.	(\$103,940)	\$43,313	(\$902,744)	(\$427,308)

Net Other Income or (Expense)	331,222	447,473	(737,957)	(164,227)
Income (Loss) Before Taxes	\$227,282	\$490,786	(\$1,640,701)	(\$591,535)
Less Prov. For Income Taxes(Credit)	4,788	16,000	(275,000)	(11,212)
Net Income (Loss)	\$222,494	\$330,786	(\$1,365,701)	(\$580,323)

<b>SELECTED BALANCE SHEET CHANGES</b>				
Fixed Assets Additions	360,618	\$223,906	\$342,575	(52,324)
DividendS or Distributions	0	\$0	\$0	0
Capital Stock Required	0	\$0	\$0	0
Non-Operating Investments	196,185	(\$101,167)	(\$470,604)	(384,578)
Net Change Retained Earnings	222,494	\$330,786	(\$1,365,701)	(580,323)



**SARATOGA RACEWAY  
REVENUES AND EXPENSES 1994-1991**

<u>PRELIMINARY</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1994-1993 INCREASE DECREASE</u>
<b>OPERATING INCOME</b>					
On-Track Commissions & Breakage	\$1,359,594	\$3,590,979	\$4,239,003	\$4,576,586	(\$2,231,385)
Off-Track Commissions	3,523,672	4,225,820	4,496,057	4,664,477	(702,148)
Simulcast Commissions & Breakage	2,081,410	2,247,473	2,035,529	1,993,184	(166,063)
Simulcast Tax Credits	8,067	41,402	53,515	57,060	(33,335)
Total Pari-Mutuel Revenues	\$6,972,743	\$10,105,674	\$10,824,104	\$11,291,307	(\$3,132,931)
Other Operating Income	1,090,258	1,585,292	1,608,305	1,682,616	(495,034)
Total Operating Income	\$8,063,001	\$11,690,966	\$12,432,409	\$12,973,923	(\$3,627,965)
<b>OPERATING EXPENSES</b>					
Purse and Horsemen Benefits	\$1,774,120	\$4,025,142	\$4,393,319	\$4,572,806	(\$2,251,022)
Racing Department	195,534	300,504	266,285	278,107	(104,970)
Pari- Mutuel Expenses	826,811	1,175,071	1,334,901	1,358,301	(348,260)
Advertising and Promotion	352,139	461,771	792,349	603,010	(109,632)
Maintenance and Cleaning	1,074,422	1,196,421	1,298,056	1,325,906	(121,999)
Patron and Security Expenses	571,701	689,584	704,672	689,703	(117,883)
General and Administrative	2,848,129	2,959,098	2,766,209	2,905,107	(110,969)
Total Operating Expenses	\$7,642,856	\$10,807,591	\$11,555,791	\$11,732,940	(3,164,735)
Depreciation	666,936	646,363	600,694	681,019	20,573
Total Racing Expenses	\$8,309,792	\$11,453,954	\$12,156,485	\$12,413,959	(\$3,144,162)
Profit from Racing	(\$246,791)	\$237,012	\$275,924	\$559,964	(\$483,803)
Capital Improvements	79,480	216,544	262,399	287,904	(137,064)
Profit Racing & Cap. Improv.	(167,311)	453,556	538,323	847,868	(\$620,867)
Net Other Income or (Expense)	42,875.00	(\$317,211)	(\$349,780)	(\$319,275)	\$360,086
Income (Loss) Before Taxes	(124,436)	136,345	188,543	528,593	(260,781)
Less: Prov. for Income Taxes (Credit)	0	13,097	8,206	14,371	(13,097)
Net Income (Loss)	(\$124,436)	\$123,248	\$180,337	\$514,222	(\$247,684)
<b>SELECTED BALANCE SHEET CHANGES</b>					
Fixed Asset Additions	299,921	727,021	182,235	236,136	(427,100)
Dividends or Distributions	0	106,244	113,502	374,126	(106,244)
Capital Stock Reacquired	0	0	434,459	350,000	0
Non-Operating Investments	9,543	0	0	0	9,543
Net Change Retained Earnings	(124,436)	123,248	95,624	73,896	(247,684)
944YRS					

VERNON DOWNS  
REVENUE AND EXPENSE 1994-1991

INCREASE  
DECREASE  
1994-1993

PRELIMINARY  
1994

1993

1992

1991

<b>OPERATING INCOME</b>				
On-Track Commissions and Breakage	\$3,335,845	\$3,613,160	\$4,122,842	\$4,805,065
Off-Track Commissions	1,323,166	1,481,915	1,407,755	1,480,475
Simulcast Commissions and Breakage	1,370,496	913,414	920,760	503,806
Simulcast Tax Credits	92,629	95,572	0	0
Total Pari-Mutuel Revenues	\$6,122,136	\$6,104,061	\$6,451,357	\$6,789,346
Other Operating Income	1,374,892	1,233,772	1,079,713	1,255,231
Total Operating Income	\$7,497,028	\$7,337,833	\$7,531,070	\$8,044,577
<b>OPERATING EXPENSES</b>				
Purse and Horsemen Benefits	\$3,034,995	\$2,772,855	\$2,967,875	\$3,201,320
Racing Department	281,134	227,790	248,970	262,997
Pari-Mutuel Expenses	1,228,267	1,284,302	1,099,628	976,237
Advertising and Promotion	407,126	332,187	269,082	241,376
Maintenance and Cleaning	787,840	664,732	624,253	677,992
Patron and Security	514,207	471,537	502,014	565,428
General and Administrative	1,909,629	2,172,050	1,960,913	2,111,484
Total Operating Expenses	\$8,163,198	\$7,925,453	\$7,672,735	\$8,036,834
Depreciation	246,817	231,402	212,526	255,633
Total Racing Expenses	\$8,410,015	\$8,156,855	\$7,885,261	\$8,292,467
Profit from Racing	(\$912,987)	(\$819,022)	(\$354,191)	(\$247,890)
Capital Improvement Commissions	192,488	199,735	205,256	231,818
Profit From Racing & Capital Improv.	(\$720,499)	(\$619,287)	(\$148,935)	(\$16,072)
Net Other Income or (Expense)	30,386	107,216	140,006	170,493
Income (Loss) Before Taxes	(\$690,113)	(\$512,071)	(\$8,929)	\$154,421
Less: Prov. for Income Tax Credits	1,008	(99,871)	(19,690)	16,229
Net Income (Loss)	(\$691,121)	(\$412,200)	\$10,761	\$138,192
<b>SELECTED BALANCE SHEET CHANGES</b>				
Fixed Asset Additions	\$147,471	\$191,064	\$234,819	\$80,903
Dividends or Distributions	\$0	\$50,077	\$175,270	\$201,566
Capital Stock Reacquired	\$0	\$0	\$24,814	\$32,335
Non-Operating Investments	\$0	\$0	\$0	\$0
Net Change Retained Earnings	(\$691,121)	(\$462,277)	(\$175,498)	(\$93,778)
				(\$43,593)
				(\$50,077)
				\$0
				\$0
				(\$228,844)

**BATAVIA RACEWAY  
REVENUES AND EXPENSES 1994-1991**

	<u>PRELIMINARY</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1994-1993</u> <u>INCREASE</u> <u>(DECREASE)</u>
On-Track Commissions & Breakage	\$926,388	\$1,815,520	\$2,584,555	\$2,894,589	(\$889,132)
Off-Track Commissions	1,161,844	1,852,107	2,317,599	2,376,005	(690,263)
Simulcast Commissions & Breakage	828,047	1,416,319	1,557,569	1,173,540	(588,272)
Simulcast Tax Credit	30,754	92,502	130,443	134,818	(61,748)
Total Pari-Mutuel Revenues	\$2,947,033	\$5,176,448	\$6,590,166	\$6,578,952	(\$2,229,415)
Other Operating Income	249,840	392,432	434,049	535,641	(142,592)
Total Operating Income	\$3,196,873	\$5,568,880	\$7,024,215	\$7,114,593	(\$2,372,007)
<b><u>OPERATING EXPENSES</u></b>					
Purse and Horsemen Benefits	\$1,278,481	\$2,138,306	\$2,756,488	\$2,848,078	(\$859,825)
Racing Department	110,537	224,594	268,753	272,698	(114,057)
Pari-Mutuel Expenses	511,087	734,066	1,018,920	1,032,306	(222,979)
Advertising and Promotion	41,494	69,218	185,996	160,543	(27,724)
Maintenance and Cleaning	258,626	545,901	600,863	567,160	(287,275)
Patron and Security	86,832	165,678	233,459	232,254	(78,846)
General and Administrative	1,132,002	1,664,425	1,786,681	1,973,912	(532,423)
Total Operating Expenses	\$3,419,059	\$5,542,188	\$6,851,160	\$7,086,951	(\$2,123,129)
Depreciation	150,000	210,000	232,624	209,300	(60,000)
Total Racing Expenses	\$3,569,059	\$5,752,188	\$7,083,784	\$7,296,251	(\$2,183,129)
Profit from Racing	(\$372,186)	(\$183,308)	(\$59,569)	(\$181,658)	(\$188,878)
Capital Improvement Commissions	61,268	129,860	185,628	209,280	(68,592)
Profit From Racing & Cap. Improv.	(\$310,918)	(\$53,448)	\$126,059	\$27,622	(\$257,470)
Net Other Income or (Expense)	\$1,245,565	(\$89,613)	(\$128,363)	\$513,364	\$1,335,178
Income (Loss) Before Taxes	\$934,647	(\$143,061)	(\$2,304)	\$540,986	\$1,077,708
Less: Prov. for Income Taxes (Credit)	180,000	0	(1,340)	243,909	180,000
Net Income (Loss)	\$754,647	(\$143,061)	(\$964)	\$297,077	\$897,708
<b><u>SELECTED BALANCE SHEET CHANGES</u></b>					
Fixed Asset Additions		\$58,167	\$205,737	\$126,924	(\$58,167)
Dividends or Distributions		\$0	\$0	\$0	\$0
Capital Stock Reacquired		\$0	\$0	\$0	\$0
Non-Operating Investments		\$0	\$0	\$0	\$0
Net Change Retained Earnings		(\$143,061)	(\$964)	\$297,077	\$143,061

**BUFFALO RACEWAY  
REVENUES AND EXPENSES 1994-1991**

	<u>PRELIMINARY</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	1994-1993 INCREASE (DECREASE)
<b>OPERATING INCOME</b>					
On-Track Commissions and Breakage	\$3,541,634	\$3,688,993	\$3,616,685	\$3,543,811	(\$147,359)
Off-Track Commissions	2,490,906	2,363,232	2,105,245	1,996,846	127,674
Simulcast Commissions and Breakage	2,007,474	1,918,890	1,901,978	1,515,626	88,584
Simulcast Tax Credits	145,683	180,323	169,353	152,534	(34,640)
Total Pari-Mutuel Commissions	\$8,185,697	\$8,151,438	\$7,793,261	\$7,208,817	\$34,259
Other Operating Income	498,163	515,765	555,515	530,292	(17,602)
Total Operating Income	\$8,683,860	\$8,667,203	\$8,348,776	\$7,739,109	\$16,657
<b>OPERATING EXPENSES</b>					
Purse and Horsemen Benefits	\$3,642,393	\$3,537,131	\$3,293,052	\$3,108,741	\$105,262
Racing Department	365,961	347,669	390,946	418,942	18,292
Pari-Mutuel Expenses	1,717,754	1,641,888	1,414,560	1,308,270	75,866
Advertising and Promotion	474,778	618,630	520,224	495,965	(143,852)
Maintenance and Cleaning	731,998	718,130	690,083	714,771	13,868
Patron and Security	646,670	626,847	554,383	499,618	19,823
General and Administrative	1,198,099	1,198,024	1,092,551	1,033,802	75
Total Operating Expenses	\$8,777,653	\$8,688,319	\$7,955,799	\$7,580,109	\$89,334
Depreciation	173,974	182,942	157,668	126,489	(8,968)
Total Racing Expenses	\$8,951,627	\$8,871,261	\$8,113,467	\$7,706,598	\$80,366
Profit from Racing	(\$267,767)	(\$204,058)	\$235,309	\$32,511	(\$63,709)
Capital Improvement Commissions	237,724	250,488	234,750	241,879	(12,764)
<b>PROFIT FROM RACING &amp; CAP. IMPROV.</b>	(\$30,043)	\$46,430	\$470,059	\$274,390	(\$76,473)
Net Other Income or (Expense)	(523,907)	(\$407,798)	(\$446,298)	(\$465,354)	(116,109)
Income (Loss) Before Taxes	(\$553,950)	(361,368)	23,761	(191,004)	(\$192,582)
Less: Prov. for Income Taxes (Credit)	489	0	604	364	489
Net Income (Loss)	(\$554,439)	(\$361,368)	\$23,157	(\$191,368)	(\$193,071)
<b>SELECTED BALANCE SHEET CHANGES</b>					
Fixed Asset Additions	\$589,349	229,227	119,489	776,373	\$360,122
Dividends or Distributions	\$0	0	0	0	\$0
Capital Stock Reacquired	\$0	0	0	0	\$0
Non-Operating Investments	\$0	0	0	0	\$0
Net Change Retained Earnings	(\$554,439)	(\$361,368)	\$23,157	(\$191,368)	(\$193,071)

**FINGER LAKES RACETRACK  
REVENUES AND EXPENSES 1994-1991**

	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1994-1993 INCREASE (DECREASE)</u>
<b>OPERATING INCOME</b>					
On-Track Commissions and Breakage	\$6,593,998	\$6,356,676	\$7,264,083	\$7,836,486	\$237,322
Off-Track Commissions	6,132,968	4,644,822	5,006,267	5,000,792	1,488,146
Simulcast Commissions and Breakage	2,575,280	2,013,215	2,041,050	2,005,820	562,065
Simulcast Tax Credits	293,485	358,586	414,235	446,141	(65,101)
Total Pari-Mutuel	\$15,595,731	\$13,373,299	\$14,725,635	\$15,289,239	2,222,432
Other Operating Income	894,673	703,923	753,443	805,961	190,750
Total Operating Income	<u>\$16,490,404</u>	<u>\$14,077,222</u>	<u>\$15,479,078</u>	<u>\$16,095,200</u>	<u>\$2,413,182</u>

	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1994-1993 INCREASE (DECREASE)</u>
<b>OPERATING EXPENSES</b>					
Purse and Horsemen Benefits	\$8,494,003	\$7,234,304	\$7,878,931	\$8,127,744	\$1,259,699
Racing Department	1,397,251	1,317,904	1,489,951	1,415,801	79,347
Pari-Mutuel Expenses	1,491,540	1,475,613	1,629,658	1,821,015	15,927
Advertising and Promotion	664,213	642,089	622,485	597,133	22,124
Maintenance and Cleaning	1,260,296	1,382,953	1,512,020	1,549,103	(122,657)
Patron and Security	823,436	530,785	544,356	505,019	292,651
General and Administrative	1,481,451	1,806,077	1,915,849	1,814,809	(324,626)
Total Operating Expenses	\$15,612,190	\$14,389,725	\$15,593,250	\$15,830,624	1,222,465
Depreciation	723,182	705,216	679,909	688,699	17,966
Total Racing Expenses	<u>\$16,335,372</u>	<u>\$15,094,941</u>	<u>\$16,273,159</u>	<u>\$16,519,323</u>	<u>\$1,240,431</u>

Profit from Racing	\$155,032	(\$1,017,719)	(\$794,081)	(\$424,123)	\$1,172,751
Capital Improvement Commissions	786,680	718,854	811,918	835,309	67,826
<b>PROFIT FROM RACING &amp; CAP. IMPROV.</b>	<u>\$941,712</u>	<u>(\$298,865)</u>	<u>\$17,837</u>	<u>\$411,186</u>	<u>\$1,240,577</u>

Net Other Income or (Expense)	(\$278,254)	\$58,969	\$193,701	\$71,065	(\$337,223)
Income (Loss) Before Taxes	663,458	(239,896)	211,538	482,251	903,354
Less: Prov. for Income Taxes (Credit)	282,691	(120,234)	40,815	200,000	402,925
Net Income (Loss)	<u>\$380,767</u>	<u>(\$119,662)</u>	<u>\$170,723</u>	<u>\$282,251</u>	<u>\$500,429</u>

**SELECTED BALANCE SHEET CHANGES**

Fixed Asset Additions	1,133,066	558,217	793,082	1,071,768	\$574,849
Dividends or Distributions	—	0	0	0	\$0
Capital Stock	—	0	0	0	\$0
Non-Operating Investments	(146,000)	0	0	0	(\$146,000)
Net Change Retained Earnings	380,767	(\$119,662)	170,723	282,251	\$500,429

## 1994 REPORT STAFF

### EDITOR:

**Eileen M. Clarke-Brady**  
**Assistant Chief of Off-Track**  
**Betting Operations**

### COORDINATORS:

**Arthur Schechter**  
**James J. Gallagher**  
**Robert A. Feuerstein**  
**Ted Garrison**  
**Bruce Samboy**  
**Frank R. Massimo**

**Chief of Audits & Investigations**  
**Chief of Racing Operations**  
**Counsel**  
**Director of Wagering Systems**  
**Bureau Chief of Indian Gaming**  
**Manager of Licensing**

### WRITERS AND RESEARCHERS:

**John M. Dailey**  
**Joseph Lynch**  
**Thomas J. Martin**  
**Joseph P. Sorbello**  
**Joseph S. Ryan**  
**Winnifred E. Donohue**  
**Gale Berg**  
**Andrea Mercado**  
**Daryll Messner**  
**Richard Harding**  
**Gene McCormick**  
**Dominic Bologna**

**Director of Racing & OTB**  
**OTB Operations Analyst**  
**OTB Operations Analyst**  
**OTB Operations Analyst**  
**OTB Operations Analyst**  
**Associate Accountant**  
**Assistant Counsel**  
**Assistant Counsel, Wagering Systems**  
**Games of Chance Inspection II**  
**Senior Accountant**  
**Games of Chance Equipment Specialist**  
**Employees Assistance Program Coordinator**

### TECHNICAL SERVICES:

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**Marion Harper**  
**Arvind S. Patel**  
**Cathy Badner**

**Elena Mercado**  
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