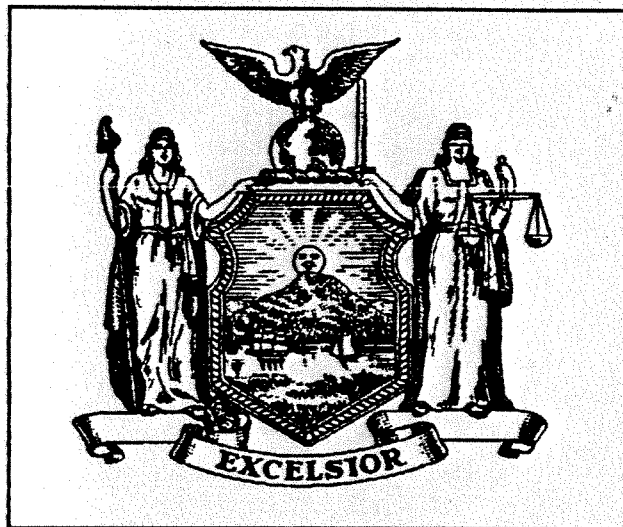


STATE OF NEW YORK
ANNUAL REPORT
AND
SIMULCAST REPORT
FOR THE CALENDAR YEAR 1992



NEW YORK STATE
RACING & WAGERING BOARD

MARIO M. CUOMO
Governor

RICHARD F. CORBISIERO, JR.
Chairman

BENNETT LIEBMAN JOSEPH P. NEGLIA
Member Member



STATE OF NEW YORK
NEW YORK STATE RACING AND WAGERING BOARD

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MEMBERS

Richard F. Corbisiero, Jr.
Chairman

Bennett Liebman
Joseph P. Neglia

March 31, 1993

**TO: Honorable Mario M. Cuomo, Governor
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 ninth annual Simulcast Report of the Racing and Wagering Board which, this year, is incorporated into the Board's 1992 Annual Report.

During 1992, New York State continued to lead the nation in total dollars wagered on horse races. Combined handle, both on and off-track, totalled over \$3.1 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 1992 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 1992's 2.6% decrease in handle levels from 1991, while partly attributable to the recession, was also caused by opportunities missed because of significant disagreements among its various components.

The acrimony which characterizes many of the relationships within the racing and wagering community continues to inhibit its potential growth. The Board devotes considerable time and effort to mediate these disputes. While the revised legislative framework has somewhat ameliorated this situation, significant improvement still needs to be made. The Board strongly 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 insure its continued success. For the last decade of this century, the New York State racing, wagering and breeding industries must be directed to move towards the goals of enhancing the economy, increasing interest in racing, insuring 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,

A handwritten signature in black ink, appearing to read "Richard F. Corbisiero, Jr.", written in a cursive style. The signature is positioned above the printed name and extends to the right, ending in a long, sweeping stroke.

Richard F. Corbisiero, Jr.
Chairman

PART I
ANNUAL REPORT

HIGHLIGHTS

In 1992, the State of New York hosted 1,633 days of racing (Thoroughbred and Harness) resulting in a combined handle of on and off track wagers totaling \$3,086,286,024. This was again a decrease from the previous year. As in previous years, the on track handle continued to decline. The on-track handle of \$1,323,959,684 was 1.90% below the 1991 figures. The 1992 off-track figure of \$1,762,326,340 was 3.16% below the previous year.

THOROUGHBRED AND HARNESS RACING COMBINED			
		1992	1991
Number of Racing days		1,633	1,659
Attendance		5,795,983	6,119,934
Handle - at track	\$	1,323,959,684	\$ 1,349,624,723
Revenue to State	\$	49,796,398	\$ 50,469,602
Horsebreeder's Fund	\$	8,143,264	\$ 8,380,230
Net Commission and Breakage to track	\$	195,155,405	\$ 198,469,939
Purses Paid to Horsemen	\$	151,859,169	\$ 150,780,125
Admission Taxes to Towns, Cities and Counties	\$	875,520	\$ 977,189

LEGAL ACTIVITIES

Among the significant court decisions in 1992, which resulted from challenges to Board actions or determinations were:

PARKER v. CORBISIERO, et.al.

The Supreme Court, Appellate Division, First Department unanimously confirmed the Board's determination after hearing, to suspend the harness racing license of a driver for 30 days for driving with a lack of effort. The Court held that the Board's determination was supported by substantial evidence provided by the testimony of the presiding judge at the race. A motion to the Appellate Division for

reargument or for leave to appeal to the New York State Court of Appeals was denied.

AGNELLO v. CORBISIERO, et. al.

The Supreme Court, Appellate Division, First Department unanimously confirmed the dismissal of the Article 78 proceeding which sought to annul the Board's denial of petitioner's application for renewal of his harness racing owner's license. Petitioner had made false statements on his 1989 and 1990 license applications regarding disclosure of arrests and ejections from numerous race tracks. The Court rejected claims that petitioner was penalized for exercising his fifth amendment privilege against self-incrimination by not being allowed to testify on his own behalf, and that

petitioner was subject to selective prosecution due to his relationship with his father-in-law, a convicted felon.

DEBONIS v. CORBISIERO, et.al.

The Supreme Court, Appellate Division, First Department unanimously confirmed the Board's imposition of a ninety day suspension of a thoroughbred trainer's license based upon a second equine drug positive. The Court: (1) reaffirmed its prior holding that the absence of a sufficient sample for independent testing is not a due process violation, unless the result of bad faith; (2) found no due process deficiency arose from the facts that the Hearing Officer and Board prosecuting attorney were responsible to the Counsel; (3) rejected an argument that the Board's 1981 penalty guideline memorandum was invalid because it was not promulgated pursuant to the State Administrative Procedure Act.

The New York State Court of Appeals denied leave to appeal.

Rules and Regulations

The Board promulgated numerous amendments to the rules and regulations governing racing. Included were amendments to rules establishing the fees for obtaining occupational licenses, pursuant to recent legislation. Among the rule changes for the thoroughbred industry were repeal of the rule which prohibited use of the steeplechase race in the daily double, and repeal of the guaranteed stakes requirement.

The rules regarding eligibility requirements for claiming thoroughbred horses and determining the designated horse in the event of a tie among favorites were amended as well. In the Harness Division, the Board amended its rules affecting races at tracks without a continuous hub rail, instituted rules governing "open stretch" racing, which allows a driver to move inside to pass; authorized racetracks to be staffed by certified emergency medical technicians rather than physicians, except where otherwise required by Department of Health regulations, and issued a rule specifically prohibiting the technique of "milkshaking" horses. The Off-Track Betting rules were amended to reflect recent legislation concerning wagers placed by off-track betting employees and to address scratches in races when Pick Four wagering is available.

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 or three years. Three year licensing is for occupational categories: Owners, Trainers, Drivers and Jockeys. This program was established to enhance the licensing process of individuals who were licensed the previous year.

In 1992 a total of 9,237 licenses were issued for participants at six harness tracks (Buffalo, Batavia, Monticello, Saratoga, Vernon Downs, Yonkers) and Syracuse

Mile.

In Thoroughbred racing, there were 10,016 licenses issued for racing at Aqueduct, Belmont, Saratoga and Finger Lakes.

A total of 19,253 licenses were issued for the year, the reduction from the previous year was caused by the 3-year process.

Fingerprints processed totaled 5,486 (Federal and State), of these, 2,290 were Federal and 3,196 were State prints.

In Thoroughbred racing, there were 71 suspensions causing 697 days of suspension and 77 fines for a total of \$15,745.

In Harness racing, there were 339 suspensions resulting in 2,850 days of suspension and 496 fines for a total of \$37,305.

For 1992, the Investigations Unit handled 993 cases in all areas of questionable racing activities, i.e., race fixing, hidden ownership, equine and human drug usage, insurance scams, Organized Crime interests, OTB concessionaires and others.

Activities conducted by the Board in order to maintain the integrity of racing are the pre and post-race equine drug testing programs, probably the most comprehensive in the United States. Our rules require that all racing horses at the tracks undergo pre-race blood testing and a number of them are subjected to post-race urine and blood testing.

	RACE DAYS	NO.OF PRE-RACE	NO.OF BLOOD	POST-RACE URINE	TOTAL SAMPLES TESTED
Harness	1,162	97,651	30,734	23,902	155,238
Thoroughbred	486	38,557	11,275	13,836	60,717
Totals	1,648	136,208	42,009	37,738	215,955

STRESS

The year 1992, saw a decline in the number of human urine analyses taken throughout the State. Of the 274 tests taken, 214 different persons were tested.

The 54 positives reported

(two less than the previous year) represent 25 1/4% of the number of different persons tested.

This year's report will show new drug and DWI arrest notifications. The total number of 504, are reports the Board receives from DCJS in conjunction with the Search and Retain Program. Also, this report will show that 24

license applications were refused for reasons relating to drug or alcohol abuse.

The economic problems in 1992 have also impacted on the industry in the area of combating substance abuse. Viable substance abuse programs did not sustain the year without reduction, and in some cases, elimination. Programs that were considered, and those in its initial stages saw no progress, and in some cases rejection.

Horsemen and management in N.Y. did not respond well to the educational and preventive efforts of the program. Educational seminars, previously well attended, saw little turnout in 1992. Track security, important in combating the problem, suffered layoffs at most tracks.

The drug and alcohol problems of persons connected with the horse racing industry in N.Y. State continue to be a major concern of the New York State Racing and Wagering Board.

1992 ANNUAL STATISTICS							
Stress Assistance Program For the period 01/01/92 thru 12/31/92							
TRACK	#	INVEST	REFERRAL/ .PROGRAMS	TESTS	POSITIVES	%	SUSP.
Batavia Downs	42	1	1	38	1	2.63	1
Buffalo Raceway	37	3		32		.00	1
Finger Lakes	69	12	2	39	9	23.08	3
Main Office	16	16				.00	
Monticello Rcwy	74	16	5	42	8	19.05	1
NYRA	256	127	17	70	27	38.57	1
Saratoga Rcway	25	5	3	13	3	23.08	
Vernon Downs	24	5	1	17	1	5.88	
Yonkers Raceway	53	18	3	23	5	21.74	1
TOTALS -	596	203	32	274	54	19.71	8
Repeat Tests: 60							
Total entries for period: 1							

Breakdown of Positives by Drug

Cocaine	21
THC	20
Valium	6
Heroin	2
Methadone	1
Alcohol	0
PCP	1
Codeine	1
Amphetamines	1
Barbituates	1

New Drug & DWIS Arrest reports for this period.
Drug Arrests: 231 DWI Arrests 273
Licenses Denied: 24

FINANCIAL AUDITS

Annual audits of all licensed harness tracks and the Finger Lakes thoroughbred track are performed by staff accountants.

Field audits of 1991 racing operations were completed for Batavia Downs, Buffalo Raceway, Monticello Raceway, Saratoga Raceway, Vernon Downs, Yonkers Raceway and Finger Lakes Race Track.

Special audits were also conducted at the above tracks in connection with their applications to withdraw monies from their capital improvement funds, except Yonkers Raceway which does not have a fund.

A special audit was conducted of the records of the New York Racing Division of the Horsemen's Benevolent and Protective Association with regard to the 1% of purses

withheld for payment to the horsemen's organization pursuant to Section 221 of the Racing Law.

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.)

additions are included, but not identified separately, in the accompanying charts as part of the total and association shares of commissions. Therefore, the capital improvement commissions are indicated in the chart below.

All tracks entitled to make the election have made it. The pari-mutuel takeout 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.

<u>CAPITAL IMPROVEMENT COMMISSIONS</u>				
TRACK	FROM ON-TRACK	FROM OFF-TRACK	TOTAL	TOTAL
	BETTING	BETTING	ADDED	ADDED
			IN 1992	IN 1991
Finger Lakes	\$ 331,079	\$ 480,839	\$ 811,918	\$ 835,309
Batavia Downs	110,725	74,903	185,628	209,280
Buffalo Rcway	154,233	80,517	234,750	241,879
Monticello Rwy.	259,324	109,173	368,497	358,045
Saratoga Rcway	206,551	55,849	262,400	287,904
Vernon Downs	190,751	13,600	204,351	227,737
Syracuse Mile	16,450	768	17,218	16,010
TOTALS -	<u>\$1,269,113</u>	<u>\$ 815,649</u>	<u>\$2,084,762</u>	<u>\$2,176,164</u>

WAGERING SYSTEMS

During the year 1992 the full impact of the severe budget cuts imposed upon the Division of Wagering Systems in 1991 were felt. The cuts included the closing of the Hauppauge Regional Office thereby reducing to 3 the number of Regional Offices (the Syracuse Office was closed in March 1991) and a reduction in the number of personnel assigned to each of the Division's offices.

The Division issued 295 games of chance identification numbers in 1992 bringing the total to 4,439 and during the same period 66 bingo identification numbers were issued raising the total to 8,002.

During 1992 the games of chance activities in each of the Division's regions were as follows:

Games of Chance License Periods

Albany Regional Office	773
Rochester Regional Office	949
N.Y.C. Regional Office	<u>1205</u>
<u>Total N.Y. State</u>	2327

Bell Jar License Period

Albany Regional Office	470
Rochester Regional Office	924
New York City Regional Office	<u>302</u>
<u>Total N.Y. State</u>	1696

There was no bingo or games of chance legislation passed during the year.

COMPARISON OF COMBINED ON AND OFF-TRACK HANDLES 1992 AND 1991

	ON-TRACK HANDLE		% OF INCREASE (DECREASE)	OFF-TRACK HANDLE		% OF INCREASE (DECREASE)	COMBINED ON AND OFF-TRACK HANDLES TOTALS		% OF INCREASE (DECREASE)
	1992	1991		1992	1991		1992	1991	
NYRA									
Aqueduct	\$379,038,757	\$394,236,331	(3.85)	\$648,057,004	\$669,914,093	(3.26)	\$1,027,095,761	\$1,064,150,424	(3.48)
Belmont	299,525,686	301,590,728	(.68)	446,895,073	463,395,255	(3.56)	746,420,759	764,985,983	(2.43)
Saratoga	103,332,127	100,221,255	3.10	130,411,257	138,859,391	(6.08)	233,743,384	239,080,646	(2.23)
NYRA HANDLES	\$781,896,570	\$796,048,314	(1.78)	\$1,225,363,334	\$1,272,168,737	(3.68)	\$2,007,259,904	\$2,068,217,053	(2.95)
NYRA SIMULCASTS TO:									
Aqueduct (Saratoga Meet)	38,279,428	36,695,846	4.32	-----	-----	-----	38,279,428	36,695,846	4.32
Batavia Downs	5,288,809	2,968,695	78.15	-----	-----	-----	5,288,809	2,968,695	78.15
Buffalo Raceway	5,620,616	3,385,835	66.00	-----	-----	-----	5,620,616	3,385,835	66.00
Finger Lakes Race Track	6,718,132	8,063,416	(16.68)	-----	-----	-----	6,718,132	8,063,416	(16.68)
Monticello Raceway	6,092,272	6,654,883	(8.45)	-----	-----	-----	6,092,272	6,654,883	(8.45)
Saratoga Raceway	18,441,288	18,449,728	(.05)	-----	-----	-----	18,441,288	18,449,728	(.05)
Vernon Downs	4,308,747	2,383,528	80.77	-----	-----	-----	4,308,747	2,383,528	80.77
Yonkers Raceway	107,767,840	102,874,157	4.76	-----	-----	-----	107,767,840	102,874,157	4.76
NYRA Simulcasts Out Totals	\$192,517,132	\$181,476,088	6.08	-----	-----	-----	192,517,132	181,476,088	6.08
TOTAL BETTING NYRA RACES	\$974,413,702	\$977,524,402	(.32)	\$1,225,363,334	\$1,272,168,739	(3.68)	\$2,199,777,036	2,249,693,141	(2.22)
FINGER LAKES HANDLES	41,685,956	45,036,105	(7.44)	122,081,802	121,477,068	.50	163,767,758	166,513,173	(1.65)
FINGER LAKES SIMULCASTS TO:									
Batavia	1,576,758	1,397,288	12.84	-----	-----	-----	1,576,758	1,397,288	12.84
Buffalo	2,074,296	1,606,158	29.15	-----	-----	-----	2,074,296	1,606,158	29.15
Monticello	1,244,341	-----	-----	-----	-----	-----	1,244,341	-----	-----
Saratoga	203,175	203,004	.08	-----	-----	-----	203,175	203,004	.08
Vernon	1,340,676	-----	-----	-----	-----	-----	1,340,676	-----	-----
Finger Lakes Simulcast Out	6,439,246	3,206,450	100.82	-----	-----	-----	6,439,246	3,206,450	100.82
TOTAL BETTING FINGER LAKES RACES	48,125,202	48,242,555	(.24)	122,081,802	121,477,068	.50	170,207,004	169,719,623	.29
In-State Thoroughbred Betting	1,022,538,904	1,025,766,957	(.31)	1,347,445,136	1,393,645,807	(3.32)	2,369,984,040	2,419,412,764	(2.04)
OTB Out Of State Races	-----	-----	-----	88,564,162	81,587,090	8.55	88,564,162	81,587,090	8.55
THOROUGHBRED BETTING TOTALS	\$1,022,538,904	\$1,025,766,957	(.31)	\$1,436,009,298	\$1,475,232,897	(2.66)	\$2,458,548,202	\$2,500,999,854	(1.70)
HARNESS RACING									
Batavia Downs	14,988,754	16,850,362	(11.05)	20,831,607	21,093,371	(1.24)	35,820,361	37,943,733	(5.60)
Buffalo Raceway	20,987,001	20,691,158	1.43	22,289,720	20,841,536	6.95	43,276,721	41,532,694	4.20
Monticello Raceway	34,650,199	34,896,296	(.71)	30,965,299	25,320,805	22.29	65,615,498	60,217,101	8.96
Saratoga Raceway	24,860,092	26,904,445	(7.60)	13,785,678	14,510,734	(5.00)	38,645,770	41,415,179	(6.69)
Vernon Downs	23,927,077	28,000,214	(14.55)	4,545,412	5,205,607	(12.68)	28,472,489	33,205,821	(14.25)
Yonkers Raceway	169,932,583	187,002,705	(9.13)	233,098,963	257,161,841	(9.36)	403,031,546	444,164,546	(9.26)
Syracuse Mile	2,108,750	1,924,726	9.56	221,811	173,663	27.72	2,330,561	2,098,389	11.06
HARNESS HANDLES	291,454,456	316,269,906	(7.85)	325,738,490	344,307,557	(5.39)	617,192,946	660,577,463	(6.57)
HARNESS SIMULCASTS									
Batavia To Buffalo	4,716,656	4,299,388	9.71	-----	-----	-----	4,716,656	4,299,388	9.71
Batavia To Vernon	414,901	14,322	2796.95	-----	-----	-----	414,901	14,322	2796.95
Buffalo To Batavia	2,058,689	1,702,803	20.90	-----	-----	-----	2,058,689	1,702,803	20.90
Buffalo To Finger Lakes	129,461	28,960	347.03	-----	-----	-----	129,461	28,960	347.03
Buffalo To Vernon	560,483	183,608	205.26	-----	-----	-----	560,483	183,608	205.26
Yonkers To Buffalo	75,578	-----	-----	-----	-----	-----	75,578	-----	-----
Yonkers To Saratoga	379,861	-----	-----	-----	-----	-----	379,861	-----	-----
Yonkers To Vernon	1,630,695	1,358,779	20.01	-----	-----	-----	1,630,695	1,358,779	20.01
HARNESS SIMULCASTS OUT TOTALS	9,966,324	7,587,860	31.35	-----	-----	-----	9,966,324	7,587,860	31.35
Total In-State Harness Betting	301,420,780	323,857,766	(6.93)	325,738,490	344,307,557	(5.39)	627,159,270	668,165,323	(6.14)
OTB Out Of State Races	-----	-----	-----	578,454	369,304	56.63	578,454	369,304	56.63
HARNESS RACES BETTING TOTALS	301,420,780	323,857,766	(6.93)	326,316,944	344,676,861	(5.33)	627,737,724	668,534,627	(6.10)
ALL HANDLES COMBINED	\$1,323,959,684	\$1,349,624,723	(1.90)	\$1,762,326,242	\$1,819,909,758	(3.16)	\$3,086,285,926	\$3,169,534,481	(2.63)

DISTRIBUTIONS OF REVENUE FROM ON AND OFF TRACK BETTING IN NEW YORK STATE 1992 COMPARED WITH 1991

	ON-TRACK		% OF INC/DEC	OFF-TRACK		% OF INC/DEC	COMBINED		% OF INC/DEC
	1992	1991		1992	1991		1992	1991	
HANDLE PARSPORT - NYS BETTING TAKE-OFF									
BREAKEGE	\$245,613,438	\$249,950,326	-1.74%	\$330,272,008	\$340,039,999	-2.87%	\$575,085,526	\$589,990,325	-2.39%
	7,542,429	7,556,360	-0.10%	8,665,000	8,921,270	-2.87%	16,207,429	16,477,630	-1.64%
TOTAL	<u>\$253,155,867</u>	<u>\$257,506,686</u>	-1.69%	<u>\$338,937,008</u>	<u>\$348,961,269</u>	-2.87%	<u>\$592,092,955</u>	<u>\$606,467,955</u>	-2.37%
DISTRIBUTIONS OF PARSPORTS AND OTHER REVENUES:									
REVENUE TO N.Y. STATE									
State Tax from N.Y. Magering	\$49,796,390	\$50,469,602	-1.33%	\$27,004,871	\$28,116,319	-3.67%	\$76,081,269	\$78,585,921	-2.17%
Less OTB Simulcast Credits	(2,093,740)	(3,123,027)	-7.34%				(2,093,740)	(3,123,027)	-7.34%
Net State Taxes	<u>\$46,902,650</u>	<u>\$47,346,575</u>	-0.94%	<u>\$27,004,871</u>	<u>\$28,116,319</u>	-3.67%	<u>\$73,987,521</u>	<u>\$75,462,894</u>	-1.96%
Decashed Winning Tickets	1,953,997	2,100,771	-7.34%	6,160,565	6,432,973	-4.23%	8,114,562	8,541,744	-5.00%
State Admission Taxes	387,852	406,447	-4.50%	34,971	36,646	-4.57%	422,823	443,093	-4.57%
NYRA Franchise Tax	0	0		0	0		0	0	
licenses, Fees and Fines **	1,624,837	880,863	84.46%				1,624,837	880,863	84.46%
Revenues from NY Betting REVENUES TO TRACKS	<u>\$50,069,336</u>	<u>\$50,742,656</u>	0.25%	<u>\$33,280,407</u>	<u>\$34,505,930</u>	-3.77%	<u>\$80,149,743</u>	<u>\$85,328,594</u>	-1.38%
Commissions Breakage(net of wins pools)	<u>\$189,731,216</u>	<u>\$193,230,221</u>	-1.81%	<u>\$101,373,214</u>	<u>\$103,963,014</u>	-2.49%	<u>\$291,104,430</u>	<u>\$297,193,235</u>	-2.05%
	5,424,189	5,239,718	3.52%				5,424,189	5,239,718	3.52%
Total Commission and Breakege Add OTB Simulcast Credits	<u>\$195,155,405</u>	<u>\$198,469,939</u>	-1.67%	<u>\$101,373,214</u>	<u>\$103,963,014</u>	-2.49%	<u>\$296,528,619</u>	<u>\$302,432,953</u>	-1.95%
	2,893,748	3,123,027	-7.34%				2,893,748	3,123,027	-7.34%
Total to Tracks	<u>\$198,049,153</u>	<u>\$201,592,966</u>	-1.76%	<u>\$101,373,214</u>	<u>\$103,963,014</u>	-2.49%	<u>\$299,422,367</u>	<u>\$305,555,908</u>	-2.01%
Commissions to Breeders REVENUES TO LOCAL GOVERNMENTS	<u>\$8,143,264</u>	<u>\$8,380,230</u>	-2.83%	<u>\$10,472,201</u>	<u>\$10,444,125</u>	-3.43%	<u>\$18,615,545</u>	<u>\$19,224,359</u>	-3.17%
OTB Surcharges									
Earnings from OTB Corps.				\$64,903,239	\$67,514,880	-3.87%	\$64,903,239	\$67,514,880	-3.87%
Admission Taxes	\$875,520	\$977,189	-10.40%	9,240,398	9,020,600	-5.91%	9,240,398	9,020,600	-5.91%
				875,520	977,189		875,520	977,189	
Racing Revenues to Localities	<u>\$875,520</u>	<u>\$977,189</u>	-10.40%	<u>\$74,143,637</u>	<u>\$77,335,400</u>	-4.13%	<u>\$75,019,157</u>	<u>\$78,312,669</u>	-4.21%
Detail for Licenses, Fees & Fines									
Track License Fees	\$137,650	\$136,100	1.14%						
Simulcast License Fees	100,500	105,500	-4.74%						
Occupational License Fees	1,097,388	343,783	219.21%						
Fingerprint Fees	239,554	242,675	-1.29%						
Fines	49,745	52,755	-5.71%						
Miscellaneous	0	50	-100.00%						
Total Fees And Fines	<u>\$1,624,837</u>	<u>\$880,863</u>	84.46%						

NOTE: STATE TAX ON YONKERS COMMISSIONS FROM CONNECTICUT, \$241,248 FOR 1992 AND \$430,009 FOR 1991, ARE NOT INCLUDED ABOVE P19-1992.wht

ON TRACK BETTING HANDLES AND ATTENDANCE 1992 COMPARED WITH 1991-TRACKS OWN RACING AND TRACK TO TRACK SIMULCASTS

	PROGRAMS RACED		HANDLES				ATTENDANCE				
	1992	1991	1992	1991	INCREASE (DECREASE)		1992	1991	INCREASE (DECREASE)		
					AMOUNT	PERCENT			AMOUNT	PERCENT	
THOROUGHBRED RACING											
Aqueduct	167	166	\$379,038,757	\$394,236,331	\$ (15,197,574)	(3.85)	1,469,015	1,489,024	(20,009)	(1.34)	
Belmont	114	114	299,525,686	301,590,728	(2,065,042)	(.68)	1,297,403	1,326,783	(29,380)	(2.21)	
Saratoga	30	30	103,332,127	100,221,255	3,110,872	3.10	761,931	731,395	30,536	4.18	
NYRA (Excluding Aqueduct Simulcast)	311	310	781,896,570	796,048,314	(14,151,744)	(1.78)	3,528,349	3,547,202	(18,853)	(.53)	
Finger Lakes Betting	171	170	41,685,956	45,036,105	(3,350,149)	(7.44)	347,506	361,201	(13,695)	(3.79)	
TOTAL THOROUGHBRED BETTING OWN RACING	482	480	823,582,526	841,084,419	(17,501,893)	(2.08)	3,875,855	3,908,403	(32,548)	(.83)	
HARNESS RACING											
Batavia Downs	125	129	14,988,754	16,850,362	(1,861,608)	(11.05)	120,256	184,354	(64,098)	(34.77)	
Buffalo Raceway	126	127	20,987,001	20,691,158	295,843	1.43	204,035	206,446	(2,411)	(1.17)	
Monticello Raceway	206	210	34,650,199	34,896,296	(246,097)	(.71)	281,014	307,966	(26,952)	(8.75)	
Saratoga Raceway	184	187	24,860,092	26,904,445	(2,044,353)	(7.60)	299,712	346,955	(47,243)	(13.62)	
Vernon Downs	146	155	23,927,077	28,000,214	(4,073,137)	(14.55)	281,053	331,225	(50,172)	(15.15)	
Yonkers Raceway	357	364	169,932,583	187,002,705	(17,070,122)	(9.13)	716,909	816,491	(99,582)	(12.20)	
Syracuse Mile	7	7	2,108,750	1,924,726	184,024	9.56	17,149	18,094	(945)	(5.22)	
TOTAL HARNESS BETTING OWN RACING	1,151	1,179	291,454,456	316,269,906	(24,815,450)	(7.85)	1,920,128	2,211,531	(291,403)	(13.18)	
TOTAL THOROUGHBRED & HARNESS OWN RACING	1,633	1,659	1,115,036,982	1,157,354,325	(42,317,343)	(3.66)	5,795,983	6,119,934	(323,951)	(5.29)	
TRACK TO TRACK SIMULCASTING											
NYRA SIMULCAST TO											
Aqueduct (Saratoga Meet)	30	30	38,279,428	36,695,846	1,583,582	4.32	206,500	191,018	15,482	8.10	
Batavia Downs	311	264	5,288,809	2,968,695	2,320,114	78.15	—	13,955	(13,955)	—	
Buffalo Raceway	310	254	5,620,616	3,385,835	2,234,781	66.00	26,212	21,007	5,205	24.78	
Finger Lakes Race Track	114	95	6,718,132	8,063,416	(1,345,284)	(16.68)	39,410	38,332	1,078	2.81	
Monticello Raceway	310	310	6,092,272	6,654,883	(562,611)	(8.45)	38,817	44,245	(5,428)	(12.27)	
Saratoga Raceway	281	280	18,441,288	18,449,728	(8,440)	(.05)	89,248	93,465	(4,217)	(4.51)	
Vernon Downs	310	133	4,308,747	2,383,528	1,925,219	80.77	49,343	18,007	31,336	174.02	
Yonkers Raceway	311	310	107,767,840	102,874,157	4,893,683	4.76	621,946	618,231	3,715	.60	
NYRA SIMULCAST TOTAL	1,977	1,676	192,517,132	181,476,088	11,041,044	6.08	1,071,476	1,038,260	33,216	3.20	
Finger Lakes Simulcast to Batavia	171	158	1,576,758	1,397,288	179,470	12.84	—	7,414	(7,414)	—	
Finger Lakes Simulcast to Buffalo	170	170	2,074,296	1,606,158	468,138	29.15	10,947	10,921	26	.24	
Finger Lakes Simulcast to Monticello	171	—	1,244,341	—	1,244,341	—	2,333	—	2,333	—	
Finger Lakes Simulcast to Saratoga	7	8	203,175	203,004	171	.08	792	1,036	(244)	(23.55)	
Finger Lake Simulcast to Vernon	171	—	1,340,676	—	1,340,676	—	—	—	—	—	
FINGER LAKES SIMULCAST TOTAL	690	336	6,439,246	3,206,450	3,232,796	100.82	14,072	19,371	(5,299)	(27.36)	
HARNESS SIMULCASTS											
Batavia Simulcast to Buffalo	125	124	4,716,656	4,299,388	417,268	9.71	41,075	39,703	1,372	3.46	
Batavia Simulcast to Vernon	38	1	414,901	14,322	400,579	2796.95	—	284	(284)	—	
Buffalo Simulcast to Batavia	126	127	2,058,689	1,702,803	355,886	20.90	—	18,325	(18,325)	—	
Buffalo Simulcast to Finger Lakes	10	4	129,461	28,960	100,501	347.03	—	753	(753)	—	
Buffalo Simulcast to Vernon	56	20	560,483	183,608	376,875	205.26	—	4,271	(4,271)	—	
Yonkers Simulcast to Buffalo	8	—	75,578	—	75,578	—	710	—	710	—	
Yonkers Simulcast to Saratoga	20	—	379,861	—	379,861	—	2,246	—	2,246	—	
Yonkers Simulcast to Vernon	131	116	1,630,695	1,358,779	271,916	20.01	18,864	12,544	6,320	50.38	
HARNESS SIMULCAST TOTAL	514	392	9,966,324	7,587,860	2,378,464	31.35	62,895	75,880	(12,985)	(17.11)	
TRACK TO TRACK SIMULCAST TOTAL	3,181	2,404	208,922,702	192,270,398	16,652,304	8.66	1,148,443	1,133,511	14,932	1.32	
ALL ON TRACK BETTING COMBINED			\$1,323,959,684	1,349,624,723	(25,665,039)	(1.90)	6,944,426	7,253,445	(309,019)	(4.26)	

1992 SUMMARY OF TAKEOUTS AND BREAKAGE FROM ON-TRACK BETTING --COMPRISING OWN RACING AND TRACK TO TRACK SIMULCASTS

PLACE OF BET

	TOTAL TAKEOUT AND BREAKAGE			DISTRIBUTION OF TAKEOUT AND BREAKAGE				UNCASHED W/ TICKETS 1991 SEAS
	TAKEOUT	BREAKAGE	TOTAL	TO STATE	TO ASSOCIATION	TO BREEDER'S FUND	MINUS POOLS	
THOROUGHBRED RACES								
Aqueduct	\$67,911,270	\$2,049,689	\$69,960,959	\$18,045,329	\$50,015,945	\$ 1,899,685	\$15,117	--
Belmont	53,684,778	1,633,214	55,317,992	14,256,468	39,557,966	1,503,558	22,487	--
Saratoga	18,602,993	627,925	19,230,918	5,041,271	13,671,217	518,430	2,380	--
NYRA OWN RACING TOTALS	\$140,199,041	\$4,310,828	\$144,509,869	\$37,343,068	\$103,245,128	\$ 3,921,673	\$ 39,984	\$1,191,92
NYRA SIMULCASTS TO								
Aqueduct (Saratoga Meet)	\$6,955,524	\$192,091	\$7,147,615	\$1,177,989	\$5,777,430	\$ 192,196	941	--
Batavia Downs	957,423	27,250	984,673	87,925	870,304	26,444	---	5,835
Buffalo Raceway	1,018,158	29,291	1,047,449	98,417	920,790	28,242	107	9,634
Finger Lakes Race Track	1,240,768	33,312	1,274,080	168,267	1,071,806	34,007	---	9,740
Monticello Raceway	1,095,194	31,885	1,127,079	95,391	1,001,109	30,579	110	11,414
Saratoga Raceway	3,325,469	103,025	3,428,494	292,013	3,043,865	92,616	441	34,352
Vernon Downs	777,250	23,132	800,382	70,185	708,558	21,639	1,009	5,036
Yonkers Raceway	19,321,664	577,903	19,899,567	2,001,041	17,358,185	540,341	2,388	135,339
NYRA SIMULCASTS TOTALS	\$ 34,691,450	\$1,017,889	\$ 35,709,339	\$ 3,991,228	\$ 30,752,047	\$ 966,064	\$ 4,996	\$ 211,354
TOTAL NYRA OWN RACING AND SIMULCASTS OUT	\$174,890,491	\$5,328,717	\$180,219,208	\$41,334,296	\$133,997,175	\$4,887,737	\$ 44,980	\$1,403,276
FINGER LAKES								
Own Racing	\$8,576,599	\$ 211,273	\$8,787,872	\$ 983,948	\$7,595,495	\$ 208,429	334	101,150
Simulcasts to Batavia	325,433	7,647	333,080	31,853	293,343	7,884	-0-	2,164
Simulcasts to Buffalo	426,732	11,070	437,802	41,732	385,698	10,372	32	3,454
Simulcasts to Monticello	257,423	5,634	263,057	25,108	231,727	6,222	5	---
Simulcasts to Saratoga	41,306	820	\$ 42,126	3,504	37,606	1,016	1	---
Simulcasts to Vernon	280,887	5,310	286,197	29,340	249,471	7,386	6	---
SIMULCASTS TOTALS	\$1,331,781	\$ 30,481	\$ 1,362,262	\$ 131,537	\$1,197,845	\$ 32,880	\$ 44	5,618
FINGER LAKES OWN RACING & SIMULCASTS OUT	9,908,380	\$ 241,754	\$ 10,150,134	\$ 1,115,485	\$ 8,793,340	\$ 241,309	\$ 378	\$ 106,768
TOTAL THOROUGHBRED OWN RACING AND SIMULCASTS OUT	184,798,871	5,570,471	190,369,342	42,449,781	142,790,515	5,129,046	45,358	1,510,044
HARNESS RACES								
Batavia Downs	\$3,124,651	\$ 90,076	\$3,214,727	\$369,833	\$ 2,695,006	149,888	69	35,013
Buffalo Raceway	4,368,230	133,780	4,502,010	521,149	3,770,991	209,870	73	44,124
Monticello Raceway	7,211,125	203,879	7,415,004	836,683	6,231,811	346,510	212	72,617
Saratoga Raceway	5,029,516	179,996	5,209,512	511,006	4,449,905	248,601	278	48,244
Vernon Downs	5,004,779	147,724	5,152,503	602,509	4,310,723	239,271	901	59,312
Yonkers Raceway	33,560,170	1,147,282	34,707,452	4,222,150	28,785,976	1,699,326	12,834	175,807
Syracuse Mile	435,583	11,706	447,289	47,579	378,623	21,087	794	5,256
HARNESS OWN RACING TOTALS	\$58,734,054	\$1,914,443	\$60,648,497	\$7,110,909	\$50,623,035	\$2,914,553	\$15,161	\$ 440,373
HARNESS TRACK SIMULCASTS OUT								
Batavia Simulcasts To Buffalo	\$995,070	\$26,039	1,021,109	113,419	860,523	\$47,167	19	662
Batavia Simulcasts To Vernon	87,770	2,021	89,791	10,159	75,483	4,149	1	---
Buffalo Simulcasts To Batavia	432,642	12,207	444,849	48,707	375,555	20,587	---	885
Buffalo Simulcasts To Finger Lakes	27,142	669	27,811	3,801	22,715	1,295	---	166
Buffalo Simulcasts To Vernon	116,972	3,197	120,169	12,435	102,129	5,605	2	242
Yonkers Simulcasts to Buffalo	14,984	477	15,461	1,540	13,165	756	9	---
Yonkers Simulcasts to Saratoga	75,194	2,434	77,628	7,503	66,326	3,799	8	---
Yonkers Simulcasts To Vernon	330,739	10,471	341,210	38,144	286,759	16,307	242	1,625
HARNESS SIMULCASTS TOTALS	\$ 2,080,513	\$ 57,515	\$ 2,138,028	\$ 235,708	\$ 1,802,655	\$ 99,665	\$ 281	\$ 3,580
TOTAL HARNESS RACING AND SIMULCASTS OUT	60,814,567	1,971,958	62,786,525	7,346,617	52,425,690	3,014,218	15,442	443,953
THOROUGHBRED AND HARNESS COMBINED TOTALS	\$245,613,438	\$7,542,429	\$253,155,867	\$49,796,398	\$195,216,205	\$8,143,264	\$60,800	\$1,953,997

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

<u>TRACK</u>	<u>1992</u>	<u>1991</u>
Finger Lakes Race Track	\$414,235	\$446,141
Yonkers Raceway	2,109,246	2,319,796
Saratoga Raceway	53,515	57,060
Batavia Downs Raceway	130,443	134,818
Buffalo Raceway	169,353	152,103
Monticello Raceway	<u>16,956</u>	<u>13,109</u>
Total OTB Simulcast Credits	<u>\$2,893,748</u>	<u>\$3,123,027</u>

The effects of the above credits are as follows:

Total Pari-Mutuel Revenue to Tracks (See chart-distribution of revenues)	\$195,216,205	\$198,656,854
Plus Credits	<u>2,893,748</u>	<u>3,123,027</u>
Pari-Mutuel Revenue To Tracks Including Credits	<u>\$198,109,953</u>	<u>\$201,779,881</u>
Total Pari-Mutuel Revenue to State (See chart-distribution of revenues)	49,796,398	50,469,602
Less Credits	<u>(2,893,748)</u>	<u>(3,123,027)</u>
Net Pari-Mutuel Revenues to State After Credits	<u>\$46,902,650</u>	<u>\$47,346,575</u>

1992 IN STATE BETTING ON NEW YORK RACING AND COMPARISON WITH 1991 TOTALS
COMPLESES HANDLES FROM TRACKS OWN RACING ON-TRACK AND TRACK TO TRACK SIMULCASTS FROM NEW YORK BETTING, AND FROM OTB BETTING ON NEW YORK 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 TRACK'S OWN RACES AT ALL LOCATIONS, INCLUDING SIMULCASTS TO OTHER NEW YORK TRACKS, NEW YORK OTB, AND ON-TRACK)

RECEIVING TRACK	T R A C K S I M U L C A S T S P R O M										TOTALS	ON-TRACK BETTING OWN RACING	1992 TOTAL BETTING AT EACH TRACK	1991 TOTAL BETTING AT EACH TRACK	INCREASE (DECREASE) 1992-1991
	MIRA	FINGER LAKES	BAYAVIA	BUFFALO	MONTICELLO	SARATOGA	VERNON	YONKERS	SYRACUSE	TO					
THOROUGHBRED															
MIRA	\$ 38,279,428														
Finger Lakes	6,718,132			\$129,461											
TOTALS AT THOROUGHBRED TRACKS	\$44,997,560			\$129,461											
HARNESS															
Belavia	\$5,288,889	\$1,576,758													
Buffalo	5,620,616	2,874,296	\$4,716,656												
Monticello	6,892,272	1,244,341													
Saratoga	18,441,288	203,175													
Vernon	4,388,747	1,340,676	614,991	560,483											
Yonkers	107,767,840														
Syracuse Mile															
TOTALS AT HARNESS TRACKS	\$147,519,572	\$6,639,246	\$5,131,557	\$2,619,172	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
TOTALS AT THOROUGHBRED AND HARNESS	\$192,517,132	\$6,439,246	\$5,131,557	\$2,748,633	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
TOTAL OTB BETTING - N.Y. RACING	\$1,225,363,334	\$122,081,802	\$20,831,687	\$22,289,728	\$30,985,299	\$13,785,678	\$4,545,412	\$233,098,963	\$-	\$-	\$-	\$-	\$-	\$-	\$-
TOTALS AT OTHER LOCATIONS	\$1,417,880,466	\$120,521,048	\$25,963,164	\$25,038,353	\$30,985,299	\$13,785,678	\$4,545,412	\$235,185,897	\$221,811	\$1,673,183,626					
ON-TRACK BETTING - OWN RACING	\$ 781,896,570	\$ 41,685,956	\$14,988,754	\$20,987,001	\$34,650,199	\$24,860,092	\$23,927,077	\$169,932,583	\$2,100,750	\$1,115,036,982					
1992 BETTING EACH TRACK'S RACES	\$2,199,777,836	\$170,287,084	\$40,951,918	\$46,025,354	\$65,615,498	\$38,645,770	\$28,472,489	\$405,117,680	\$2,330,561	\$2,997,143,310					
1991 BETTING EACH TRACK'S RACES	\$2,249,693,141	\$169,719,623	\$42,257,443	\$43,448,065	\$60,217,101	\$41,415,179	\$33,205,821	\$445,523,325	\$2,098,189	\$3,087,578,087					
INCREASE - (DECREASE) 1992 - 1991	\$149,916,105	\$487,381	\$11,305,525	\$2,577,289	\$5,398,397	\$12,769,409	\$14,733,322	\$140,485,645	\$232,172	\$190,434,777					

**NYRA AND FINGER LAKES
1992 ON-TRACK BETTING STATISTICS
TRACK'S OWN RACING AND SIMULCASTS TO TRACK**

P I M G E R R L A K E S

N E W Y O R K R A C I N G A S S O C I A T I O N

	B E L M O N T				S A R A T O G A		S A R A T O G A		F I N G E R L A K E S	
	AQUEDUCT OWN RACING JAN1-MAY4 OCT.21-DEC.31	THOROUGHBRED OWN RACING MAY 6-JULY 7 SEPT.2-OCT.19	SARATOGA THOROUGHBRED OWN RACING JULY 29-AUG.31	THOROUGHBRED SIMULCAST TO AQUEDUCT JULY29-AUG31	THOROUGHBRED SIMULCAST TO AQUEDUCT JULY29-AUG31	THOROUGHBRED OWN RACING APR.4-DEC. 8	SIMULCAST FROM NYRA JAN1-APR3 DEC13-DEC31	SIMULCAST FROM BUFFALO JAN1-FEB23 DEC10DEC29	TOTAL BETTING AT NYRA TRACKS	TOTAL BETTING AT FINGER LAKES
Programs Raced	167	114	30	30	311	171	114	10	124	
Simulcast Days										
Attendance	1,469,015	1,297,403	761,931	206,500	3,734,849	347,506	39,410	-----	386,916	
Regular	\$99,287,490	\$82,124,222	\$34,542,926	\$9,579,747	\$225,534,385	\$9,500,442	\$1,268,114	\$22,864	\$10,791,420	
Multiple	236,782,995	183,350,517	55,983,143	23,166,238	499,202,893	23,597,172	4,252,869	72,464	27,922,505	
Exotic	25,055,707	19,441,370	8,686,018	3,567,842	56,750,937	8,588,342	1,025,467	34,133	9,647,942	
Superexotic	17,992,565	14,609,577	4,120,040	1,965,601	38,687,783	-0-	171,682	-0-	171,682	
Handle	379,038,757	299,525,686	103,332,127	38,279,428	820,175,998	41,685,956	6,718,132	129,461	48,533,549	
Takeout	\$67,911,270	\$53,684,778	\$18,602,993	\$6,955,524	\$147,154,565	\$8,576,599	\$1,240,768	\$27,142	\$9,844,509	
Breakage	2,049,689	1,633,214	627,925	192,091	4,502,919	211,273	33,312	669	245,254	
Total Takeout and Breakage	69,960,959	55,317,992	19,230,918	7,147,615	151,657,484	8,787,872	1,274,080	27,811	10,089,763	
State Tax on Handle	17,630,225	13,927,357	4,915,385	1,158,632	37,631,599	867,748	164,332	3,734	1,035,814	
State tax on Breakage	415,104	329,111	125,886	19,357	889,458	116,200	3,935	67	120,202	
Total Pari-mutuel Tax	18,045,329	14,256,468	5,041,271	1,177,989	38,521,057	983,948	168,267	3,801	1,156,016	
Association Commission	\$48,381,360	\$38,253,863	\$13,169,178	\$5,604,696	\$105,409,097	\$7,500,422	\$1,042,429	\$22,113	\$8,564,964	
Association Breakage	1,634,585	1,304,103	502,039	172,734	3,613,461	95,073	29,377	602	125,052	
Total to Association	50,015,945	39,557,966	13,671,217	5,777,430	109,022,558	7,595,495	1,071,806	22,715	8,690,016	
Horse Breeders Fund Share	\$1,899,685	\$1,503,550	\$518,430	\$192,196	\$4,113,869	\$208,429	\$34,007	\$1,295	\$243,731	
Gross Purses Paid	\$42,274,470	\$37,550,680	\$11,806,830	-----	\$91,631,980	\$9,711,633	-----	-----	\$9,711,633	
Minus Pools	15,117	22,487	2,380	941	40,925	334	-0-	-0-	334	
Uncashed Tickets to State	-----	-----	-----	-----	\$1,191,922	\$101,150	\$9,740	\$166	\$111,056	
State Admissions Taxes	\$92,259	\$118,450	\$99,024	\$1,234	\$310,967	\$12,322	-0-	-0-	\$12,322	
Average Daily Attendance	8,796	11,301	25,398	6,883	12,009	2,832	346	-----	-----	
Average Daily Handle	\$2,269,693	\$2,627,418	\$3,444,044	\$1,275,981	\$2,637,222	\$243,778	\$58,931	\$12,946	-----	
Per Capita Handle	\$258	\$231	\$136	\$185	\$219	\$120	\$170	-----	-----	
Percent of Breakage to Handle	0.54%	0.55%	0.61%	0.50%	0.55%	0.51%	0.50%	0.52%	-----	

**YORKERS, MONTICELLO, AND SARATOGA HARBNESS
1992 ON-TRACK STATISTICS
TRACK'S OWN RACING AND SIMULCASTS TO TRACK**

	Y O R K E R S			M O N T I C E L L O			S A R A T O G A			
	HARBNESS OWN RACING JANI-DEC31	SIMULCASTS FROM B.T.R.A. JANI-DEC31	TOTAL BETTING AT YORKERS	HARBNESS OWN RACING JANI-DEC30	SIMULCASTS FROM PINCER LAKES APR 4-DEC 8	TOTAL BETTING AT MONTICELLO	HARBNESS OWN RACING JANI-NOV28	SIMULCASTS FROM B.T.R. JUL21-SEP8	SIMULCASTS FROM YORKERS NOV30-DEC29	TOTAL BETTING AT SARATOGA
PROGRAMS RACED	357	311	357	310	171	206	184	206	184	184
SIMULCAST DAYS										
ATTENDANCE	716,909	621,946	1,338,855	281,014	2,333	322,164	299,712	89,248	2,246	391,998
REGULAR	\$43,198,154	\$28,410,104	\$71,608,258	\$7,741,605	\$242,833	\$9,441,739	\$7,325,652	\$5,064,150	\$44,875	\$12,516,320
MULTIPLE	91,122,361	66,999,033	158,121,394	18,190,780	733,271	22,825,218	13,441,679	11,012,130	126,928	24,801,404
EXOTIC	35,612,068	12,339,193	47,951,261	8,717,814	268,237	9,719,855	4,092,761	1,661,475	31,372	5,849,588
SUPEREXOTIC		19,510	19,510							
HANDLE	169,932,583	107,767,840	277,700,423	34,650,199	1,244,341	41,986,812	24,860,092	703,533	13,571	717,104
YAKDOOT	\$33,560,170	\$19,321,664	\$52,881,834	\$7,211,125	\$257,423	\$8,563,742	\$5,029,516	\$3,325,469	\$41,306	\$8,471,485
BRKAGE	1,147,282	577,983	1,725,185	203,880	5,634	241,400	179,996	103,075	820	286,275
TOTAL TAKEOUT AND BRKAGE	34,707,452	19,899,587	54,607,019	7,415,005	263,057	8,805,142	5,209,512	3,428,494	42,126	8,757,760
STATE TAX ON HANDLE	\$3,648,508	\$1,941,735	\$5,590,243	\$734,743	\$24,544	\$851,396	\$421,007	\$280,627	\$1,422	\$712,316
STATE TAX ON BRKAGE	573,642	59,306	632,948	101,940	564	105,786	89,999	11,386	82	101,710
TOTAL PART-NETWELL TAX	4,222,150	2,001,041	6,223,191	836,683	25,108	957,182	511,006	292,013	3,504	814,026
ASSOCIATION COMMISSION	\$28,212,336	\$16,839,588	\$45,051,924	\$6,129,872	\$226,657	\$7,329,034	\$4,359,907	\$2,952,227	\$36,868	\$7,413,137
ASSOCIATION BRKAGE	573,640	518,597	1,092,237	101,939	5,070	135,613	89,998	91,638	738	184,565
TOTAL TO ASSOCIATION	28,785,976	17,358,185	46,144,161	6,231,811	231,727	7,464,647	4,449,905	3,043,865	37,606	7,597,702
HOSE BREEDERS FUND SHARE	\$1,699,326	\$540,341	\$2,239,667	\$346,510	\$6,222	\$383,311	\$248,601	\$92,616	1,016	346,032
GROSS PUSES PAID	\$28,681,461		\$28,681,461	\$4,593,070		\$4,593,070	\$4,642,885			\$4,642,885
HINDS POOLS	\$12,834	\$2,388	\$15,222	\$212	\$5	\$227	\$278	\$441	\$1	\$728
UNLEASHED TICKETS TO STATE	\$175,807	\$135,339	\$311,146	\$72,617		\$84,131	\$48,244	\$34,352		\$82,596
STATE ADMISSION TAXES	\$24,971	\$7,177	\$32,148	\$3,415		\$3,415	\$9,172	\$2,930		\$12,174
AVERAGE DAILY ATTENDANCE	2,008	2,000		1,364	14		1,629	318	113	
AVERAGE DAILY HANDLE	\$476,002	\$346,520		\$168,205	\$7,277		\$135,109	\$65,627	\$29,025	\$18,993
PER CAPITA HANDLE	\$237	\$173		\$123	\$533		\$83	\$207	\$257	\$169
PERCENT OF BRKAGE TO HANDLE	0.68%	0.54%		0.59%	0.45%		0.72%	0.56%	0.40%	0.64%

1992 VERNON AND SYRACUSE ON-TRACK STATISTICS
 TRACK'S OWN RACING AND SIMULCASTS TO TRACK

S Y R A C U S E

V E R N O N D O W N S

	VERNON HARNESS OWN RACING APR9-NOV7 146	SIMULCAST FROM NYRA JAN2 - DEC30	SIMULCAST FROM FINGER LAKES APR4 - DEC8	SIMULCAST FROM YONKERS JAN2 - APR4 NOV12-DEC30	SIMULCAST FROM BUFFALO JAN2-FEB23 DEC2-DEC30	SIMULCAST FROM BATAVIA FEB27-APR4 NOV11-NOV28	TOTAL BETTING AT VERNON 146 706	S Y R A C U S E HARNESS OWN RACING AUG1-AUG16 7
PROGRAMS RACED	146	310	171	131	56	30		
SIMULCAST DAYS								
ATTENDANCE	281,053	49,343 (SEE NYRA)	18,864 (SEE YONKERS)	349,360 (SEE YONKERS)			17,149	
REGULAR	\$5,265,235	\$924,453	\$198,792	\$347,925	\$120,142	\$83,268	\$6,939,815	\$467,692
MULTIPLE	12,177,947	2,833,419	807,328	818,347	294,777	202,526	17,134,344	1,177,372
EXOTIC	6,483,895	550,875	334,556	464,423	145,564	129,107	8,108,420	463,736
SUPEREXOTIC								
HANDLE	\$23,927,077	\$4,308,747	\$1,340,676	\$1,630,695	\$560,483	\$414,901	\$32,182,579	\$2,108,750
TAKEROOT	\$5,004,779	\$777,250	\$200,887	\$330,739	\$116,972	\$87,770	\$6,598,397	\$435,583
BREAKAGE	147,724	23,132	5,310	10,471	3,197	2,021	191,855	11,706
TOTAL TAKEROOT AND BREAKAGE	\$5,152,503	\$800,382	\$206,197	\$341,210	\$120,169	\$89,791	\$6,790,252	\$447,289
STATE TAX ON HANDLE	\$528,647	\$67,872	\$28,809	\$37,097	\$12,115	\$9,957	\$684,497	\$41,726
STATE TAX ON BREAKAGE	73,862	2,313	531	1,047	320	202	78,275	5,853
TOTAL PARI-MUTUEL TAX	\$602,509	\$70,185	\$29,340	\$38,144	\$12,435	\$10,159	\$762,772	\$47,579
ASSOCIATION COMMISSION	\$4,236,861	\$687,739	\$244,692	\$277,335	\$99,252	\$73,664	\$5,619,543	\$372,770
ASSOCIATION BREAKAGE	73,862	20,819	4,779	9,424	2,877	1,819	113,580	5,853
TOTAL TO ASSOCIATION	\$4,310,723	\$708,558	\$249,471	\$286,759	\$102,129	\$75,483	\$5,733,123	\$378,623
HORSEBREEDERS FUNDS SHARE	\$239,271	\$21,639	\$7,306	\$16,307	\$5,605	\$4,149	\$294,357	\$21,087
GROSS PURSES PAID	\$3,925,280						\$3,925,280	\$1,352,150
MINUS POOLS	901	1,009	6	242	2	1	2,161	794
UNCASHED TICKETS TO STATE	\$59,312						\$66,215	\$5,256
STATE ADMISSION TAXES	\$9,331						\$9,331	\$547
AVERAGE DAILY ATTENDANCE	1,925							2,450
AVERAGE DAILY HANDLE	\$163,884	\$13,899	\$7,840	\$12,448	\$10,009	\$10,918	\$301,250	\$301,250
PER CAPITA HANDLE	\$85							\$123
PERCENT OF BREAKAGE TO HANDLE	0.62%	0.54%	0.40%	0.64%	0.57%	0.49%		0.56%

BATAVIA AND BUFFALO
1992 ON-TRACK BETTING STATISTICS
TRACK'S OWN RACING AND SIMULCASTS TO TRACK

	BATAVIA			BUFFALO			BATAVIA			BUFFALO		
	SIMULCAST FROM	SIMULCAST FROM	SIMULCAST FROM	SIMULCAST FROM	SIMULCAST FROM	SIMULCAST FROM	SIMULCAST FROM	SIMULCAST FROM	SIMULCAST FROM	SIMULCAST FROM	SIMULCAST FROM	
PROGRAMS RACED	125	126	311	171	125	126	125	310	170	8	126	
SIMULCAST DAYS												
ATTENDANCE	120,256	120,256	120,256	171	608	608	204,035	26,212	10,947	710	282,919	
REGULAR	\$3,516,010	\$463,591	\$1,104,900	\$359,287	\$5,443,796	\$5,367,883	\$951,305	\$1,801,581	\$547,888	\$19,271	\$8,687,928	
MULTIPLE	7,528,347	991,569	3,459,160	872,146	12,851,222	10,055,388	2,350,054	3,045,759	1,069,803	39,479	16,560,483	
ZIOTIC	3,944,389	603,529	724,749	345,325	5,617,992	5,563,730	1,415,297	773,276	456,605	16,828	8,225,736	
SUPERZIOTIC												
HANDLE	\$14,988,754	\$2,058,689	\$5,288,809	\$1,576,758	\$23,913,010	\$20,987,001	\$4,716,656	\$5,620,616	\$2,074,296	\$75,578	\$33,474,147	
TAKEOUT	3,124,651	432,642	957,423	395,433	4,840,149	4,368,230	995,070	1,010,158	426,732	14,984	6,823,174	
BREAKAGE	90,076	12,207	27,250	7,647	137,180	133,780	26,039	29,291	11,070	477	200,657	
TOTAL TAKEOUT AND BREAKAGE	\$3,214,727	\$444,849	\$984,673	\$333,080	\$4,977,329	\$4,502,010	\$1,021,109	\$1,047,449	\$437,802	\$15,461	\$7,023,831	
STATE TAX ON HANDLE	\$324,795	\$47,406	\$85,190	\$31,088	\$488,559	\$454,386	\$110,815	\$95,409	\$40,625	\$1,492	\$702,807	
STATE TAX ON BREAKAGE	45,038	1,221	2,735	765	49,759	66,763	2,604	2,928	1,107	48	73,450	
TOTAL PARI-MUTUEL TAX	\$369,833	\$48,707	\$87,925	\$31,853	\$538,318	\$521,149	\$113,419	\$98,417	\$41,732	\$1,540	\$776,257	
ASSOCIATION COMMISSION	\$2,649,968	\$364,569	\$845,789	\$286,461	\$4,146,787	\$3,703,974	\$837,088	\$894,427	\$375,735	\$12,736	\$5,823,980	
ASSOCIATION BREAKAGE	45,038	10,986	24,515	6,882	87,421	67,017	23,435	26,363	9,963	429	127,207	
TOTAL TO ASSOCIATION	\$2,695,006	\$375,555	\$870,304	\$293,343	\$4,234,208	\$3,770,991	\$860,523	\$920,790	\$385,698	\$13,165	\$5,951,187	
HORSEBREEDERS FUNDS SHARE	\$149,888	\$20,587	\$26,444	\$7,884	\$204,803	\$209,870	\$47,167	\$28,242	\$10,372	\$756	\$296,407	
GROSS PURSES PAID	\$3,523,260				\$3,523,260	\$3,797,450					\$3,797,450	
HINDUS POOLS	69				69	73	19	107	32	9	240	
UNCASHED TICKETS TO STATE	\$35,813	\$885	\$5,839	\$2,164	\$43,901	\$44,124	\$662	\$9,634	\$3,454		\$57,874	
STATE ADMISSIONS TAXES	4,540				4,540	2,408					2,408	
AVERAGE DAILY ATTENDANCE	962				1,619	1,619	329	85	64	89		
AVERAGE DAILY HANDLE	\$119,910	\$16,339	\$17,006	\$9,221	\$166,564	\$166,564	\$37,733	\$18,131	\$12,202	\$9,447		
PER CAPITA HANDLE	\$125				\$103	\$103	\$115	\$214	\$189	\$106		
PERCENT OF BREAKAGE OF HANDLE	0.60%	0.59%	0.51%	0.48%	0.57%	0.64%	0.55%	0.52%	0.53%	0.61%	0.40%	

COMPARISON OF GROSS PURSES PAID - 1992 TO 1991

	PURSES PAID 1992				GROSS PURSES PAID 1991	INCREASE OR (DECREASE)	PERCENT OF INCREASE OR (DECREASE)
	TRACK FUNDS	+ HORSEBREEDERS FUNDS	+ HORSEMEN'S FEES & OTHER SOURCES	= GROSS PURSES PAID 1992			
TRACK							
Aqueduct	\$ 41,479,710	\$ 100,000	\$ 694,760	\$ 42,274,470	\$ 41,056,430	\$ 1,218,040	2.97%
Belmont	35,083,730	-----	2,466,950	37,550,680	36,623,050	927,630	2.53
Saratoga	10,895,080	-----	911,750	11,806,830	11,338,350	468,480	4.13
Total N.Y.R.A.	\$ 87,458,520	\$ 100,000	\$ 4,073,460	\$ 91,631,980	\$ 89,017,830	\$ 2,614,150	2.94
Finger Lakes	8,104,350	1,395,500	211,775	9,711,633	9,886,390	(174,757)	(1.77)
Total Thoroughbred	\$ 95,562,870	\$ 1,495,500	\$ 4,285,235	\$101,343,613	\$ 98,904,220	\$ 2,439,393	2.47
HARNESS							
Batavia Downs	\$ 2,777,085	\$ 238,000	\$ 508,175	\$ 3,523,260	\$ 3,401,191	\$ 122,069	3.59
Buffalo Raceway	2,990,985	543,165	263,300	3,797,450	3,784,880	12,570	0.33
Monticello	3,656,370	653,697	283,003	4,593,070	4,832,380	(239,310)	(4.95)
Saratoga	3,876,280	597,600	169,005	4,642,885	4,877,244	(234,359)	(4.81)
Syracuse Mile	124,945	778,905	448,300	1,352,150	1,389,944	(37,794)	(2.72)
Vernon Downs	2,366,657	279,600	1,279,023	3,925,280	4,127,375	(202,095)	(4.90)
Yonkers Raceway	22,514,400	3,233,812	2,933,249	28,681,461	29,462,891	(781,430)	(2.65)
TOTAL HARNESS	38,306,722	6,324,779	5,884,055	50,515,556	51,875,905	(1,360,349)	(2.62)
TOTAL ALL TRACKS	\$133,869,600	\$7,820,279	\$10,169,290	\$151,859,169	\$150,780,125	\$1,079,044	0.72

COMPARISON OF FINES AND SUSPENSION
THOROUGHBRED AND HARNESS RACING

<u>TRACK</u>	<u>FINES</u>		<u>SUSPENSIONS</u>	
	<u>NUMBER ISSUED</u> <u>1992</u>	<u>TOTAL AMOUNT</u> <u>1992</u>	<u>NUMBER ISSUED</u> <u>1992</u>	<u>NUMBER OF DAYS</u> <u>1992</u>
NYRA	31	\$12,200	31	345
Finger Lakes	46	3,545	40	352
TOTAL THOROUGHBRED	77	15,745	71	697
Batavia	50	3,350	36	295
Buffalo	49	2,650	44	223
Monticello	111	6,055	82	465
Saratoga	78	5,150	64	728
Syracuse	0	0	2	4
Vernon Downs	53	3,250	28	46
Yonkers	155	16,850	83	103
TOTAL HARNESS	496	37,305	339	2,850
Main Office	5	175	7	20
TOTAL ALL TRACKS	578	\$53,225	417	3,787

TAKEOUT DISTRIBUTIONS AS PERCENTAGES OF ON-TRACK HANDLES

	State Tax	Breeding Fund	Track Retention Before Purses	For Track Capital Improvements	Total (Takeout)
THOROUGHBRED RACING:					
<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%

HARNESS RACING:

<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)

	State Tax	Track Retention Before Minus Pools And Purses
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 pay-off 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.

1992 OFF-TRACK BETTING TOTAL HANDLE BY TRACK AND REGION

IN-STATE THOROUGHBRED NYRA	NEW YORK CITY	NASSAU	SUFFOLK	CATSKILL	CAPITAL	WESTERN	TOTAL ALL REGIONS
Aqueduct	\$340,882,827	\$75,281,845	\$67,808,122	\$41,410,920	\$71,900,833	\$50,772,457	\$648,057,004
Belmont	248,927,011	48,593,610	48,182,224	27,857,005	48,885,230	24,449,993	446,895,073
Saratoga	66,032,326	14,545,979	12,922,540	8,152,280	21,905,738	6,852,394	130,411,257
NYRA TOTAL HANDLE	\$655,842,164	\$138,421,434	\$128,912,886	\$77,420,205	\$142,691,801	\$82,074,844	\$1,225,363,334
Finger Lakes	25,749,312	5,078,774	4,369,216	12,416,860	27,240,044	47,227,596	122,081,802
TOTAL IN-STATE THOROUGHBRED	\$681,591,476	\$143,500,208	\$133,282,102	\$89,837,065	\$169,931,845	\$129,302,440	\$1,347,445,136
OUT-OF-STATE THOROUGHBRED							
Calder	\$9,495,836	\$1,581,315	\$1,078,767	\$973,246	\$1,557,696	\$1,606,407	\$16,293,267
Gulfstream Park	7,975,601	1,063,135	756,425	716,434	1,056,898	1,249,311	12,817,804
Hialeah	914,223	116,892	85,386	92,653	109,751	147,631	1,466,536
Hollywood Park					87,429	7,660	95,089
Laurel	5,395,191	795,531	592,527	612,917	582,817	1,000,196	8,979,179
Monmouth Park	8,652,136	1,182,028	824,083	782,643	1,028,031	467,715	12,936,636
Philadelphia Park					357,379		357,379
Pimlico	3,211,693	482,962	327,216	337,076	422,712	369,712	5,151,371
Santa Anita					155,144	31,329	186,473
TOTAL OUT-OF-STATE THOROUGHBRED	\$35,644,680	\$5,221,863	\$3,664,404	\$3,514,969	\$5,357,857	\$4,879,961	\$58,283,734
SPECIAL EVENTS - THOROUGHBRED							
Breeders' Cup	\$4,083,292	\$942,495	\$874,187	\$645,822	\$1,066,715	\$773,677	\$8,386,188
Kentucky Derby	2,955,323	730,365	617,033	645,385	783,023	792,365	6,523,494
Preakness Stakes	2,156,773	524,289	437,179	434,650	541,304	559,776	4,653,971
OTHERS (see next page)	5,339,908	1,147,406	971,187	743,732	1,530,522	984,020	10,716,775
TOTAL SPECIAL EVENTS	\$14,535,296	\$3,344,555	\$2,899,586	\$2,469,589	\$3,921,564	\$3,109,838	\$30,280,428
TOTAL THOROUGHBRED HANDLE	\$731,771,452	\$152,066,626	\$139,846,092	\$95,821,623	\$179,211,266	\$137,292,239	\$1,436,009,298
IN-STATE HARNESS HANDLE							
Yonkers Raceway	\$109,203,639	\$37,800,537	\$36,118,560	\$24,276,847	\$18,002,862	\$7,696,518	\$233,098,963
Monticello Raceway	17,782,688	3,672,928	2,732,287	5,103,982	1,273,070	400,344	30,965,299
Saratoga Raceway					13,785,678		13,785,678
Vernon Downs					3,808,057	737,355	4,545,412
Batavia Downs					1,979,050	18,852,557	20,831,607
Buffalo Raceway					2,606,108	19,683,612	22,289,720
Syracuse Mile					52,377	169,434	221,811
Total In-State Harness	\$126,986,327	\$41,473,465	\$38,850,847	\$29,380,829	\$41,507,202	\$47,539,820	\$325,738,490
SPECIAL EVENTS HARNESS							
Breeders' Crown	\$133,899	\$39,699	\$38,501	\$29,282	\$68,126	\$62,970	\$372,477
Hambletonian	47,007	8,050	7,173	11,862	5,486	6,217	85,795
OTHERS (see next page)	22,630	7,664	5,030	3,029	12,987	68,842	120,182
Total Out-of-State Harness	\$203,536	\$55,413	\$50,704	\$44,173	\$86,599	\$138,029	\$578,454
TOTAL HARNESS HANDLE	\$127,189,863	\$41,528,878	\$38,901,551	\$29,425,002	\$41,593,801	\$47,677,849	\$326,316,944
TOTAL OFF-TRACK HANDLE	\$858,961,315	\$193,595,504	\$178,747,643	\$125,246,625	\$220,805,067	\$184,970,088	\$1,762,326,242

1992 OFF-TRACK BETTING SPECIAL EVENTS TOTAL HANDLE BY EVENT AND REGION

	NEW YORK CITY	MASSAU	SUFFOLK	CATSKILL	CAPITAL	WESTERN	TOTAL ALL REGIONS
THOROUGHBRED SPECIAL EVENTS							
Breeders' Cup	\$4,083,292	\$942,495	\$874,187	\$645,822	\$1,066,715	\$773,677	\$8,386,188
Kentucky Derby	2,955,323	730,365	617,033	645,385	783,023	792,365	6,523,494
Preakness Stakes	2,156,773	524,289	437,179	434,650	541,304	559,776	4,653,971
Other:					\$5,689	\$7,172	\$12,861
Alcibiades Stakes					74,988	51,038	668,774
Arlington Million	349,202	71,250	65,265	57,031	33,432	24,889	58,321
Beverly D. Handicap					890		890
Breeders Futurity					34,441	30,405	321,891
Bud/Hawthorne Gold Cup	209,798	47,247			32,735	18,330	333,277
Budweiser International	185,577	38,916	34,228	23,491	10,373		10,373
C.F. Burke International					126,101	102,196	1,007,577
Donn Handicap	512,459	113,705	80,095	73,021	10,365		10,365
Fayette Handicap					130,734	122,108	1,077,013
Florida Derby	528,744	120,285	100,546	74,596	83,352		83,352
Gulfstream Special (5 Races)					8,769		48,576
Hawthorne Derby			39,807		15,159		15,159
Hollywood Express Stakes					41,506	30,512	406,926
Hollywood Gold Cup	205,990	35,907	33,721	59,290	10,261		10,261
Hollywood Preview Stakes					15,006		15,006
Hollywood Starlet					77,606	41,502	599,499
Iselin Handicap	303,727	67,836	58,056	50,772	11,243		11,243
Laz Barrera Stakes					8,741		8,741
Linda Vista Handicap					45,461	25,867	389,297
Louisiana Super Derby	202,792	45,643	42,119	27,415	15,495		15,495
Malibu Stakes					19,908	19,636	39,544
Meadowlands Cup					28,663		28,663
Miesque & Hoist The Flag Stakes (2 Races)					9,169		9,169
Moccasin Stakes					57,880	47,567	495,148
Molson Million	263,179	49,053	43,292	34,177	81,292	63,355	707,809
Oaklawn Handicap	368,719	78,285	66,609	49,549	8,651		8,651
Oak Tree Invitational					60,462	35,656	488,632
Pacific Classic	255,580	58,401	43,502	35,031	21,934	16,656	38,590
Pegasus Handicap					43,137	15,895	407,688
Penn Derby	220,245	49,408	50,509	28,494	84,012	75,544	784,941
Pimlico Special	416,521	81,530	72,500	54,834	34,721	28,997	397,665
Rothmans Handicap	216,380	51,332	39,966	26,269	86,336	80,267	830,051
Santa Anita Derby	399,418	80,475	72,040	111,515	102,337	98,796	756,129
Santa Anita Handicap	398,069	91,361	65,566		24,101	12,470	36,571
Secretariat Stakes					39,786	20,974	339,665
Spinster Stakes	177,218	42,270	37,237	22,180	5,879		5,879
Underwood Stakes					29,907	14,188	237,083
Washington Futurity	126,290	24,502	26,129	16,067			
TOTAL OTHER SPECIAL EVENTS	\$5,339,908	\$1,147,406	\$971,187	\$743,732	\$1,530,522	\$984,020	\$10,716,775
TOTAL THOROUGHBRED SPECIALS	14,535,296	3,344,555	2,899,586	2,469,589	3,921,564	3,109,838	30,280,428
SPECIAL EVENTS HARNESS							
Breeders' Crown	\$133,899	\$39,699	\$38,501	\$29,282	\$68,126	\$62,970	\$372,477
Hambletonian	47,007	8,050	7,173	11,862	5,486	6,217	85,795
Other:						12,204	12,204
Battle of Lake Erie						31,131	31,131
Little Brown Jug						6,725	49,933
Woodrow Wilson Pace	22,630	7,664	5,030	3,029	4,855	9,244	9,244
Presidential Pace					8,132	9,538	17,670
Meadowlands Pace							
TOTAL OTHER SPECIAL EVENTS	\$22,630	\$7,664	\$5,030	\$3,029	\$12,987	\$68,842	\$120,182
TOTAL HARNESS SPECIALS	\$203,536	\$55,413	\$50,704	\$44,173	\$86,599	\$138,029	\$578,454
TOTAL SPECIAL EVENTS	\$14,738,832	\$3,399,968	\$2,950,290	\$2,513,762	\$4,008,163	\$3,247,867	\$30,858,882

TOTAL HANDLE BY CORPORATION (SINCE INCEPTION)

	NEW YORK CITY	NASSAU	SUPFOLK	CATSKILL	CAPITAL	WESTERN	TOTAL
1971	118,588,586	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 118,588,586
1972	450,316,518	---	---	---	2,316,716*	---	452,633,234
1973	691,280,360	---	---	---	11,414,046*	---	702,694,406
1974	786,711,622	---	---	---	15,098,937*	13,440,146	815,250,705
1975	773,550,528	27,903,980	30,367,693	---	9,808,799*	55,239,443	906,858,411
1976	785,910,123	69,662,629	67,723,374	15,561,237	40,303,650	73,741,970	1,052,902,983
1977	777,437,682	90,692,862	77,426,355	41,729,116	55,041,267	85,725,016	1,128,052,298
1978	791,853,715	102,674,979	87,840,290	52,433,415	67,987,889	103,739,971	1,206,530,259
1979	835,815,437	134,958,752	109,146,866	66,849,752	91,720,613	133,535,290	1,372,026,710
1980	879,639,694	142,586,319	117,253,548	73,982,592	102,669,278	146,491,353	1,462,622,784
1981	891,276,192	149,594,168	122,394,341	80,120,747	108,653,823	153,324,442	1,505,363,713
1982	883,510,575	155,304,423	130,558,401	82,561,063	124,920,812	144,429,719	1,521,285,993
1983	866,764,759	159,442,909	136,539,171	88,668,362	134,616,018	145,961,464	1,531,992,683
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
TOTAL	\$17,905,897,302	\$2,705,950,330	\$2,494,656,259	\$1,588,496,827	\$2,616,560,860	\$2,666,464,960	\$29,978,026,538

COMPARISON OF 1992 TOTAL HANDLE TO 1991 TOTAL HANDLE

OTB CORPORATION	1992	1991	INCREASE (DECREASE)	INCREASE (DECREASE)
NEW YORK CITY	\$ 858,961,315	\$904,201,790	(\$45,240,475)	(5.00)%
NASSAU	193,595,504	196,960,292	(3,364,788)	(1.70)
SUPFOLK	178,747,643	185,302,638	(6,554,999)	(3.54)
CATSKILL	125,246,625	121,541,890	3,704,735	3.05
CAPITAL	220,805,067	226,402,623	(5,597,556)	(2.47)
WESTERN	184,970,088	185,500,554	(530,466)	(0.29)
TOTAL	\$1,762,326,242	\$1,819,909,787	(\$ 58,114,011)	(3.19)%

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

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STATEMENT OF REVENUES NET OF EXPENSES - 1992 PRELIMINARY FIGURES

	NEW YORK CITY	NASSAU	SUFFOLK	CATSKILL	CAPITAL	WESTERN	TOTAL
Non-Simulcast Handle	\$184,147,181	\$74,746,100	\$30,725,265	\$46,554,976	\$46,690,115	\$17,988,655	\$700,852,292
Simulcast Handle	174,814,134	118,849,403	148,022,374	78,691,649	174,114,952	166,981,433	1,061,473,945
Net Handle	\$358,961,315	\$193,595,503	\$178,747,639	\$125,246,625	\$220,805,067	\$184,970,088	\$1,762,326,237
OTB TAKE OUT AND BREAKAGE	163,411,845	37,180,463	34,236,845	24,319,296	42,647,497	37,141,142	338,937,088
Less Statutory Payments To:							
N.Y. State	\$13,051,597	\$2,983,468	\$2,856,024	\$1,940,969	\$3,403,104	\$2,849,709	\$27,084,871
Breeder's Fund	4,944,108	1,178,486	1,090,510	774,990	1,318,487	1,165,700	10,472,281
Track (Inc. Contractual)	46,128,915	11,250,287	11,055,770	7,725,279	13,019,767	12,193,196	101,373,214
City of Albany					301,524		301,524
Total Statutory Payments	\$64,124,620	\$15,412,241	\$15,002,304	\$10,441,238	\$18,042,882	\$16,208,605	\$139,231,890
Net Racing Revenue	\$99,287,225	\$21,768,223	\$19,234,541	\$13,878,058	\$24,604,615	\$20,932,537	\$199,705,199
OTHER REVENUE:							
Admission Income	\$510,885		\$211,194		\$173,546		\$895,625
Lottery Income	14,160		86,898	161,392	569,366	287,774	1,119,590
Concession Income	283,894		82,631	20,658	574,361	57,787	1,019,331
Derived from Surcharge	439,364			237,463	444,267	344,415	1,465,509
Interest Income	748,317	45,744	76,086	189,294	101,566	36,740	1,197,747
Other	279,155	396,821	397,788	115,680	662,786	113,639	1,965,869
Total Operating Revenue	\$101,563,000	\$22,210,788	\$20,089,138	\$14,602,545	\$27,130,507	\$21,772,892	\$207,368,870
OPERATING EXPENSES:							
Branch Expenses	\$71,780,093	\$12,484,075	\$13,978,739	\$9,240,361	\$17,090,785	\$16,345,376	\$142,919,429
Corporate Expenses	26,706,692	5,416,037	4,681,531	3,593,474	10,009,997	3,833,597	54,241,328
TOTAL OPERATING EXPENSES	\$98,486,785	\$17,900,112	\$18,660,270	\$12,833,835	\$27,100,782	\$20,178,973	\$197,160,757
	11.70%	9.25%	10.44%	10.25%	12.27%	10.91%	11.12%
EARNINGS FOR OWN LOCALITIES	\$1,076,215	\$4,310,676	\$1,428,868	\$1,768,710	\$29,725	\$1,593,919	\$10,208,113
Less Contribution to Cap. Acquis. Fund				432,715		535,000	967,715
NET EARNINGS FOR OWN LOCALITIES	\$1,076,215	\$4,310,676	\$1,428,868	\$1,335,995	\$29,725	\$1,058,919	\$9,240,398
	0.13%	2.23%	0.80%	1.07%	0.01%	0.57%	0.52%
SURCHARGE TO OWN LOCALITIES	25,011,222	\$4,633,420	2,975,294	2,773,074	4,254,754	4,830,254	44,478,018
Total Benefits to Own Localities	\$26,087,437	\$8,944,096	\$4,404,162	\$4,109,069	\$4,284,479	\$5,889,173	\$53,718,416
SURCHARGE TO LOCALITIES OUTSIDE REGION	6,910,939	2,788,176	2,588,995	2,278,097	3,271,115	2,567,899	20,425,221
TOTAL BENEFITS TO ALL LOCALITIES	\$33,018,376	\$11,732,272	\$6,993,157	\$6,387,166	\$7,555,594	\$8,457,072	\$74,143,637
	3.84%	6.06%	3.91%	5.10%	3.42%	4.57%	4.25%
Capital Acquisition Funds:							
Contributions from Net Earnings				\$432,715		\$535,000	\$967,715
Supplemental 1% Surcharge	4,532,949	1,079,312	785,662	749,008	1,074,661	1,119,941	9,341,533
Total Capital Acquisition Funds	\$4,532,949	\$1,079,312	\$785,662	\$1,181,723	\$1,074,661	\$1,654,941	\$10,309,248
Cash distributed in 1992 for current year							
net earnings and prior year undistributed							
net earnings for own localities	\$1,000,000	\$4,558,939	\$1,720,245	\$1,809,997	\$1,164,945	\$621,382	\$10,875,508
	0.12%	2.35%	0.96%	1.45%	0.53%	0.34%	0.62%

NOTE: Percentages (%) are of Net Handle.

1992 OTB PARI MUTUEL TAX, BREAKAGE AND ADMISSION TAX TO STATE PLUS UNCASHED TICKETS

	NEW YORK CITY	NASSAU	SUPPOLK	CATSKILL	CAPITAL	WESTERN	TOTAL ALL REGIONS
THOROUGHBRED TAX AND BREAKAGE							
NYRA							
Aqueduct	\$5,525,426	\$1,233,178	\$1,113,073	\$668,111	\$1,158,413	\$833,877	\$10,532,078
Belmont	4,008,648	795,753	787,319	\$449,960	783,623	401,665	7,226,969
Saratoga	1,097,674	243,179	216,646	\$136,054	363,189	117,384	2,174,126
NYRA TOTAL	\$10,631,748	\$2,272,110	\$2,117,038	\$1,254,126	\$2,305,225	\$1,352,926	\$19,933,173
Finger Lakes	417,069	79,738	71,699	203,391	454,693	793,789	2,020,379
TOTAL NEW YORK STATE THOROUGHBRED	\$11,048,817	\$2,351,848	\$2,188,737	\$1,457,517	\$2,759,918	\$2,146,715	\$21,953,552
Out-of-State Tracks	545,533	82,656	61,737	55,987	82,202	78,567	906,682
Special Events	270,874	59,669	81,883	\$44,095	70,196	52,763	579,480
THOROUGHBRED TAX AND BREAKAGE	\$11,865,224	\$2,494,173	\$2,332,357	\$1,557,599	\$2,912,316	\$2,278,045	\$23,439,714
Less NYRA simulcast credit (1992)	237,659	60,795					298,454
Less NYRA simulcast credit (1991)	231,747						231,747
NET THOROUGHBRED TAX AND BREAKAGE	\$11,395,818	\$2,433,378	\$2,332,357	\$1,557,599	\$2,912,316	\$2,278,045	\$22,909,513
HARNESS TAX AND BREAKAGE							
Yonkers	\$1,412,498	\$494,583	\$480,240	\$308,855	\$228,660	\$100,253	\$3,025,089
Monticello	239,002	54,431	41,998	73,498	16,511	5,443	430,883
Batavia					21,878	220,827	242,705
Buffalo					28,198	230,155	258,353
Saratoga Raceway					141,594		141,594
Vernon Downs					51,286	10,069	61,355
Syracuse Mile					718	1,975	2,693
TOTAL NEW YORK STATE HARNESS	\$1,651,500	\$549,014	\$522,238	\$382,353	\$488,845	\$568,722	\$4,162,672
Special Events	4,279	1,076	1,429	\$1,017	1,943	2,942	12,686
TOTAL ALL HARNESS AND BREAKAGE	\$1,655,779	\$550,090	\$523,667	\$383,370	\$490,788	\$571,664	\$4,175,358
TOTAL OTB PARI-MUTUEL TAX AND BREAKAGE THOROUGHBRED AND HARNESS	\$13,051,597	\$2,983,468	\$2,856,024	\$1,940,969	\$3,403,104	\$2,849,709	\$27,084,871
TOTAL UNCASHED TICKETS - 1991	\$3,107,566	\$608,074	\$523,776	\$438,005	\$888,144	\$595,000	\$6,160,565
TELETHEATER ADMISSION TAX	20,098		8,135		6,558		34,791
TOTAL TO STATE	\$16,179,261	\$3,591,542	\$3,387,935	\$2,378,974	\$4,297,806	\$3,444,709	\$33,280,227

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1992 GROSS REVENUE TO CITIES AND COUNTIES FROM OTB

LOCALITY	OTB PROFITS	SURCHARGE	
		REVENUE	TOTAL
New York City	\$1,076,215	\$31,707,333	\$32,783,548
Nassau	4,310,676	10,234,458	14,545,134
Suffolk	1,428,868	2,975,294	4,404,162
Catskill Participants	1,335,995	2,773,074	4,109,069
Capital Participants	29,725	4,269,419	4,299,144
Western Participants	1,058,919	4,914,251	5,973,170
City of Yonkers		4,023,327	4,023,327
Sullivan County		565,334	565,334
Ontario County		806,629	806,629
Saratoga County		2,629,816	2,629,816
Onondaga County		4,305	4,305
TOTAL	\$9,240,398	\$64,903,240	\$74,143,638

GOVERNMENT REVENUE FROM OTB OPERATIONS

To New York State (including Uncashed Tickets and Teletheater Admission Tax less Tax Credits)		\$33,280,227
To Cities and Counties	\$74,143,638	
City of Albany Simulcast Tax	301,524	74,445,162
TOTAL GOVERNMENT REVENUE		\$107,725,389

RECORD OF OTB STATE REVENUE (SINCE INCEPTION)

YEAR	OTB HANDLE	REVENUE TO STATE	UNCASHED	TOTAL
			TICKETS FROM PRIOR YEAR	REVENUE TO STATE
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	1,052,902,903	19,217,653	4,958,163	24,175,816
1977	1,128,052,290	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	1,462,622,704	25,074,071	6,236,757	31,310,828
1981	1,505,363,713	25,365,499	6,152,721	31,518,220
1982	1,521,285,993	25,578,445	6,656,648	32,235,093
1983	1,531,992,603	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	1,950,837,446	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	1,819,909,758	28,095,320	6,433,000	34,528,320
1992	1,762,326,340	27,119,662	6,160,565	33,280,227
TOTAL	\$29,978,026,605	\$477,515,829	\$121,874,015	\$599,389,844

*Also shares as participants of respective regions in profits

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DISTRIBUTION OF SURCHARGE MONIES - 1992

	NEW YORK CITY	MASSAU	SUFFOLK	CATSKILL	CAPITAL	WESTERN	TOTAL
TO PARTICIPATING COUNTIES:	\$25,011,222	\$4,633,420	\$2,975,294	\$2,773,074	\$4,254,754	\$4,830,254	\$44,478,018
TO OTHER LOCALITIES							
New York City	1,796,827	\$1,700,825	\$1,233,219	\$1,030,721	\$1,525,695	\$1,205,651	\$6,696,111
City of Yonkers	3,540,459	712,113	550,230	505,327	302,717	156,113	4,023,327
Massau County	320,774	63,442	558,624	446,637	665,147	390,171	5,601,038
Sullivan County	48,819	29,593	48,612	100,854	23,664	7,988	565,334
Ontario County	1,224,060	282,203	7,104	26,385	49,364	645,364	806,629
Saratoga County			191,207	168,173	619,479	144,694	2,629,816
Oneida County						14,665	14,665
Onondaga County					1,052	3,253	4,305
Erie County					47,470		47,470
Genesee County					36,527		36,527
TOTAL OTHER LOCALITIES	\$6,930,939	\$2,788,176	\$2,588,996	\$2,278,097	\$3,271,115	\$2,567,899	\$20,425,222
TOTAL SURCHARGE	\$31,942,161	\$7,421,596	\$5,564,290	\$5,051,171	\$7,525,869	\$7,398,153	\$64,903,240

*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.

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SUMMARY OF 1992 DIRECT AND REGIONAL OFF-TRACK BETTING PAYMENTS TO TRACKS

	DIRECT TRACK COMMISSIONS	PAYMENTS TO TRACKS IN REGIONAL COMMISSIONS	SIMULCASTING CONTRACTUAL COMMISSIONS	TOTAL TRACK COMMISSIONS
	-----	-----	-----	-----
IN-STATE THOROUGHBRED				
NYRA				
Aqueduct	\$26,322,061			\$26,322,061
Belmont	18,454,546			18,454,546
Saratoga	5,188,073			5,188,073
	-----	-----	-----	-----
NYRA TOTAL HANDLE	57,020,628	\$1,512,193	\$7,588,075	\$66,120,896
Finger Lakes	4,971,894	540,384	967,057	6,479,335
	-----	-----	-----	-----
TOTAL IN-STATE THOROUGHBRED	\$61,992,522	\$2,052,577	\$8,555,131	\$72,600,231
OUT-OF-STATE THOROUGHBRED				
Calder	\$341,365			\$341,365
Gulfstream Park	246,379			246,379
Hialeah	27,871			27,871
Hollywood Park	1,697			1,697
Laurel	173,847			173,847
Monmouth Park	244,620			244,620
Philadelphia Park	6,806			6,806
Pimlico	97,902			97,902
Santa Anita	3,519			3,519
	-----			-----
TOTAL OUT-OF-STATE THOROUGHBRED	\$1,144,006			\$1,144,006
SPECIAL EVENTS THOROUGHBRED				
Breeders' Cup	\$365,674			\$365,674
Kentucky Derby	414,934			414,934
Preakness Stakes	297,706			297,706
Others	495,501			495,501
	-----			-----
TOTAL SPECIAL EVENTS - THOROUGHBRED	\$1,573,815			\$1,573,815
TOTAL THOROUGHBRED	\$64,710,343	\$2,052,577	\$8,555,131	\$75,318,051
IN-STATE HARNESS				
Yonkers Raceway	\$10,292,188	\$891,540	\$955,905	\$12,139,633
Monticello Raceway	1,580,718	889,846	0	2,470,563
Saratoga Raceway	669,680	3,882,226	134,392	4,686,298
Vernon Downs	237,984	1,222,941	0	1,460,925
Batavia Downs	1,026,358	1,368,217	231,903	2,626,478
Buffalo Raceway	1,085,454	1,102,796	363,847	2,552,097
Syracuse Mile	3,492	0	0	3,492
	-----	-----	-----	-----
TOTAL IN-STATE HARNESS	\$14,895,874	\$9,357,566	\$1,686,047	\$25,939,487
SPECIAL EVENTS - HARNESS				
Breeders' Crown	\$18,765			\$18,765
Hambletonian	4,110			4,110
Others	6,188			6,188
	-----			-----
TOTAL SPECIAL EVENTS - HARNESS	\$29,063			29,063
TOTAL HARNESS	\$14,924,937	\$9,357,566	\$1,686,047	\$25,968,550
TOTAL THOROUGHBRED AND HARNESS	\$79,635,280	\$11,410,143	\$10,241,179	\$101,286,601
	=====	=====	=====	=====

1992 OTB PAYMENTS TO THOROUGHBRED AND HARNESS BREEDERS FUND

	NEW YORK	NASSAU	SUPPOLK	CATSKILL	CAPITAL	WESTERN	TOTAL
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IN-STATE THOROUGHBRED							
NYRA							
Aqueduct	\$1,704,414	\$376,406	\$339,040	\$207,055	\$359,498	\$253,851	\$3,240,264
Belmont	1,244,635	242,966	240,911	139,285	244,430	122,250	2,234,477
Saratoga	330,162	72,729	64,613	40,761	109,528	34,262	652,056
	-----	-----	-----	-----	-----	-----	-----
NYRA TOTAL HANDLE	\$3,279,211	\$692,102	\$644,564	\$387,101	\$713,456	\$410,363	\$6,126,797
Finger Lakes	128,748	25,394	24,325	62,084	136,199	\$236,138	612,880
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TOTAL IN-STATE THOROUGHBRED	\$3,407,959	\$717,496	\$668,889	\$449,185	\$849,655	\$646,501	\$6,739,685
OUT-OF-STATE THOROUGHBRED	179,562	26,109	15,843	17,575	26,787	24,413	290,289
SPECIAL EVENTS THOROUGHBRED	85,524	19,591	16,762	13,980	26,104	18,008	179,969
	-----	-----	-----	-----	-----	-----	-----
TOTAL OUT-OF-STATE THOROUGHBRED	\$265,086	\$45,701	\$32,605	\$31,555	\$52,891	\$42,421	\$470,258
	-----	-----	-----	-----	-----	-----	-----
TOTAL THOROUGHBRED	\$3,673,045	\$763,197	\$701,494	\$480,740	\$902,546	\$688,922	\$7,209,944
IN-STATE HARNESS							
Yonkers Raceway	\$1,092,037	\$378,005	\$336,528	\$242,768	\$180,029	\$76,944	\$2,306,312
Monticello Raceway	177,828	36,729	51,981	51,040	12,732	4,003	334,313
Saratoga Raceway					137,858		137,858
Vernon Downs					38,080	7,368	45,448
Batavia Downs					19,792	188,526	208,318
Buffalo Raceway					26,060	196,859	222,919
Syracuse Mile					524	1,694	2,218
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TOTAL IN-STATE HARNESS	\$1,269,865	\$414,735	\$388,509	\$293,808	\$415,075	\$475,394	\$3,257,386
SPECIAL EVENTS HARNESS	1,198	554	507	442	866	1,384	4,951
	-----	-----	-----	-----	-----	-----	-----
TOTAL HARNESS	\$1,271,063	\$415,289	\$389,016	\$294,250	\$415,941	\$476,778	\$3,262,337
	-----	-----	-----	-----	-----	-----	-----
TOTAL THOROUGHBRED AND HARNESS	\$4,944,108	\$1,178,485	\$1,090,510	\$774,990	\$1,318,487	\$1,165,700	\$10,472,281

1992 STATE OF CONNECTICUT OFF-TRACK BETTING ON NEW YORK RACES

	<u>TOTAL HANDLE</u>	<u>TRACK COMMISSION</u>	<u>LESS N.Y.S STATE TAX*</u>	<u>NET TRACK REVENUE</u>
<u>NEW YORK STATE THOROUGHBRED</u>				
Aqueduct	\$ 54,174,633	\$2,789,993	----	\$2,789,993
Belmont	36,408,561	1,880,420	----	1,880,420
Saratoga	10,261,909	528,487	----	528,487
TOTAL THOROUGHBRED (NYRA)	\$100,845,103	\$5,198,900	----	\$5,198,900
<u>NEW YORK STATE HARNESS</u>				
Yonkers	\$ 16,155,825	\$ 779,562	\$241,248	\$ 538,314
THOROUGHBRED AND HARNESS	\$117,000,928	\$5,978,462	\$241,248	\$5,737,214

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	---
1985	170,910,815	---
1986	173,523,988	---
1987	164,711,542	---
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

*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 and Roosevelt Raceways from mid 1982 through 1987 refunded following a court decision are not included above. Monticello commissions are not subject to a state tax.

PART II
SIMULCAST REPORT



INTRODUCTION

Nineteen hundred and ninety-two was the eighth full calendar year of comprehensive statewide simulcasting of horse races within New York State. It was the second full year under the permanent statutory authorization of simulcasting. "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.

It was authorized by Governor Cuomo and the Legislature in July 1984, on a one-year experimental basis. The purpose of the 1984-85 experiment was to determine if simulcasting could promote the overall growth of the racing, pari-mutuel wagering and breeding industries, resulting in additional revenues for the support of racing associations and corporations, purses, breeders, off-track betting corporations, labor and state and local government. The one-year experimental scheme for simulcasting ran from July 1, 1984 to June 30, 1985, pursuant to Chapter 363 of the Laws of 1984.

After careful study and analysis of that experiment during 1985, including this Board's 1984 Simulcast Report and recommendations to the Governor and Legislature (dated March 27, 1985), the Legislature then passed and Governor Cuomo approved, Chapters 286 and 287 of the Laws of 1985. The 1985 laws amended the provisions of Article X of the Racing, Pari-Mutuel Wagering and Breeding Law and authorized 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).

Throughout the first six months of 1990, extensive consultations and negotiations were held among the Executive Chamber, the leadership and staff of both houses of the Legislature as well as all segments of the industry. The process was designed to create a framework for extending the authorization of simulcasting as well as addressing other racing issues. After long and arduous discussions, an omnibus racing bill was considered by the Legislature in the last days of June. However, the legislation was not enacted before the prior experiment expired on June 30, 1990.

Therefore, on July 1, 1990, all simulcasting within New York State ceased. On July 1 and 2, 1990, the Legislature considered an omnibus bill. It was passed by the Legislature and signed into law by the Governor on July 2, 1990 as Chapter 346 of the Laws of 1990.

The revised statutory authorization (Chapter 346, Laws of 1990) 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. Chapter 346 was designed specifically to remove statutory obstacles to growth and establish a framework to force race tracks and off-track betting corporations to work together and negotiate positions in good faith for the benefit of racing and government.

To accomplish this goal, "prior consent" provisions were removed from the law and replaced with a more positive "make available" approach. Under this scheme, if NYRA, for example, wants to simulcast its signal to Yonkers, it can do so only if the signal is also made available to all OTB corporations within the NYRA betting region (i.e. Catskill, New York City, Nassau and Suffolk). Yonkers can then only accept the signal if its signal is similarly made available to the OTBs. Once the signal is made available, and on display at the respective facilities, each track and OTB corporation negotiates appropriate price and location contracts. If an agreement cannot be reached, the legislation provides for binding arbitration, wherein an arbitrator makes a determination based on the "last best offer" made by the parties.

In order to augment each OTB corporation's ability to maintain and modernize its facilities, the 1990 legislation authorized each OTB corporation to increase the surcharge on multiple and exotic bets by one percent, and dedicate same to capital acquisitions. The legislation also provided New York racing fans with additional wagering opportunities on races of special interest. All race tracks and OTB corporations can simulcast 12 special event thoroughbred races selected by the Board. In addition, as an incentive to encourage more participation and fan interest in harness racing, New York's harness tracks were exclusively authorized to simulcast up to five harness races of special interest with a provision for additional reciprocal simulcasting of New York and Canadian harness racing.

To facilitate New York's participation in nation-wide merging of pools, the legislation authorized the combination of wagering pools from New York with tracks in other states and foreign jurisdictions and vice versa, in order to effectuate a common payoff between sending and receiving tracks.

The statute also authorized NYRA to operate simulcast theaters within the New York City, Nassau, Suffolk and portions of the Catskill OTB Regions without OTB's consent, provided NYRA obtains the approval of the governing body of the particular locality.

The legislation authorized race tracks to operate telephone betting accounts with a minimum balances of \$500 (\$1,000 minimum at NYRA tracks). The New York City Off-Track Betting Corporation was authorized to waive the surcharge on all telephone accounts. In addition, all other OTB corporations were empowered to suspend the surcharge on telephone accounts with a minimum balance of \$500 at the time of the wager.

The 1991 legislative session saw only minor changes to the statutory framework. In addition to allowing the Board to combine this report with the tax credit report, the Legislature and the Governor approved simulcasting the Kentucky Derby, Preakness Stakes and the Breeders' Cup races to all pari-mutuel facilities. In addition, wagering on Finger Lakes' premier race, "The New York Derby", was allowed at OTB corporations throughout the State.

In 1992 the legislature enacted several more significant changes to the law:

- As part of the 1992-93 Budget Legislation, NYRA was directed to remit a special supplemental franchise fee consisting of the proceeds of sale of certain Aqueduct real estate or suffer certain alterations to the structure of its Board of Trustees. NYRA did convey such property and did remit upwards of \$50 million to the state thereby obviating the changed governing board.

- The New York Jockey Injury Compensation Fund, which funds workers' compensation benefits for jockeys and exercise riders of thoroughbred horses was given power to establish more equitable assessment formulae.

- Simulcasting of 35 additional out-of-state thoroughbred special events was authorized for tracks and OTB corporations.

- Minimum deposits for NYRA telephone accounts were reduced.

-Simulcasts of out-of-state races into NYRA, its satellite receivers and OTBs were authorized on days NYRA races were curtailed or called off for safety reasons until March 31, 1993.

-Simulcasts of out-of-state programs were authorized to NYRA satellites and OTBs on regular thoroughbred "dark days" until March 31, 1993.

During 1992 and early 1993 out-of-state races were simulcast into NYRA and its outlets on days NYRA races were curtailed or cancelled with mixed results.

No out-of-state programs were simulcast on thoroughbred dark days due to numerous technical problems with the statutory conditions.

Both of these authorizations expired as provided, on March 31, 1993.

In January 1992, Governor Cuomo announced that together with the legislative leadership, they would establish a commission to examine the structure and functions of racing and wagering within the Empire State.

In May 1992, Governor Cuomo issued an executive order creating the New York Advisory Commission on Racing in the 21st Century. The Commission has nine members, three appointed by the Governor, three by the Speaker of the Assembly and three by the Senate Majority Leader. The final report of the commission is to be issued to the Governor and the Legislature by June 1, 1993.

In making the provisions of Article X permanent, the Legislature continued to find that the racing, breeding and pari-mutuel wagering industry is an important sector of the economy of this State, providing substantial revenues to state and local governments, and employing thousands of state residents. The Legislature determined that simulcasting has the potential for strengthening and furthering these economic contributions, and that it is in the best interest of the State to continue to encourage simulcasting.

The Legislature continued general supervisory and regulatory jurisdiction for all simulcasting in the New York State Racing and Wagering Board (Board) in accordance with basic guidelines established by the Legislature in Article X. In exercising its regulatory authority, the Board was directed (by the Legislature) not to authorize any simulcasts which would jeopardize present racing or employment opportunities or which would infringe on the current operations or markets of the race tracks and the

regional off-track betting corporations which generate significant revenues for local governments in the State.

Section 1002(2) of the Racing, Pari-Mutuel Wagering and Breeding Law (hereinafter Racing Law) requires the Board to submit annually a report on March thirty-first following each year in which simulcasting is conducted, to the Director of the Budget, and the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee. This report on simulcasting is to evaluate its compatibility with the well-being of the horse racing, breeding and pari-mutuel wagering industries in the State, and the Board is to make any recommendations deemed appropriate. It may also include the Board's annual report on the utilization of certain tax credits by the State's harness tracks and Finger Lakes Race Track. In accordance with the statutory mandate, the Board respectfully submits this, its ninth report, for the year ending December 31, 1992.

DEFINITIONS

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

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

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 audiovisual 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 branches which offers simulcasting. The Board has classified this category as an 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 such telebranches and enhanced telebranches, OTB corporations have 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.

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, 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. Again, simply put, simulcast branches tend to draw customers from non-simulcast branches.

The July 1985 amendments to the simulcast statute provided that compensation for simulcasting was a matter to be agreed upon by the tracks and the OTB corporations.

However, a new formula defining simulcast handle was written. The new definition does not apply to compensation to be paid by an OTB corporation for simulcasting. It serves as the basis for computing tax credits now granted by the State to the tracks (except the New York Racing Association) as an incentive to encourage the tracks to simulcast their races to OTB branches. For this purpose, SIMULCAST HANDLE is defined as the entire handle of an OTB simulcast branch on the races of the track being simulcast.

APPLICATION PROCESS AND GUIDELINES

In authorizing intra-state 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 tracks the sunset provisions of both the experiment's statutory authority, as well as certain provisions of the permanent authorization. In addition, 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 new legislative procedure, which expires on July 15, 1992 has not yet been invoked.

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, 1992 commenced the 1992-93 licensing year. Under this procedure, 198 simulcast facility licenses were issued and a total of \$99,000 in fees was received and remitted to the State's general fund as of December 31, 1992.

A breakdown by applicant is set forth below:

1992 - 1993 LICENSING YEAR (JULY 1 - DECEMBER 31, 1992)

<u>APPLICANTS</u>	<u>NUMBER OF LICENSES ISSUED</u>	<u>FEES PAID</u>
New York City OTB	50	\$25,000
Nassau OTB	13	6,500
Suffolk OTB	12	6,000
Catskill OTB	20	10,000
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	1	500
TOTAL	198	\$99,000

One simulcast facility licenses had also been issued during the first half of 1992 for the prior licensing year, generating \$500 in fees.

Therefore, during calendar year 1992, a total of 199 simulcast facility licenses were issued, and fees totaling \$99,500 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
AND RACE TRACKS DURING 1992

During 1992, the eighth full year of the simulcast experiment, each of the State's race tracks (with the exception of Vernon Downs and the Syracuse Mile) made a simulcast signal of its races available to some or all of the State's six off-track betting corporations. Eight of the State's 11 race tracks also were receiving tracks for simulcast signals.

The simulcasting of NYRA races was continued by Yonkers (for 311 days), Saratoga Raceway (for 281 days), Finger Lakes (for 114 days), Vernon Downs (for 310 days), Monticello Raceway (for 310 days), Batavia Downs (for 311 days), Buffalo Raceway (for 310 days), as well as Aqueduct's simulcasting of the 30-day Saratoga meet. Saratoga Raceway simulcast Finger Lakes races (on Tuesdays during the Saratoga Race Track meet and for part of September for seven days). Batavia simulcast FLRT races (for 171 days) and Buffalo Raceway races (for 126 days). In addition, Buffalo Raceway simulcast FLRT races (for 170 days) and Batavia Down's races (for 125 days). Vernon Downs continued its day-night simulcasting with Yonkers' races (for 131 days), Buffalo's races (for 56 days) and Batavia's (for 38 days). FLRT also simulcast Buffalo's races (for 10 days).

Simulcasting of in-state races by all off-track betting corporations continued on races from NYRA, Finger Lakes, Monticello and Yonkers Raceways. Capital OTB continued to simulcast Saratoga Raceway races and simulcasting of Batavia Downs and Buffalo Raceway's harness races took place in the Capital and Western regions.

In 1992, the combined statewide on and off-track handle for all tracks fell by \$83.4 million (2.63%), compared to 1991. On-track thoroughbred handle declined by .33%, while on-track harness handle fell 6.93%. Total off-track handle fell 3.16%. Total simulcast handle, however, continued to rise. During 1992, 41.7 % of the State's total betting handle was wagered at simulcast facilities compared to 40.5% in 1991.

A total of 198 simulcast facility licenses were issued in 1992, four more than in 1991. Eight were issued to race tracks (Aqueduct Race Track, Yonkers Raceway, Saratoga Raceway, Monticello Raceway, Batavia Downs, Buffalo Raceway, Vernon Downs and Finger Lakes Race Track), five to simulcast theaters (two in New York City, one each in Albany, Hauppauge and to a hotel, Friar Tuck Inn, in Catskill, New York) and 185 to off-track betting branches throughout the State.

The Racing Law establishes three distinct classifications of simulcast facilities. Total simulcast handle during 1992 in each class were: Track to Track, \$209 million (up 9.3%

compared to 1991); OTB Branches, \$937 million (down 1.05%) and Simulcast Theaters, \$141 million (down 3.3%).

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.

In 1992, Western relocated three branches, two into buildings which they recently purchased and renovated and the other into a building which was built from the ground up. In addition, an enhanced branch was opened at the Buffalo Airport and a Tel-A-Bet Centre was opened in Niagara Falls. Western began 1992 with 47 branches and ended the year with 48 branches and the Tel-A-Bet Centre.

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

In 1992, Western OTB handled \$137.3 million on thoroughbred races and \$47.7 million on harness races for a total of \$185 million, a decrease of \$530,000 or 0.3% as compared to 1991. This total accounts for 10.5% of all New York State OTB handle in 1992. Western ranks fourth in the State in terms of total betting handle. Based on its total \$185 million handle for 1992 (as compared to \$185.5 million in 1991), Western generated the following:

	<u>1992</u>	<u>1991</u>
Statutory Payments:		
N.Y. State	\$2,849,709	\$2,828,527
Breeders' Fund	1,165,700	1,162,714
Tracks (incl. contractual)	12,193,196	12,190,476
Total Operating Expenses	20,178,973	19,406,044
Percentage of Handle	10.9%	10.5%
Net Earnings to Own Localities*	1,058,919	1,501,551
Percentage of Handle	0.57%	0.81%
Surcharge:		
To Own Localities	5,475,618	5,487,136
To Localities Outside Region	1,922,535	1,973,607

*Western's net earnings to localities were reduced by \$1,065,000 in 1991 and \$535,000 in 1992 and allocated to its Capital Acquisition Fund.

In 1992, Western received simulcasts in 47 of 48 branches and the Tel-A-Bet Centre or 97.9% of its branches. Of its total handle in 1992, \$167 million or 90.3% was wagered on simulcast races.

Western's 1992 handle for NYRA was \$81.9 million, a decrease of \$2.1 million or 2.5% compared to 1991. Simulcast locations, of which 48 were operational for varying numbers of days during the year, accounted for \$77.5 million or 94.6% of total NYRA sales, a decrease of \$1.4 million or 1.8% as compared to 1991. The daily average handle for the simulcast locations was \$6,451 per branch compared to \$6,804 in 1991.

Western's 1992 handle for Finger Lakes Race Track was \$47.2 million, a decrease of \$732,000 or 1.5% as compared to 1991. The simulcast locations accounted for \$44.6 million or 94.5% of the total Finger Lakes sales, an increase of \$6,200 or 0.01% as compared to 1991. The daily average handle for the simulcast locations was \$5,725 per branch, compared to \$5,981 in 1991.

Western's 1992 handle for Buffalo Raceway was \$19.7 million, an increase of \$1 million or 5.6% over 1991. Simulcast locations, of which 48 were operational for varying numbers of days during the year, accounted for \$17.5 million or 88.7% of the total Buffalo Raceway sales, an increase of \$1.3 million or 8.2% over 1991. The daily average handle for the simulcast locations was \$5,474 per branch compared to \$5,068 in 1991.

Western's 1992 handle for Batavia Downs was \$18.9 million, a decrease of \$325,000 or 1.7% as compared to 1991. Simulcast locations, of which 46 were operational for varying numbers of days during the year, accounted for \$16.8 million or 88.9% of the total Batavia Downs sales, an increase of \$707,000 or 4.4% over 1991. The daily average handle for the simulcast locations was \$4,817 per branch compared to \$4,952 in 1991.

Western simulcast Yonkers Raceway's matinee and/or evening programs during various periods in 1992. Western OTB'S 1992 handle for Yonkers Raceway was \$7.7 million, an increase of \$385,000 or 5.3% over 1991. Simulcast locations, of which 48 were operational for varying numbers of days during the year, accounted for \$7.3 million or 94.5% of total Yonkers sales, an increase of \$434,000 or 6.4% over 1991. The daily average handle for the simulcast locations was \$1,887 as compared to \$1,964 in 1991.

Western's 1992 handle for Monticello Raceway was \$400,000, a decrease of \$63,000 or 13.5% as compared to 1991. Simulcast locations, of which 46 were operational for varying numbers of days during the year, accounted for \$169,000 or 42.3% of total Monticello Raceway sales, a decrease of

\$116,000 or 40.7% as compared to 1991. Western only simulcast five Monticello programs in 1992 compared to nine in 1991. The daily average handle for the simulcast locations was \$842 as compared to \$707 in 1991.

Western OTB also accepted wagers on various out-of-state race tracks. The Racing Law authorized OTB corporations to accept wagers (not simulcasts) on out-of-state thoroughbred race tracks, when the non-profit racing association (NYRA) is not conducting racing. A 1992 amendment to the Racing Law now allows the simulcast of an out-of-state thoroughbred track when there is no in-state thoroughbred racing (dark day) under certain conditions. The conditions have been deemed undesirable and so, this provision has not been employed. The amendment also allows for simulcast of out-of-state races by OTB when NYRA cancels racing and substitutes an out-of-state simulcast track. Western simulcast Calder Race Track when NYRA cancelled their card and took Calder races on December 11, 1992. Western's thoroughbred handle on that day, when only Calder wagers were accepted, was \$200,000. The daily average handle without simulcasting was \$117,212 in 1992 (on these days Western offered wagering on more than one track). Western OTB accepted wagers on eight out-of-state tracks on NYRA dark days in 1992. Total handle for these dark-day tracks was \$4.9 million; this compares to eight out-of-state tracks with a total handle of \$4 million in 1991, an increase of \$840,000 or 20.7%.

Other recent changes in the law (see 905 & 905-a) in Chapters 503 and 764 of the Laws of 1992 have expanded the number of thoroughbred special events which may be simulcast and wagers accepted on from fifteen (15) to fifty (50). The eight Breeders' Cup and seven American Championship Racing Series (ACRS) thoroughbred races are considered as one race each. The number of harness races of special interest which an OTB is allowed to take wagers on (not simulcasts) remains at five. The Breeders' Crown and Hambletonian, which may be simulcast, do not count against the five out-of-state harness races of special interest allowed to OTB.

Wagering was conducted on 20 thoroughbred races of special interest and seven harness races of special interest. Western OTB's handle totaled \$3.2 million for the 27 special events, an increase of \$327,000 or 11% over 1991. All out-of-state wagering amounted to \$8.1 million for Western OTB, an increase of \$1.1 million or 16% over 1991.

Western attributes the trend of declining or stagnating handle over the last two years largely to the proliferation of inter-track wagering at Buffalo Raceway, Batavia Downs and Finger Lakes Race Track. Western indicates that \$27 million was handled at these inter-track 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 the inter-track wagering site at Fort Erie, Canada, which began inter-track wagering in October 1992.

Western paid NYRA \$2.1 million in statutory payments, based on simulcast handle and \$969,000 in simulcast contractual payments. On July 15, 1991, Western signed a contract with NYRA which extends through July 13, 1993. This agreement calls for Western to pay NYRA 1.25% of the net daily handle generated by all wagers at all simulcast branches. NYRA will pay for the uplink. Should the relevant statutes be amended during the term of the agreement, to increase or decrease statutory payments, then either NYRA or Western may elect to renegotiate the terms of the contract.

Finger Lakes was paid \$2.3 million in statutory payments, based on simulcast handle and \$446,000 as a simulcast contractual payment. On April 3, 1992, Western signed an agreement with Finger Lakes which ran through December 31, 1992. Under the terms of this agreement, Western will pay Finger Lakes 1% of net simulcast handle. Finger Lakes will pay the uplink. On November 25, 1992 Western signed a contract with Finger Lakes which begins 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 \$900,000 in statutory payments, based on simulcast handle and \$349,000 in simulcast contractual payments. On January 13, 1992 Western and Buffalo Raceway entered into a contract covering the spring 1992 meet, 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 total net handle wagered in Western branches, except that Sunday evening handle, which is not simulcast to Western, shall not be subject to this 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 for the uplink. The simulcast payments include consideration paid by Western for permission granted by Buffalo Raceway to establish a simulcast theater in Niagara County. Western may terminate the contract if a favorable simulcast agreement is not reached with NYRA for a simulcast theater.

Batavia Downs was paid \$864,000 in statutory payments, based on simulcast handle and \$218,000 in simulcast contractual payments. On February 26, 1992, Western signed a simulcast contract with Batavia Downs which extended through April 18, 1992. Under the terms of the contract, Western

agreed to pay Batavia Downs 1.5% of simulcast handle for all simulcast races with a first race post after 5:30 p.m. and 1.75% of simulcast handle for all matinee programs per day. Simulcast handle was defined as the total wagers made that day on Batavia races placed at least one hour prior to post time. This agreement was extended by letter for the meet ending November 28, 1992. (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 under the same terms for three consecutive one-year renewals at the mutual concurrence of Batavia Downs and Western. Western will pay Batavia 1.5% of net simulcast handle on all wagers. Batavia Downs will pay for the uplink.)

Yonkers was paid \$157,000 in statutory payments, based on simulcast handle and \$36,000 in simulcast contractual payments. Western's simulcast contract with Yonkers is open-ended. Western can accept Yonkers simulcasts whenever permitted by law. 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 \$4,400 in statutory payments based on simulcast handle and no simulcast contractual payments. There is no written contract with Monticello Raceway. Monticello pays for the uplink.

Wagering at Western OTB has produced significant payments both to in-region and out-of-region municipalities. Surcharge generated by wagering on NYRA was \$3.5 million; Finger Lakes, \$2 million; Batavia, \$763,000; Buffalo, \$810,000; Yonkers, \$312,000 and Monticello, \$16,000.

A 1985 amendment to Section 532 of the Racing Law provided that, where a track located in a thoroughbred special betting district (Finger Lakes) 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 this statute, Western received \$344,000 in revenue in 1992.

For the signal from Yonkers Raceway, Western paid a total of \$170,000 to a simulcast vendor. The cost of the signals from Finger Lakes Race Track, NYRA, Batavia 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. By the end of 1992, Western had 50 SVTs operating in 30 branches. Total handle for these SVTs was \$6.8 million, an increase of \$3.9 million or 130.8%.

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. By the end of 1992 Western had 121 surcharge-free accounts, with a handle of \$2.7 million. Total telephone betting handle was \$6.1 million an increased of \$1.4 million or 28.7% over 1991.

In conjunction with the surcharge-free telephone betting accounts, Western opened a VIP Tel-A-Bet Center in space available in its Military Road, Niagara Falls branch. This facility, which opened in February, 1992 offers complimentary racing forms, programs, coffee, multiple forms of racing information, telephones, televisions and limited food service. Entry into the facility is limited to patrons who have surcharge-free accounts. The Board has ordered Western to provide weekly reports on handle and attendance figures. Permanent approval for this facility and any future facilities of this kind depends on the results of this experiment. To date, Western requested and was granted an extension for this facility through February 1994. The Tel-A-Bet Centre has, in recent months shown a small profit after several months of sustained losses. As of December 31, 1992 there were 72 active accounts at the Tel-A-Bet Centre. Handle for the Tel-A-Bet Centre was \$873,000. There is evidence that a portion of its handle was cannibalized from the adjacent Military Rd. branch.

In 1992, Western set up branch operations in two buildings which it purchased and renovated: State St., Rochester and Newark. The Newark branch which offers deli style food service and alcoholic beverages, is Western's first enhanced branch. In addition, a branch on W. Ridge Rd. in Rochester, was built from the ground up. A second branch located on W. Broad St., Rochester was built from the ground up and opened on January 27, 1993. Western opened its second enhanced branch in November of 1992. This branch is located in the Buffalo Airport terminal. A branch operation located in an airport has never been tried by an OTB corporation. The Board has granted Western permission to conduct a one-year experiment. Approval for a permanent branch depends on the profitability of this experiment. The concessionaire, which originally served deli style food and alcoholic beverages, stopped operations in the branch after three weeks due to a lack of business. To date, handle figures are below original expectations.

Western acquired 21 properties through December of 1992 at a total cost of \$11.8 million including costs for land, buildings, renovations and improvements.

Western used the sale of bond anticipation notes from 1987 through 1989 to finance construction. As of December 31, 1992, total corporate debt from the bonds and notes totaled \$877,000.

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 contribution shall exceed the lesser of 1% of the corporation's quarterly net handle or 50% of the corporation's quarterly net revenues, 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 1992, Western contributed a total of \$535,000 to the Fund and earned an additional \$2,300 in interest as a direct result of this legislation.

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. In 1992, Western earned \$1.1 million from the supplemental surcharge and an additional \$38,000 in interest.

Western has accrued a total of \$1.7 million from both sources in 1992. Since inception, Western has accrued a total of \$6.9 million in the fund and expended \$5.7 million leaving \$1.3 million in the fund at year's end.

Western is planning on opening a simulcast theater in the Niagara Falls Rainbow Center Mall in May of 1993. An agreement has been reached with Buffalo Raceway officials concerning the terms under which Buffalo Raceway would allow a simulcast theater to operate. Renovations are currently underway.

On January 1, 1990 Board Rule 5204.16 went into effect. The rule requires every off-track betting facility to provide its patrons with restrooms unless good cause, satisfactory to the Board, can be shown.

Western currently has restrooms in 44 of its 49 branches and plans to have restrooms in one additional facility by the end of 1993. Western has asked the Board for a waiver of the rule for its remaining branches, citing a lack of space and impending lease expirations. Western's request is under review by the Board's staff.

simulcast handle, to NYRA in 1992 were \$3.3 million. Simulcast contractual payments in 1992 totaled \$969,000.

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 1991, NYRA initiated a lawsuit in regard to Capital's dissemination of the live call to Nassau OTB via its cable television network (TV-12). In August 1992, Capital OTB's contract with NYRA was amended. This amendment resulted from Capital broadcasting the live audio call of the NYRA racing program, the "NYRA Pre-Race Show" and video replays of the daily NYRA races on the Off-Track Betting Communications Network, both within and outside of the Capital region. Capital agreed to discontinue any video or audio replays of the daily NYRA races on the OTB Communications Network or any other broadcast media and to pay NYRA \$100 in settlement of any damages suffered or claimed. The agreement continued Capital's right to broadcast the live call over commercial radio. In addition the agreement 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's 1992 handle for Saratoga Raceway was \$13.8 million, a decrease of \$675,000 or 4.7% as compared to 1991. Simulcast locations accounted for \$6.4 million or 46.7% of the total Saratoga sales, a decrease of \$1.5 million or 19.4% as compared to 1991. The daily average handle for these simulcast locations was \$6,993 per branch as compared to \$8,533 in 1991.

Capital OTB distributed \$460,000 in surcharge revenue from winning Saratoga Raceway wagers. Statutory payments, based on simulcast handle, to Saratoga Raceway in 1992 were \$313,000. Simulcast contractual payments totaled \$134,000 in 1992. The modified agreement with Saratoga Raceway, signed on July 12, 1991 has a term of five years from January 1, 1988 to December 31, 1992. The agreement calls for Capital to 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). Capital shall also reimburse Saratoga Raceway an amount equal to \$400,000, as reimbursement for a portion of the stakes contributions (payable as purses to horsemen) paid by Saratoga for the annual Battle of Saratoga Stakes. This

amount shall be paid in monthly installments of \$22,222 commencing on July 31, 1991.

Capital OTB's 1992 handle for Finger Lakes was \$27.2 million, a decrease of \$37,000 or 0.1% as compared to 1991. Simulcast locations accounted for \$24.7 million or 90.5% of the total Finger Lakes sales, an increase of \$112,000 or 0.5% over 1991. The daily average handle for these simulcast locations was \$3,139 per branch as compared to \$3,326 in 1991.

Capital OTB distributed \$987,000 in surcharge revenue from winning Finger Lakes wagers. Of this, \$444,000 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 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 surcharge allocated to the county in which such track is located shall be allocated 90% to the OTB corporation (as regular earnings) and 10% to the county. Statutory payments, based on simulcast handle, to Finger Lakes in 1992 were \$872,000. Simulcast contractual payments totaled \$272,000 in 1992. Capital OTB had an agreement with Finger Lakes for the 1992 season, April 4 to December 8. 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's 1992 handle for Yonkers Raceway was \$18 million, a decrease of \$1.5 million or 7.7% as compared to 1991. Simulcast locations accounted for \$15.8 million or 87.7% of the total Yonkers sales, a decrease of \$1.4 million or 8.2% as compared to 1991. The daily average handle for these simulcast locations was \$2,817 per branch as compared to \$3,158 in 1991. Capital simulcasts Yonkers into certain branches within Saratoga Raceway's region when that track was racing. The Friar Tuck Inn (a Special Demonstration Project), New Lebanon and Plattsburgh were allowed to simulcast other harness tracks when Saratoga Raceway was racing because of Capital's inability to microwave simulcasts of Saratoga to these branches.

Capital OTB distributed \$605,000 in surcharge revenue from winning Yonkers wagers. Statutory payments, based on simulcast handle, to Yonkers in 1992 were \$342,000. Simulcast contractual payments totaled \$68,000 in 1992. 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 OTB's 1992 handle for Batavia Downs was \$2 million, an increase of \$63,000 or 3.3% as compared to 1991. Simulcast locations accounted for \$1.8 million or 90% of the total Batavia sales, an increase of \$131,000 or 7.9% as compared to 1991. The daily average handle for these simulcast locations was \$1,400 per branch as compared to \$1,436 in 1991.

Capital OTB distributed \$73,000 in surcharge revenue from winning Batavia sales. Statutory payments, based on simulcast handle, to Batavia in 1992 were \$49,000. Simulcast contractual payments totaled \$14,000 in 1992. 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's 1992 handle for Buffalo Raceway was \$2.6 million, an increase of \$403,000 or 18.3% over 1991. Simulcast locations accounted for \$2.3 million or 89.5% of the total Buffalo sales, an increase of \$384,000 or 19.7% over 1991. The daily average handle for these simulcast locations was \$2,088 per branch as compared to \$1,750 in 1991.

Capital OTB distributed \$95,000 in surcharge revenue from winning Buffalo wagers. Statutory payments, based on simulcast handle, to Buffalo in 1992 were \$64,000. Simulcast contractual payments totaled \$15,000 in 1992. 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's 1992 handle for Monticello Raceway was \$1.3 million, an increase of \$819,000 or 180.2% as compared to 1991. Simulcast locations accounted for \$418,000 or 32.9% of the total Monticello sales, an increase of \$233,000 or 125.9% as compared to 1991. The daily average handle for these simulcast locations was \$1,159 per branch as compared to \$712 in 1991.

Capital OTB distributed \$47,000 in surcharge revenue from winning Monticello wagers. Statutory payments, based on simulcast handle, to Monticello in 1992 were \$11,000. Capital OTB agreed to pay Monticello \$250 per race date for the right to simulcast, but no simulcast contractual payments were paid in 1992.

In return for consent from Vernon Downs (which did not simulcast its races) to simulcast races from harness tracks outside the special betting district to OTB branches within the district (when Vernon was racing), Capital agreed to guarantee a minimum payment of \$75,000 over the prior year's statutory commissions. This payment was generated through

additional regional track commissions on the out-of-district harness races permitted to be simulcast under this agreement.

Capital OTB paid a fee of \$159,000 in 1992 to the simulcast vendor for satellite transmission time for various race tracks.

Capital OTB also accepted wagers on various out-of-state race tracks. The Racing Law authorized OTB corporations to accept wagers (not simulcasts) on out-of-state thoroughbred race tracks, when the non-profit racing association (NYRA) is not conducting racing. A 1992 amendment to the Racing Law now allows the simulcast of an out-of-state thoroughbred track when there is no in-state thoroughbred racing (dark day) under certain conditions. The conditions have been deemed undesirable and so, this provision has not been employed. The amendment also allowed for simulcasts of out-of-state races by OTB when NYRA cancels racing and substitutes an out-of-state simulcast track. Capital simulcast Calder Race Track when NYRA cancelled its card and took Calder races on December 11, 1992. Capital's handle on that day, when only Calder wagers were accepted, was \$198,000. The daily average handle on Calder without simulcasting was \$124,000 in 1992 (on these days Capital offered wagering on more than one track). During 1992, Capital accepted wagers on nine out-of-state tracks on NYRA dark days. Total handle for these dark day tracks was \$4.8 million, an increase of \$804,000 or 19.9% as compared to 1991.

Other recent changes in the law (see 905 and 905-a) in Chapters 503 and 764 of the Laws of 1992 have expanded the number of thoroughbred special events which may be simulcast and wagers accepted on from fifteen (15) to fifty (50). The eight Breeders' Cup and seven American Championship Racing Series (ACRS) thoroughbred races are considered as one race each. The number of harness races of special interest upon which an OTB is allowed to take wagers (not simulcasts) remains at five (5). The Breeders' Crown and Hambletonian, which may be simulcast, do not count against the five (5) out-of-state harness races of special interest allowed to OTB.

Capital's handle totaled \$4 million for the 45 special events, compared to \$3.4 million in 1991 (20 special events). All out-of-state wagering amounted to \$9.2 million, compared to \$8.2 million in 1991, an increase of \$951,000 or 11.6%.

Capital OTB on certain occasions (NYRA dark days and cancellations) has shown delayed broadcasts of out-of-state races. These delayed broadcasts were allowed in an attempt to increase interest in racing and permitted with certain restrictions. The replay was not shown until after the race was official and all OTB payouts were posted. During the replay the screen has to be clearly labeled "delayed replay". These restrictions were imposed to insure the integrity of the

pari-mutuel system and to protect the interests of the racing fans.

In 1992, Capital OTB's handle for telephone accounts was \$18 million, an increase of \$314,000 or 1.8% over 1991. Non-surcharge accounts, accounts with a minimum balance of \$300 at all times, had a total handle of \$2.2 million for the 130 accounts or a per account average of \$16,935 in 1992. Regular accounts handled \$15.8 million in 1992.

Capital finances many of its projects through loans and leases. In April 1992, Capital leased two Bowlingo units (amusement games) for \$120,274. In June 1992, Capital leased projector equipment through Amplicon Financial. Capital made the final payment on its M&T Bank commitment in 1992. At the end of 1992, Capital OTB had six outstanding obligations:

<u>BANK</u>	<u>LOAN AMOUNT</u>	<u>OUTSTANDING BALANCE</u>	<u>PURPOSE</u>
Norstar Bank	\$7,500,000	\$5,450,000	Leasehold improvements
	290,000	181,250	Expand simulcast theater parking lot
	590,000	285,046	Mortgage (Imperial Racing Center)
Adirondack Leasing	38,106*	17,148*	Restaurant equipment
CIT Equipment Financing, Inc.	120,274*	110,274*	Bowlingo games
Amplicon Financial	115,014*	111,940*	Projector equipment

(*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. There is a 12% maximum and a 5% minimum rate of interest. The interest rate as of December 31, 1992 was 6%. 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.

With the 1990 simulcast authorization came a new financing vehicle for the OTB corporations. The surcharge on winning multiple, exotic and super-exotic wagers was increased by 1% to 6%. With the additional 1%, OTB corporations could establish a Capital Acquisition Fund to receive the additional

surcharge. With the Fund, the corporations could make new capital acquisitions or pay off existing loans. Capital OTB has established such a fund and contributed \$1.1 million during 1992 and expended the same amount.

Capital presently has 120 player activated machines, which they refer to as VLCs. These VLCs are leased from Video Lottery Technologies, Inc. The lease calls for Capital to \$5.00 per day per machine for four (4) years, at which time Capital will own the machines. The VLCs had a total handle of \$27.5 million in 1992, 12.4% of Capital's total handle.

In January 1990, the Board enacted Rule 5204.16. This rule requires that all branches shall have restrooms unless good cause can be shown to the Board. Capital OTB has 21 branches without restrooms and has made little effort to install them. Capital has filed an application seeking a waiver of the rule for these facilities.

At the end of 1992, Capital OTB was operating 17 telebranches. These telebranches offered either deli food or vending machines. Capital OTB also operates 12 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 - 1992 UPDATE

The Teleplex Racing Center is a single building and contains two OTB facilities. One is an enhanced telebranch; the other, a simulcast theater. This center houses the two most successful components of Capital OTB. The enhanced telebranch seats 270 people, 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.

In August 1990, the enhanced telebranch expanded the amenities it offered to its customers. The branch was expanded to include a sports bar, "The Scoreboard". Capital OTB spent \$1.2 million on converting warehouse space into the sports bar and improvements to the telebranch. This unique facility offers a bar area, table seating with a light menu, three betting windows, 65 televisions for sporting events and a wide variety of sports-related games. These games produced \$269,000 in revenue for Capital.

Capital is able to close and secure the branch facility while the sports bar remains open. Handle at this facility was \$12.5 million, a decrease of \$629,000 or 4.8%. The rate of decrease for all other branches (combined) is 2.3%. It appears that the Scoreboard has been unable to stymie the

annual decline in handle at this facility. Concession sales for 1992 at the telebranch were \$170,000 (daily average of \$468) and \$1.5 million at The Scoreboard (daily average of \$4,013). Capital received \$386,000 from its concessionaire.

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. 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. In 1992 Capital collected \$14,000 in admission fees which generated \$553 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. During 1992, concession sales averaged \$2,916 a day, for a total of \$1.1 million. Capital received \$63,000 from concession sales at the theater.

The Teleplex Racing Center's handle for 1992 was \$42.6 million, a daily average handle of \$117,475. The simulcast theater's handle for 1992 was \$30.2 million, a daily average handle of \$83,065, with per capita wagering of \$231. The telebranch's handle for 1992 was \$12.5 million, a daily average of \$34,411. In 1992, 19.3% of Capital OTB's total handle resulted from wagers placed at this unique facility. During this year Capital OTB spent \$53,000 on capital improvements at the simulcast theater and \$124,000 at the telebranch, which includes the sports bar.

The simulcast theater has generated additional revenue for state and local governments. Capital OTB collected \$120,000 in admission fees (an increase of \$3,000) and paid \$4,600 in State admission taxes. Total attendance at the simulcast theater was 130,533. Pursuant to Section 1009(10) of the Racing Law, Capital OTB paid the City of Albany \$302,000 in 1992. 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.

SPECIAL DEMONSTRATION PROJECT-1992 UPDATE

On June 29, 1990, Capital OTB opened a simulcast theater in the Friar Tuck Inn (Greene County). Renovation costs of \$25,000 were relatively low since this facility was placed in an already existing hotel. 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 1992 in this facility was \$3.2 million, a daily average of \$8,939, with per capita wagering of \$270. Total attendance at the project was 12,015 generating \$36,000 in admission fees, and resulting in \$1,400 in State admission taxes. Since the hotel had restaurant facilities, Capital did not have to establish them. Under the agreement between Capital and Friar Tuck, the hotel retains any income from the restaurant's operations.

The theater is open year round except for two weeks (April 12 to April 26 in 1992) 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. The nine participating counties are Broome, Chemung, Chenango, Dutchess, Orange, Putnam, Rockland, Tioga and Ulster. Some of the larger cities served by Catskill OTB are Binghamton, Kingston, Middletown, Nanuet, Newburgh, Poughkeepsie and Suffern. There are two operating race tracks within the territory of Catskill OTB. Both are harness tracks and are located in non-participating counties. Sullivan County is home to Monticello Raceway, while Yonkers Raceway is located in Westchester County. A third track, Tioga Park, in participating Tioga County was encouraged by the last three New York State legislative sessions to reopen, but as yet, has not. Under current legislation, Tioga Park management has until July 1993 to take advantage of certain statutory benefits.

In 1992, Catskill OTB had 32 branches operating, the same number as the previous year. During this past year, three of those branches were closed. Newburgh (south), a non-simulcast branch, was closed in late February as the two-year old Newburgh simulcast branch in the northern part of the city proved immensely more popular. A non-simulcast branch in Sloatsburgh was closed in late March as most of its customers now frequent a modern simulcast facility in Suffern about five miles away. In mid-September, another non-simulcast branch in Montgomery closed. Most of its customers now patronize the nearby, newly relocated simulcast branch in Middletown.

Ellenville and Port Jervis are the newest branches to be converted to simulcast status. Ellenville started 1992 at a location on the town's main street. Port Jervis was relocated in August about a block south of its previous location.

Catskill OTB's 1992 handle was \$125.2 million, an increase of \$3.7 million, or 3% over 1991. Of that total,

\$95.8 million was wagered on thoroughbred races and \$29.4 million was wagered on harness races. The total handle for Catskill OTB represents 7.1% of all the New York off-track betting handle in 1992. Catskill ranks sixth in the State in terms of total betting handle. Based on its total \$125.2 million handle for 1992 (as compared to \$121.5 million in 1991), Catskill generated the following:

	1992	<u>1991</u>
Statutory Payments:		
N.Y. State	\$1,940,969	\$1,850,067
Breeders' Fund	774,990	755,990
Tracks (incl. contractual)	7,725,287	7,322,884
Total Operating Expenses	12,833,834	12,938,328
Percentage of Handle	10.3%	10.7%
Net Earnings to Own Localities	1,335,998	604,031
Percentage of Handle	1.07%	0.50%
Surcharge:		
To Own Localities	2,773,074	2,686,710
To Localities Outside Region	2,278,097	2,270,757

Of Catskill OTB's total betting handle, \$101.7 million or 81.2% was wagered on simulcast races. This represents an increase of \$2.8 million, or 2.8% as compared to 1991.

Thoroughbred simulcast handle at 20 branches resulted in \$81.6 million in 1992.

The simulcasting of NYRA races produced a handle of \$67.2 million, which was 87.3% of total NYRA handle. This was an increase of \$2.6 million or 4% over 1991. Daily average simulcast handle was \$12,422 per branch, a decrease of \$92 from 1991. Surcharge revenue of \$3.3 million on NYRA races was generated by Catskill OTB.

Finger Lakes Race Track accounted for \$11.5 million in Catskill simulcast handle, which was 92.5% of total Finger Lakes handle. The handle in 1992 was \$1.9 million greater than what was wagered the previous year in the Catskill region. Daily average simulcast handle was \$3,631 per branch, a decrease of \$24 from 1991. Surcharge revenue of \$290,000 on Finger Lakes races was generated by Catskill OTB.

Harness simulcast handle at 20 branches resulted in \$23 million in 1992. This was a decrease of \$580,000 as compared to 1991.

Yonkers simulcast handle for 1992 decreased \$981,000 or 4.2% to \$22.1 million. This was 91.2% of total Yonkers handle in the Catskill region. Daily average simulcast handle for 1992 was \$3,485 per branch, a decrease of \$1,304 from 1991.

Nanuet averaged \$7,846 per program but was only permitted matinee simulcasting by Yonkers. The plight of Yonkers is further underscored by the fact that in the mid-1980's Catskill handled, in its best Yonkers/Roosevelt year, \$39.9 million, a figure that has dwindled to \$24.3 million in 1992. This is nearly a 40% drop in harness handle. Surcharge revenue of \$1 million was generated on Yonkers races by Catskill OTB.

Monticello Raceway simulcast its races on four Tuesdays (afternoon), nine Wednesdays (twilight) and one Thursday (the afternoon of Christmas Eve) to Catskill OTB. Monticello races were simulcast when Yonkers Raceway was dark. The twilight racing proved most beneficial to Catskill OTB as it gave the corporation a product at a time when otherwise there would be no racing to offer. On Wednesday, December 23, Monticello was scheduled for a twilight program and Yonkers was scheduled to be dark. At a very late date, Yonkers decided to have a night racing program. This gave Catskill harness racing from mid-afternoon through the last race at Yonkers. Wagering at Monticello totaled \$56,000 and \$96,000 was bet on Yonkers. The \$152,000 total harness handle for this day exceeded any past single day harness wagering records in Catskill's experience.

Simulcast handle was \$835,000 which was 16.4% of total Monticello handle. This was an increase of \$401,000 or 92.4% over 1991. Daily average simulcast handle was \$2,981 per branch, an increase of \$549 per branch over 1991. Surcharge revenue of \$202,000 on Monticello races was generated by Catskill OTB.

Catskill OTB also accepted wagers on various out-of-state tracks. The Racing Law authorized OTB corporations to accept wagers (not simulcasts) on out-of-state thoroughbred race tracks, when the non-profit racing association (NYRA) is not conducting racing. Although a 1992 amendment to the Racing Law now allows the simulcasts of an out-of-state thoroughbred track when there is no in-state thoroughbred racing (dark day) under certain conditions, those conditions have been deemed undesirable and so, this provision has not been employed. The amendment also allows for simulcast of out-of-state races by OTB when NYRA cancels racing and substitutes an out-of-state simulcast track. Catskill simulcast Calder Race Track when NYRA cancelled its card and took Calder races on Friday, December 11, 1992. Catskill's thoroughbred handle on that day, when only Calder wagers were accepted, was \$119,000. The daily average handle without simulcasting was \$71,200 in 1992 (on these days Catskill offered wagering on more than one track). During 1992, Catskill OTB accepted wagering on six out-of-state race tracks on NYRA dark days. Total handle for these out-of-state tracks was \$3.5 million.

Other recent changes in the Law (See Section 905 & 905-a) in Chapters 503 and 764 of the Laws of 1992 have expanded the number of thoroughbred special events upon which wagers and simulcast signals may be accepted from fifteen to fifty. The American Championship Racing Series (ACRS), a multiple race series contested over a six month period, is considered one race. Under Sec. 905, the Kentucky Derby, Preakness and the Breeders' Cup (seven races in one day) are separate from the other 47 races designated of special interest. Wagering was also accepted on 19 thoroughbred races and three harness races of special interest. Catskill OTB's handle totaled \$2.5 million for these special events, an increase of \$500,000 over 1991 (17 special events in 1991).

All out-of-state wagering amounted to \$6.1 million in handle for Catskill OTB, an increase of \$800,000 over 1991.

In 1992, Catskill OTB's simulcast expenses increased over the previous year. Catskill paid NYRA \$4.3 million in statutory payments based on simulcast handle. NYRA received \$949,000 in contractual payments. Finger Lakes received \$349,000 in statutory payments based on simulcast handle. Contractual payments to Finger Lakes totaled \$124,000.

Yonkers received \$600,000 in statutory payments based on simulcast handle. Currently, there is no executed contract with Yonkers (there was none in 1991 either), thus no contractual payments were made in 1992. As a gesture of goodwill, Catskill OTB made a \$100,000 prepayment in 1991 and an additional \$65,000 in 1992 toward prospective contractual commissions that will be due Yonkers, if and when a contract is finally agreed upon. Proposals and counter-proposals were forthcoming from both Catskill OTB and Yonkers in the first four months of 1992. In late April, Catskill wrote the Racing and Wagering Board of the likelihood of an arbitration request looming. On May 1, the Racing and Wagering Board reimposed the since terminated and expired March 5, 1986 agreement between the parties. In late May, Yonkers submitted another proposal which was rejected by Catskill. In late June, Yonkers threatened to cut off both the simulcast and the live call of its races should payment not be forthcoming. In early July, the Racing and Wagering Board notified Yonkers that binding arbitration procedures were initiated. Yonkers pursued Catskill for payments on numerous occasions throughout July threatening the cutoff of its simulcast and live call. In late July, Catskill delivered to Yonkers payment. It also demanded simulcast theater approval for a site in Rockland County as well as other contract provisions. Simulcasting continued uninterrupted throughout this dispute and on October 19, Yonkers approved Catskill's simulcast theater request (although none is operating in the Catskill region as of early 1993). Despite all these happenings, there is still no new Yonkers-Catskill contract as of early 1993.

Monticello Raceway received \$74,000 in statutory payments based on simulcast handle. Monticello was paid \$3,500 for the 14 programs simulcast by Catskill, or \$250 per program. For the Monticello programs that were simulcast during 1992, Catskill shared in the uplink costs for the simulcast signal with other receiving OTB corporations. In 1992, Catskill's lone simulcast vendor was paid more than \$300,000 for its services.

A new financing vehicle became available to Catskill OTB corporation in 1989. Enacted by the New York State Legislature was a law which allowed all off-track betting corporations to establish a capital acquisition fund. From this fund, an OTB could finance the acquisition, fund the construction and equipping of facilities of the corporation. No contribution 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 the total pari-mutuel wagering pools 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. There was a carryover balance to 1992 of \$2 million. During 1992, \$1.3 was generated for the fund by wagering at Catskill OTB. In 1992, \$740,000 was expended by Catskill OTB on various capital projects, leaving a balance of \$2.6 in its capital acquisition fund at year's end.

Simulcast contracts are in place with NYRA and Finger Lakes. Catskill has yet to execute a new contract with Yonkers Raceway. Currently, the two are parties to a terminated and expired 1986 contract reimposed by the Board on May 1, 1992 in anticipation of upcoming binding arbitration. There is no formal contract with Monticello which seldom simulcasts. Catskill pays a fee per race card when simulcasting does occur and this fee has averaged about \$250 per program during the past few years.

The NYRA simulcast contract currently 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, has a term of November 8, 1990 through January 15, 1996.

The Finger Lakes simulcast contract calls for Catskill OTB to pay a 1% premium commission on total simulcast handle for the Finger Lakes simulcast. This contract was executed on March 25, 1991 and terminates on December 15, 1993.

During 1992, Catskill OTB operated 32 branches for all or part of the year. Twenty of these branches simulcast thoroughbred races while 17 had full harness simulcasting. The branch with partial harness simulcasting was Nanuet, which was allowed by Yonkers to simulcast matinee harness programs

only. Nanuet is one of the largest volume branches in the Catskill region and is not even the closest geographically to Yonkers, as both the simulcast facilities in Nyack and Pearl River are closer. Brewster and Mahopac in Putnam County were not allowed the Yonkers simulcast but did not have the Monticello simulcasts (Yonkers has allowed Putnam County to receive Yonkers simulcasts commencing in early 1993).

A branch in Port Jervis was relocated and converted into a simulcast facility in August of 1992. The Brewster branch in the former Barn Mall was moved indoors into another area of that same facility. Previously, it was operated in a tent-like area which was enclosed and heated during the Winter. Now it is completely inside the building and has quickly established itself as a very popular branch, especially with patrons from neighboring Connecticut. Unfortunately for Dutchess County, this Putnam County branch has also attracted many customers who used to frequent the Pawling branch 12 miles to the north. The new Brewster branch is so customer-oriented that the Dutchess and Putnam County residents, as well as the Connecticut patrons, seem to prefer Brewster over all other facilities in this region of both States. Catskill has been slow to enhance its branches with food and alcoholic beverage service as its nightly betting handle has not warranted such improvement. Instead, it has opted to install vending machines. The seeming disinterest in harness racing (Catskill's only nighttime product) has serious ramifications. The success of any substantial food or alcoholic beverage service is contingent on a demand or it by the customers. Typically, this type of demand is in the evening when harness racing alone is offered.

On September 10, 1992, the Meadowlands Race Track in northern New Jersey started offering afternoon multiple thoroughbred simulcasts. Catskill has many Rockland County OTB branches bordering northern New Jersey. Prior to September 10, Rockland County OTB wagering was off 1.9% (\$18,400 weekly). All handle exclusive of Rockland County in the Catskill region was up an average of \$37,800 weekly. These branches continued to be up in average weekly handle by \$34,000 through the end of 1992. The Rockland County branches, however, lost on average \$46,500 weekly, as sales were off 5%. In early 1993, the Rockland County trend continues as the weekly average handle is \$110,000 less than the same period in the previous year (off 12.5%).

One of Catskill's largest volume branches in Nanuet is not allowed the evening Yonkers simulcast. This branch is located where the Garden State Parkway of New Jersey meets the New York Thruway. Thus, it is attractive to northern New Jersey residents and could be a competing force for the expanded simulcasting opportunities offered at northern New Jersey's Meadowlands Race Track. Instead, with no product to offer, Nanuet is effectively closed at night.

The geographically northern most Catskill OTB branch in Norwich poses another harness racing-related problem. Norwich, a non-simulcast branch, which is nearly an hours drive from Vernon Downs, has harness programs from Yonkers and Monticello just a few months a year while Vernon is closed. When Vernon Downs is conducting live harness racing, and Vernon has not simulcast in the past, it does exercise its option denying Catskill from simulcasting, live calls and even taking wagers in Norwich on either Yonkers or Monticello. The end result is that the Norwich fan either must drive the hour to Vernon Downs or have no harness racing at all. Even potential thoroughbred simulcasting in Norwich is affected, as it would not be cost effective to institute simulcasting in this branch for just a few hours each day. In this day of convenience for the customer and based on an analysis of the attendance figures both at Vernon and in Norwich, it is clear that both Vernon Downs and Catskill OTB incur financial harm from the Norwich situation.

Telephone betting in 1992 for Catskill OTB totaled \$1.7 million. Of that amount, \$732,000 was wagered by account holders who maintained an average balance of at least \$300 in their accounts, therefore not incurring the surcharge. This surcharge-free handle was 226% greater than in 1991 and can be attributed to Catskill's widespread advertising and direct mail campaign to further its involvement with telephone wagering. During the previous two years, Catskill had lost many of its regular telephone account holders to New York City OTB. NYCOTB alone, has legislative approval for "no minimum-no surcharge" accounts.

Restrooms are available in 18 of the Catskill branches. All of the simulcast branches except Elmira, Fishkill and Kingston have customer restrooms. Requests by Catskill for waivers for these branches are pending.

"Special Demonstration Projects", as passed a few years ago by the legislature, continued to remain dormant in the Catskill region.

Catskill has made great strides in the past few years in designing and implementing customer-orientated facilities. Its widespread use of the large 50" and 55" Mitsubishi television monitors have been well received by its customers. In addition, Catskill has put handicapping tables and seating in its newest facilities and recent renovations. In its Brewster branch, a "smoking-only" room that is closed off from the rest of the facility by a glass door, has proven quite popular. In Arlington, the outside design of the facility is quite attractive. A painter was commissioned to paint scenes of a race track, including horses in their stalls, on the front and parking side of the stone block building.

The problem for Catskill OTB has been in its nighttime product. Continuing skirmishes between the managements of Yonkers Raceway and Catskill OTB has dissuaded the public from solid support for either entity. Unlike many simulcast venues throughout the country, which now operate with full simulcast programs up to 15 hours per day, Catskill is limited in some branches by lack of product, to operating less than five hours per day. In addition, Catskill's newest contract with NYRA has proven much more costly than its previous contract. Both of these factors have had a dramatic negative effect on Catskill's ability to generate a growing handle.

SUFFOLK REGIONAL OFF-TRACK BETTING CORPORATION

Suffolk Regional Off-Track Betting Corporation, located in Suffolk County, had 16 branches and a simulcast theater operating in 1992. Eleven branches and a simulcast theater simulcast races from the New York Racing Association (NYRA) and Yonkers. The 12 simulcast facilities also simulcast Finger Lakes on 34 NYRA dark days from April 7 to December 8. Finger Lakes was also simulcast for 20 days during the NYRA Saratoga meet. Suffolk also simulcast Monticello on eight Wednesdays during November and December.

In 1992, Suffolk handled \$139.8 million on thoroughbred races and \$38.9 million on harness races, for a total of \$178.7 million, a decrease of \$6.5 million or 3.5% compared to 1991.

Handle in Suffolk has dropped from a high of \$206.8 million in 1989 to the current \$178.7 million, a decrease of 13.5% in that period. While the effects of the recession appear to be easing somewhat, the jobless rate in Suffolk remains higher than in Nassau, and people remain cautious in their spending habits.

In terms of total betting handle, Suffolk OTB ranks fifth in the State, with 10.2% of all New York State off-track betting handle. Based on a \$178.7 million total handle for 1992 (as compared to \$185.3 million in 1991), Suffolk generated the following:

	<u>1992</u>	<u>1991</u>
Statutory Payments:		
N.Y. State	\$ 2,856,024	\$ 2,909,632
Breeders' Fund	1,090,510	1,150,531
Tracks (incl. contractual)	11,055,770	11,405,928
Total Operating Expenses	18,660,270	19,283,050
Percentage of Handle	10.4%	10.4%
Net Earnings to Own Localities	1,428,869	1,670,158
Percentage of Handle	0.80%	0.90%
Surcharge:		
To Own Localities	2,975,293	3,139,141
To Localities Outside Region	2,588,996	2,765,325

Of Suffolk OTB's total handle, \$145.7 million, or 81.5% was wagered on simulcast races. This represents a decrease in simulcast handle of \$4.7 million, or 6.6% from 1991. Suffolk distributed a total of \$5.6 million in surcharge revenue in 1992.

The simulcasting of NYRA races into 12 Suffolk OTB facilities, including one simulcast theater, accounted for \$108.1 million or 83.8% of the NYRA handle in Suffolk OTB, an increase of \$2.1 million, or 2% over 1991. The daily average handle for the simulcast locations was \$29,050 per branch, an increase of \$534 or 1.9% from 1991. Suffolk's contract with NYRA is for the period from June 30, 1992 through June 30, 1997. The contract provides for payment of 1.5% of net simulcast handle over the statutory rate, not to exceed 6.5% at simulcast branches, and 2% over statutory rates, not to exceed 7% at the simulcast theater. Under the terms of the contract, Suffolk paid NYRA \$1.8 million in contractual payments and \$6.6 million in statutory payments based on simulcast handle. Suffolk distributed \$4 million in NYRA surcharge revenue.

Finger Lakes was simulcast into 11 branches and the simulcast theater for 34 NYRA dark days, and for 20 additional days during the NYRA Saratoga meet. This generated handle of \$3.8 million, an increase of \$32,000 or 0.8% over 1991. The daily average was \$5,870 per simulcast branch, a decrease of \$416 or 7.1% from 1991, due to an increased number of simulcasts. Under the terms of its agreement with Finger Lakes, Suffolk paid \$51,000 or \$1,500 per day in contractual payments (there were no contractual payments for simulcasting during NYRA's Saratoga's meet) and \$139,000 in statutory

payments based on simulcast handle during 1992. Suffolk distributed \$142,000 in surcharge revenue from Finger Lakes.

Suffolk simulcast Monticello races for eight Wednesdays during November and December. The daily average was \$4,986 per branch. There were no contractual payments.

Harness races from Yonkers were simulcast into 11 branches and one simulcast theater during 1992. Yonkers Raceway's handle at the simulcast facilities was \$33.4 million or 93.3% of Suffolk's handle at that track. Yonkers simulcast handle decreased \$5.8 million or 14.8% from 1991.

Evening simulcasting of Yonkers races resulted in an average daily handle of \$8,199 per branch, a decrease of \$1,178 or 12.6% from 1991. The simulcast of the Yonkers matinee averaged \$5,624 per day, a decrease of \$583 or 9.4% from 1991.

The total handle at Yonkers in 1989, after Roosevelt Raceway closed, was \$53 million, 25.7% of total handle at Suffolk. In 1992, total Yonkers handle was \$36 million, a decline of \$17 million or 32%. Yonkers handle now accounts for only 20% of handle in Suffolk. It has been suggested that some night branches should be closed in view of the small handle generated. However, prior experience indicates that bettors are unlikely to wager at a different branch so the handle is lost.

The contract with Yonkers expired on February 28, 1990. Simulcasting continues under the terms of the lapsed contract. Suffolk pays a minimum of \$500 per evening, except for Sunday evenings when Yonkers receives 0.5% of simulcast handle. Payments are on an ascending scale, from 0.5% of handle (up to \$90,000) to 1.3% of handle (over \$210,000) for all wagers placed after 7 p.m. Yonkers received \$163,000 in contractual payments and \$1.7 million in statutory payments based on simulcast handle during 1992. Suffolk distributed \$1.1 million in surcharge revenue from Yonkers. Negotiations for a new written agreement continue.

Suffolk OTB also accepted wagers on various out-of-state race tracks. The Racing Law authorized OTB corporations to accept wagers (not simulcasts) on out-of-state thoroughbred race tracks, when the non-profit racing association (NYRA) is not conducting racing. A 1992 amendment to the Racing Law now allows the simulcast of an out-of-state thoroughbred track when there is no in-state thoroughbred racing (dark day) under certain conditions. The conditions have been deemed undesirable and so, this provision has not been employed. The amendment also allowed for simulcast of out-of-state races by OTB when NYRA cancels racing and substitutes an out-of-state simulcast track. Suffolk simulcast Calder Race Track when NYRA cancelled its card and took Calder races on December 11,

1992. Suffolk's thoroughbred handle on that day, when only Calder wagers were accepted, was \$127,000. The daily average handle without simulcasting was \$79,300 in 1992 (on these days Suffolk offered wagering on more than one track). Suffolk OTB accepted wagers on up to six out-of-state tracks on NYRA dark days in 1992. Total handle for these dark-day tracks was \$3.7 million; this compares to a total handle of \$3.3 million in 1991, an increase of \$351,000 or 10.6% in 1992.

Other recent changes in the law (see 905 & 905-a) in Chapters 503 and 764 of the Laws of 1992 have expanded the number of thoroughbred special events which may be simulcast and wagers accepted on from fifteen (15) to fifty (50). The eight Breeders' Cup and seven American Championship Racing Series (ACRS) thoroughbred races are considered as one race each. The number of harness races of special interest upon which an OTB is allowed to take wagers (not simulcasts) remains at five. The Breeders Crown and Hambletonian which may be simulcast do not count against the five out-of-state harness races of special interest allowed to OTB.

Suffolk OTB's handle totaled \$2.9 million, an increase of \$400,000 or 15.8% for the 25 special events. All out-of-state wagering amounted to \$6.6 million for Suffolk OTB.

In addition to payments made to the tracks for simulcasting, the corporation has a simulcast vendor who is responsible for the encoding, uplinking and satellite transmission of Yonkers simulcasts. This vendor also provides the downlink for all other simulcasts at Suffolk facilities. Suffolk paid \$318,000 in 1992 for this service.

There are 47 SAMs in 15 Suffolk branches. A "bill acceptor" is available at Tel-A-Race which enables customers to purchase a voucher without standing in line at a teller's window. Observation indicates that customers in the simulcast theater have been more accepting of the SAMs than customers in OTB branches in general.

Prior to 1993, Suffolk did not keep statistics on the use of SAMs. In January 1993, Suffolk began reviewing handle statistics on the SAMs. In January, 5.4%, and in February, 6.1% of handle was generated at SAMs. This ranged from a branch low of 0.4% to a high of 8.8%. These numbers indicate that the SAMs which cost \$12.50 per day each, are at least self-sustaining.

In 1990, 15 Tiny Tims were installed at the simulcast theater. These individual terminals permit customers who have telephone betting accounts or have opened a "daily" account to make wagers while sitting at the bar or in the restaurant at the simulcast theater. Only four Tiny Tims remain at the theater.

There are four more Tiny Tims at "remote" locations, i.e. home or office. Total handle in 1992 was \$387,000, of which \$236,000 was from remote units.

There are 2,348 telephone betting accounts at Suffolk, and the account holders wagered \$4.9 million in 1992, compared to \$5.2 million in 1991, a decrease of \$365,000, or 7%.

TEL-A-RACE - 1992 UPDATE

Suffolk's simulcast theater, called "Tel-A-Race", opened in May 1986. The facility offers a full size restaurant, a snack bar, two large theater areas, a bar with alcoholic beverage service, a small lounge area and an additional open area. The two theater areas have large screen televisions, and many more televisions are scattered throughout the facility. The theater pays track prices on simulcast races. There is an admission charge of \$5.00 and a dress code. The simulcast theater accounts for 23.7% of total handle in Suffolk.

During 1992, total handle was \$42.4 million, an increase of \$1.4 million or 3.9% over 1991.

NYRA handle in 1992 totaled \$31.7 million or \$102,306 per day, compared to \$28.6 million or \$92,409 per day, an increase of \$9,897 or 10.7% over 1991. This represents an increase of \$3.1 million in NYRA handle compared to 1991. The NYRA handle at Tel-a-Race is the largest single branch handle in New York State.

At Yonkers, 1992 handle totaled \$8.6 million or \$24,442 per day, a decrease of 17.7% from 1991.

Finger Lakes handle was \$962,689 or \$17,828 per day, compared to \$794,000 or \$15,885 in 1991, an increase of \$1,943 per day or 12.2% .

Monticello handle accounted for \$161,000 of which 97,278 was wagered on 8 days during November and December when the races were simulcast. Out-of-state and special events handle totaled \$871,000.

Admission income in 1992 totaled \$197,000. This was comprised of \$176,000 in admissions plus 50 annual passes at \$150 each, and 177 discounted annual passes at \$75 each. The sale of the racing newspapers in all branches, "tip sheets", and jacket rental at Tel-a-Race generated \$140,000 in additional income. Suffolk received \$62,500 from the restaurant vendor in lease payments. The restaurant's furnishings and equipment are owned by Suffolk and leased to the concessionaire.

There are plans being made to aggressively promote this attractive facility. The company is trying to increase night time attendance and handle. Several promotional ideas are being considered.

NASSAU REGIONAL OFF-TRACK BETTING CORPORATION

Nassau Regional Off-Track Betting Corporation consists of one county, Nassau, on Long Island. Nassau OTB operated 20 branches in 1992. Twelve branches simulcast thoroughbred races from the New York Racing Association (NYRA). Thirteen branches simulcast thoroughbred races from Finger Lakes Race Track. Thirteen branches simulcast harness races from Yonkers and Monticello Raceways.

One track, NYRA's Belmont Park, is located in Nassau County. Within its region, Nassau OTB handles wagers on the three NYRA tracks (Belmont, Aqueduct, Saratoga) and two harness tracks (Yonkers, Monticello). Simulcast operations at Nassau OTB remain limited because of the statutory track consent requirements and the proximity of Nassau OTB's branches to the local tracks.

In 1992, Nassau OTB handled \$152.1 million on thoroughbred races and \$41.5 million on harness races for a total of \$193.6 million, a decrease of \$3.4 million or 1.7% from 1991. This total accounts for 11% of all the New York State OTB handle in 1992. Nassau OTB ranks third in the State in terms of total betting handle. Based on its total \$193.5 million handle for 1992 (as compared to \$197 million in 1991), Nassau generated the following:

	<u>1992</u>	<u>1991</u>
Statutory Payments:		
N.Y. State	\$2,983,468	\$3,007,017
Breeders' Fund	1,178,485	1,206,775
Tracks (incl. contractual)	11,250,286	11,367,184
Total Operating Expenses	17,900,112	17,936,381
Percentage of Handle	9.3%	9.1%
Net Earnings to Own Localities	4,310,675	4,612,456
Percentage of Handle	2.23%	2.34%
Surcharge:		
To Own Localities	4,633,420	4,818,392
To Localities Outside Region	2,788,176	2,957,276

Of Nassau OTB's 1992 total handle, \$118.8 million or 61.4% was wagered on simulcast races. This is a decrease of \$562,000 or 0.5% from 1991.

The simulcasting of NYRA races into 12 Nassau OTB branches showed a 1992 total simulcast handle of \$85.2 million, an increase of \$2.1 million or 2.5% over 1991. This accounted for 61.6% of the total NYRA handle of \$138.4 million at Nassau OTB. The daily average handle for these simulcast locations was \$24,411 per branch, compared to \$23,817 in 1991, an increase of \$594 or 2.5%.

Finger Lakes races were simulcast into 13 branches for 54 days as compared to 55 days in 1991. This generated a simulcast handle of \$4 million, an increase of \$169,000 or 4.4% over 1991. This accounted for 78.5% of the total Finger Lakes handle of \$5.1 million at Nassau OTB. The daily average handle was \$5,682 per branch, an increase of 6.4% over 1991.

The simulcasting of harness races from Yonkers, including matinees into 13 branches, showed a 1992 total simulcast handle of \$28.9 million, a decrease of \$2.2 million or 7% from 1991. This accounted for 76% of the total Yonkers handle of \$37.8 million at Nassau OTB. The daily average handle for these simulcast locations was \$9,414 per branch, as compared to \$9,903 in 1991, a decrease of \$489 or 4.9%.

The simulcasting of harness races from Monticello into 13 branches in 1992 showed a total simulcast handle of \$621,000, an increase of \$340,000 or 82.6% over 1991. This accounted for 17% of the total Monticello handle of \$3.7 million at Nassau OTB. The daily average handle for these simulcast locations was \$4,005 per branch, as compared to \$1,964 in 1991, an increase of \$2,041 or 104%.

In 1992, Nassau OTB simulcast Monticello for 15 days compared to 11 days in 1991. Eight of these days were Wednesdays in November and December when Yonkers was not conducting races.

Nassau OTB also accepted wagers on various out-of-state race tracks. The Racing Law authorized OTB corporations to accept wagers (not simulcasts) on out-of-state thoroughbred race tracks, when the non-profit racing association (NYRA) is not conducting racing. A 1992 amendment to the Racing Law now allows the simulcast of an out-of-state thoroughbred track when there is no in-state thoroughbred racing (dark day) under certain conditions. The conditions have been deemed undesirable and so, this provision has not been employed. The amendment also allowed for simulcast of out-of-state races by OTB when NYRA cancels racing and substitutes an out-of-state simulcast track. Nassau simulcast Calder Race Track when NYRA cancelled its card and took Calder races on December 11, 1992. Nassau's thoroughbred handle on that day, when only Calder wagers were accepted, was \$115,252. The daily average handle without simulcasting was \$122,172 in 1992 (on these days Nassau offered wagering on more than one track). Nassau OTB

accepted wagers on six out-of-state tracks on NYRA dark days during 1992. Total handle for these dark-day tracks was \$5.2 million; this compares to a total handle of \$4.6 million in 1991, an increase of \$598,000 or 13% over 1991.

Other recent changes in the law (see 905 and 905-a) in Chapters 503 and 764 of the Laws of 1992 have expanded the number of thoroughbred special events which may be simulcast and wagers accepted on from fifteen (15) to fifty (50). The eight Breeders Cup and seven American Championship Racing Series (ACRS) thoroughbred races are considered as one race each. The number of harness races of special interest upon which an OTB is allowed to take wagers (not simulcasts) remains at five. The Breeders' Crown and Hambletonian, which may be simulcast, do not count against the five out-of-state harness races of special interest allowed to OTB.

Nassau OTB's handle totaled \$3.4 million for the 26 special events, compared to \$2.9 million in 1991 (17 special events). All out-of-state wagering amounted to \$8.6 million for Nassau OTB, compared to \$7.5 million in 1991, an increase of \$1.1 million or 14.4%.

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. Based on this contract, Nassau OTB paid NYRA \$1.2 million in simulcast contractual payments and \$4.3 million in statutory payments based on simulcast handle for the 12 branches. Nassau OTB distributed a total of \$6.3 million in surcharge revenue on total NYRA handle.

Nassau OTB negotiated a contract with Finger Lakes Race Track, effective April 4, 1992 through December 31, 1992, to simulcast the entire Finger Lakes card each Tuesday and five days a week during NYRA's Saratoga meet. The agreement called for statutory payments, plus a simulcast commission of one percent regardless of the number of simulcast branches. On this basis, Nassau OTB paid Finger Lakes \$136,000 in statutory payments based on simulcast handle and \$40,000 in simulcast contractual payments. Surcharge payments on total Finger Lakes handle in 1992 were \$60,000.

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 \$132,000 in simulcast contractual payments and \$1.5 million in statutory payments based on simulcast handle. Nassau OTB distributed a total of \$1.4 million in surcharge revenue on total Yonkers wagers.

Nassau OTB's agreement with Monticello Raceway called for no simulcast contractual payments. Nassau OTB paid \$33,200 to Monticello in statutory payments based on simulcast handle, and Nassau OTB distributed \$63,000 in surcharge revenue on total Monticello wagers during 1992.

Nassau OTB's simulcast vendor was paid a total of \$291,000 in 1992 for providing the simulcast signal and other services.

Nassau OTB's commitment to screen activated machines (SAMs) continues. At the close of 1992, 18 branches had 170 SAMs as compared to the close of 1991 when 18 branches had 165 of these machines. Nassau states that approximately 32% of handle is wagered on SAMs; its goal is 50%. In addition, 18 branches have 23 automated machines which convert cash into SAM vouchers.

Nassau does not offer beverages, food or the lottery in any branch. The only amenity in its branches is seating at four locations (Green Acres, Hicksville, Jericho and Farmingdale). Nassau currently has restrooms in 16 branches, (of which 13 are simulcast branches).

In 1989, Nassau OTB installed video display screen units, called "Tiny Tims" in nine branches. The Tiny Tim operates as a direct telephone line into the telephone betting facility located at Suffolk OTB headquarters. The video screen displays updated racing information, such as current odds, late scratches, jockey changes and race profiles. A patron must have either a daily or a regular telephone betting account to use a Tiny Tim. No simulcasts are available on these units. Currently there are 28 Tiny Tims in 14 branches.

In 1992, the Tiny Tims generated a handle of \$5.9 million as compared to \$3 million in 1991, an increase of 96.6%. There are also 37 Tiny Tims in homes, which generated handle of \$1.4 million. Nassau has 4,302 telephone betting accounts, which generated handle of \$12.3 million. Telephone betting accounts are heavily promoted. Nassau believes this is one of the least expensive methods of generating handle.

The loss of racing information via Cablevision's Channel 12 (See Capital's report), and the start of non-surcharge telephone wagering at NYRA, have both hurt telephone handle in Nassau. However, as a percent of handle, telephone betting including that wagered via Tiny Tims, is the highest in the state.

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 1992 with 95 branches and ended the year with 94 branches (including two simulcast theaters). NYCOTB is part of the downstate OTB region which also includes the Catskill, Nassau and Suffolk OTB Corporations. The regional tracks handled by NYCOTB are NYRA (Aqueduct, Belmont and Saratoga), Yonkers and Monticello Raceways.

In 1992, NYCOTB handled \$731.8 million on thoroughbred races and \$127.2 million on harness races, for a total of \$859 million. Total corporate handle for 1992 decreased by \$45 million, or 5% from 1991. This total accounts for 48.7% of the money wagered off-track in the State. NYCOTB ranks first in the State in terms of total betting handle. Based on its total \$859 million handle for 1992 (as compared to \$904.2 million in 1991), NYCOTB generated the following:

	1992	<u>1991</u>
Statutory Payments:		
N.Y. State	\$13,051,597	\$14,054,704
Breeders' Fund	4,944,108	5,218,201
Tracks (incl. contractual)	46,128,915	48,270,988
Total Operating Expenses	96,837,581	105,186,813
Percentage of Handle	11.3%	11.6%
Net Earnings to Own Localities	1,076,215	1,842,946
Percentage of Handle	0.13%	0.20%
Surcharge:		
To Own Localities	31,707,333	33,128,124
To Localities Outside Region	6,930,939	7,420,242

The total 1992 simulcast handle for NYCOTB was \$374.8 million, which is 42.2% of total corporate handle. This is a decrease of \$9.3 million, or 2.4% as compared to 1991.

The simulcasting of NYRA races into 25 NYCOTB branches and two simulcast theaters (plus 16 more branches during the five-week Saratoga meet) accounted for a total simulcast handle of \$286.7 million (43.7% of total NYRA sales), a decrease of \$7.7 million, or 2.6% as compared to 1991. The daily average simulcast handle was \$32,799 per branch, a decrease of \$869 or 2.6% from 1991.

Finger Lakes races were simulcast into 48 branches on Tuesday; 32 on Wednesday and Friday and 50 on Saturday during NYRA's Saratoga meet (all branch numbers include two simulcast theaters). Total simulcast handle was \$16.4 million (63.6% of total Finger Lakes sales), an increase of \$1.2 million or 8.3%

over 1991. The daily average simulcast handle was \$7,468 per branch, an increase of \$1,275 or 20.6% over 1991.

The evening harness simulcast from Yonkers Raceway into 13 branches plus two simulcast theaters showed a 1992 total simulcast handle of \$61.6 million, a decrease of \$4.3 million or 6.5% from 1991. The daily average simulcast handle was \$13,552 per branch, a decrease of \$1,022 or 7% from 1991.

The matinee harness program from Yonkers into 26 branches plus two simulcast theaters accounted for a total simulcast handle of \$7.8 million, an increase of \$200,000 or 2.6% over 1991. The daily average simulcast handle was \$5,229 per branch, a decrease of \$567 or 9.8% from 1991.

The total Yonkers handle was \$109.2 million. Of that total, \$69.3 million, or 63.5% was simulcast handle.

The simulcasting of matinee harness races (Tuesday post time of 1:00 p.m.; Wednesday post time of 4:40 p.m.) from Monticello Raceway into approximately 47 branches for 14 days accounted for a simulcast handle of \$2.4 million, 13.5% of total handle. This was an increase of \$1.4 million over 1991, or 147.5%. The daily average matinee simulcast handle was \$3,826 per branch, an increase of \$945, or 32.8% over 1991.

NYCOTB also accepted wagers on various out-of-state race tracks. The Racing Law authorized OTB corporations to accept wagers (not simulcasts) on out-of-state thoroughbred race tracks, when the non-profit racing association (NYRA) is not conducting racing. A 1992 amendment to the Racing Law now allows the simulcast of an out-of-state thoroughbred track when there is no in-state thoroughbred racing (dark day) under certain conditions. The conditions have been deemed undesirable and so, this provision has not been employed. The amendment also allowed for simulcasts of out-of-state races by OTB when NYRA cancels racing and substitutes an out-of-state simulcast track. NYCOTB simulcast Calder Race Track when NYRA cancelled its card and took Calder races on December 11, 1992. NYCOTB's thoroughbred handle on that day, when only Calder wagers were accepted, was \$827,300 (\$361,500 at the usual NYRA simulcast branches). The daily average handle without simulcasting was \$722,000 in 1992 (on these days NYCOTB offered wagering on more than one track). NYCOTB accepted wagers on six out-of-state tracks on NYRA dark days during 1992. Total handle for these dark-day tracks was \$35.6 million; this compares to a total handle of \$33.9 million on seven tracks in 1991, an increase of \$1.8 million or 5.2% over 1991.

Other recent changes in the law (see 905 and 905-a) in Chapters 503 and 764 of the Laws of 1992 have expanded the number of thoroughbred special events which may be simulcast and wagers accepted on from fifteen (15) to fifty (50). The

eight Breeders' Cup and seven American Championship Racing Series (ACRS) thoroughbred races are considered as one race each. The number of harness races of special interest upon which an OTB is allowed to take wagers (not simulcasts) remains at five (5). The Breeders' Crown and Hambletonian which may be simulcast do not count against the five (5) out-of-state harness races of special interest allowed to OTB.

NYCOTB's handle totaled \$14.7 million for the 18 special events, compared to \$13.4 million in 1991 (17 special events). All out-of-state wagering amounted to \$50.3 million, compared to \$47.3 million in 1991, an increase of \$3 million or 6.3%.

In 1992, NYCOTB had a record total telephone betting handle of \$40 million, or 4.4% of total corporate handle. This was a huge increase of \$10.7 million, or 26.8% over 1991. The substantial increase in NYCOTB phone betting is probably the result of NYCOTB suspending the surcharge on all telephone accounts.

A contract between NYRA and NYCOTB was signed on November 19, 1990. The contract runs from July 1, 1990 through November 30, 1993. For simulcast branches and enhanced telebranches, NYCOTB will pay NYRA \$1 million per year. This is in addition to statutory payments. NYCOTB pays 6.5% of net handle at its simulcast theaters, which includes statutory payments. In addition, a fee of \$10,000 per year is charged for the use of NYRA's B-Mac decoders. Additional provisions in this contract specified the number of simulcast locations, enhanced telebranches and simulcast theaters allowed. No simulcasting of Aqueduct or Belmont is currently allowed in the boroughs of Brooklyn or Queens. During NYRA's Saratoga meet, simulcasting is allowed in these boroughs. NYCOTB does have the right to shift simulcast locations, within the terms of this contract, should existing simulcast branches close.

Based on this contract, NYCOTB paid NYRA \$14.6 million in statutory payments and \$1.8 in simulcast contractual payments in 1992. Surcharge revenue of \$24.7 million on NYRA races was distributed by NYCOTB.

NYCOTB's contract with Finger Lakes was signed on March 6, 1992, effective April 1, 1992 and extending through March 31, 1993. NYCOTB paid \$2,000 per day for each day it accepted Finger Lakes simulcasts, in addition to statutory payments. However, this \$2,000 fee was suspended during NYRA's Saratoga meet. NYCOTB paid Finger Lakes a total of \$68,000 in simulcast contractual payments and \$524,000 in statutory payments based on 1992 simulcast handle. Surcharge revenue of \$976,000 on Finger Lakes races was distributed by NYCOTB.

A contract with Yonkers Raceway was signed on May 8, 1992. It was retroactive to July 1, 1990 and expires on June 30, 1995. It requires NYCOTB to make an annual contractual

payment of \$355,000 for simulcasting rights. This is in addition to the required statutory payments. This contract imposes geographic limitations on simulcasting. Yonkers prohibits the simulcast of its races in the Bronx and limits its simulcasts in the northern parts of Manhattan and Queens. As a result of this agreement, NYCOTB paid Yonkers Raceway \$355,000 in simulcast contractual payments and \$3.2 million in statutory payments based on simulcast handle for 1992. Surcharge revenue of \$3.6 million on Yonkers races was distributed by NYCOTB.

NYCOTB paid no simulcast contractual payments to Monticello for 1992. However, \$125,000 was paid in statutory payments based on simulcast handle for 1992. Surcharge revenue of \$642,000 on Monticello races was distributed by NYCOTB.

NYCOTB also has contracts in place with two vendors that are necessary to make simulcasting a reality. The current contract with one vendor runs from March 1, 1987 through May 30, 1993. The current fee is \$1,150 per Yonkers program. NYCOTB has an option for an additional two years on this contract.

A special set of technical problems is encountered by NYCOTB in the borough of Manhattan due to the nature of the tall buildings which impede the normal reception of satellite signals. NYCOTB has contracted with Manhattan Cable Television to provide the signal. The current contract with this company runs from October 13, 1989 through October 12, 1994. The company is paid \$2,000 per month for the downlink. In addition, Manhattan Cable is paid various amounts based on the number of operating simulcast branches in Manhattan and the number of race tracks that each branch receives during any given day. The fees range from \$2,062 to \$2,750 per month. Should a Manhattan branch simulcast in the evening only, the fees range from \$1,125 to \$1,500 per month. NYCOTB also is required to pay 51.375% of all costs associated with encoding and decoding equipment used. The simulcast vendors for both thoroughbred and harness racing were paid a total of \$898,000 in 1992.

One area where NYCOTB cut costs and improved revenue was in the dissemination of official OTB information including results. It did not renew a contract with Fonawin Corporation but opted instead to operate an in-house service via a pay-per-call "976" telephone number. In the past, NYCOTB received 50% of Fonawin's revenue (amounting to \$629,000 in 1991). For an investment in telephone equipment of \$15,000, NYCOTB realized a profit that was 100% its own, rather than sharing its profit from phone service revenue in 1992.

During 1992, renovations costs at simulcast branches were \$1.7 million. In January 1992, a new branch opened at 2112

Rockaway Parkway, Brooklyn, replacing a nearby branch at 2034 Rockaway Parkway. This new branch incurred \$334,000 in renovation costs.

NYCOTB recently completed a new facility at 515-517 Seventh Avenue (the former DuBrows Cafeteria). The first floor initially operated as a regular branch. A simulcast theater, after obtaining the necessary approvals from governmental authorities, opened in late March of 1993. During 1992, renovation costs totaled \$1.1 million for this facility.

In Staten Island, a fire closed the popular 2696 Hylan Blvd. branch in late August. The facility remained closed for renovations the rest of the year but was reopened in January 1993. Renovation costs totaled \$25,000.

In the Bronx, a branch at 5372 Broadway which simulcast NYRA, was closed. The rights were transferred to a branch at 705 Allerton Ave.

Branches in the Port Authority Bus Terminal were closed in November. As they existed, these Port Authority branches did little to enhance the reputation of NYCOTB. In fact, their appearance and clientele were one of the main reasons for the bad reputation that has been hung on OTB throughout the City. It gave the false impression to the millions of people who travelled into the City throughout the year by bus, that all of NYCOTB (as well as the other five corporations in the State) were seedy and not customer-oriented. Signs directing potential customers were posted to inform them of the nearest branch, the aforementioned 515-517 Seventh Avenue.

NYCOTB, in conjunction with AmTote Company, began in 1992 to improve the performance and capability of its computer system at its operation center. Catskill OTB also contracts to use NYCOTB's computer system. In fact, this OpCenter is the statewide OTB interface site for most out-of-state tracks and special events (when NYRA is dark).

The Board adopted a rule requiring restrooms in every off-track betting facility unless good cause could be shown. NYCOTB's policy requires the installation of restrooms at all new facilities. By the end of 1992, there were nine locations which had restrooms. NYCOTB was granted a waiver by the Board for 40 branches. In the remainder, NYCOTB plans to install restrooms.

In November 1991, NYCOTB considered the necessity of acquiring the services of an outside financial advisor, in connection with a review of restructuring alternatives available to the Corporation. The Board eventually approved a contract with Morgan Stanley and Company, Inc. to provide these continuing services.

NYCOTB'S INSIDE TRACK - 1992 UPDATE

NYCOTB's first simulcast theater, called the "Inside Track", continued to be profitable in 1992. This facility, located at 1011 Second Avenue, in mid-Manhattan, has seating for approximately 150 people. It offers full restaurant service including alcoholic beverages. The 5% surcharge on winning bets on simulcast races is not applicable at this facility. A \$5 admission fee is charged and a dress code applies.

During 1992, total handle was \$36.7 million, a \$3.3 million decrease or 8.3% from 1991. This is the largest handle of any NYCOTB facility and is 4.3% of total corporate handle. The daily average thoroughbred handle was \$75,599, a decrease of \$6,639 or 8.1% from 1991. The 1992 daily average harness handle was \$28,674, an increase of \$619 or 2.2% over 1991. Per capita wagering was \$665 at the Select Club. This was a decrease of \$48 in per capita wagering from 1991.

Total paid attendance for 1992 was 56,073, a decrease of 813 or 1.4% from 1991. Total revenue from all 1992 admissions was \$276,000. Total revenue from the restaurant concession operations for 1992 at the Inside Track amounted to \$16,000. This was the cash amount paid NYCOTB through July with a receivable of more than \$20,000 due for the remainder of the year.

NYCOTB'S SELECT CLUB - 1992 UPDATE

NYCOTB's second simulcast theater, called "Skyward - The Select Club", is located at 165 Water Street in lower Manhattan's financial district. It accommodates 350 patrons. Alcoholic beverages and full restaurant service are available in a modern attractive setting. Track prices are paid on simulcast races. A \$5 admission fee is charged and a dress code applies. Total simulcast handle in 1992 was \$30.8 million, a \$1.4 million decrease, or 4.3% from 1991. The daily average thoroughbred handle was \$76,480, a decrease of \$3,890, or 4.8% from 1991. The daily average harness handle was \$8,690. This simulcast theater was opened for harness racing for just 246 nights (compared to 327 for the Inside Track). Total 1992 per capita wagering was \$656, a decrease of \$22 or 3.2% from 1991.

Total paid attendance for 1992 was 46,917, a decrease of 623, or 1.3% from 1991. Total revenue from 1992 admissions was \$235,000. Total revenue from restaurant concession operations at the Select Club amounted to \$22,200 in 1992.

TRACK TO TRACK SIMULCASTING WITHIN NEW YORK STATE

NEW YORK RACING ASSOCIATION (NYRA) - SARATOGA TO AQUEDUCT

NYRA's 1992 Saratoga thoroughbred meet covered a 30-day period between July 29 and August 31, 1992. The 1992 total attendance for the simulcast dates at Aqueduct was 206,279, compared to the 1991 total attendance of 191,529, an increase of 14,750 or 7.7%. The total simulcast handle was \$38.3 million as compared to \$36.7 million in 1991, an increase of \$1.6 million or 4.3%. Daily average attendance was 6,876 (6,384 in 1991) and daily average handle was \$1.2 million, comparable to 1991, resulting in a \$186 daily average per capita betting (\$192 in 1991). During this period, Saratoga Race Track's on-track handle was \$103.3 million, an increase of \$3.1 million over the corresponding period in 1991, while the total on-track attendance increased 30,536, resulting in a daily average of \$3.4 million and 25,398 respectively.

NYRA'S gross pari-mutuel revenue was \$7.1 million from the Saratoga to Aqueduct simulcast and \$283,000 from admissions, concessions and newsstand sales. The State of New York received \$1.2 million in tax revenue, as compared to \$1.1 million in 1991; the Thoroughbred Breeding and Development Fund received \$192,000 compared to \$184,000 in 1991. NYRA's horsemen received (as accrued purse obligations) \$1.4 million, an increase of \$62,000 over 1991. Since simulcasting was from one facility of this franchised racing association to another of its track facilities, no contractual agreement was required.

In 1992, NYRA's "profit" from simulcasting Saratoga to Aqueduct was \$2.9 million. In 1985, a statutory amendment directed that simulcast profits be retained by NYRA rather than the New York State Thoroughbred Racing Capital Investment Fund. As a result, the simulcast profit, \$2.9 million, is included in any other profit NYRA made during 1992, and is thereby subject to the State's franchise tax on NYRA.

TRACK TO TRACK SIMULCASTING: NYRA TO FINGER LAKES RACE TRACK

Finger Lakes conducted simulcasting on NYRA races for 114 days during the periods January 1 through April 3, and December 9 through December 31, 1992. Finger Lakes Race Track had an agreement with its horsemen's association in 1992 to pay their purse account 1% from simulcasting. Simulcasting on NYRA races was permitted before and after the racing season. Finger Lakes horsemen received (as accrued purse obligations) \$105,000 compared to \$73,000 in 1991.

The 1992 total attendance was 39,410 (114 days), compared to 38,332 (95 days) in 1991, a decrease of 1,078 or 2.8%. Daily average attendance was 346 (403 in 1991), a 14.1% decrease. The daily average handle was \$58,930 (\$77,110 in

1991), a 23.6% decrease. Daily average per capita betting was \$170. The total simulcast handle in 1992 was \$6.7 million, as compared to \$8 million in 1991, a decrease of \$1.3 million or 16.7%.

From simulcast handle, Finger Lakes retained \$667,000. New York State received \$168,000 in tax revenue, and the Thoroughbred Breeding and Development Fund received \$34,000. NYRA received \$388,000 pursuant to a contract which provided that Finger Lakes pay 6.5% of the simulcast handle. NYRA provided the uplink and transmission of the simulcast signal, while Finger Lakes was responsible for the transmission of wagering data to NYRA.

Batavia Downs, Buffalo Raceway and Finger Lakes Race Track mutually agreed and consented to allow each other to simulcast without restriction through and inclusive of June 30, 1994.

TRACK TO TRACK SIMULCASTING: NYRA TO SARATOGA RACEWAY

Saratoga Raceway conducted 281 days of simulcasting NYRA races during 1992, compared to 280 days in 1991. The 1992 total attendance was 89,248 compared to 93,465 in 1991, a decrease of 4,217 or 4.5%. The 1992 total simulcast handle was \$18.4 million, comparable to 1991. Daily average attendance dropped from 334 in 1991 to 318 in 1992. The daily average handle was \$65,627 (\$65,052 in 1991). Daily average per capita betting rose to \$207 from \$196 in 1991. On-track harness handle was \$24.9 million, a decrease of \$2 million, while attendance decreased 47,243 to 299,712 in 1992. Comparisons of the on-track harness dates show a daily average increase in attendance of 227 or 12.2% from 1991 and a decrease in daily average handle of \$8,765 or 6.1% from 1991.

Saratoga Raceway retained \$2.1 million from its 1992 simulcasting of NYRA races. The tax revenue to the State of New York was \$292,000 and the Thoroughbred Breeding and Development Fund received \$93,000. NYRA received \$1.2 million pursuant to a contract which provided that Saratoga Raceway pay NYRA 6.5% on all simulcast handle.

Pursuant to a contractual agreement, Saratoga Raceway's horsemen received 1.5% of NYRA simulcast handle at Saratoga for days when there was on-track harness racing. If there was no harness racing on simulcast days, horsemen did not receive any purse accruals. Saratoga Raceway's horsemen received (as accrued purse obligations) the sum of \$167,000 in 1992 from NYRA's track to track simulcasts.

TRACK TO TRACK SIMULCASTING: NYRA TO YONKERS RACEWAY

Yonkers Raceway conducted 311 days of simulcasting NYRA races during 1992, compared to 310 days in 1991. The 1992

total attendance was 622,000, compared to the prior year's attendance of 618,000. The 1992 total simulcast handle was \$107.7 million compared to \$102.9 million in 1991, an increase of \$4.8 million or 4.8%. Daily average attendance was 2,000 in 1992 comparable to 1991. Daily average simulcast handle increased from \$331,852 in 1991 to \$346,520 in 1992, an increase of \$14,668 or 4.4%.

From the simulcast handle, Yonkers Raceway retained \$9.7 million. New York State received \$2 million in tax revenue, and the Thoroughbred Breeding and Development Fund received \$540,000. NYRA received \$7.4 million pursuant to a contract which provides that Yonkers Raceway pay 7% of total simulcast handle to NYRA. NYRA provides the uplink and transmission of the simulcast signal, while Yonkers Raceway is responsible for the transmission of wagering data to NYRA.

Pursuant to a contractual agreement, Yonkers Raceway paid its horsemen 2.5% of the gross simulcast handle (as accrued purse obligations) in 1992. Yonkers' horsemen received the sum of \$2.7 million in 1992 from NYRA's track to track simulcasts.

TRACK TO TRACK SIMULCASTING: NYRA TO VERNON DOWNS

Vernon Downs conducted 310 days of simulcasting NYRA races during 1992, compared to 133 days in 1991. The 1992 total attendance was 34,165 compared to 21,713 in 1991, an increase of 12,452 or 57.3%. The 1992 total simulcast handle was \$4.3 million compared to \$2.4 million in 1991, an increase of \$1.9 million or 80.7%. Daily average attendance declined from 157 in 1991 to 110 in 1992. The daily average handle was \$13,899 (\$18,066 in 1991). Daily average per capita betting rose to \$126 from \$110 in 1991.

Vernon Downs retained \$532,000 from its 1992 simulcasting of NYRA races. Tax revenue to the State of New York was \$70,000, and the Thoroughbred Breeding and Development Fund received \$22,000. NYRA received \$266,000 pursuant to a contract which provided that Vernon Downs pay NYRA 6.5% of all simulcast handle.

Pursuant to a contractual agreement, Vernon Downs' horsemen received 1.5% of simulcast handle when there was no live harness racing and 1% during the regular harness meet. Vernon Downs' horsemen received (as accrued purse obligations) the sum of \$57,000 in 1992 from NYRA's track to track simulcasts.

TRACK TO TRACK SIMULCASTING: NYRA TO MONTICELLO RACEWAY

Monticello Raceway conducted 310 days of simulcasting NYRA races in 1992, identical to the amount of days in 1991. The 1992 total attendance was 38,817 compared to 44,245 in

1991, a decrease of 5,428 or 12.2%. The 1992 total simulcast handle was \$6.1 million, compared to the \$6.6 million in 1991, a decrease of \$500,000 or 8.4%. Daily average attendance dropped from 142 in 1991 to 125 in 1992. Daily average per capita betting rose from \$151 in 1991 to \$157 in 1992. On-track handle decreased \$246,000, while attendance decreased by 26,132 in 1992. There were 206 on-track racing days in 1992 compared to 210 in 1991. Comparisons by date show on-track harness racing's daily average attendance declined by 112, a 7.5% decrease from 1991, and a rise in daily average handle of \$2,498 or 1.5%

Monticello Raceway retained \$864,000 from its 1992 NYRA simulcasts. Tax revenue to the State of New York was \$95,000 and the Thoroughbred Breeding and Development Fund received \$31,000. NYRA received \$389,000 pursuant to a contract which provided that Monticello Raceway pay NYRA 6.5% of the simulcast handle.

Pursuant to a contractual agreement, Monticello Raceway's horsemen receive \$152,000 or 2.5% of the gross NYRA simulcast handle (as accrued purse obligations) in 1992.

TRACK TO TRACK SIMULCASTING: NYRA TO BATAVIA DOWNS

Batavia Downs conducted 311 days of simulcasting NYRA races in 1992 compared to 262 days in 1991. No attendance figures were available. The total simulcast handle was \$5.3 million compared to \$3 million in 1991, an increase of \$2.3 million. On-track harness handle decreased \$1.9 million to \$14.9 million and attendance decreased 64,098 to 120,256.

Batavia Downs retained \$984,000 from its 1992 simulcasting of NYRA races. Tax revenue to the State of New York was \$88,000 and the Thoroughbred Breeding and Development Fund received \$26,000. NYRA received \$335,000 pursuant to a contract which provided that Batavia Downs pay NYRA 6.5% on all simulcast handle. Batavia Downs' horsemen received \$66,000 (as accrued purse obligations) which was 50% of the net profit when there was live racing on-track and 1% the rest of the year.

TRACK TO TRACK SIMULCASTING: NYRA TO BUFFALO RACEWAY

Buffalo Raceway conducted 310 days of simulcasting NYRA races in 1992 compared to 254 days in 1991. The 1992 total attendance was 26,212 compared to 21,035 in 1991, an increase of 5,177 or 24.6%. The 1992 total simulcast handle was \$5.6 million compared to \$3.4 million in 1991, an increase of \$2.2 million or 66%. Daily average attendance was 85 and daily average handle was \$18,131. Daily average per capita betting was \$213. On-track handle increased \$296,000 to \$21 million but attendance dipped 2,411 to 204,035.

Buffalo Raceway retained \$1.3 million from its 1992 simulcasting of NYRA races. Tax revenue to the State of New York was \$98,000 and the Thoroughbred Breeding and Development Fund received \$28,000. NYRA received \$352,000 pursuant to a contract which provided that Buffalo Raceway pay NYRA 6.5% on all simulcast handle. Buffalo's horsemen received \$63,000 (as accrued purse obligations) pursuant to an agreement which provided that Buffalo Raceway pay 1% of the simulcast handle when there was no live racing and 50% of the net profit when live racing was conducted.

TRACK TO TRACK SIMULCASTING: FINGER LAKES TO BATAVIA DOWNS

Batavia Downs conducted 171 days of simulcasting Finger Lakes (FLRA) races in 1992 compared to 158 days in 1991. No attendance figures were available. The 1992 total simulcast handle was \$1.6 million compared to \$1.4 million in 1991, an increase of \$179,470 or 12.8% .

Batavia Downs retained \$333,000 from its simulcasting of FLRA races. New York State received \$32,000 in tax revenue, and the Thoroughbred Breeding and Development Fund received \$18,000. FLRA received \$102,250 pursuant to a contract which provided that Batavia Downs pay FLRA 6.5% on the total simulcast handle. FLRA provided the uplink and transmission of the simulcast signal, while Batavia Downs was responsible for the transmission of wagering data to FLRA.

Pursuant to a contractual agreement, FLRA paid its horsemen 3.25% of the total handle from simulcasting its races to Batavia Downs. FLRA's horsemen received \$51,000 (as accrued purse obligations) in 1992 from this simulcast.

Batavia's horsemen received \$20,000 (as accrued purse obligations) which was 50% of the net profit when there was live racing on-track and 1% the rest of the year.

TRACK TO TRACK SIMULCASTING: FINGER LAKES TO BUFFALO RACEWAY

Buffalo Raceway conducted 170 days of simulcasting FLRT races in 1992, which was identical to 1991. The 1992 total attendance was 10,947 compared to 10,921 in 1991, an increase of 26 or 0.23%. The 1992 total simulcast handle was \$2 million, compared to \$1.6 million in 1991, an increase of \$468,000 or 29.1%. Daily average attendance was 64; daily average handle was \$12,202. Daily average per capita betting was \$191. .

From the simulcast handle, Buffalo Raceway retained \$386,000. New York State received \$42,000 in tax revenue and the Thoroughbred Breeding and Development Fund received \$10,000. FLRT received \$104,000 pursuant to a contract, which provided that Buffalo Raceway pay FLRT 5% of the total simulcast handle. FLRT provided the uplink and the

transmission of the simulcast signal, while Buffalo Raceway was responsible for the transmission of wagering data to FLRT.

Pursuant to a contractual agreement, Buffalo Raceway paid its horsemen 1% of the total simulcast handle when there was no live harness racing or \$13,000. Finger Lakes' horsemen received \$52,000 (as accrued purse obligations) in 1992 from this simulcast.

TRACK TO TRACK SIMULCASTING: FINGER LAKES TO MONTICELLO

Monticello Raceway conducted 171 days of simulcasting Finger Lakes races during 1992. The simulcast was in conjunction with the NYRA simulcast, thus separate attendance figures weren't available. The 1992 total simulcast handle was \$1.2 million resulting in a daily average handle of \$7,300.

From simulcast handle, Monticello Raceway retained \$263,000. New York State received \$25,000 in tax revenue and the Thoroughbred Breeding and Development Fund received \$6,000. Finger Lakes received \$62,000 pursuant to an agreement which provided that Monticello Raceway pay 5% of the total simulcast handle. The Finger Lakes horsemen received \$31,000, which was 50% of the retention.

Pursuant to statute, Monticello Raceway's horsemen received \$32,000, or 2.5% of the total simulcast handle, (as accrued purse obligations).

TRACK TO TRACK SIMULCASTING: BUFFALO RACEWAY TO VERNON DOWNS

Vernon Downs conducted 56 days of simulcasting Buffalo Raceway's races in 1992, compared to 20 days in 1991. Attendance figures weren't available. The total handle was \$560,483, resulting in a daily average handle of \$10,008.

This simulcast was conducted when Vernon Downs was not racing. Vernon's horsemen received \$7,000 (as accrued purse obligations). Vernon Downs paid 5% of the total simulcast handle to Buffalo Raceway. Buffalo Raceway received \$28,000 pursuant to the agreement. Buffalo Raceway's horsemen received 50% of that amount or \$14,000.

TRACK TO TRACK SIMULCASTING: BATAVIA DOWNS TO VERNON DOWNS

Vernon Downs conducted 38 days of simulcasting Batavia Downs' races in 1992. Total handle was \$414,907 for a daily average handle of \$10,918.

This simulcast was conducted when Vernon Downs was not racing. Vernon's horsemen received \$6,000 (as accrued purse obligations). Vernon Downs paid 5% of the total simulcast handle to Batavia Downs. Batavia Downs received \$21,000

pursuant to the agreement. Batavia's horsemen received \$6,000 (as accrued purse obligations).

TRACK TO TRACK SIMULCASTING: YONKERS RACEWAY TO VERNON DOWNS

Vernon Downs conducted 131 days of simulcasting Yonkers' races in 1992 compared to 116 days in 1991. Attendance figures weren't available. The total handle was \$1.6 million and a daily average handle of \$12,448, (\$11,714 in 1991).

This simulcast was conducted when Vernon Downs was not racing. Yonkers' horsemen received \$24,000 (as accrued purse obligations), which was half of Yonkers' 3% contractual share of the handle. Vernon Downs' horsemen received \$40,000 (as accrued purse obligations).

TRACK TO TRACK SIMULCASTING: BUFFALO RACEWAY TO BATAVIA DOWNS

Batavia Downs conducted 126 days of simulcasting Buffalo races during 1992 compared to 127 days in 1991. Attendance figures weren't available. Total handle was \$2 million in 1992, compared to \$1.7 million in 1991, an increase of \$356,000 or 2.1%. Daily average handle was \$16,338.

From simulcast handle, Batavia Downs retained \$445,000. New York State received \$49,000 in tax revenue and the Agriculture and New York State Horse Breeding Development Fund received \$21,000. Buffalo Raceway received \$138,000 pursuant to an agreement, which provided that Batavia Downs pay 6.5% on the first \$15,000 of handle, 7.5% on the next \$10,000 and 8.25% to \$50,000. The horsemen received 50% of that amount or \$69,000 (as accrued purse obligations). This simulcast was conducted when Batavia Downs was not racing.

TRACK TO TRACK SIMULCASTING: BATAVIA DOWNS TO BUFFALO RACEWAY

Buffalo Raceway conducted 125 days of simulcasting Batavia races in 1992 compared to 124 days in 1991. The total attendance was 41,075 compared to 39,707, an increase of 1,368 or 3.4%. Total handle was \$4.7 million in 1992 compared to \$4.3 million in 1991, an increase of \$417,268 or 9.7%. Daily average attendance was 328 and daily average handle was \$37,332. Daily average per capita betting was \$114.

From simulcast handle, Buffalo Raceway retained \$1 million. New York State received \$113,000 in tax revenue and the Agriculture and New York State Horse Breeding Development Fund received \$47,000. Batavia Downs received \$347,000 as the sending track's share of commission and breakage. The horsemen at Batavia received 50% of that amount or \$173,500 (as accrued purse obligations).

This simulcast was conducted when Buffalo Raceway was not racing. Buffalo's horsemen received \$50,000 (as accrued purse obligations), which was 1% of the gross handle at Buffalo Raceway through October 1992 and 1.5% of the gross handle through the remainder of the year.

OTHER TRACK TO TRACK SIMULCASTS

Finger Lakes (FLRT) conducted simulcasting on Buffalo Raceway races on ten 1992 matinee programs and total handle was \$129,461.

Saratoga Raceway conducted simulcasting on FLRT races on Tuesdays during the Saratoga Race Track meet and for part of September, for a total of seven days. Total attendance was 792 and total handle was \$203,175.

SIMULCASTING OF NEW YORK RACES TO OTHER JURISDICTIONS

CONNECTICUT OFF-TRACK BETTING

Off-track betting on New York State racing began in the State of Connecticut on April 29, 1976, at 11 off-track betting branches. Agreements were signed with the New York Racing Association (NYRA), Yonkers Raceway, Roosevelt Raceway, American Totalizator (AmTote) and the State of Connecticut. These agreements were approved by the Board.

During the succeeding years the number of off-track betting branches has fluctuated between a high of 16 to the present nine facilities. In October 1979, the country's first teletheater - "Teletrack"- opened in New Haven and began simulcasting New York races into its facility. AmTote, a division of General Instruments, owned and operated Teletrack. In October 1990, a second teletheater was opened in Windsor Locks.

Connecticut's contract with AmTote expired on April 1, 1990. AmTote continued to provide services on a cost-plus basis until a "request for proposal"(RFP) was prepared and bids submitted. The low bidder was Auto Management, a partnership between Autotote and Connecticut Yankee Greyhound Park in Plainfield, Connecticut. The AmTote cost-plus contract expired on February 29, 1992. Auto Management's contract started on March 1, 1992 and was to be on an interim basis, until a full-scale RFP was completed.

As a result of the contract with Auto-Management, a new and down-sized New Haven Teletheater was opened on March 1, 1992 to replace the original AmTote-owned Teletrack. A third simulcast facility, privately operated, commenced operations at the Plainfield Greyhound Park on November 1, 1991. A fourth

simulcast facility, also privately operated, was opened at the Bridgeport Jai Alai on December 26, 1992.

The contract with Auto-Management ended on October 31, 1992. New agreements between the State and Autotote of Delaware for tote services, and Sports Vision Productions of California for simulcast services, started on November 1, 1992. This was an interim contract while the State considered privatization. The hub of the central OTB system was moved to division headquarters in Newington, CT.

Total 1992 handle in the State of Connecticut was \$166.5 million. Of that amount \$117 million was wagered on New York races; \$100.8 million on NYRA; and \$16.2 million on Yonkers. In 1992, NYRA received \$5.2 million and Yonkers received \$540,000 in Connecticut commissions.

Although NYRA remains the mainstay of the daytime Connecticut menu, its total New York handle is rapidly declining.

NEVADA

In January 1992, NYRA and the Las Vegas Dissemination Company (LVDC), entered into an agreement to simulcast NYRA races into hotels and race books in Nevada.

This agreement gave LVDC the exclusive right to the signal in the State of Nevada, including the right to disseminate the signal to other locations in Nevada. There are presently 50 licensed race books receiving the NYRA signal in Nevada.

This contract runs through December 31, 1993 and calls for NYRA to assume all transmission costs. In 1992, LVDC paid a fixed fee of \$5,700 per day. NYRA received \$1.7 million under this agreement in 1992, while expending \$321,000 in transmission costs.

In 1992, there was also simulcasting of Yonkers Raceway harness races to several hotels in the State of Nevada. Yonkers Raceway received \$15,000 and its horsemen received half.

INTERNATIONAL SIMULCASTING

In November 1988, there was a technical amendment to Section 1084(b) of Title 18 of the United States Code, which expanded the definition of permissible areas for the transmission of wagering information to include foreign countries. NYRA entered into an agreement with Caliente Race Track and five affiliated Mexican race books to simulcast NYRA races daily. Caliente Race Track agreed to pay NYRA \$1,440 per day through March 31, 1992. On April 1, the daily fee rose

to \$1,740. In 1992, Caliente paid NYRA \$516,000 under the agreement.

Also in Mexico, NYRA simulcast to three race books in Juarez from February through August 1992. These race books paid NYRA \$60,000.

NYRA continued simulcasting selected graded stakes to nine Canadian race tracks during 1992. Total handle on those races was \$2.7 million, of which NYRA received \$122,000. The horsemen were paid \$61,000 (as accrued purse obligations).

In addition, NYRA continued simulcasting its races into various race book locations (approximately 38) in the Caribbean. During 1992, NYRA received a daily fee of \$50 per race book for a total of \$358,000, compared to \$392,000 in 1991, a decrease of \$34,000 or 8.6%.

SPECIAL EVENTS

On numerous occasions, New York stakes and feature races are simulcast to various out-of-state tracks. These simulcasts are the subject of specially negotiated agreements, approved by the Board, generally on a month-to-month basis. These agreements must comply with the provisions of the federal Interstate Horseracing Act of 1978 (15 U.S.C. Section 3001).

NYRA simulcast selected races during 1992 to 78 out-of-state tracks or inter-track wagering sites (ITWs). The guest or receiving track and its ITW's pay all charges to receive the race. NYRA is paid various commissions on the total pari-mutuel handle of that race. The total handle was \$136 million, of which \$6.1 million was paid to NYRA. The horsemen were paid \$4.1 million (as accrued purse obligations) and the New York State Thoroughbred Racing Capital Investment Fund received \$2 million.

Similarly, Yonkers Raceway simulcast many of its feature races to 14 out-of-state tracks. The handle on these races was \$2.3 million, of which \$119,034 each was paid to Yonkers and its horsemen.

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 July 1990, Chapter 346 of the Laws of 1990 continued the authorization for simulcasting on a permanent basis. In the course of reviewing the permanent 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 four 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 1990 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 New York State government and the racing and wagering industry have focused a great deal of attention on the issues of integrity and accountability. The Board supports efforts to promote and insure professionalism, integrity and ethical conduct within all segments of the racing and wagering community.

The Board has recommended, as departmental legislation in 1989, 1990, 1991, 1992, and in 1993 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.6124) 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.4135/A.6772 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 this legislation is significant.

New bills for the 1993 session were suggested by the Board. The law presently requires that OTBs simulcasting the Kentucky Derby, Preakness and Breeders' Cup races disclose that nearby tracks are also conducting such simulcasts in their advertising and "marketing" materials. The law requires that any tracks doing such simulcasts also reciprocate for OTBs. This provision, while useful initially, has become mischievous and should now be dropped. The Board recommends S.4191/A.6325 for this purpose.

S.4190/A6319, sponsored by the Board would require tracks and OTB's to electronically transmit wagering data in satisfactory satisfactory formats to both the Board and the Commissioner of Taxation. With the loss of Taxation personnel at the tracks, it is crucial that the compilation of such data be done electronically by computer for fast analysis and statistical reporting.

S.4188/A.6321, sponsored by the Board, would authorize the Board to establish a uniform protocol for the merging of in-state and out-of-state wagering pools. This is especially important now with the explosion of interstate simulcasting.

A.6322, another board proposal, would make several technical corrections to the simulcasting law changes in 1992.

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

Present law bars a track from simulcasting races of the same type as those conducted on track, except special events, regardless of the circumstances. At least two harness tracks have, with their horsemen's approval, requested the Board to allow them to supplement their racing programs, abbreviated due to a shortage of horses, with simulcast races from other New York tracks.

The Board recommends that this situation be remedied.

RECOMMENDATION #4

The 1991 in-home simulcast experiment conducted by Saratoga Raceway and Capital District Regional Off-Track Betting Corporation (discussed in detail in the Capital OTB section, supra) was inadequate to fully assess the potential of this technology.

Simulcasts directly into homes, businesses and commercial establishments may accommodate the shifting racing fan base. It appears that more and more fans desire to wager away from the track, as well as to have better access to wagering information and opportunities. However, to more fully understand this impact on pari-mutuel betting handle and attendance at existing race tracks and OTB facilities, a more extensive, comprehensive and consistent experiment is needed. The results of the limited experiment are inconclusive.

Therefore, the Board recommends that a more comprehensive one-year experiment allowing a regional OTB and a regional track be conducted. The experiment would be required to be conducted in a manner which would generate sufficient empirical data to enable the State's policymakers to make an intelligent determination for future activity. It would be desirable if a partnership concept between OTB and the track could be maintained, but not absolutely mandatory.

RECOMMENDATION #5

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 #6

Chapter 346 of the Laws of 1990 authorized the combining of New York wagers on horse races conducted in other states or foreign countries with wagers on such races made elsewhere only for those races of special interest designated in Section 905, 905-a and 906 of the Racing Law. The Board believes that this provision contained in Section 907 of the Racing Law should be extended to other out-of-state racing events.

In addition, under the same terms and conditions set forth in Section 907, the Board should have the flexibility to authorize common pools on out-of-state wagering authorized as an experiment, by Section 523 of the Racing Law. With the great advances in technology, this system of common pools can be another tool by which the racing and wagering industry continues to maintain its current handle levels and promote this exciting sport. An experiment could develop the data needed to evaluate this ability.

RECOMMENDATION #7

With the tremendous expansion of interstate inter-track simulcasting, New York's market areas are being invaded from New Jersey (Meadowlands), Connecticut, New Hampshire (Hinsdale) and Ontario (Fort Erie). During the recent Aqueduct winter meeting, Meadowlands offered simulcasting wagering on Gulfstream (Florida), Laurel (Maryland), Oaklawn (Arkansas) and Santa Anita (California) races - competing directly against NYRA's daily card both on-track and off-track in New York City and the Catskill region.

This competition has already been significant (New York City OTB estimates they have lost at least \$100,000 in daily NYRA handle to this competition) and it threatens to become overwhelming unless New York's tracks and OTB'S are given the authority to compete in the same fashion.

We recommend that the legislature act speedily in this regard to deal with this recent development in racing.

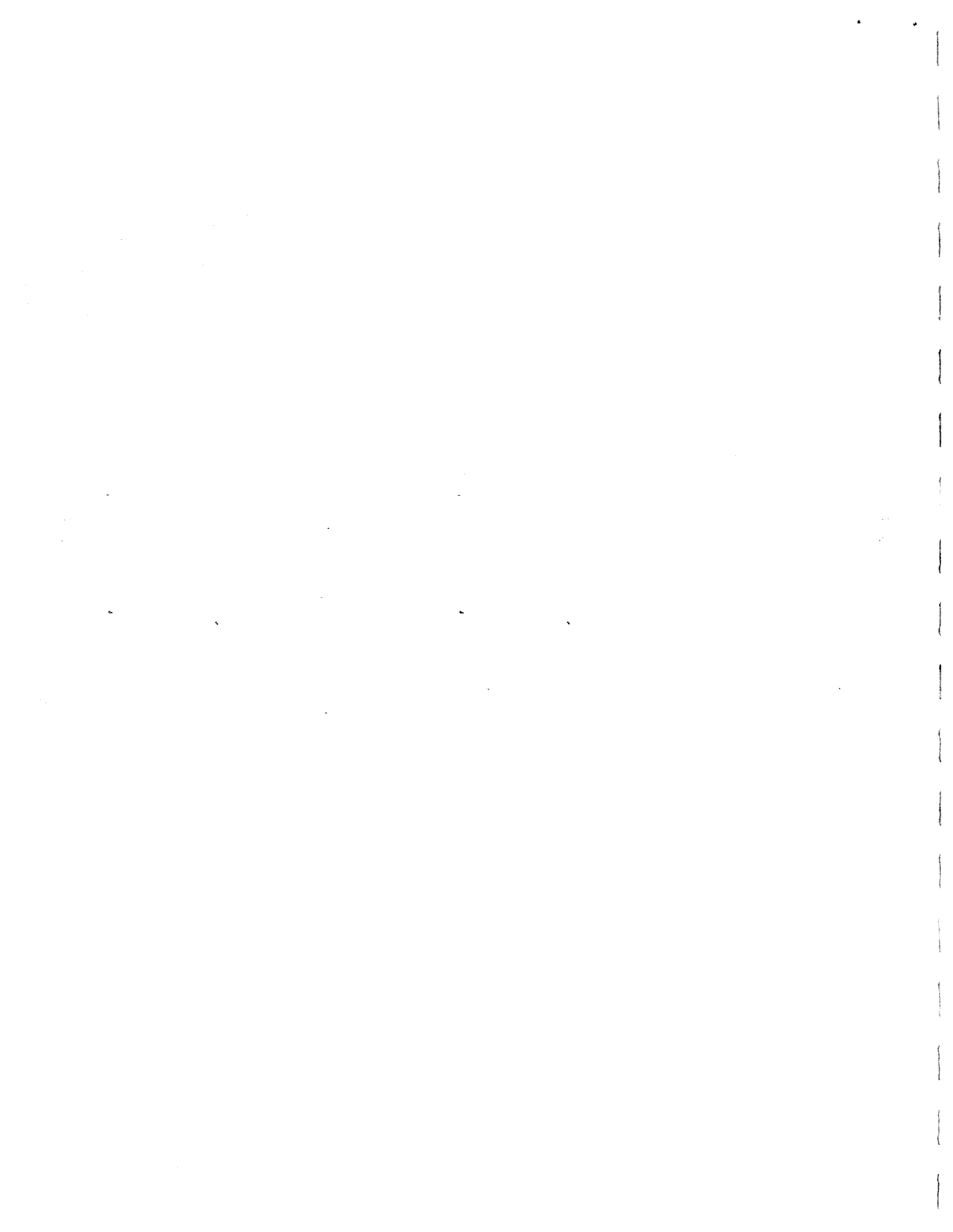
CONCLUSION

The foregoing has been a detailed analysis of simulcast operations during 1992. 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 generally yielded positive results. Simulcasting has been given the opportunity to develop. It has been the key element in stabilizing the total handle in New York State.

Many of the technical problems associated with simulcasting have been surmounted. Of more concern to the Board is the on-going conflict among various segments of the industry. A sense of apprehension and distrust pervades virtually all the relationships that exist within the racing and pari-mutuel wagering community. Several specific instances have been described in this and prior reports.

Clearly, the statutory system prior to 1990 did not function as well as it was designed to. 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). During 1991, there were indications that this policy was somewhat effective, although widespread mutual cooperation is still far from a realization.

Regrettably, various segments of the industry continue to act only for narrow, parochial and selfish gains and, we believe, mistakenly refuse to cooperate to further the public interest. The disappointing 1992 results, following equally disappointing 1991 results indicate that industry leaders should meet together to devise mutual strategies to further the racing industry for the benefit of all. We will continue to try to bring about this necessary harmony.



SIMULCAST PARI-MUTUEL HANDLES BY SIMULCAST LOCATIONS IN NEW YORK STATE 1992/1991
(In Thousands)

LOCATION TRACK TO TRACK:	Combined total		MRA		Finger Lakes		Yonkers		Monticello		Saratoga Raceway		Buffalo Raceway		Batavia Downs	
	1992	1991	1992	1991	1992	1991	1992	1991	1992	1991	1992	1991	1992	1991	1992	1991
Aqueduct	\$38,279	\$36,480	\$38,279	\$36,480												
Yonkers	107,768	102,349	107,768	102,349												
Saratoga Raceway	19,024	18,563	18,441	18,360	203	203	380									
Finger Lakes	6,847	8,093	6,718	8,064												
Vernon Downs	8,257	3,928	4,309	2,384	1,341		1,631	1,359					129	29		
Monticello Raceway	7,336	6,364	6,092	6,364	1,244								561	171	415	14
Batavia Downs	8,925	6,029	5,289	2,968	1,577	1,357							2,059	1,704		
Buffalo Raceway	12,487	9,284	5,621	3,375	2,074	1,606	75								4,717	4,303
TOTAL	\$208,923	\$191,090	\$192,517	\$180,344	\$6,439	\$3,166	\$2,086	\$1,359	\$0	\$0	\$0	\$0	\$2,749	\$1,904	\$5,132	\$4,317

OTB BRANCHES:

New York City OTB	\$307,282	\$313,944	\$233,855	\$239,102	\$14,779	\$13,516	\$56,465	\$60,432	\$2,183	\$894						
Nassau OTB	118,734	118,327	85,242	83,169	3,989	3,820	28,882	31,065	621	273						
Suffolk OTB	104,315	108,802	76,351	77,347	2,841	2,977	24,742	28,457	381	21						
Catskill OTB	101,702	97,863	67,237	64,663	11,482	9,636	22,148	23,130	835	434						
Capital OTB	141,929	145,529	100,366	102,810	20,944	20,945	12,764	13,085	375	166			2,000	1,721	1,617	1,508
Western OTB	163,812	162,864	77,532	78,947	44,627	44,620	7,270	6,835	169	285			17,457	16,127	16,757	16,050
TOTAL	\$937,774	\$947,329	\$640,593	\$646,038	\$98,662	\$95,514	\$152,271	\$163,004	\$4,564	\$2,073	\$3,863	\$5,294	\$19,457	\$17,848	\$18,374	\$17,558

OTB TELETHEATERS:

New York City OTB	\$67,532	\$70,166	\$52,841	\$55,259	\$1,599	\$1,613	\$12,872	\$13,217	\$220	\$77						
Suffolk OTB	41,403	40,164	31,715	28,647	963	794	8,628	10,723	97							
Capital OTB	31,986	35,444	22,144	24,657	3,712	3,600	3,021	4,113	43	19			2,571	2,685	332	228
TOTAL	\$140,921	\$145,774	\$106,700	\$108,563	\$6,274	\$6,007	\$24,521	\$28,053	\$360	\$96	\$2,571	\$2,685	\$332	\$228	\$163	\$142

STATEWIDE TOTAL	\$1,287,618	\$1,284,193	\$939,800	\$934,945	\$111,375	\$104,687	\$178,878	\$192,416	\$4,924	\$2,169	\$6,434	\$7,979	\$22,538	\$19,980	\$23,669	\$22,017
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*Includes Saratoga to Aqueduct

**In addition \$22.2 million was wagered on those out-of-state races of special interest (which are permitted by law to be simulcast) at OTB facilities (including simulcast theaters).

1992
RECEIVING TRACK REVENUES, EXPENSES, AND PROFITS FROM TRACK TO TRACK
SIMULCASTS FROM OTHER THOROUGHBRED AND HARNESS TRACKS

<u>RECEIVING TRACK</u>	<u>YONKERS RACEWAY</u>	<u>SARATOGA RACEWAY</u>	<u>FINGER LAKES</u>	<u>MONTICELLO RACEWAY</u>	<u>VERNON DOWNS</u>	<u>BATAVIA DOWNS</u>	<u>BUFFALO RACEWAY</u>
Track Share - Commission and Breakage	\$17,355,797	\$3,147,347	\$1,094,520	\$1,232,721	\$ 769,354	\$1,515,712	\$ 2,180,176
Paid to Sending Tracks	(7,624,541)	(1,246,211)	(446,438)	(464,092)	(265,548)	(572,874)	(826,147)
Net Retained by Receiving Track	9,731,256	1,901,136	648,082	768,629	503,806	942,838	1,354,029
Other Operating Revenue	<u>918,611</u>	<u>232,136</u>	<u>19,266</u>	<u>95,322</u>	<u>28,431</u>	<u>-0-</u>	<u>-0-</u>
Total Simulcast Revenue	10,649,871	2,133,272	667,348	863,951	532,237	942,838	1,354,029
LESS:							
Direct Expenses	(3,088,290)	(585,753)	(235,109)	(251,808)	(338,193)	(428,848)	(704,962)
Purse Share (Receiving Track)	(2,694,194)	(174,326)	(105,183)	(183,417)	(58,175)	(274,044)	(155,441)
Indirect Expenses	(1,770,212)	(943,696)	(54,048)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Simulcast Profit Before Taxes	<u>\$3,097,175</u>	<u>\$429,497</u>	<u>\$273,008</u>	<u>\$428,726</u>	<u>\$135,869</u>	<u>239,946</u>	<u>\$493,626</u>

REFLECTS THE COMBINED RESULTS FOR EACH TRACK FROM THE ONE OR MORE INTER-TRACK HANDLES SHOWN ON THE ACCOMPANYING CHARTS. THE ABOVE SIMULCAST REVENUES AND EXPENSES WERE SEGREGATED FROM THE PARTICULAR TRACK'S TOTAL REVENUES AND EXPENSES FOR THE PURPOSE OF APPROXIMATING THE PROFITS FROM THE SIMULCASTS. THE BLANK LINES FOR OTHER OPERATING REVENUE AND FOR INDIRECT EXPENSES REFLECT THE INABILITY TO IDENTIFY SUCH ITEMS FOR SOME OF THE TRACKS. THE FIGURES FOR VERNON DOWNS ARE BASED ON FISCAL YEAR FIGURES TO MATCH THEIR FINANCIAL REPORTING.

TRACK TO TRACK SIMULCASTS - Handle at Receiving Tracks
5 Year Comparison of Combined On-Track and Simulcast Handles and Racing Days

	On-Track Own Racing		Simulcasts Of MYRA Racing		Simulcasts From Other Tracks		Combined Handles
	Days	Handle	Days	Handle	Days	Handle	
YONKERS RACEWAY							
1988	247	\$189,977,426	298	\$99,862,169			\$289,839,595
Increase 1989		49,420,761		5,910,464			55,331,225
1989	365	\$239,398,187	306	\$105,772,633			\$345,170,820
(Decrease) 1990		(31,993,650)		(49,387,362)			(81,381,012)
1990	353	\$207,404,537	167	\$56,385,271			\$263,789,808
(Decrease) Increase 1991		(20,401,832)		46,488,886			26,087,054
1991	364	\$187,002,705	310	\$102,874,157			\$289,876,862
(Decrease) Increase 1992		(17,070,122)		4,893,683			(12,176,439)
1992	357	\$169,932,583	311	\$107,767,840			\$277,700,423
SARATOGA RACEWAY							
1988	202	\$34,984,062	284	\$17,406,274			\$52,390,336
(Decrease) Increase 1989		(3,576,148)		1,477,158			(2,098,990)
1989	197	\$31,407,914	282	\$18,883,432			\$50,291,346
(Decrease) Increase 1990		(2,437,850)		991,255			(1,446,595)
1990	179	\$28,970,064	287	\$19,874,687			\$48,844,751
(Decrease) Increase 1991		(2,065,619)		(1,424,959)		203,004	(3,287,514)
1991	187	\$26,904,445	208	\$18,449,728		\$203,004	\$45,557,177
(Decrease) Increase 1992		(2,044,353)		(8,440)	4	380,032	(1,672,761)
1992	184	\$24,860,092	281	\$18,441,288	20	\$583,036	\$43,884,416
FINGER LAKES							
1988	172	\$50,528,183	99	\$8,644,859			\$59,173,042
(Decrease) 1989		(3,398,277)		(2,751,437)			(6,149,714)
1989	168	\$47,129,906	88	\$5,893,422			\$53,023,328
(Decrease) Increase 1990		(3,611,341)		3,089,437			(521,904)
1990	161	\$43,518,565	110	\$8,982,859			\$52,501,424
Increase (Decrease) 1991		1,517,540		(919,443)		28,960	627,057
1991	170	\$45,036,105	95	\$8,063,697	4	\$28,960	\$53,128,481
Increase (Decrease) 1992		(3,350,149)		(1,345,284)		100,501	\$(4,594,932)
1992	171	\$41,685,956	114	\$6,718,132	10	\$129,461	\$48,533,549
MONTICELLO RACEWAY							
1989	210	\$41,894,204					\$41,894,204
Increase 1990		2,831,260		\$1,680,171			4,511,431
1990	230	\$44,725,464	89	\$1,680,171			\$46,405,635
(Decrease) Increase 1991		(9,829,168)		4,974,712			(4,854,456)
1991	210	\$34,896,296	310	\$6,654,883			\$41,551,179
(Decrease) Increase 1992		(246,097)		(562,611)		1,244,341	435,633
1992	206	\$34,650,199	310	\$6,092,272	171	1,244,341	\$41,986,812
VERNON DOWNS							
1988	154	\$31,676,454					\$31,676,454
(Decrease) Increase 1989		(319,727)		\$2,151,394		\$440,015	2,271,687
1989	159	\$31,356,732	138	\$2,151,394	44	\$440,015	\$33,948,141
(Decrease) Increase 1990		(904,278)		(194,845)		854,384	(154,739)
1990	155	\$30,452,454	112	\$2,046,549	112	\$1,294,399	\$33,793,402
(Decrease) Increase 1991		(2,452,240)		336,979		262,310	(1,852,951)
1991	155	\$28,000,214	133	\$2,383,528	137	\$1,556,709	\$31,940,451
(Decrease) Increase 1992		(4,073,137)		1,925,219		2,390,046	250,128
1992	146	\$23,927,077	310	\$4,308,747	396	\$3,954,755	\$32,190,579
BATAVIA DOWNS							
1989	142	\$20,791,055					\$20,791,055
(Decrease) Increase 1990		(1,227,286)		\$124,193		\$815,942	(287,151)
1990	133	\$19,563,769	23	\$124,193	63	\$815,942	\$20,503,904
(Decrease) Increase 1991		(2,713,407)		2,844,502		2,284,149	2,415,244
1991	129	\$16,850,362	264	\$2,968,285	285	\$3,100,091	\$22,919,148
(Decrease) Increase 1992		(1,851,608)		2,320,114		535,356	1,003,862
1992	125	\$14,998,754	311	\$5,288,809	297	\$3,635,447	\$23,923,010
BUFFALO RACEWAY							
1989	127	\$23,772,040					\$23,772,040
(Decrease) Increase 1990		(456,818)				\$1,330,539	873,721
1990	128	\$23,315,222			40	\$1,330,539	\$24,645,761
(Decrease) Increase 1991		(2,624,064)		3,305,835		4,575,007	5,336,778
1991	127	\$20,691,158	254	\$3,305,835	294	\$5,905,546	\$29,902,539
(Decrease) Increase 1992		295,843		2,234,781		960,984	3,419,608
1992	126	\$20,987,001	310	\$5,620,616	303	\$6,866,530	\$33,474,147

NEW YORK RACING ASSOCIATION
1992 SARATOGA THOROUGHERED SIMULCAST TRANSMISSION TO AQUEDUCT

Dates Raced July 28 through August 30, 1992

Days 30

Attendance 206,279 Total 6,876 Per Day

HANDLE:	AMOUNT	Average Per Day	% of Handle
Regular	\$9,579,747	\$319,325	25.03
Multiple	23,166,238	772,208	60.52
Exotic	3,567,842	118,928	9.32
Super Exotic	1,965,601	65,520	5.13
Handle at Aqueduct	<u>\$38,279,428</u>	<u>\$1,275,981</u>	<u>100%</u>

DIVISION OF HANDLE:

State Tax	\$1,177,989	\$39,266	3.08
Breeders Fund	192,196	6,407	.50
Track Share	<u>5,777,430</u>	<u>192,581</u>	<u>15.09</u>
Takeout	7,147,615	238,254	18.67
Bettors Share	<u>31,131,813</u>	<u>1,037,727</u>	<u>81.33</u>
Handle	<u>\$38,279,428</u>	<u>\$1,275,981</u>	<u>100%</u>

Average Bet Per Patron \$186

5 Year Comparison of Handle - Saratoga Simulcast to Aqueduct

	Days	Handle	Average Per Day	% Change
1988 Aug. 3 - Aug. 29	24	\$28,774,479	\$1,198,937	
Increase 1989		<u>318,129</u>	<u>13,255</u>	<u>1.11%</u>
1989 Aug. 2 - Aug. 28	24	\$29,092,608	\$1,212,192	
Increase 1990		<u>801,457</u>	<u>33,394</u>	<u>2.75%</u>
1990 Aug. 1 - Aug. 27	24	\$29,894,065	\$1,245,586	
Increase 1991	6	<u>6,801,780</u>	<u>(22,391)</u>	<u>(1.80%)</u>
1991 Jul. 24 - Aug. 26	30	\$36,695,845	\$1,223,195	
Increase 1992		<u>1,583,583</u>	<u>52,786</u>	<u>4.32%</u>
1992 Jul. 28 - Aug. 30	30	\$38,279,428	\$1,275,981	

SCHEDULE OF SIMULCAST REVENUES, EXPENSES AND PROFIT - AQUEDUCT

Track Share of Commission And Breakage Net of Statutory Payments	\$5,749,884
Other Operating Revenues	<u>283,672</u>
Total Revenues	<u>\$6,033,556</u>
Statutory Allocation for NYRA Purses	(1,436,994)
Other Operating Expenses	<u>(1,678,695)</u>
NYRA Profit - Paid Out As Franchise Fee Increment	<u>\$2,917,867</u>

SARATOGA THOROUGHBRED MEETS of the New York Racing Association and Selected Simulcasts
Comparisons of Handle and Attendance - Totals, Daily Averages and Increases and Decreases

ON-TRACK HANDLE AT SARATOGA - 5 YEAR COMPARISON

DATES	DAYS	TOTAL FOR MEET	AVERAGE PER DAY		TOTAL FOR MEET	ATTENDANCE	
			AMOUNT	% CHANGE		AMOUNT	% CHANGE
1988 Aug. 3-Aug. 29	24	\$83,136,404	\$3,464,017		672,702	28,029	
Increase-1989		1,935,719	80,655	2.33%	54,039	2,252	8.03%
1989 Aug. 2-Aug. 28	24	\$85,072,123	\$3,544,672		726,741	30,281	
Increase (Decrease) 1990		4,361,704	181,737	5.13%	(20,876)	(870)	(2.87%)
1990 Aug. 1-Aug. 27	24	\$89,433,827	\$3,726,409		705,865	29,411	
Increase 1991		10,787,427	(385,701)	(10.35%)	25,530	(5,031)	(17.11%)
1991 Jul. 24-Aug. 26	30	\$100,221,254	\$3,340,708		731,395	24,380	
Increase 1992		3,110,873	103,696	3.10%	30,536	1,018	4.18%
1992 Jul. 29-Aug. 31	30	\$103,332,127	\$3,444,404		\$761,931	\$25,398	

NEW YORK CITY OTB SARATOGA THOROUGHBRED RACING - 5 YEAR COMPARISON

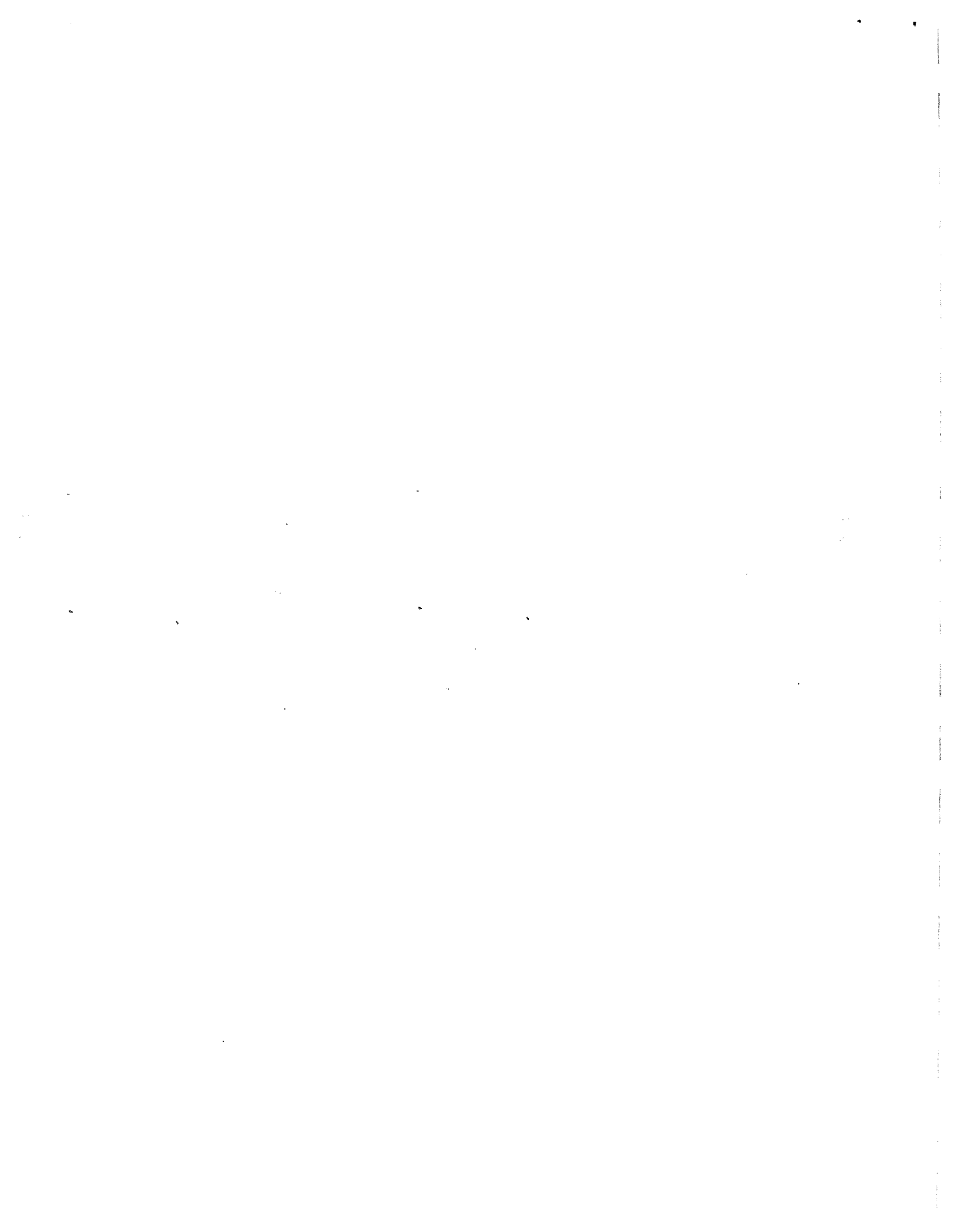
	NYC OTB HANDLE	DAYS RACED	AVERAGE PER DAY	
			AMOUNT	% CHANGE
1988 Aug. 3-Aug. 29	\$59,469,007	24	\$2,477,875	
(Decrease) 1989	(1,316,249)		(54,843)	(2.21%)
1989 Aug. 2-Aug. 28	\$58,152,758	24	\$2,423,032	
Increase 1990	1,628,257		67,844	2.80%
1990 Aug. 1-Aug. 27	\$59,781,015	24	\$2,490,876	
Increase 1991	11,541,369		(113,464)	(4.56%)
1991 Jul. 24-Aug. 26	\$71,322,384	30	\$2,377,412	
(Decrease) 1992	(5,290,058)		(176,334)	(7.42%)
1992 Jul. 28-Aug. 30	\$66,032,326	30	\$2,201,078	

AT YONKERS RACEWAY - SARATOGA THOROUGHBRED SIMULCASTS - 5 YEAR COMPARISON

	YONKERS HANDLE	DAYS RACED	AVERAGE PER DAY	
			AMOUNT	% CHANGE
1988 Aug. 3-Aug. 19	\$9,023,805	24	\$375,992	
Increase 1989	252,190		10,508	2.79%
1989 Aug. 2-Aug. 28	\$9,275,995	24	\$386,500	
Increase 1990	546,497		22,771	5.89%
1990 Aug. 1-Aug. 28	\$9,822,492	24	\$409,271	
Increase 1991	1,689,897		(25,525)	6.24%
1991 Jul. 24-Aug. 26	\$11,512,389	30	\$383,746	
Increase 1991	15,153		505	0.13%
1992 Jul. 29-Aug. 31	\$11,527,542	30	\$384,251	

See separate page for simulcasts to Aqueduct.

PART III
TRACK OPERATIONS REPORT



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 the 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 (1) 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 capital stock, its sale and transfer and 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 present 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 law, 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 corporations 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 1992 which is from preliminary unaudited data and is subject to change after audited financial statements are submitted by the race tracks.

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 1992, the Board licensed all eight race tracks to conduct track to track simulcasts. No simulcasts were conducted for the limited Syracuse Mile meet.

NYRA races were simulcast to all eight tracks including to Aqueduct (during the Saratoga meet). The NYRA simulcast handles totalled \$192,517,532 of which the Aqueduct simulcast represented \$38,279,428 and the other seven tracks \$154,237,704.

Finger Lakes races were simulcast to five harness tracks for a total handle of \$6,439,246. Yonkers Raceway did not receive Finger Lakes races.

Yonkers Raceway simulcast its harness races to Vernon Downs for a handle of \$1,630,695; to Saratoga Harness \$379,861; and to Buffalo Raceway \$75,578 for a total of \$2,086,134.

Buffalo Raceway simulcasts to Batavia Downs generated \$2,058,689 in handle, \$560,483 at Vernon Downs and \$129,461 at Finger Lakes, for combined total of \$2,748,633.

Batavia's simulcast handle at Buffalo was \$4,716,656, which with \$414,901 at Vernon totalled \$5,131,555.

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

1992 TRACK TO TRACK SIMULCASTING

RECEIVING TRACK

SENDING TRACK	NYRA	FINGER LAKES	YONKERS	MONTICELLO	SARATOGA	VERNON	BATAVIA	BUFFALO
NYRA	X	X	X	X	X	X	X	X
FINGER LAKES					X	X	X	X
YONKERS					X	X		X
MONTICELLO								
SARATOGA								
VERNON								
BATAVIA						X		X
BUFFALO		X				X	X	

ALL HANDLES

For 1992, the combined on and off track handles totalled \$3,086,286,024 compared to \$3,169,534,481, a decline of 2.63%. The declines affected thoroughbred and harness tracks. The full details are reflected in Part One of this report.

Betting on NYRA races totalled \$2,199,354,435 compared to \$2,249,693,141, a decline of 2.24%. These figures reflect a \$11,041,000 increase for NYRA simulcasts.

Finger Lakes total handles increased \$487,381 to \$170,207,004. However, there was a decline of \$3,350,000 from its own on-track racing which was offset by an increase in simulcasts to other tracks and to OTB.

For harness tracks, the handle results were mixed. The combined harness handle total of \$627,159,270 reflected a \$41,006,053 decrease or 6.14% less than 1991. Batavia, Saratoga, Vernon and Yonkers declined, while Buffalo, Monticello and Syracuse Mile reflected increased handles.

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

simulcasts accounted for \$107,767,840 of the on-track handle totalling \$277,700,423. Of Monticello's \$41,986,812 total, \$7,336,613 was from NYRA and Finger Lakes simulcasts. Saratoga Raceway's \$19,024,324 from simulcasts was over 43% of its \$43,884,416 in total handle. Vernon Downs total handle of \$32,182,579 included \$8,255,502 from simulcast betting. At Batavia, simulcasts accounted for \$8,924,256 of the \$23,913,010 total; and at Buffalo, the simulcast handle of \$12,487,146 reflected 37% of the \$33,474,147 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 at 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 did expend for enhancements during 1992 at least one-half of 1% of their respective on-track bets during 1992, except the Syracuse Mile whose tax for 1993 will rise therefore by the prescribed amount.

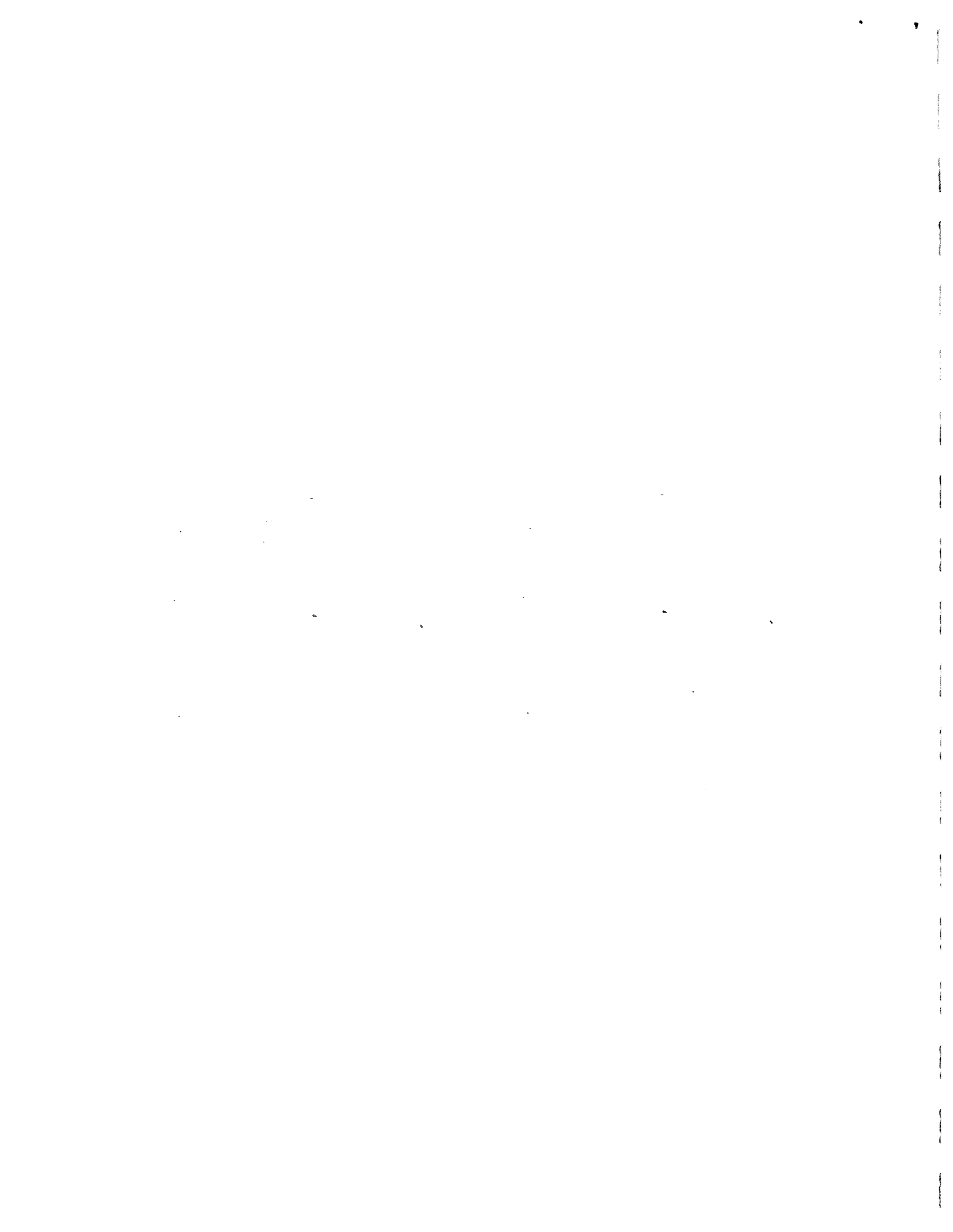
Four of the seven reporting tracks, Monticello, Vernon, Batavia and Finger Lakes reflect sizeable "losses from racing" in 1992. All of the tracks except Vernon indicate profits with the capital improvement commissions. In the case of Vernon, the \$204,238 in capital improvement commissions was not enough to overcome the \$501,472 loss from racing. Finger Lakes "profit" was derived fully from the \$811,918 in capital improvement commissions. In 1991, five tracks reflected sizeable losses from racing, and all tracks, except Monticello and Vernon, showed profits with the capital improvement commissions.

The 1992 figures are preliminary unaudited figures subject to change when audited reports are submitted by the

tracks. The audited 1991 figures also indicate losses from racing after capital improvement commissions for Vernon. Monticello also reflected such 1991 loss.

It should be noted that while capital improvement fund commissions eliminated the losses from racing in many cases, those revenues are restricted in use and are 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 1992 financial statements and their prior year audited financial statements going back to 1989.



REVENUES AND EXPENSES 1992 - ALL TRACKS COMPARED (UNAUDITED FIGURES)

	YONKERS 1992	MONTICELLO 1992	SARATOGA 1992	VERNON 1992	BATAVIA 1992	BUFFALO 1992	FINGER LAKES 1992
OPERATING INCOME							
On-Track Commissions and Breakage	\$ 28,773,142	\$ 5,972,695	\$ 4,239,003	\$ 4,123,056	\$ 2,584,556	\$ 3,616,685	\$ 7,264,081
Off-Track Commissions	11,170,506	2,341,958	4,496,057	1,447,189	2,317,599	2,105,245	5,006,270
Simulcast Commissions	11,740,684	769,071	2,035,529	915,031	1,561,801	1,889,717	2,041,046
Simulcast Tax Credits	2,109,246	16,956	53,515	-0-	130,443	169,353	414,235
Total Pari-Mutuel Commissions	53,793,578	9,100,680	10,824,104	6,485,276	6,594,399	7,781,000	14,725,632
Other Operating Income	3,526,724	765,915	1,612,710	1,066,363	464,570	555,514	753,442
Total Operating Income	57,320,302	9,866,595	12,436,814	7,551,639	7,058,969	8,336,514	15,479,074
OPERATING EXPENSES							
Purse and Horsemen Benefits	\$ 23,008,888	\$ 4,296,590	\$ 4,442,647	\$ 2,926,040	\$ 2,825,227	\$ 3,288,420	\$ 7,878,931
Racing Department	1,222,359	297,797	266,760	232,431	214,160	390,946	1,489,951
Pari-Mutuel Expenses	5,052,633	726,347	1,340,827	1,314,201	1,061,302	1,414,560	1,629,658
Advertising and Promotions	1,426,118	198,673	789,399	281,316	185,132	520,224	622,485
Maintenance and Cleaning	8,390,155	1,175,132	1,304,251	612,701	630,636	690,083	1,604,157
Patron and Security	2,516,035	459,755	709,427	513,352	223,940	561,937	544,355
General and Administrative	11,128,406	2,653,315	2,763,817	1,965,093	1,729,477	1,211,695	1,823,711
Total Operating Expense	52,744,594	9,807,609	11,617,128	7,845,134	6,869,874	8,077,865	15,593,248
Depreciation	3,554,442	389,796	575,006	207,977	198,000	141,737	679,909
Total Operating Expenses	56,299,036	10,197,405	12,192,134	8,053,111	7,067,874	8,219,602	16,273,157
Profit From Racing	\$ 1,021,266	(330,810)	244,680	(501,472)	(8,905)	116,912	(794,083)
Capital Improvement Commissions	-0-	371,871	262,399	204,238	185,628	234,750	811,918
Profit From Racing & Cap. Improv.	1,021,266	41,061	507,079	(297,234)	176,723	351,662	17,835
Net Other Income or (EXPENSE)	\$ (1,202,776)	314,774	(343,240)	130,298	(40,180)	(326,877)	62,150
Income (Loss) Before Taxes	(181,510)	355,835	163,839	(166,936)	136,543	24,785	79,985
Less: Prov. For Income Tax (CREDIT)	(76,234)	127,488	11,970	(11,200)	33,108	-0-	31,000
Net Income (Loss)	(105,276)	228,347	151,869	(155,736)	103,435	24,785	48,985
SELECTED BALANCE SHEET CHANGES							
Fixed Asset Additions	\$ 2,085,586	223,906	188,541	243,819	209,823	117,488	793,082
Dividends or Distributions	-0-	-0-	113,502	175,270	-0-	-0-	-0-
Capital Stock reacquired	-0-	-0-	434,459	24,814	-0-	-0-	-0-
Non-Operating Investments	-0-	(101,167)	-0-	-0-	-0-	-0-	-0-
Net Change Retained Earnings	(105,276)	228,347	124,091	(354,514)	not available	24,785	48,985

REVENUES AND EXPENSES 1991 - ALL TRACKS COMPARED (FINAL AUDITED FIGURES)

	YONKERS 1991	MONTICELLO 1991	SARATOGA 1991	VERNON 1991	BATAVIA 1991	BUFFALO 1991	FINGER LAKES 1991
OPERATING INCOME							
On-Track Commissions and Breakage	\$ 31,533,962	\$ 5,991,245	\$ 4,576,586	\$ 4,805,065	\$ 2,894,589	\$ 3,543,811	\$ 7,836,486
Off-Track Commissions	12,149,023	2,052,969	4,664,477	1,480,475	2,376,005	1,996,846	5,000,792
Simulcast Commissions	11,555,147	659,764	1,993,184	503,806	1,173,540	1,515,626	2,005,820
Simulcast Tax Credits	2,150,159	13,109	57,060	-0-	134,818	152,534	446,141
Total Pari-Mutuel Commissions	57,388,291	8,717,087	11,291,307	6,789,346	6,578,952	7,208,817	15,289,239
Other Operating Income	3,806,945	810,011	1,682,616	1,255,231	535,641	530,292	805,961
Total Operating Income	61,195,236	9,527,098	12,973,923	8,044,577	7,114,593	7,739,109	16,095,200

OPERATING EXPENSES

Purse and Horsemen Benefits	\$ 24,717,105	\$ 4,910,465	\$ 4,572,806	\$ 3,201,320	\$ 2,848,078	\$ 3,108,741	\$ 8,127,744
Racing Department	1,337,935	300,630	278,107	262,997	272,698	418,942	1,415,801
Pari-Mutuel Expenses	5,247,858	742,165	1,358,301	976,237	1,032,306	1,308,270	1,821,015
Advertising and Promotions	1,494,174	202,382	603,010	241,376	160,543	495,965	597,133
Maintenance and Cleaning	8,253,737	1,162,372	1,325,906	677,992	567,160	714,771	1,549,103
Patron and Security	2,726,167	490,025	689,703	565,428	232,254	499,618	505,019
General and Administrative	11,303,956	2,828,862	2,905,107	2,111,484	1,973,912	1,149,402	1,814,809
Total Operating Expense	55,080,932	10,636,901	11,732,940	8,036,834	7,086,951	7,695,709	15,830,624
Depreciation	3,388,918	353,514	681,019	255,633	209,300	126,489	688,699
Total Racing Expenses	58,469,850	10,990,415	12,413,959	8,292,467	7,296,251	7,822,198	16,519,323

Profit From Racing	\$ 2,725,386	(1,463,317)	559,964	(247,890)	(181,658)	(83,089)	(424,123)
Capital Improvement Commissions	-0-	360,573	287,904	231,818)	209,280	241,879	835,309
Profit From Racing & Cap. Improv.	2,725,386	(1,102,744)	847,868	(16,072)	27,622	158,790	411,186

Net Other Income or (expense)	\$ (33,830)	(537,957)	(319,275)	170,493	513,364	(349,794)	71,065
Income (loss) Before Taxes	2,691,556	(1,640,701)	528,593	154,421	540,986	(191,004)	482,251
Less: Prov. For Income Tax (credit)	1,476,682	(275,000)	14,371	16,229	243,909	364	200,000
Net Income (loss)	1,214,874	1,365,701	514,222	138,192	297,077	(191,368)	282,251

SELECTED BALANCE SHEET CHANGES

Fixed Asset Additions	\$ 1,002,944	\$ 342,575	\$236,136	\$ 80,903	\$126,924	\$776,373	\$1,071,768
Dividends or Distributions	-0-	-0-	374,126	201,566	-0-	-0-	-0-
Capital Stock reacquired	-0-	-0-	350,000	32,335	-0-	-0-	-0-
Non-Operating Investments	-0-	(470,604)	-0-	-0-	-0-	-0-	-0-
Net Change Retained Earnings	1,214,892	(1,365,701)	(73,896)	(93,778)	297,077	(191,368)	282,251

**SUPPLEMENT TO TRACK REVENUES AND EXPENSES SCHEDULES
FOR "NET OTHER INCOME OR EXPENSE"
DETAIL OF SUMMARY FIGURE SHOWN FOR EACH TRACK**

	Yonkers Raceway		Monticello		Saratoga Raceway		Vernon Downs		Batavia		Buffalo Raceway		Finger Lakes	
	1992	1991	1992	1991	1992	1991	1992	1991	1992	1991	1992	1991	1992	1991
OTHER INCOME														
Interest or Investment Income	\$ 16,670	\$ 631,022	\$ 243,952	\$ 220,588	\$ 89,377	\$ 124,963	\$ 130,298	\$ 170,493			\$ 6,662	\$ 22,080	\$ 53,700	\$ 73,117
Rental of Facilities- Non-Racing Activities	438,818	429,889	74,143	34,964										
Gain on Sale of Property		938,914			573	22,500				\$ 608,409			8,450	
Capital Improvement Comm. Deferral Reversed										\$ 84,972	88,746			
Other	144,214	144,835			77,121	293,638								
TOTAL OTHER INCOME	599,702	2,144,660	318,095	225,552	167,071	441,101	130,298	170,493	84,972	697,155	6,662	22,080	62,150	73,117
OTHER EXPENSE														
Interest Expense	426,741	347,258		3,691	436,334	609,373			125,152	183,791	95,031	123,997		
Lease Expense	1,119,600	1,115,757												
Capital Improvement Comm. Deferred					73,977	151,003					234,750	241,879		
Subsidiary Loss		433,052		783,845								1,703		
Other	256,137	282,423	3,321	5,973							3,758	4,295		
TOTAL OTHER EXPENSE	1,802,478	2,178,490	3,321	793,509	510,311	760,376			125,152	183,791	333,539	371,874		2,052
NET OTHER INCOME (EXPENSE)	(1,202,776)	(33,830)	314,774	(537,957)	(343,240)	(319,275)	130,298	170,493	(40,180)	513,364	(326,877)	(349,794)	62,150	71,065

YONKERS RACEWAY
REVENUES AND EXPENSES 1992-1989

	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>INCREASE</u> <u>(DECREASE)</u>
					<u>1992 - 1991</u>
<u>OPERATING INCOME</u>					
On-track Commissions and Breakage	\$28,773,142	\$31,533,962	\$35,007,784	\$39,955,460	\$(2,760,820)
Off-track Commissions	11,170,506	12,149,023	12,776,580	14,912,772	(978,517)
Simulcast Commissions	11,740,684	11,555,147	7,121,824	11,122,074	185,537
Simulcast Tax Credits	2,109,246	2,150,159	2,297,527	2,681,478	(40,913)
Total Pari-Mutuel Commission	53,793,578	57,388,291	57,203,715	68,671,784	(3,594,713)
Other Operating Income	3,526,724	3,806,945	3,466,782	4,443,648	(280,221)
Total Operating Income	<u>57,320,302</u>	<u>61,195,236</u>	<u>60,670,497</u>	<u>73,115,432</u>	<u>(3,874,934)</u>

<u>OPERATING EXPENSES</u>					
Purse and Horsemen Benefits	\$23,008,888	\$24,717,105	\$25,247,285	\$29,792,861	\$(1,708,217)
Racing Department	1,222,359	1,337,935	1,232,349	1,366,536	(115,576)
Pari-Mutuel Expenses	5,052,633	5,247,858	4,752,003	5,844,136	(195,225)
Advertising and Promotion	1,426,118	1,494,174	2,131,534	1,785,429	(68,056)
Maintenance and Cleaning	8,390,155	8,253,737	7,910,735	10,526,124	136,418
Patron and Security Expenses	2,516,035	2,726,167	2,381,415	2,790,875	(210,132)
General and Administrative	11,128,406	11,303,956	10,978,677	11,460,165	(175,550)
Total Operating Expenses	<u>52,744,594</u>	<u>55,080,932</u>	<u>54,633,998</u>	<u>63,566,126</u>	<u>(2,336,338)</u>
Depreciation	3,554,442	3,388,918	3,117,020	2,427,613	165,524
Total Racing Expenses	<u>56,299,036</u>	<u>58,469,850</u>	<u>57,751,018</u>	<u>65,993,739</u>	<u>(2,170,814)</u>
Profit from Racing	1,021,266	2,725,386	2,919,479	7,121,693	(1,704,120)
Capital Improvement Commission	-0-	-0-	-0-	-0-	-0-
PROFIT FROM RACING & CAP. IMPROV.	<u>1,021,266</u>	<u>2,725,386</u>	<u>2,919,479</u>	<u>7,121,693</u>	<u>(1,704,120)</u>

Net Other Income or (Expense)	(1,202,776)	(33,830)	(2,029,994)	(2,789,242)	(1,168,946)
Net Income (Loss) Before Taxes	(181,510)	2,691,556	889,485	4,332,451	(2,873,066)
Less: Prov. for Income Taxes (Credit)	(76,234)	1,476,682	651,602	1,985,461	(1,552,916)
Net Income (Loss)	<u>\$(105,276)</u>	<u>\$1,214,874</u>	<u>\$ 237,883</u>	<u>\$2,346,990</u>	<u>\$(1,320,150)</u>

<u>SELECTED BALANCE SHEET CHANGES</u>					
Fixed Asset Additions	\$2,085,586	\$1,002,944	\$1,985,103	\$2,516,687	\$1,082,642
Dividends	-0-	-0-	-0-	-0-	-0-
Capital Stock Recquired	-0-	-0-	-0-	-0-	-0-
Non-Operating Investments	(105,276)	1,214,874	126,774	1,041,326	-0-
Net Change Retained Earnings	<u>(105,276)</u>	<u>1,214,874</u>	<u>237,883</u>	<u>2,346,990</u>	<u>(1,320,150)</u>

MONTICELLO RACEWAY
REVENUES AND EXPENSES 1992-1989

<u>OPERATING INCOME</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>INCREASE</u> <u>(DECREASE)</u> <u>1992-1991</u>
On Track Commissions and Breakage	\$5,972,695	\$5,991,245	\$7,686,546	\$7,202,135	(18,550)
Off-Track Commissions	2,341,958	2,052,969	2,448,691	1,911,409	288,989
Simulcast Commissions	769,071	659,764	169,629	3,108	109,307
Simulcast Tax Credits	16,956	13,109	62,761	19,709	3,847
Total Pari-Mutuel Commissions	<u>9,100,680</u>	<u>8,717,087</u>	<u>10,376,627</u>	<u>9,136,361</u>	<u>383,593</u>
Other Operating Income	765,915	810,011	826,625	990,775	(44,096)
Total Operating Income	<u>9,866,595</u>	<u>9,527,098</u>	<u>11,194,252</u>	<u>10,127,136</u>	<u>339,497</u>

<u>OPERATING EXPENSES</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>INCREASE</u> <u>(DECREASE)</u> <u>1992-1991</u>
Purse and Horsemen Benefits	4,296,590	4,910,465	5,012,647	4,520,979	(613,875)
Racing Department	297,797	300,630	337,366	352,100	(2,833)
Pari-Mutuel Expenses	726,347	742,165	845,153	673,950	(15,818)
Advertising and Promotion	198,673	202,382	224,401	169,971	(3,709)
Maintenance and Cleaning	1,175,132	1,162,372	1,339,747	1,195,361	12,760
Patron and Security Expenses	459,755	490,025	483,938	475,139	(30,270)
General and Administrative	2,653,315	2,828,862	2,903,770	2,732,242	(175,547)
Total Operating Expenses	<u>9,807,609</u>	<u>10,636,901</u>	<u>11,147,022</u>	<u>10,119,742</u>	<u>(829,292)</u>
Depreciation	389,796	353,514	372,942	397,873	36,282
Total Racing Expenses	<u>10,197,405</u>	<u>10,990,415</u>	<u>11,519,964</u>	<u>10,517,615</u>	<u>(793,010)</u>

Profit from Racing	(330,810)	(1,463,317)	(325,712)	(390,479)	1,132,507
Capital Improvement Commissions	<u>371,871</u>	<u>360,573</u>	<u>469,678</u>	<u>413,045</u>	<u>11,298</u>
PROFIT FROM RACING & CAP. IMPROV.	<u>41,061</u>	<u>(1,102,744)</u>	<u>143,966</u>	<u>22,566</u>	<u>1,143,805</u>

Net Other Income or (Expenses)	<u>314,774</u>	<u>(537,957)</u>	<u>293,458</u>	<u>291,890</u>	<u>852,731</u>
Net Income/(Loss) Before Taxes	355,835	(1,640,701)	437,424	314,456	1,996,536
Less: Prov. for Income Taxes (Credit)	<u>127,488</u>	<u>(275,000)</u>	<u>175,000</u>	<u>118,000</u>	<u>402,488</u>
Net Income/(Loss)	<u>\$228,347</u>	<u>\$(1,365,701)</u>	<u>\$262,424</u>	<u>\$196,456</u>	<u>1,594,048</u>

<u>SELECTED BALANCE SHEET CHANGES</u>					
Fixed Asset Additions	\$223,906	\$342,575	\$399,295	\$783,264	\$118,696
Dividends	-0-	-0-	-0-	-0-	-0-
Capital Stock reacquired	-0-	-0-	-0-	-0-	-0-
Non-Operating Investments	(101,167)	(470,604)	401,321	(671,558)	-0-
Net Change Retained Earnings	<u>228,347</u>	<u>(1,365,701)</u>	<u>262,424</u>	<u>196,456</u>	<u>1,594,048</u>

SARATOGA RACEWAY
REVENUES AND EXPENSES 1992-1989

	1992	1991	1990	1989	INCREASE (DECREASE) 1992-1991
OPERATING INCOME					
On-track Commissions and Breakage	\$4,239,003	\$4,576,586	\$4,917,763	\$5,331,801	\$(337,583)
Off-track Commissions	4,496,057	4,664,477	4,770,526	4,650,976	(168,420)
Simulcast Commissions	2,035,529	1,993,184	1,986,513	1,856,140	42,345
Simulcast Tax Credits	53,515	57,060	60,067	64,358	(3,545)
Total Pari-Mutuel Commission	<u>10,824,104</u>	<u>11,291,307</u>	<u>11,734,869</u>	<u>11,903,275</u>	(467,203)
Other Operating Income	1,612,710	1,682,616	1,885,205	2,042,601	(69,906)
Total Operating Income	<u>12,436,814</u>	<u>12,973,923</u>	<u>13,620,074</u>	<u>13,945,876</u>	(537,109)

OPERATING EXPENSES					
Purse and Horsemen Benefits	\$4,442,647	\$4,572,806	\$4,588,556	\$4,761,118	(130,159)
Racing Department	266,760	278,107	287,528	281,091	(11,347)
Pari-Mutuel Expenses	1,340,827	1,358,301	1,417,567	1,402,741	(17,474)
Advertising and Promotion	789,399	603,010	630,951	603,613	186,389
Maintenance and Cleaning	1,304,251	1,325,906	1,339,518	1,416,601	(21,655)
Patron and Security Expenses	709,427	689,703	711,570	695,884	19,724
General and Administrative	2,763,817	2,905,107	3,161,846	2,671,719	(141,290)
Total Operating Expenses	<u>11,617,128</u>	<u>11,732,940</u>	<u>12,137,536</u>	<u>11,832,767</u>	(115,812)
Depreciation	575,006	681,019	701,943	792,930	(106,013)
Total Racing Expenses	<u>12,192,134</u>	<u>12,413,959</u>	<u>12,839,479</u>	<u>12,625,697</u>	(221,825)
Profit from Racing	244,680	559,964	780,595	1,320,179	(315,284)
Capital Improvement Commissions	<u>262,399</u>	<u>287,904</u>	<u>309,501</u>	<u>342,981</u>	(25,505)
PROFIT FROM RACING & CAP. IMPROV.	<u>507,079</u>	<u>847,868</u>	<u>1,090,096</u>	<u>1,663,160</u>	(340,789)

Net Other Income or (Expense)	(343,240)	(319,275)	(179,129)	(605,144)	(23,965)
Net Income/(Loss) Before Taxes	163,839	528,593	910,967	1,058,016	(364,754)
Less: Prov. for Income taxes (Credit)	11,970	14,371	26,510	-0-	2,401
Net Income/(Loss)	<u>\$151,869</u>	<u>\$514,222</u>	<u>\$884,457</u>	<u>\$1,058,016</u>	(362,353)

SELECTED BALANCE SHEET CHANGES

Fixed Asset Additions	\$188,541	\$236,136	\$352,116	\$196,156	(47,595)
Dividends or Distributions	113,502	374,126	602,896	578,076	(260,624)
Capital Stock reacquired	434,459	350,000	-0-	-0-	84,459
Non-Operating Investments	-0-	-0-	-0-	-0-	-0-
Net Change Retained Earnings	124,091	(73,896)	281,561	479,940	50,194

VERNON DOWNS
REVENUES AND EXPENSES 1992-1989

<u>OPERATING INCOME</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>INCREASE</u> <u>(DECREASE)</u>
On-Track Commission & Breakage	\$ 4,123,056	\$ 4,805,065	\$ 5,227,426	\$ 5,211,148	\$ (682,009)
Off-Track Commissions	1,447,189	1,480,475	1,544,941	1,460,477	(33,286)
Simulcast Commissions	915,031	503,806	353,464	389,105	411,225
Simulcast Tax Credits	0	0	0	0	0
Total Pari-Mutuel Commission	<u>6,485,276</u>	<u>6,789,346</u>	<u>7,125,831</u>	<u>7,060,730</u>	<u>(304,070)</u>
Other Operating Income	<u>1,066,363</u>	<u>1,255,231</u>	<u>1,378,428</u>	<u>1,315,477</u>	<u>(188,868)</u>
Total Operating Income	<u>7,551,639</u>	<u>8,044,577</u>	<u>8,504,259</u>	<u>8,376,207</u>	<u>(492,938)</u>
<u>OPERATING EXPENSES</u>					
Purse and Horsemen Benefits	\$ 2,926,040	\$ 3,201,320	\$ 3,693,856	\$ 3,455,029	(275,280)
Racing Department	232,431	262,997	260,822	265,353	(30,566)
Pari-Mutuel Expenses	1,314,201	976,237	943,643	1,137,974	337,964
Advertising and Promotion	281,316	241,376	273,328	286,304	39,940
Maintenance and Cleaning	612,701	677,992	684,769	682,336	(65,291)
Patron and Security Expenses	513,352	565,428	554,897	502,561	(52,076)
General and Administrative	<u>1,965,093</u>	<u>2,111,484</u>	<u>2,063,973</u>	<u>1,716,237</u>	<u>(146,391)</u>
Total Operating Expenses	<u>7,845,134</u>	<u>8,036,834</u>	<u>8,475,288</u>	<u>8,045,794</u>	<u>(191,700)</u>
Depreciation	207,977	255,633	284,058	295,529	(47,656)
Total Racing Expenses	<u>8,053,111</u>	<u>8,292,467</u>	<u>8,759,346</u>	<u>8,341,323</u>	<u>(239,356)</u>
Profit from Racing	(501,472)	(247,890)	(255,087)	34,884	(253,582)
Capital Improvement Commissions	204,238	231,818	246,857	252,330	(27,580)
PROFIT FROM RACING & CAPITAL IMPROV.	<u>(297,234)</u>	<u>(16,072)</u>	<u>(8,230)</u>	<u>287,214</u>	<u>(281,162)</u>
Net Other Income or (Expense)	130,298	170,493	202,024	240,963	(40,195)
Net Income/(Loss) Before Taxes	<u>(166,936)</u>	<u>154,421</u>	<u>193,794</u>	<u>528,177</u>	<u>(321,357)</u>
Less: Prov. for Income Taxes (credit)	11,200	16,229	13,723	182,279	27,429
NET INCOME/(LOSS)	<u>(155,736)</u>	<u>138,192</u>	<u>\$180,071</u>	<u>\$345,898</u>	<u>(293,928)</u>
<u>SELECTED BALANCE SHEET CHANGES</u>					
Fixed Asset Additions	234,819	80,903	\$174,912	\$131,401	153,916
Dividends	175,270	201,566	241,043	293,098	(26,296)
Capital Stock Reacquired	24,814	32,335	20,641	2,074	(7,521)
Non-Operating Investments	0	0	0	(11,518)	0
Net Change Retained Earnings	<u>(354,514)</u>	<u>(93,778)</u>	<u>(80,369)</u>	<u>50,849</u>	<u>(260,736)</u>

BATAVIA RACEWAY
REVENUES AND EXPENSES 1992-1989

	1992	1991	1990	1989	INCREASE (DECREASE) 1992-1991
<u>OPERATING INCOME</u>					
On-track Commissions and Breakage	\$2,584,556	\$2,894,589	\$3,356,643	\$3,566,031	(310,033)
Off-track Commissions	2,317,599	2,376,005	2,664,033	2,683,386	(58,406)
Simulcast Commissions	1,561,801	1,173,540	531,563	337,959	388,261
Simulcast Tax Credits	130,443	134,818	152,764	174,992	(4,375)
Total Pari-Mutuel Commission	6,594,399	6,578,952	6,705,003	6,762,368	15,447
Other Operation Income	464,570	535,641	707,090	667,954	(71,071)
Total Operating Income	<u>7,058,969</u>	<u>7,114,593</u>	<u>7,412,093</u>	<u>7,430,322</u>	<u>(55,624)</u>

<u>OPERATING EXPENSES</u>					
Purse and Horsemen Benefits	\$2,825,227	\$2,848,078	\$3,167,659	\$3,227,431	(22,851)
Racing Department	214,160	272,698	309,866	335,400	(58,538)
Pari-Mutuel Expenses	1,061,302	1,032,306	900,689	979,110	28,996
Advertising and Promotion	185,132	160,543	133,401	136,056	24,589
Maintenance and Cleaning	630,636	567,160	552,199	536,796	63,476
Patron and Security Expenses	223,940	232,254	242,124	363,417	(8,314)
General and Administrative	1,729,477	1,973,912	1,934,151	1,862,700	(244,435)
Total Operating Expenses	6,869,874	7,086,951	7,240,089	7,440,910	(217,077)
Depreciation	198,000	209,300	239,511	246,429	(11,300)
Total Racing Expenses	<u>7,067,874</u>	<u>7,296,251</u>	<u>7,479,600</u>	<u>7,687,339</u>	<u>(228,377)</u>

Profit from Racing (Loss)	(8,905)	(181,658)	(67,507)	(257,017)	172,753
Capital Improvement Commission	185,628	209,280	242,968	257,023	(23,652)
PROFIT FROM RACING & CAP. IMPROV.	<u>176,723</u>	<u>27,622</u>	<u>175,461</u>	<u>6</u>	<u>149,101</u>

Net Other Income or (Expense)	(40,180)	513,364	(260,461)	(248,754)	(553,544)
Net Income/(Loss) Before Taxes	136,543	540,986	(85,000)	(248,748)	(404,443)
Less: Prov. for Income Taxes (Credit)	33,108	243,909	(42,494)	(77,910)	(210,801)
Net Income/(Loss)	<u>\$103,435</u>	<u>\$297,077</u>	<u>\$ (42,506)</u>	<u>\$ (170,838)</u>	<u>(193,642)</u>

<u>SELECTED BALANCE SHEET CHANGES</u>					
Fixed Asset Additions	\$209,823	\$126,924	\$286,954	\$62,684	82,899
Dividends	-0-	-0-	-0-	-0-	-----
Capital Stock Reacquired	-0-	-0-	-0-	-0-	-----
Non-Operating Investments	-0-	-0-	-0-	-0-	-----
Net Change Retained Earnings	NOT AVAILABLE	297,077	(42,506)	(170,838)	-----

BUFFALO RACEWAY
REVENUES AND EXPENSES 1992-1989

	1992	1991	1990	1989	INCREASE (DECREASE)
<u>OPERATING INCOME</u>					
On-track Commissions and Breakage	\$3,616,685	\$3,543,811	\$3,993,579	\$4,074,624	1992-1991 \$72,874
Off-track Commissions	2,105,245	1,996,846	2,186,603	2,136,309	108,399
Simulcast Commissions	1,889,717	1,515,626	606,626	347,972	374,091
Simulcast Tax Credits	169,353	152,534	167,168	163,026	16,819
Total Pari-Mutuel Commission	7,781,000	7,208,817	6,953,976	6,721,931	572,183
Other Operating Income	555,514	530,292	517,069	507,476	25,222
Total Operating Income	8,336,514	7,739,109	7,471,045	7,229,407	597,405
<u>OPERATING EXPENSES</u>					
Purse and Horsemen Benefits					
Racing Department	3,288,420	3,108,741	3,392,966	3,256,472	179,679
Pari-Mutuel Expenses	390,946	418,942	329,555	530,274	(27,996)
Advertising and Promotion	1,414,560	1,308,270	920,818	696,579	106,290
Maintenance and Cleaning	520,224	495,965	532,385	553,862	24,259
Patron and Security Expenses	690,083	714,771	646,719	638,552	(24,688)
General and Administrative	561,937	499,618	457,525	432,636	62,319
Total Operating Expenses	1,211,695	1,149,402	1,158,375	1,101,033	62,293
Depreciation	8,077,865	7,695,709	7,438,343	7,209,408	382,156
Total Racing Expenses	141,737	126,489	225,039	283,354	15,248
	8,219,602	7,822,198	7,663,382	7,492,762	397,404
<u>PROFIT FROM RACING</u>					
Capital Improvement Commission	116,912	(83,089)	(192,337)	(263,355)	200,001
PROFIT FROM RACING & CAP. IMPROV.	234,750	241,879	272,447	266,771	(7,129)
	351,662	158,790	80,110	3,416	192,872
Net Other Income or (Expense)					
Net Income Before Taxes	(326,877)	(349,794)	(287,570)	(209,925)	22,917
Less: Prov. for Income Taxes (Credit)	24,785	(191,004)	(207,460)	(206,509)	215,789
Net Income/(Loss)	---	364	7,600	(2,692)	364
	\$ 24,785	\$(191,368)	\$(215,060)	\$(203,817)	216,153
<u>SELECTED BALANCE SHEET CHANGES</u>					
Fixed Asset Additions					
Dividends	\$117,488	\$776,373	\$143,575	\$66,493	(658,885)
Capital Stock Acquired	-0-	-0-	2,149,982	-0-	-----
Non-Operating Investments	-0-	-0-	-0-	-0-	-----
Net Change Retained Earnings	-0-	-0-	-0-	-0-	-----
	24,785	(191,368)	(3,776,226)	(203,817)	216,153

FINGER LAKES RACETRACK
REVENUES AND EXPENSES 1992-1989

	1992	1991	1990	1989	INCREASE (DECREASE) 1992-1991
<u>OPERATING INCOME</u>					
On-track Commissions and Breakage	\$7,264,081	\$7,836,486	\$7,529,172	\$8,162,395	\$(572,405)
Off-track Commissions	5,006,270	5,000,792	4,940,058	4,951,493	5,478
Simulcast Commissions	2,041,046	2,005,820	1,768,263	1,501,688	35,226
Simulcast Tax Credits	414,235	446,141	424,250	456,849	(31,906)
Total Pari-Mutuel Commissions	14,725,632	15,289,239	14,661,743	15,072,425	(563,607)
Other Operating Income	753,442	805,961	820,226	758,172	(52,519)
Total Operating Income	15,479,074	16,095,200	15,481,969	15,830,597	(616,126)

<u>OPERATING EXPENSES</u>					
Purse and Horsemen Benefits	\$7,878,931	\$8,127,744	\$7,812,526	\$8,129,553	\$(248,813)
Racing Department	1,489,951	1,415,801	1,338,640	1,356,029	74,150
Pari-Mutuel Expenses	1,629,658	1,821,015	1,753,841	1,874,274	(191,357)
Advertising and Promotion	622,485	597,133	551,510	588,531	25,352
Maintenance and Cleaning	1,604,157	1,549,103	1,419,795	1,401,082	55,054
Patron and Security Expenses	544,355	505,019	491,263	511,000	39,336
General and Administrative	1,823,711	1,814,809	1,314,969	1,307,741	8,902
Total Operating Expenses	15,593,248	15,830,624	14,682,544	15,168,210	(237,376)
Depreciation	679,909	688,699	692,118	609,066	(8,790)
Total Racing Expenses	16,273,157	16,519,323	15,374,662	15,777,276	(246,166)

Profit from Racing	(794,083)	(424,123)	107,307	53,321	(369,960)
Capital Improvement Commission	811,918	835,309	836,959	873,640	(23,391)
PROFIT FROM RACING & CAP. IMPROV.	17,835	411,186	944,266	926,961	(393,351)

Net Other Income or (Expense)	62,150	71,065	58,235	245,337	(8,915)
Net Income (Loss) Before Taxes	79,985	482,251	1,002,501	1,172,298	(402,266)
Less: Prov. for Income Taxes (Credit)	31,000	200,000	412,622	469,032	(169,000)
Net Income (Loss)	\$48,985	\$282,251	\$589,879	\$703,266	\$(233,266)

<u>SELECTED BALANCE SHEET CHANGES</u>					
Fixed Asset Additions	\$793,082	\$1,071,768	\$591,441	\$565,043	\$(278,686)
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	48,985	282,251	589,879	703,266	(233,266)

VERNON DOWNS
REVENUES AND EXPENSES 1992-1989

	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	INCREASE (DECREASE) 1992-1991
<u>OPERATING INCOME</u>					
On-Track Commission & Breakeage	\$ 4,123,056	\$ 4,805,065	\$ 5,227,426	\$ 5,211,148	(682,009)
Off-Track Commissions	1,447,189	1,480,475	1,544,941	1,460,477	(33,286)
Simulcast Commissions	915,031	503,806	353,464	389,105	411,225
Simulcast Tax Credits	0	0	0	0	0
Total Pari-Mutuel Commission	<u>6,485,276</u>	<u>6,789,346</u>	<u>7,125,831</u>	<u>7,060,730</u>	<u>(304,070)</u>
Other Operating Income	<u>1,066,363</u>	<u>1,255,231</u>	<u>1,378,428</u>	<u>1,315,477</u>	<u>(188,868)</u>
Total Operating Income	<u>7,551,639</u>	<u>8,044,577</u>	<u>8,504,259</u>	<u>8,376,207</u>	<u>(492,938)</u>
<u>OPERATING EXPENSES</u>					
Purse and Horsemen Benefits	\$ 2,926,040	\$ 3,201,320	\$ 3,693,856	\$ 3,455,029	(275,280)
Racing Department	232,431	262,997	260,822	265,353	(30,566)
Pari-Mutuel Expenses	1,314,201	976,237	943,643	1,137,974	337,964
Advertising and Promotion	281,316	241,376	273,328	286,304	39,940
Maintenance and Cleaning	612,701	677,992	684,769	682,336	(65,291)
Patron and Security Expenses	513,352	565,428	554,897	502,561	(52,076)
General and Administrative	<u>1,965,093</u>	<u>2,111,484</u>	<u>2,063,973</u>	<u>1,716,237</u>	<u>(146,391)</u>
Total Operating Expenses	<u>7,845,134</u>	<u>8,036,834</u>	<u>8,475,288</u>	<u>8,045,794</u>	<u>(191,700)</u>
Depreciation	207,977	255,633	284,058	295,529	(47,656)
Total Racing Expenses	<u>8,053,111</u>	<u>8,292,467</u>	<u>8,759,346</u>	<u>8,341,323</u>	<u>(239,356)</u>
Profit from Racing	(501,472)	(247,890)	(255,087)	34,884	(253,582)
Capital Improvement Commissions	204,238	231,818	246,857	252,330	(27,580)
<u>PROFIT FROM RACING & CAPITAL IMPROV.</u>	<u>(297,234)</u>	<u>(16,072)</u>	<u>(8,230)</u>	<u>287,214</u>	<u>(281,162)</u>
Net Other Income or (Expense)	130,298	170,493	202,024	240,963	(40,195)
Net Income/(Loss) Before Taxes	<u>(166,936)</u>	<u>154,421</u>	<u>193,794</u>	<u>528,177</u>	<u>(321,357)</u>
Less: Prov. for Income Taxes (credit)	<u>11,200</u>	<u>16,229</u>	<u>13,723</u>	<u>182,279</u>	<u>27,429</u>
<u>NET INCOME/(LOSS)</u>	<u>(155,736)</u>	<u>138,192</u>	<u>\$180,071</u>	<u>\$345,898</u>	<u>(293,928)</u>
<u>SELECTED BALANCE SHEET CHANGES</u>					
Fixed Asset Additions	234,819	80,903	\$174,912	\$131,401	153,916
Dividends	175,270	201,566	241,043	293,098	(26,296)
Capital Stock Reacquired	24,814	32,335	20,641	2,074	(7,521)
Non-Operating Investments	0	0	0	(11,518)	0
Net Change Retained Earnings	<u>(354,514)</u>	<u>(93,778)</u>	<u>(80,369)</u>	<u>50,849</u>	<u>(260,736)</u>

BATAVIA RACEWAY
REVENUES AND EXPENSES 1992-1989

	1992	1991	1990	1989	INCREASE (DECREASE) 1992-1991
<u>OPERATING INCOME</u>					
On-track Commissions and Breakage	\$2,584,556	\$2,894,589	\$3,356,643	\$3,566,031	\$(310,033)
Off-track Commissions	2,317,599	2,376,005	2,664,033	2,683,386	(58,406)
Simulcast Commissions	1,561,801	1,173,540	531,563	337,959	388,261
Simulcast Tax Credits	130,443	134,818	152,764	174,992	(4,375)
Total Pari-Mutuel Commission	<u>6,594,399</u>	<u>6,578,952</u>	<u>6,705,003</u>	<u>6,762,368</u>	15,447
Other Operation Income	464,570	535,641	707,090	667,954	(71,071)
Total Operating Income	<u>7,058,969</u>	<u>7,114,593</u>	<u>7,412,093</u>	<u>7,430,322</u>	(55,624)

<u>OPERATING EXPENSES</u>					
Purse and Horsemen Benefits	\$2,825,227	\$2,848,078	\$3,167,659	\$3,227,431	(22,851)
Racing Department	214,160	272,698	309,866	335,400	(58,538)
Pari-Mutuel Expenses	1,061,302	1,032,306	900,689	979,110	28,996
Advertising and Promotion	185,132	160,543	133,401	136,056	24,589
Maintenance and Cleaning	630,636	567,160	552,199	536,796	63,476
Patron and Security Expenses	223,940	232,254	242,124	363,417	(8,314)
General and Administrative	<u>1,729,477</u>	<u>1,973,912</u>	<u>1,934,151</u>	<u>1,862,700</u>	(244,435)
Total Operating Expenses	6,869,874	7,086,951	7,240,089	7,440,910	(217,077)
Depreciation	198,000	209,300	239,511	246,429	(11,300)
Total Racing Expenses	<u>7,067,874</u>	<u>7,296,251</u>	<u>7,479,600</u>	<u>7,687,339</u>	(228,377)

Profit from Racing (Loss)	(8,905)	(181,658)	(67,507)	(257,017)	172,753
Capital Improvement Commission	<u>185,628</u>	<u>209,280</u>	<u>242,968</u>	<u>257,023</u>	(23,652)
PROFIT FROM RACING & CAP. IMPROV.	<u>176,723</u>	<u>27,622</u>	<u>175,461</u>	<u>6</u>	<u>149,101</u>

Net Other Income or (Expense)	(40,180)	513,364	(260,461)	(248,754)	(553,544)
Net Income/(Loss) Before Taxes	<u>136,543</u>	<u>540,986</u>	<u>(85,000)</u>	<u>(248,748)</u>	<u>(404,443)</u>
Less: Prov. for Income Taxes (Credit)	33,108	243,909	(42,494)	(77,910)	(210,801)
Net Income/(Loss)	<u>\$103,435</u>	<u>\$297,077</u>	<u>\$(42,506)</u>	<u>\$(170,838)</u>	<u>(193,642)</u>

<u>SELECTED BALANCE SHEET CHANGES</u>					
Fixed Asset Additions	\$209,823	\$126,924	\$286,954	\$62,684	82,899
Dividends	-0-	-0-	-0-	-0-	-----
Capital Stock Reactquired	-0-	-0-	-0-	-0-	-----
Non-Operating Investments	-0-	-0-	-0-	-0-	-----
Net Change Retained Earnings	NOT AVAILABLE	297,077	(42,506)	(170,838)	-----

BUFFALO RACEWAY
REVENUES AND EXPENSES 1992-1989

	1992	1991	1990	1989	INCREASE (DECREASE) 1992-1991
<u>OPERATING INCOME</u>					
On-track Commissions and Breakage	\$3,616,685	\$3,543,811	\$3,993,579	\$4,074,624	\$72,874
Off-track Commissions	2,105,245	1,996,846	2,186,603	2,136,309	108,399
Simulcast Commissions	1,889,717	1,515,626	606,626	347,972	374,091
Simulcast Tax Credits	169,353	152,534	167,168	163,026	16,819
Total Pari-Mutuel Commission	7,781,000	7,208,817	6,953,976	6,721,931	572,183
Other Operating Income	555,514	530,292	517,069	507,476	25,222
Total Operating Income	<u>8,336,514</u>	<u>7,739,109</u>	<u>7,471,045</u>	<u>7,229,407</u>	<u>597,405</u>
<u>OPERATING EXPENSES</u>					
Purse and Horsemen Benefits	3,288,420	3,108,741	3,392,966	3,256,472	179,679
Racing Department	390,946	418,942	329,555	530,274	(27,996)
Pari-Mutuel Expenses	1,414,560	1,308,270	920,818	696,579	106,290
Advertising and Promotion	520,224	495,965	532,385	553,862	24,259
Maintenance and Cleaning	690,083	714,771	646,719	638,552	(24,688)
Patron and Security Expenses	561,937	499,618	457,525	432,636	62,319
General and Administrative	1,211,695	1,149,402	1,158,375	1,101,033	62,293
Total Operating Expenses	8,077,865	7,695,709	7,438,343	7,209,408	382,156
Depreciation	141,737	126,489	225,039	283,354	15,248
Total Racing Expenses	<u>8,219,602</u>	<u>7,822,198</u>	<u>7,663,382</u>	<u>7,492,762</u>	<u>397,404</u>
<u>PROFIT FROM RACING</u>					
Capital Improvement Commission	116,912	(83,089)	(192,337)	(263,355)	200,001
PROFIT FROM RACING & CAP. IMPROV.	234,750	241,879	272,447	266,771	(7,129)
	351,662	158,790	80,110	3,416	192,872
Net Other Income or (Expense)	(326,877)	(349,794)	(287,570)	(209,925)	22,917
Net Income Before Taxes	24,785	(191,004)	(207,460)	(206,509)	215,789
Less: Prov. for Income Taxes (Credit)	-----	364	7,600	(2,692)	364
Net Income/(Loss)	<u>\$ 24,785</u>	<u>\$(191,368)</u>	<u>\$(215,060)</u>	<u>\$(203,817)</u>	<u>216,153</u>
<u>SELECTED BALANCE SHEET CHANGES</u>					
Fixed Asset Additions	\$117,488	\$776,373	\$143,575	\$66,493	(658,885)
Dividends	-0-	-0-	2,149,982	-0-	-----
Capital Stock reacquired	-0-	-0-	-0-	-0-	-----
Non-Operating Investments	-0-	-0-	-0-	-0-	-----
Net Change Retained Earnings	24,785	(191,368)	(3,776,226)	(203,817)	216,153

FINGER LAKES RACETRACK
REVENUES AND EXPENSES 1992-1989

	1992	1991	1990	1989	INCREASE (DECREASE) 1992-1991
<u>OPERATING INCOME</u>					
On-track Commissions and Breakage	\$7,264,081	\$7,836,486	\$7,529,172	\$8,162,395	(\$572,405)
Off-track Commissions	5,006,270	5,000,792	4,940,058	4,951,493	5,478
Simulcast Commissions	2,041,046	2,005,820	1,768,263	1,501,688	35,226
Simulcast Tax Credits	414,235	446,141	424,250	456,849	(31,906)
Total Pari-Mutuel Commissions	<u>14,725,632</u>	<u>15,289,239</u>	<u>14,661,743</u>	<u>15,072,425</u>	<u>(563,607)</u>
Other Operating Income	753,442	805,961	820,226	758,172	(52,519)
Total Operating Income	<u>15,479,074</u>	<u>16,095,200</u>	<u>15,481,969</u>	<u>15,830,597</u>	<u>(616,126)</u>

<u>OPERATING EXPENSES</u>					
Purse and Horsemen Benefits	\$7,878,931	\$8,127,744	\$7,812,526	\$8,129,553	\$(248,813)
Racing Department	1,489,951	1,415,801	1,338,640	1,356,029	74,150
Pari-Mutuel Expenses	1,629,658	1,821,015	1,753,841	1,874,274	(191,357)
Advertising and Promotion	622,485	597,133	551,510	588,531	25,352
Maintenance and Cleaning	1,604,157	1,549,103	1,419,795	1,401,082	55,054
Patron and Security Expenses	544,355	505,019	491,263	511,000	39,336
General and Administrative	1,823,711	1,814,809	1,314,969	1,307,741	8,902
Total Operating Expenses	<u>15,593,248</u>	<u>15,830,624</u>	<u>14,682,544</u>	<u>15,168,210</u>	<u>(237,376)</u>
Depreciation	679,909	688,699	692,118	609,066	(8,790)
Total Racing Expenses	<u>16,273,157</u>	<u>16,519,323</u>	<u>15,374,662</u>	<u>15,777,276</u>	<u>(246,166)</u>
Profit from Racing	(794,083)	(424,123)	107,307	53,321	(369,960)
Capital Improvement Commission	811,918	835,309	836,959	873,640	(23,391)
<u>PROFIT FROM RACING & CAP. IMPROV.</u>	<u>17,835</u>	<u>411,186</u>	<u>944,266</u>	<u>926,961</u>	<u>(393,351)</u>
Net Other Income or (Expense)	62,150	71,065	58,235	245,337	(8,915)
Net Income (Loss) Before Taxes	<u>79,985</u>	<u>482,251</u>	<u>1,002,501</u>	<u>1,172,298</u>	<u>(402,266)</u>
Less: Prov. for Income Taxes (Credit)	31,000	200,000	412,622	469,032	(169,000)
Net Income (Loss)	<u>\$48,985</u>	<u>\$282,251</u>	<u>\$589,879</u>	<u>\$703,266</u>	<u>\$(233,266)</u>

<u>SELECTED BALANCE SHEET CHANGES</u>					
Fixed Asset Additions	\$793,082	\$1,071,768	\$591,441	\$565,043	\$(278,686)
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	48,985	282,251	589,879	703,266	(233,266)

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