

ARIZONA DEPARTMENT OF RACING



**ANNUAL REPORT
FY-2015**

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ARIZONA DEPARTMENT OF RACING

DOUGLAS A. DUCEY
GOVERNOR



RUDY CASILLAS
INTERIM DIRECTOR

September 15, 2015

The Honorable Douglas A. Ducey
Governor of the State of Arizona
1700 West Washington
Phoenix, Arizona 85007

Dear Governor Ducey:

It is my pleasure to submit the FY 2015 Arizona Department of Racing (ADOR) Annual Report. This report reflects statutory requirements as they relate to the Department's regulatory, fiscal, and administrative responsibilities.

During fiscal year 2015 the Department regulated and supervised live and simulcast horse and greyhound racing and pari-mutuel wagering at two commercial horse tracks, two greyhound tracks, eight county fair racing meetings, and 62 teletracking locations throughout Arizona and 4 Advanced Deposit Wagering operations. The total pari-mutuel handle for all racing was \$164.3 million, an increase of \$1.2 million or plus .7 percent from the prior year. The total pari-mutuel tax receipts amounted to \$185,892, a decrease of approximately 14 percent from FY 2014.

On April 24, 2014, the Legislature approved Senate Bill 1282 which was subsequently signed into law. SB 1282 legalized Advanced Deposit Wagering (ADW), a mechanism to help Arizona's racetracks to compete in a struggling market. The Racing industry relies on its patron's discretionary income and is hopeful that ADW will help evolve the industry. Advanced Deposit Wagering was authorized by the Racing Commission and on January 30, 2015 ADW permittees were authorized to implement advanced deposit wagering in all counties except Pima. Pima County was prohibited from implementing ADW due to conflicting statute language that has since been corrected by the Legislature through SB 1041 which you signed into law on April 13, 2015. As of this date, the total amount of revenue generated by the industry from ADW is \$6,581,140 for FY 2015.

Additionally, the Racing Commission approved changes to rules which granted the Department approval to increase the Regulatory Wager Assessment ("RWA") fees (Arizona Administrative Code R-19-205(A) and update the definition of "Telephone" (Arizona Administrative Code R-19-2-401.11) to prevent Advance Deposit Wagering providers to allow internet wagering on live and simulcast racing. The Department through its routine budget review determined that a revenue shortfall would occur by the end of FY2015, due to unexpected litigation costs. The Department drafted rule changes to increase the Regulatory Wager Assessment fee percentage from 0.60 % to 0.85% effective April 21, 2015 through November 1, 2015. Immediately after the Department authorized Advanced Deposit Wagering, the Department discovered that two of the ADW providers had launched phone applications

September 15, 2015

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that allowed patrons to download such applications to their smartphones and access ADW account information in addition to being capable of placing simulcast race wagers via the internet. Thus, violating Arizona Revised Statutes, A.R.S. § 13-3301.

The Boxing and Mixed Martial Arts Commission (BMMAC) supervised and regulated 37 boxing and mixed martial arts events in FY 2015. These 37 events comprised 328 individual bouts. BMMAC issued 1294 licenses and generated the following amounts: License Fees: \$39,525. Taxes: \$73,000. Fines: \$2,250. Sanction Fees: \$27,500. and Tribal Intergovernmental Agency ("IGA") Fees: \$14,000. BMMAC events and bouts have positively impacted the community and continue to bring national attention to the state.

The Racing Department is committed to performing all statutory and regulatory duties in a manner that brings respect to the State, agency and the industry. Your leadership and support is greatly appreciated.

Respectfully yours,



Rudy J. Casillas
Interim Director

MEET THE INTERIM DIRECTOR: RUDY J. CASILLAS



Governor Douglas Ducey appointed Rudy J. Casillas as Interim Director of the Department of Racing in January 2015. As Interim Director, Mr. Casillas is responsible for the regulation of pari-mutuel horse and greyhound racing in Arizona.

A law enforcement veteran of more than 40 years, Mr. Casillas brings extensive and valuable knowledge to the Department of Racing.

Mr. Casillas has been with the Department of Gaming since 1995, serving in various positions from special agent to his current role as deputy director. In this capacity, Mr. Casillas is responsible for overseeing various branches of the department, including Investigations & Inspections, Intelligence, Vendor Certification, Employee Certification, Games & Systems, Compliance Audit, Information Technology and Records. Mr. Casillas previously was with the Phoenix Police Department, where he began his law enforcement career in 1974.

ARIZONA RACING COMMISSION

The Arizona Racing Commission was established in 1949 by the Arizona Legislature. The Racing Commission is responsible for issuing racing dates; preparing and adopting rules to govern racing meetings as may be required to protect and promote the safety and welfare of the animals participating in racing meetings; protecting and promoting public health, safety and the proper conduct of racing and pari-mutuel wagering; conducting hearings on applications for racing permits; and conducting hearings and other legal procedures on matters relating to racing licensees and the racing industry.

Arizona Revised Statutes § 5-102 authorizes a five-member Racing Commission, who shall be appointed by the Governor pursuant to A.R.S. § 38-211. Appointment is for a term of five years. The following Commissioners were serving on the Racing Commission during FY 2015.

Jay C. McClintock Chair



Mr. McClintock has worked as a financial advisor for Moran Financial Services since 2001 helping clients plan for investment and insurance needs to prepare for retirement, estate and complete financial planning. Mr. McClintock was a thoroughbred owner in Arizona, California, and Kentucky for over 15 years.

Rory S. Goreé Vice-Chair



Mr. Goreé was honorably discharged from the United States Navy in 1993. After 10 years of service he discovered greyhounds. Since then Mr. Goreé has been involved in several capacities and positions working with the Greyhound Racing Industry and greyhound adoption and has been invited to speak at numerous greyhound adoption events as well as university, veterinarian and racing symposiums across the country and at both the American Greyhound Track Operators Association and the Association of Racing Commissioners conferences. Mr. Goreé served on the Arizona Department of Racing's committee to review and recommend greyhound racing welfare related rules. When not involved with greyhounds Mr. Goreé works as an Information Security Analyst specializing in SAP.

William "Bill" Feldmeier Racing Commissioner



Mr. Feldmeier, an Arizona native, received his bachelor's degree from Arizona State University and his master's from Prescott College.

As a Yavapai County resident, he was a County Supervisor for 11 years, served on Governor Hull's staff and was a licensed Arizona contractor. He is the owner of rental properties and has been involved in the public policy process for a number of years. He has also served as Interim Director for State Parks and as a member of the State Transportation Board.

**Tom Lawless
Racing Commissioner**



Mr. Lawless is a shareholder in the Phoenix law firm of Milligan Lawless PC, specializing in estate planning and corporate law. He graduated magna cum laude from the University of Santa Clara Law School in 1982 and also holds a master's degree in Accounting from the University of Denver as well as a bachelor's degree from Santa Clara University. An enthusiastic fan of thoroughbred racing, Mr. Lawless is also a life member of the Phoenix Thunderbirds.

**David Heiple
Racing Commissioner**



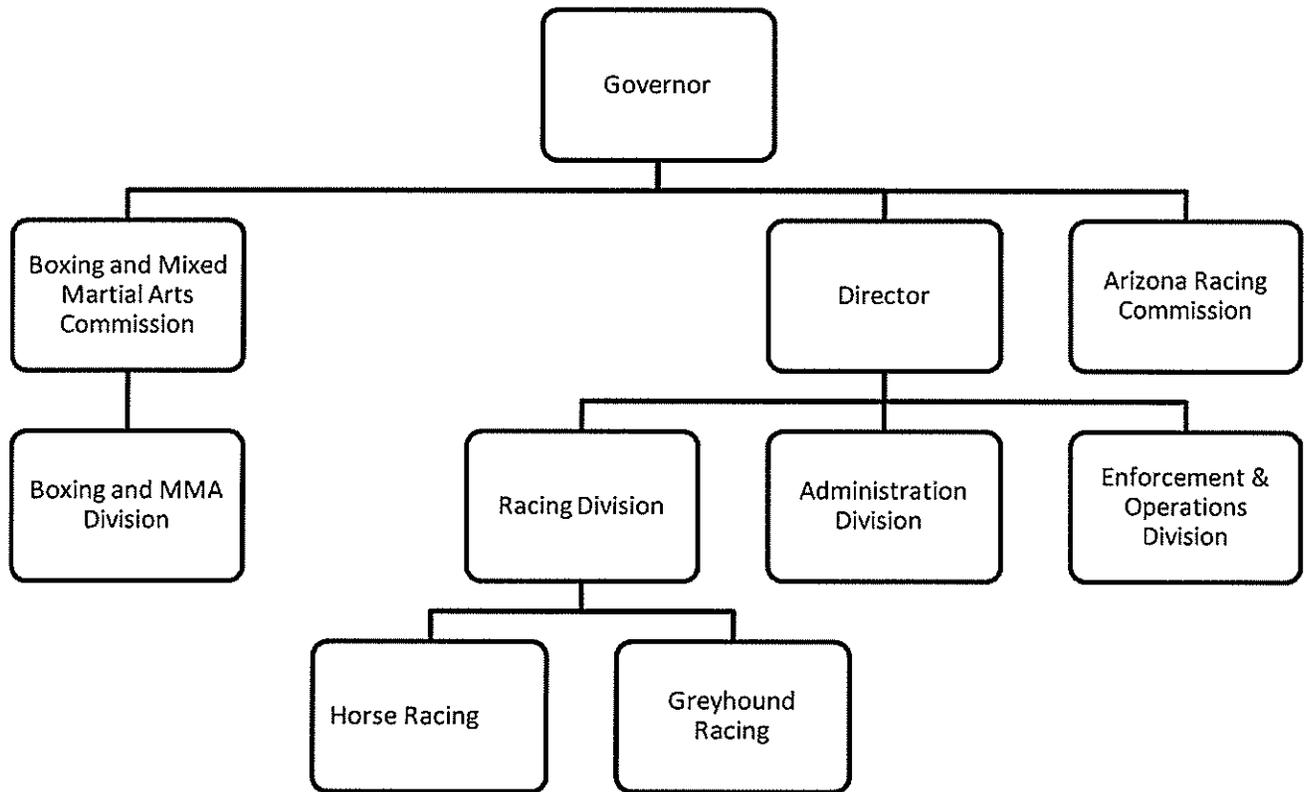
Mr. Heiple was born and raised in Phoenix, Arizona and has lived in Phoenix all his life. He is the President of Heiple Travers Realty, a boutique commercial real estate firm. Mr. Heiple has volunteered and served on numerous boards, committees and civic organizations - YMCA, Special Olympics, Phoenix Country Club, The Thunderbirds, St. Francis Baseball Association and the Andre House to name a few. For the past 25 years he has been an avid horse racing fan and has owned partial interest in 15 different thoroughbred race horses over that timeframe. He raced under the names of Arizona/Kentucky Stables and 2020 Stables.

The following are the terms of the current Commission members:

<u>Name</u>	<u>Member Designation</u>	<u>Expiration Date</u>
Jay C. McClintock	Public	01/18/2016
Rory S. Goreé	Greyhound Racing Industry	01/16/2017
William "Bill" Feldmeier	Public	01/15/2018
Tom Lawless	Public	01/21/2019
David C. Heiple	Horse/Harness Racing Industry	01/20/2020

Department of Racing

The primary mission of the Department of Racing is to regulate and supervise pari-mutuel horse and greyhound racing and wagering conducted in Arizona in order to protect racing participants and the wagering public. In addition, the Department regulates and supervises boxing and mixed martial arts events conducted in Arizona to protect participants in these events.



Racing Regulation Summary

Commercial Horse, Greyhound & County Fair Racing

Racing Regulation Summary

The Department of Racing's regulatory responsibilities ensure that all participants and permittees involved in commercial horse racing, greyhound racing, and county fair horse racing operate and perform in compliance with applicable Arizona statutes, rules and regulations. This is accomplished through the investigation and licensing activities of the Department.

Investigations

The Department investigates all possible violations of racing laws and rules. Investigation numbers listed below reflect the total number of investigations conducted for every incident, inspection, and background investigation, which includes processing of fingerprints and any resulting false applications. A background investigation is conducted for each license applicant who submits fingerprints as required by Department policy.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of incident investigations	205	246	201
Number of background investigations	3,963	2202	2027
Total number of investigations conducted	4,168	2448	2228

Types of Investigations

<u>Offenses</u>	<u>Total</u>	<u>Referred</u>	<u>No Violation</u>
False application	1	1	1
Disorderly conduct/assault	1	1	1
Human drug -testing	4	3	3
Kennel inspection	169	0	0
Whelping inspection	0	0	0
Vehicle inspection	2	0	0
License denial/ineligible	1	1	0
Information only	23	9	7
Total	201	15	12

Licensing

The Department processes and investigates all license applications in a timely manner while ensuring only those eligible receive licenses.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of licenses issued	3,963	2202	3034
Number of licenses denied	0	4	2
Number of licenses revoked	0	5	0

Racing Regulation

Stewards

The Board of Stewards is present on the permittee grounds on each day entries are being taken or racing is being conducted, representing the Department in all matters pertaining to the enforcement and interpretation of the rules adopted by the Department. The Stewards may impose civil penalties up to \$2,500, license suspensions up to 6 months, rule off a licensee violating Arizona statutes or rules and refer matters to the Director with recommendations of further action, including license revocation.

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Total rulings issued	249	211	157
Total Stewards Rulings Appealed	0	9	9
Percentage of Stewards' rulings upheld on appeal to the Director	N/A	89%	100%

Director

The Director may conduct hearings on appeals of Stewards' referrals or may assign a case that has been appealed or referred to the Arizona Office of Administrative Hearings. The Administrative Law Judge provides the Director findings of fact, conclusions of law and a proposed order. The Director may accept or modify any decision proposed by the Judge. The table below summarizes hearings and cases by the Director, the Office of Administrative Hearings, and the Racing Commission.

<u>Summary of Hearings and Orders</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Director's hearings	16	18	12
Administrative Law Judge hearings	1	2	1
Racing Commission hearings	5	2	0
Total number of Director's orders*	13	20	13
Percentage of orders upheld on appeal to the Commission**	100%	100%	N/A

*Does not include orders for action taken such as stays, reinstatements, cases dismissed, etc.

** Includes orders that were modified

Teletracking

The Department of Racing has the authority to approve applications for teletracking (off-track betting) permits, license teletracking personnel, and monitor compliance for both operational and technical requirements. Turf Paradise, American Greyhound Racing, Inc. and Tucson Greyhound Park each held teletracking permits approved by the Arizona Racing Commission to operate off-track wagering sites in FY 2015. A total of 62 off-track-betting sites were authorized to support both greyhound and horse racing in Arizona.

The total handle generated by commercial and county fair racing for teletracking was \$122 million. This included \$102.9 million for horse racing and \$19.1 million for greyhound racing. The State of Arizona received \$83,991 in revenue from the teletracking handle, all of which was generated from the Turf Paradise handle at off-track sites.

The handle at teletracking facilities decreased 2.52% during FY 2015 when compared to the prior year.

Racing Regulation

Horse & Dog Drug Testing

The Department contracts with independent laboratories for the analysis of horse urine and blood samples and dog urine samples. This analysis is required to enforce the rules of racing that prohibit animals from racing while under the influence of foreign substances.

<u>Testing Summary</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Horse Drug Testing			
Number total equine drug tests	1951	1910	2071
Number positive equine drug tests	50	28	25
Percent positive equine drug tests	2.56%	1.47%	1.2%
Dog Drug Testing			
Number total canine drug tests	2116	2624	2419
Number positive canine drug tests	8	2	2
Percent positive canine drug tests	0.38%	0.08%	0.08%
Totals			
Total drug tests	4067	4534	4490
Number total positive drug tests	58	30	27
Percent total positive drug tests	1.43%	0.66%	.60%

Drug/Alcohol Testing

The Department of Racing is authorized to require persons licensed to submit to testing when there is reason to believe they may be under the influence of or unlawfully in possession of any prohibited substance regulated by Title 13, Chapter 34, or has consumed alcohol in violation of the rules.

<u>Testing Summary</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Human Drug Tests	33	5	4
Positive Drug Tests	5	1	1
Licensee Refused to Test	1	1	2
Percent Positive	15%	20%	25%
Breath/Alcohol Tests	0	0	0
Positive Breath/Alcohol Tests	0	0	0
Percent Positive	0%	0%	0%

LICENSES BY CATEGORY

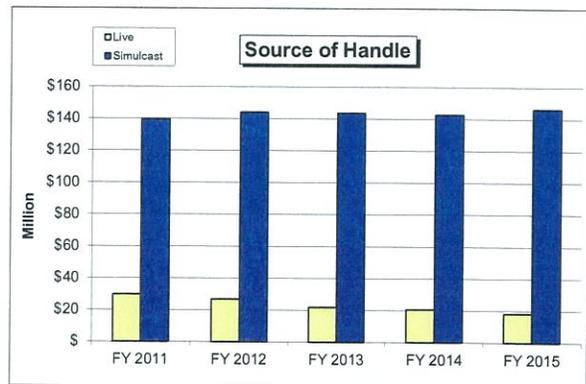
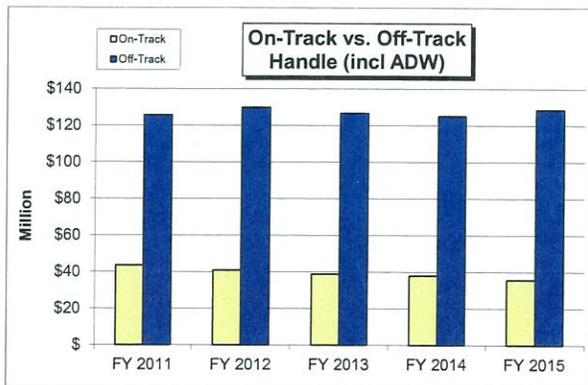
CATEGORY	HORSES				GREYHOUNDS			GRAND TOTAL
	COUNTY FAIR	RILLITO PARK	TURF PARADISE	TOTAL	AMERICAN GREYHOUND	TUCSON GREYHOUND	TOTAL	
APPRENTICE JOCKEY			2	2			0	2
ASSISTANT STARTER/VALET		7	24	31			0	31
ASSISTANT TRAINER			10	10			1	11
AUTHORIZED AGENT-FULL		1		1			0	1
AUTHORIZED AGENT-PARTIAL			50	50			0	50
COMBINATION RBO (RACING & BREEDING)				0			0	0
COOLOUT				0		54	54	54
COUNTY FAIR MGR, TREASURER				0			0	0
DUPLICATE LICENSE		1	58	59	1	11	12	71
EXERCISE RIDER		7	150	157			0	157
GREYHOUND HAULER				0		2	2	2
GROOM		90	358	448			0	448
JOCKEY		6	78	84			0	84
JOCKEY AGENT			13	13			0	13
MUTUEL (INCLUDING OTB)	8	21		29	19	8	27	56
OCCUPATIONAL		146	130	276	3	13	16	292
OFFICIAL		16	18	34		9	9	43
OTB (OWNERS, MANAGERS)			7	7	44	1	45	52
OUTRIDER		1		1			0	1
OWNER	1	80	829	910	4	35	39	949
OWNER-TRAINER		28	230	258		2	2	260
PADDOCK EMPLOYEE				0			0	0
PLATER/FARRIER			18	18			0	18
PONY PERSON		16	97	113			0	113
RBO (KENNEL/RACING OR BREEDING)				0	1	6	7	7
SECURITY EMPLOYEE		10	20	30	1	5	6	36
STABLE		1	104	105			0	105
TEMPORARY CLAIM TO OWNER			14	14			0	14
TRACK (LIVE RACING)	1			1			0	1
TRACK (NO LIVE RACING)				0			0	0
TRACK GM, ASST GM, CFO				0			0	0
TRACK OWNER (10% + OWNER)				0			0	0
TRAINER		4	75	79		3	3	82
VENDOR-TOTE COMPANY		1		1	4		4	5
VENDOR EMPLOYEES			19	19	32	1	33	52
VENDOR - ALL OTHERS			11	11	4		4	15
VETERINARIAN		1	8	9			0	9
LICENSES ISSUED								
LICENSES ISSUED	10	437	2,323	2,770	113	151	264	3,034
FINGERPRINTS TAKEN								
FINGERPRINTS TAKEN	8	293	1,543	1,844	81	102	183	2,027
LICENSING FEES								
LICENSING FEES	\$696	\$22,902	\$234,184	\$257,782	\$13,377	\$9,192	\$22,569	\$280,351
FINGERPRINT FEES								
FINGERPRINT FEES	\$176	\$6,446	\$33,946	\$40,568	\$1,782	\$2,244	\$4,026	\$44,594
TOTAL FEES								
TOTAL FEES	\$872	\$29,348	\$268,130	\$298,350	\$15,159	\$11,436	\$26,595	\$324,945

COMMERCIAL RACING , COUNTY FAIR RACING AND ADVANCE DEPOSIT WAGERING
 Commercial Horse, Greyhound, County Fair Racing and Advance Deposit Wagering*

<u>RACING STATISTICS</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY2014</u>	<u>FY2015</u>
<u>Race Days/Performances (including 4 Charity Days)</u>					
Live Race Days	516	478	425	374	369
Dark Day-Simulcast only	659	629	680	730	1,084
Total Race Days	1,175	1,107	1,105	1,104	1,453
Total Live Performances (Matinee & Evening)	516	478	425	374	369
<u>Number of Races</u>					
Live Races	5,957	5,770	4,996	4,469	4,792
Simulcast Races	190,857	184,589	186,129	187,482	459,104
Total Number of Races	196,814	190,359	191,125	191,951	463,896
<u>Attendance</u>					
On-Track	483,787	461,642	426,430	443,432	419,216
Off-Track	697,574	714,776	698,093	693,322	708,929
Total Attendance	1,181,361	1,176,418	1,124,523	1,136,754	1,128,145
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$143,970	\$154,199	\$149,687	\$147,753	\$113,104
Breakdown by location					
On-Track Handle	\$43,479,479	\$40,907,185	\$38,841,584	\$37,984,955	\$35,782,554
Off-Track Handle	\$125,685,106	\$129,790,965	\$126,562,871	\$125,134,535	\$128,557,635
Breakdown by source					
Live Races	\$29,734,049	\$26,758,799	\$21,817,939	\$20,584,372	\$18,239,307
Simulcast Races	\$139,430,537	\$143,939,351	\$143,586,516	\$142,535,118	\$146,100,882
Total Pari-Mutuel Handle	\$169,164,585	\$170,698,149	\$165,404,455	\$163,119,490	\$164,340,189
<u>DISTRIBUTION OF REVENUES</u>					
<u>Returned to Wagering Public</u>	\$128,364,878	\$128,888,265	\$124,798,503	\$122,832,588	\$123,439,815
<u>State Pari-Mutuel Revenues</u>	\$284,807	\$254,801	\$234,628	\$215,525	\$185,892
<u>Track Mutuel Revenues</u>					
Track/ ADW Commission	\$35,132,296	\$35,622,231	\$34,600,729	\$34,217,106	\$34,383,802
Capital Improvement Rebate	32,506	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	8,203	7,413	5,452	7,594	6,427
Hardship Tax Credit	472,604	507,099	339,038	304,483	268,705
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	697,899	706,906	657,480	666,705	673,825
Total Track/ ADW Revenues	\$36,343,507	\$36,843,649	\$35,602,699	\$35,195,888	\$35,332,759
<u>Purses</u>	\$13,980,881	\$13,251,803	\$12,696,055	\$11,725,018	\$11,876,185

* Turf Paradise-contracted Advance Deposit Wagering operations commenced wagering for Arizona accounts on January 31, 2015.

Trends at a Glance



Advance Deposit Wagering

ADVANCE DEPOSIT WAGERING - TURF PARADISE
 Turf Paradise Bet, TVG Network, TwinSpire, Xpressbet

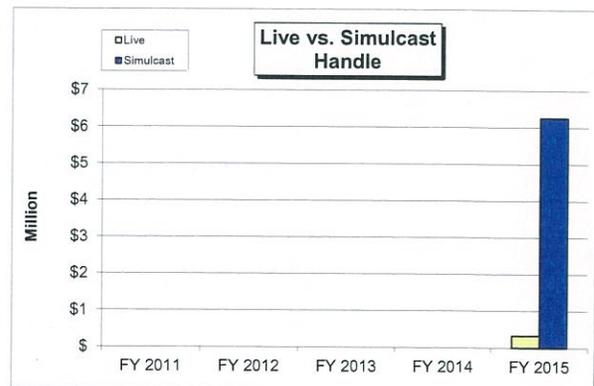
<u>WAGERING STATISTICS</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY2014</u>	<u>FY 2015</u>
<u>Wagering Days/Performances</u>					
Live Race Days					264
Dark Day-Simulcast only					334
Total Wagering Days					598
Total Live Performances					264
<u>Number of Races</u>					
Live Arizona Races					2,112
Simulcast Races *					274,396
Total Number of Races					276,508
<u>Arizona Patron Accounts Wagering</u>					
On Live Arizona Races					7,306
On Simulcast Races					33,608
Total Accounts					40,914
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day					\$11,005
Breakdown by source					
Live Races					\$327,177
Simulcast Races					6,253,963
Total Pari-Mutuel Handle					\$6,581,140

DISTRIBUTION OF REVENUES

<u>Returned to Wagering Public</u>	\$4,950,573
<u>State Pari-Mutuel Revenues</u>	\$5,384
<u>ADW Mutuel Revenues</u>	
ADW Commission	\$1,296,401
Charity Days-Revenues Withheld	0
Breakage	38,340
Total ADW Revenues	\$1,334,741

* These races were offered for wagering by the ADW operator and may or may not have been offered in Arizona.

ADW Trends at a Glance



TURF PARADISE BET
TP Racing, L.L.L.P.

FY 2015 Racing Dates:
January 31, 2015 - June 30, 2015

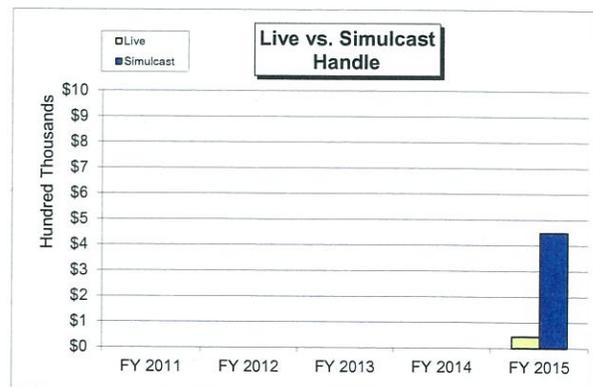
<u>WAGERING STATISTICS</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY2014</u>	<u>FY2015</u>
<u>Wagering Days/Performances</u>					
Live Race Days					65
Dark Day-Simulcast only					83
Total Wagering Days					148
Total Live Performances					65
<u>Number of Races</u>					
Live Arizona Races					520
Simulcast Races *					82,349
Total Number of Races					82,869
<u>Arizona Patron Accounts Wagering</u>					
On Live Aizona Races					1,137
On Simulcast Races					3,752
Total Accounts					4,889
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day					\$3,335
Breakdown by source					
Live Races					\$44,829
Simulcast Races					448,760
Total Pari-Mutuel Handle					\$493,589

DISTRIBUTION OF REVENUES

<u>Returned to Wagering Public</u>	\$374,913
<u>State Pari-Mutuel Revenues</u>	\$683
<u>ADW Mutuel Revenues</u>	
ADW Commission	\$99,129
Charity Days-Revenues Withheld	0
Breakage	3,850
Total ADW Revenues	\$102,979

* These races were offered for wagering by the ADW operator and may or may not have been offered in Arizona.

ADW Trends at a Glance



TVG NETWORK
ODS Technologies, L.P.

FY 2015 Racing Dates:
January 31, 2015 - June 30, 2015

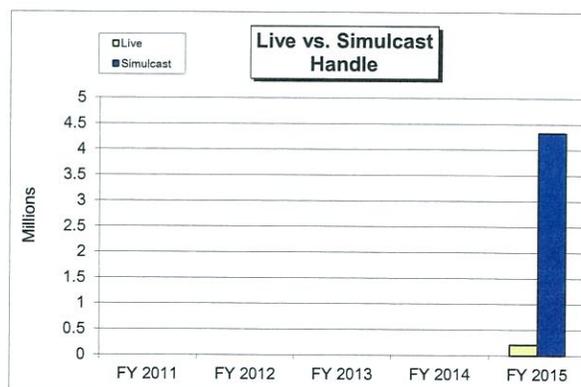
<u>WAGERING STATISTICS</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY2014</u>	<u>FY2015</u>
<u>Wagering Days/Performances</u>					
Live Race Days					67
Dark Day-Simulcast only					84
Total Wagering Days					151
Total Live Performances					67
<u>Number of Races</u>					
Live Arizona Races					536
Simulcast Races *					21,247
Total Number of Races					21,783
<u>Arizona Patron Accounts Wagering</u>					
On Live Arizona Races					4,483
On Simulcast Races					18,966
Total Accounts					23,449
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day					\$30,033
Breakdown by source					
Live Races					\$208,607
Simulcast Races					4,326,446
Total Pari-Mutuel Handle					\$4,535,053

DISTRIBUTION OF REVENUES

<u>Returned to Wagering Public</u>	\$3,380,565
<u>State Pari-Mutuel Revenues</u>	\$3,539
<u>ADW Mutuel Revenues</u>	
ADW Commission	\$885,987
Charity Days-Revenues Withheld	0
Breakage	27,564
Total ADW Revenues	\$913,551

* These races were offered for wagering by the ADW operator and may or may not have been offered in Arizona.

ADW Trends at a Glance



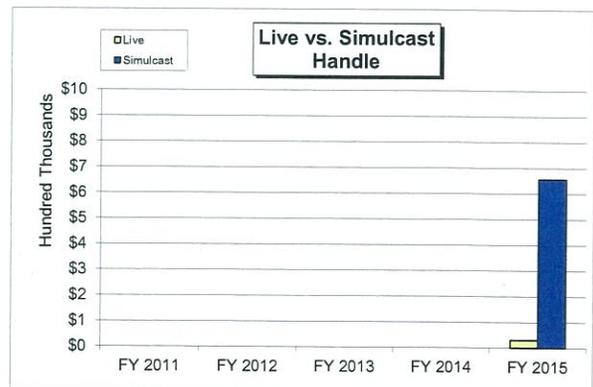
TwinSpires
Churchill Downs Technology Initiatives Company

FY 2015 Racing Dates:
January 31, 2015 - June 30, 2015

<u>WAGERING STATISTICS</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY2014</u>	<u>FY2015</u>
<u>Wagering Days/Performances</u>					
Live Race Days					67
Dark Day-Simulcast only					84
Total Wagering Days					151
Total Live Performances					67
<u>Number of Races</u>					
Live Arizona Races					536
Simulcast Races *					93,709
Total Number of Races					94,245
<u>Arizona Patron Accounts Wagering</u>					
On Live Aizona Races					658
On Simulcast Races					4,646
Total Accounts					5,304
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day					\$4,539
Breakdown by source					
Live Races					\$29,623
Simulcast Races					655,822
Total Pari-Mutuel Handle					\$685,445
 <u>DISTRIBUTION OF REVENUES</u>					
<u>Returned to Wagering Public</u>					\$543,147
<u>State Pari-Mutuel Revenues</u>					\$472
<u>ADW Mutuel Revenues</u>					
ADW Commission					\$135,889
Charity Days-Revenues Withheld					0
Breakage					3,303
Total ADW Revenues					\$139,192

* These races were offered for wagering by the ADW operator and may or may not have been offered in Arizona.

ADW Trends at a Glance



XPRESSBET
Xpressbet, LLC

FY 2015 Racing Dates:
January 31, 2015 - June 30, 2015

<u>WAGERING STATISTICS</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY2014</u>	<u>FY2015</u>
<u>Wagering Days/Performances</u>					
Live Race Days					65
Dark Day-Simulcast only					83
Total Wagering Days					148
Total Live Performances					65
<u>Number of Races</u>					
Live Arizona Races					520
Simulcast Races *					77,091
Total Number of Races					77,611
<u>Arizona Patron Accounts Wagering</u>					
On Live Aizona Races					1,028
On Simulcast Races					6,244
Total Accounts					7,272
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day					\$5,858
Breakdown by source					
Live Races					\$44,118
Simulcast Races					822,935
Total Pari-Mutuel Handle					\$867,053
 <u>DISTRIBUTION OF REVENUES</u>					
<u>Returned to Wagering Public</u>					\$651,949
<u>State Pari-Mutuel Revenues</u>					\$691
<u>ADW Mutuel Revenues</u>					
ADW Commission					\$175,395
Charity Days-Revenues Withheld					0
Breakage					3,624
Total ADW Revenues					\$179,019

* These races were offered for wagering by the ADW operator and may or may not have been offered in Arizona.

ADW Trends at a Glance



Commercial Racing

Commercial Racing

The Department of Racing regulates and supervises all commercial horse and greyhound racing meetings and pari-mutuel wagering conducted on- and off-track in Arizona to enforce laws and regulations and to protect racing participants and the wagering public.

FY 2015 Activity:

- A three-year permit for commercial racing for Tucson Greyhound Park *(July 2014)*
- A three-year permit for commercial racing and teletrack wagering for American Greyhound Park. *(Sept. 2014)*
- **A temporary permit for commercial racing and teletrack wagering for Rillito Racing *(Nov. 2014)*
- A one-year Advance Deposit Wagering Permit was approved for Churchill Downs Technology Initiative Company *(TwinSpires, Inc.) (Jan. 2015)*
- A one-year Advance Deposit Wagering Permit for Xpressbet, LLC. *(Jan 2015)*
- A one-year Advance Deposit Wagering Permit for ODS Technologies *(TVG Network) (Jan. 2015)*
- A one-year-Advance Deposit Wagering Permit for Turf Paradise Bet. *(Jan. 2015)*
- **A temporary permit for commercial racing and teletrack wagering for TP Racing, LLLP *(June 2015)*
- Three Year Commercial Racing permits for the following County Fairs: La Paz *(July 2014)*, Santa Cruz *(July 2014)*, Maricopa *(Dec. 2014)*, Navajo *(Dec. 2014)*, Yuma *(Dec. 2014)* Pinal *(Jan. 2015)*, Cochise *(Jan. 2015)*, Coconino, *(Feb. 2015)*.

*Note: Santa Cruz County ran their meet at Sonoita, Arizona, Cochise ran their meet at Rillito Race track in Tucson; all others run their county meets at Turf Paradise Race Course. **Commercial Racing and Teletrack Wagering Applications pending*

Commercial Racing Permittees, Tracks and Permit Terms

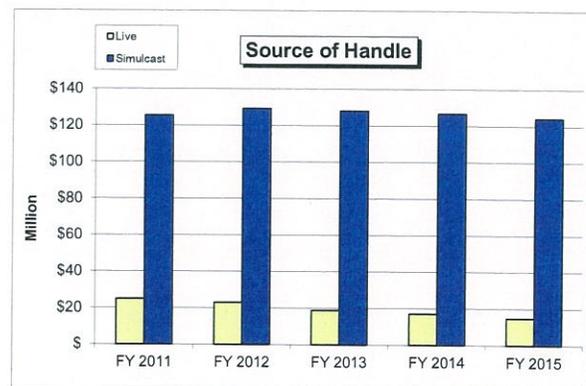
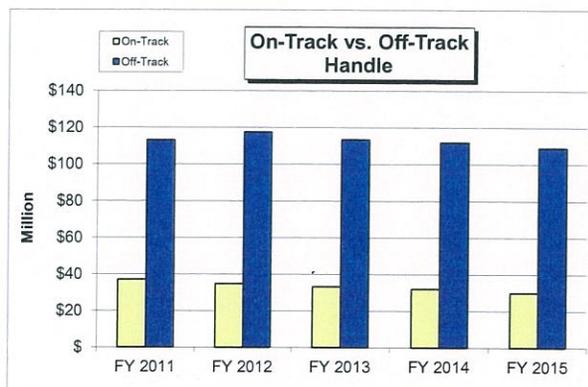
<u>Permittee</u>	<u>Track</u>	<u>Permit Term</u>
American Greyhound Racing, Inc.	Apache Greyhound Park	01/01/14 - 12/31/16
American Greyhound Racing, Inc.	Phoenix Greyhound Park	01/01/14 - 12/31/16
* Rillito Racing	Rillito Park	01/01/15 - 12/31/15
Tucson Greyhound Park, Inc.	Tucson Greyhound Park	01/01/14 - 12/31/16
* TP Racing, L.L.L.P.	Turf Paradise Race Course	06/01/15 - 05/31/18

** temporary permit issued, application pending*

COMMERCIAL TRACKS
Commercial Horse and Greyhound Racing

RACING STATISTICS	FY 2011	FY 2012	FY 2013	FY2014	FY2015
Race Days/Performances (including 4 Charity Days)					
Live Race Days	472	448	398	344	340
Dark Day-Simulcast only	657	629	678	730	749
Total Race Days	1,129	1,077	1,076	1,074	1,089
Total Live Performances (Matinee & Evening)	472	448	398	344	340
Number of Races					
Live Races	5,569	5,512	4,759	4,226	4,560
Simulcast Races	185,332	179,763	181,282	182,528	179,918
Total Number of Races	190,901	185,275	186,041	186,754	184,478
Attendance					
On-Track	372,327	365,423	347,458	343,789	319,566
Off-Track	631,095	649,698	628,781	623,252	599,549
Total Attendance	1,003,422	1,015,121	976,239	967,041	919,115
Pari-Mutuel Handle					
Average Handle per Race Day	\$132,991	\$141,289	\$136,290	\$133,861	\$127,596
Breakdown by location					
On-Track Handle	\$37,092,808	\$34,743,092	\$33,255,930	\$31,946,632	\$29,992,225
Off-Track Handle	\$113,053,837	\$117,425,663	\$113,392,414	\$111,820,247	\$108,959,873
Breakdown by source					
Live Races	\$24,868,205	\$22,919,478	\$18,716,705	\$17,114,223	\$14,816,619
Simulcast Races	\$125,278,440	\$129,249,277	\$127,931,639	\$126,652,656	\$124,135,479
Total Pari-Mutuel Handle	\$150,146,645	\$152,168,755	\$146,648,344	\$143,766,879	\$138,952,098
DISTRIBUTION OF REVENUES					
Returned to Wagering Public	\$113,849,638	\$114,479,892	\$110,854,929	\$108,069,762	\$104,263,439
State Pari-Mutuel Revenues	\$284,807	\$254,801	\$234,628	\$215,525	\$180,508
Track Mutuel Revenues					
Track Commission	\$31,226,891	\$31,871,941	\$30,808,789	\$30,239,114	\$29,230,247
Capital Improvement Rebate	32,506	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	8,203	7,413	5,452	7,594	6,427
Hardship Tax Credit	472,604	507,099	339,038	304,483	268,705
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	602,667	614,212	577,807	565,990	542,928
Total Track Revenues	\$32,342,871	\$33,000,664	\$31,731,085	\$31,117,181	\$30,048,307
Purses	\$12,063,670	\$11,675,994	\$11,125,099	\$10,139,454	\$10,372,312

Racetrack Trends at a Glance



Commercial Horse Racing

Commercial Horse Racing

The Department of Racing is responsible for regulating and supervising all commercial horse racing meetings, conducting investigations, issuing licenses, conducting equine and human drug testing, overseeing wagering, hearing appeals of decisions, conducting hearings on investigation referrals and race incidents, collecting revenues for the State, and distributing awards to program recipients.

Investigations

Investigation numbers listed below reflect the total number of investigations conducted for every incident and background investigation, which includes processing of fingerprints and any resulting false applications.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of incident investigations	176	170	22
Number of background investigations	3330	1325	1836
Total number of investigations conducted	3506	1495	1858

Licensing

The Department issues licenses to participate in racing to those who are qualified and eligible.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of licenses issued	3330	1325	2760
Number of licenses denied	0	4	1
Number of licenses revoked	0	1	0

Stewards

The Board of Stewards is present on the permittee grounds on each day entries are being taken or racing is being conducted, representing the Department in all matters pertaining to the enforcement and interpretation of the rules adopted by the Department. All races are observed and supervised to ensure that all participants comply with the rules of racing.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of rulings issued	183	184	116
Total steward rulings appealed	0	8	5
Percentage of rulings upheld on appeal to the Director	n/a	88%	100%

Rulings by Track

Rillito Park	12	14	29
Turf Paradise	171	170	87
Yavapai Downs	0	0	0

Commercial Horse Racing

Director

The Director of the Department is required by statute to review all rulings issued by the Stewards. Individual licensees may also appeal a Stewards' ruling to the Director, and if not satisfied with the Director's order, to the Racing Commission. The Office of Administrative Hearings also hears matters referred by the Director.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of Director's hearings	14	9	4
Number of Administrative Law Judge hearings	1	2	1
Number of Racing Commission hearings	5	2	0
Total number of Director's orders *	11	11	7
Percentage of orders upheld on appeal to the Commission	100%	100%	N/A
<u>Orders by Track</u>			
Rillito Park	0	0	0
Turf Paradise	16	11	7
Yavapai Downs	N/A	N/A	N/A

* Does not include orders for action such as stays, reinstatements, cases dismissed, etc.

Breeders Awards

When monies are available, the Department promotes horse breeding in Arizona through the administration and distribution of funds available through the Breeders' Award Program. No monies were appropriated for this fund in FY 2012.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Amount of awards	\$206,000	\$208,700	\$209,400
Number of active breeders	138	169	171
Percentage of breeders winning awards	33%	28%	34%
Number of registered horses	3,495	3313	3,450

Racehorse Adoption

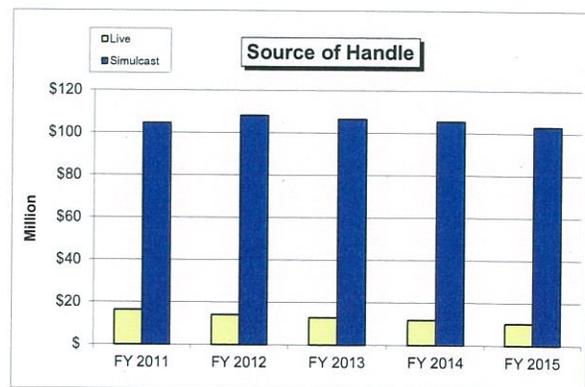
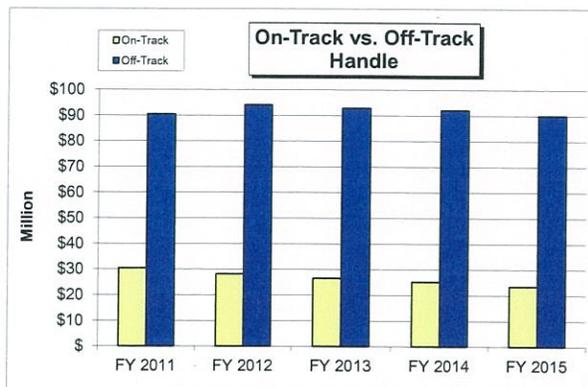
The Department provides grants to non-profit organizations to promote the adoption of retired racehorses in Arizona. The funds for this program are generated from a surcharge against all civil penalties assessed in connection with horseracing in Arizona. The program went into effect in 2005 and the first award was made in 2006.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of grants awarded	2	2	1
Amount of grants awarded	\$2,293	\$1,955	\$1,659

COMMERCIAL HORSE TRACKS
Rillito Park, Turf Paradise, Yavapai Downs

RACING STATISTICS	FY 2011	FY 2012	FY 2013	FY2014	FY2015
Race Days/Performances (including 3 Charity Days)					
Live Race Days	162	142	140	137	134
Dark Day-Simulcast only	242	208	211	212	231
Total Race Days	404	350	351	349	365
Total Live Performances (Matinee & Evening)	162	142	140	137	134
Number of Races					
Live Races	1,452	1,268	1,247	1,185	1,069
Simulcast Races	58,139	52,344	52,321	52,500	50,982
Total Number of Races	59,591	53,612	53,568	53,685	52,051
Attendance					
On-Track	272,810	293,403	287,831	276,531	255,431
Off-Track	476,156	494,570	488,245	484,234	473,090
Total Attendance	748,966	787,973	776,076	760,765	728,521
Pari-Mutuel Handle					
Average Handle per Race Day	\$298,956	\$349,028	\$339,886	\$335,987	\$310,469
Breakdown by location					
On-Track Handle	\$30,361,770	\$28,181,407	\$26,531,355	\$25,215,613	\$23,441,101
Off-Track Handle	\$90,416,538	\$93,978,514	\$92,768,573	\$92,043,783	\$89,880,232
Breakdown by source					
Live Races	\$16,275,398	\$14,036,164	\$12,865,955	\$11,819,635	\$10,266,132
Simulcast Races	104,502,909	108,123,757	106,433,974	105,439,761	103,055,202
Total Pari-Mutuel Handle	\$120,778,307	\$122,159,921	\$119,299,928	\$117,259,396	\$113,321,333
DISTRIBUTION OF REVENUES					
Returned to Wagering Public	\$91,338,754	\$91,407,944	\$89,887,194	\$87,719,084	\$84,278,980
State Pari-Mutuel Revenues	\$284,807	\$254,801	\$234,628	\$215,525	\$180,508
Track Mutuel Revenues					
Track Commission	\$24,787,523	\$25,325,994	\$24,757,266	\$24,369,222	\$23,525,644
Capital Improvement Rebate	32,506	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	8,203	7,413	5,452	7,594	6,427
Hardship Tax Credit	0	18,516	17,246	13,280	18,428
Breakage	535,899	549,871	521,354	511,011	498,296
Total Track Revenues	\$25,364,130	\$25,901,795	\$25,301,318	\$24,901,107	\$24,048,795
Purses	\$11,254,252	\$10,676,484	\$10,306,289	\$9,359,342	\$9,621,460

Racetrack Trends at a Glance



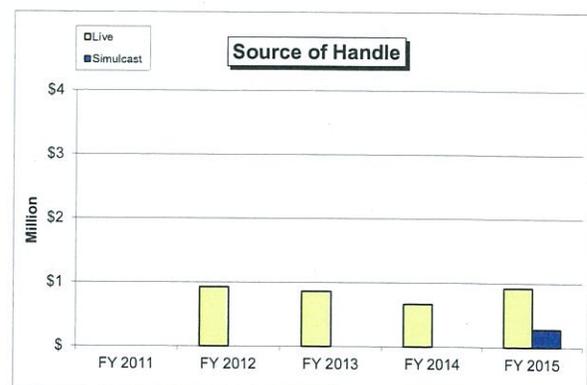
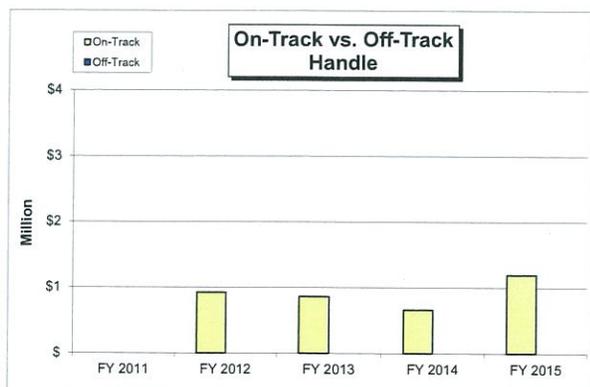
4502 North First Avenue
Tucson, Arizona 85728

RILLITO PARK
Pima County Fair Horse Racing Commission

FY 2015 Racing Dates:
February 7, 2015 - June 6, 2015

<u>RACING STATISTICS</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY2014</u>	<u>FY2015</u>
<u>Race Days/Performances</u>					
Live Race Days	-	12	12	10	14
Dark Day-Simulcast Only	-	-	-	-	12
Total Race Days	-	12	12	10	26
Total Live Performances	-	12	12	10	14
<u>Number of Races</u>					
Live Races	-	99	98	73	114
Simulcast Races	-	-	-	-	1,631
Total Number of Races	-	99	98	73	1,745
<u>Attendance</u>					
On-Track	-	42,685	45,899	37,124	31,126
Off-Track	-	-	-	-	-
Total Attendance	-	42,685	45,899	37,124	31,126
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$0	\$77,151	\$71,860	\$66,402	\$46,063
Breakdown by location					
On-Track Handle	\$0	\$925,817	\$862,314	\$664,023	\$1,197,642
Off-Track Handle	\$0	\$0	\$0	\$0	\$0
Breakdown by source					
Live Races	\$0	\$925,817	\$862,314	\$664,023	\$921,402
Simulcast Races	0	0	0	0	276,240
Total Pari-Mutuel Handle	\$0	\$925,817	\$862,314	\$664,023	\$1,197,642
<u>DISTRIBUTION OF REVENUES</u>					
Returned to Wagering Public	\$0	\$698,817	\$651,013	\$497,140	\$869,644
State Pari-Mutuel Revenues	\$0	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$0	\$200,925	\$186,959	\$148,212	\$261,085
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement-Non Taxable	0	0	0	0	0
Charity Day	0	0	0	0	0
Hardship Tax Credit	0	18,516	17,246	13,280	18,428
Breakage	0	7,559	7,096	5,390	9,597
Total Track Revenues	\$0	\$227,000	\$211,301	\$166,883	\$289,111
Purses	\$0	\$104,242	\$97,027	\$75,370	\$124,815

Racetrack Trends at a Glance



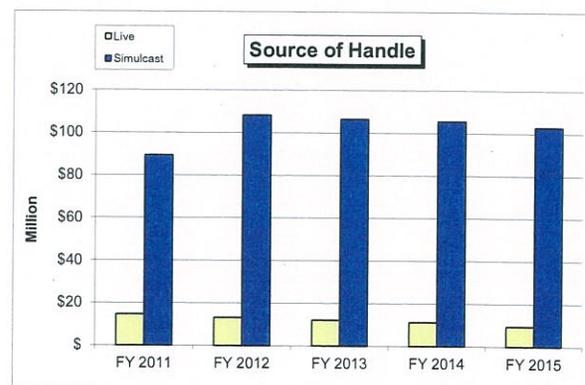
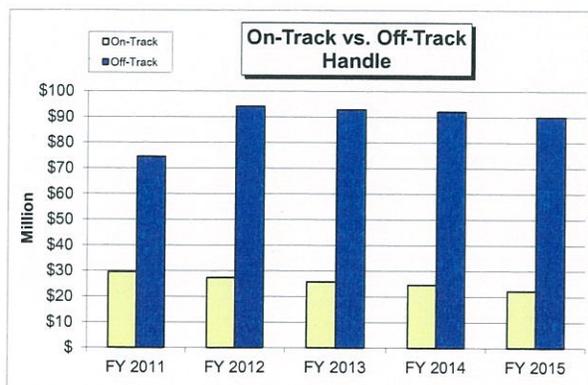
1501 West Bell Road
Phoenix, Arizona 85023

TURF PARADISE
TP Racing, L.L.L.P.

FY 2015 Racing Dates:
July 1, 2014 - June 30, 2015

<u>RACING STATISTICS</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY2014</u>	<u>FY2015</u>
<u>Race Days/Performances</u> (including 3 Charity Days)					
Live Race Days	132	130	128	127	120
Dark Day-Simulcast only		208	211	212	219
Total Race Days	339	338	339	339	339
Total Live Performances (Matinee & Evening)	132	130	128	127	120
<u>Number of Races</u>					
Live Races	1,187	1,169	1,149	1,112	955
Simulcast Races	51,979	52,344	52,321	52,500	49,351
Total Number of Races	53,166	53,513	53,470	53,612	50,306
<u>Attendance</u>					
On-Track	253,595	250,718	241,932	239,407	224,305
Off-Track	392,026	494,570	488,245	484,234	473,090
Total Attendance	645,621	745,288	730,177	723,641	697,395
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$306,587	\$358,681	\$349,373	\$343,939	\$330,748
Breakdown by location					
On-Track Handle	\$29,500,978	\$27,255,590	\$25,669,041	\$24,551,590	\$22,243,460
Off-Track Handle	\$74,431,872	\$93,978,514	\$92,768,573	\$92,043,783	\$89,880,232
Breakdown by source					
Live Races	\$14,650,115	\$13,110,347	\$12,003,641	\$11,155,612	\$9,344,730
Simulcast Races	89,282,734	108,123,757	106,433,974	105,439,761	102,778,962
Total Pari-Mutuel Handle	\$103,932,849	\$121,234,104	\$118,437,614	\$116,595,373	\$112,123,692
<u>DISTRIBUTION OF REVENUES</u>					
<u>Returned to Wagering Public</u>	\$78,526,009	\$90,709,127	\$89,236,181	\$87,221,944	\$83,409,336
<u>State Pari-Mutuel Revenues</u>	\$284,807	\$254,801	\$234,628	\$215,525	\$180,508
<u>Track Mutuel Revenues</u>					
Track Commission	\$21,331,382	\$25,125,069	\$24,570,307	\$24,221,010	\$23,264,558
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	8,203	7,413	5,452	7,594	6,427
Hardship Tax Credit	0	0	0	0	0
Breakage	462,766	542,313	514,258	505,620	488,699
Total Track Revenues	\$21,802,351	\$25,674,795	\$25,090,017	\$24,734,225	\$23,759,684
<u>Purses</u>	\$9,874,607	\$10,572,243	\$10,209,261	\$9,283,972	\$9,496,644

Racetrack Trends at a Glance



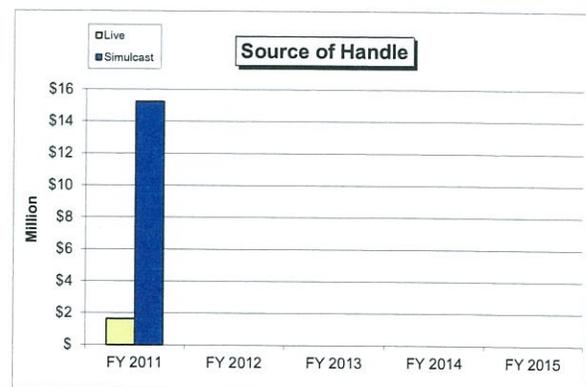
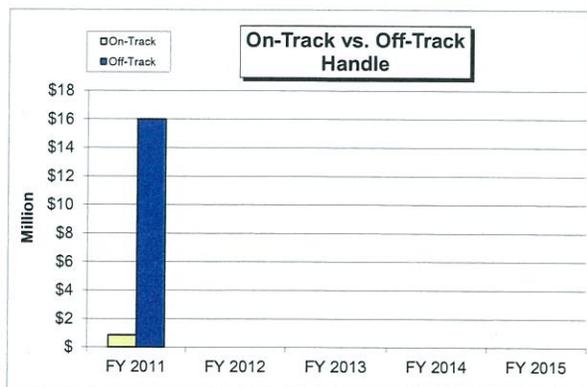
10501 Hwy. 89A
 Prescott Valley, Arizona 86314

YAVAPAI DOWNS
 Yavapai County Fair Association

FY 2015 Racing Dates:
 None

<u>RACING STATISTICS</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY2014</u>	<u>FY2015</u>
Race Days/Performances (including 4 Charity Days)					
Live Race Days	30	-	-	-	-
Dark Day-Simulcast only	35	-	-	-	-
Total Race Days	65	-	-	-	-
Total Live Performances (Matinee & Evening)	30	-	-	-	-
Number of Races					
Live Races	265	-	-	-	-
Simulcast Races	6,160	-	-	-	-
Total Number of Races	6,425	-	-	-	-
Attendance					
On-Track	19,215	-	-	-	-
Off-Track	84,130	-	-	-	-
Total Attendance	103,345	-	-	-	-
Pari-Mutuel Handle					
Average Handle per Race Day	\$259,161	\$0	\$0	\$0	\$0
Breakdown by location					
On-Track Handle	\$860,792	\$0	\$0	\$0	\$0
Off-Track Handle	\$15,984,666	\$0	\$0	\$0	\$0
Breakdown by source					
Live Races	\$1,625,284	\$0	\$0	\$0	\$0
Simulcast Races	15,220,175	0	0	0	0
Total Pari-Mutuel Handle	\$16,845,458	\$0	\$0	\$0	\$0
DISTRIBUTION OF REVENUES					
Returned to Wagering Public	\$12,812,745	\$0	\$0	\$0	\$0
State Pari-Mutuel Revenues	\$0	\$0	\$0	\$0	\$0
Track Mutuel Revenues					
Track Commission	\$3,456,141	\$0	\$0	\$0	\$0
Capital Improvement Rebate	32,506	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	0	0	0	0	0
Hardship Tax Credit	0	0	0	0	0
Breakage	73,133	0	0	0	0
Total Track Revenues	\$3,561,780	\$0	\$0	\$0	\$0
Purses	\$1,379,645	\$0	\$0	\$0	\$0

Racetrack Trends at a Glance



County Fair Racing

County Fair Racing

The Department of Racing is responsible for regulating and supervising all county fair horse racing meetings, providing staff to operate race meetings, conducting investigations, issuing licenses, conducting equine and human drug testing, overseeing wagering, conducting hearings on investigation referrals, and collecting revenues for the State.

When funding is available, County Fair racing receives funding from the County Fair Racing Fund and the County Fair Racing Betterment Fund. No monies have been appropriated for these funds since FY 2010. In FY2015, eight county fairs conducted live racing: seven contracted with existing commercial race tracks and one (Santa Cruz County) conducted live racing at their non-commercial track.

Investigations

Investigation numbers listed below reflect the total number of investigations conducted for every incident and background investigation, which includes processing of fingerprints and any resulting false applications.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of incident investigations	10	14	1
Number of background investigations	21	176	8
Total number of investigations conducted	31	190	9

Licensing

The Department issues licenses to participate in racing to those who are qualified and eligible.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of licenses issued	21	176	10
Number of licenses denied	0	0	1
Number of licenses revoked	0	0	0

Stewards

The Board of Stewards is present on the permittee grounds on each day entries are being taken or racing is being conducted, representing the Department in all matters pertaining to the enforcement and interpretation of the rules adopted by the Department. All races are observed and supervised to ensure that all participants comply with the rules of racing.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of Stewards' rulings issued	3	0	1
Total Stewards' rulings appealed	0	1	1
Percentage of Stewards' rulings upheld on appeal to the Director	N/A	100%	100%

Rulings by Track

Apache County Fair, St. Johns	0	0	0
Cochise County Fair, Douglas	0	0	0
Coconino County Fair, Flagstaff	0	0	0
Gila County Fair, Globe	0	0	0
Graham County Fair, Safford	0	0	0
Greenlee County Fair, Duncan	0	0	0
Mohave County Fair, Kingman	0	0	0
Pima County Fair, Rillito Park in Tucson	2	0	0
Santa Cruz County Fair, Sonoita	1	0	1

County Fair Racing

Director

The Director of the Department is required by statute to review all rulings issued by the Stewards. Individual licensees may also appeal a Stewards' ruling to the Director and, if not satisfied with the Director's order, to the Racing Commission. The Office of Administrative Hearings also hears matters referred by the Director.

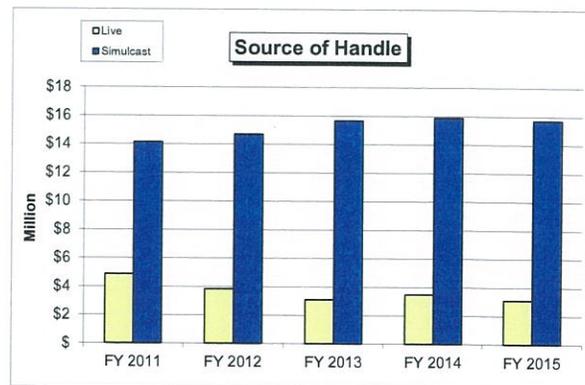
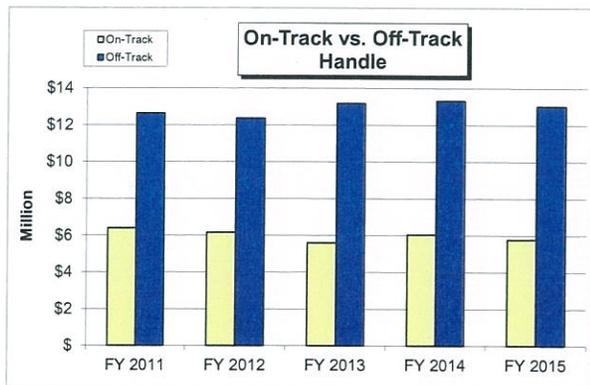
<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of Director's hearings	0	2	0
Number of Administrative Law Judge hearings	0	0	0
Number of Racing Commission hearings	0	0	0
Total number of Director's orders*	0	2	0
Percentage of orders upheld on appeal to the Commission	N/A	N/A	N/A
<u>Orders by Track</u>			
Apache County Fair, St. Johns	0	0	0
Cochise County Fair, Douglas	0	0	0
Coconino County Fair, Flagstaff	0	0	0
Gila County Fair, Globe	0	0	0
Graham County Fair, Safford	0	0	0
Greenlee County Fair, Duncan	0	0	0
Mohave County Fair, Kingman	0	0	0
Pima County Fair, Rillito Park in Tucson	0	2	0
Santa Cruz County Fair, Sonoita	0	0	0

* Does not include orders for action such as stays, reinstatements, cases dismissed, etc.

COUNTY FAIR TRACKS
County Fair Racing at Fairs and Commercial Tracks

<u>RACING STATISTICS</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY2014</u>	<u>FY2015</u>
<u>Race Days/Performances</u>					
Live Race Days	44	30	27	30	29
Dark Day-Simulcast Only	2	-	2	-	1
Total Race Days	46	30	29	30	30
Total Live Performances	44	30	27	30	29
<u>Number of Races</u>					
Live Races	388	258	237	243	232
Simulcast Races	5,525	4,826	4,847	4,954	4,790
Total Number of Races	5,913	5,084	5,084	5,197	5,022
<u>Attendance</u>					
On-Track	111,460	96,219	78,972	99,643	99,650
Off-Track	66,479	65,078	69,312	70,070	68,466
Total Attendance	177,939	161,297	148,284	169,713	168,116
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$413,433	\$617,646	\$694,671	\$645,087	\$626,898
Breakdown by location					
On-Track Handle	\$6,386,671	\$6,164,093	\$5,585,654	\$6,038,323	\$5,790,329
Off-Track Handle	\$12,631,269	\$12,365,302	\$13,170,457	\$13,314,289	\$13,016,622
Breakdown by source					
Live Races	\$4,865,844	\$3,839,321	\$3,101,234	\$3,470,149	\$3,095,511
Simulcast Races	14,152,097	14,690,073	15,654,878	15,882,463	15,711,440
Total Pari-Mutuel Handle	\$19,017,940	\$18,529,394	\$18,756,111	\$19,352,612	\$18,806,951
<u>DISTRIBUTION OF REVENUES</u>					
Returned to Wagering Public	\$14,515,240	\$14,408,373	\$13,943,574	\$14,762,826	\$14,225,803
State Pari-Mutuel Revenues	\$0	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$3,905,405	\$3,750,291	\$3,791,940	\$3,977,992	\$3,857,155
Breakage	95,232	92,694	79,673	100,716	92,557
Total Track Revenues	\$4,000,637	\$3,842,985	\$3,871,613	\$4,078,707	\$3,949,711
Purses	\$1,917,210	\$1,575,809	\$1,570,956	\$1,585,563	\$1,503,874

Racetrack Trends at a Glance



COUNTY FAIR RACING
Schedule and Statistics
FY 2015

	Race Days	Live Races	Simulcast Races	Total Handle	Simulcast Handle	Attendance	Returned to Public	Track Commission	Breakage to Track	Purses
Fairs at Non-Commercial Tracks										
Santa Cruz County Fair at Sonoita May 2, 3, 2015	2	16	-	\$ 89,022	\$ -	7,700	\$ 67,784	\$ 18,531	\$ 926	\$ 9,679
Subtotal - Fairs at Non-Commercial Tracks	2	16	0	\$89,022	\$0	7,700	\$67,784	\$18,531	\$926	\$9,679
Fairs at Commercial Tracks										
MariCopa County Fair at Phoenix (Turf Paradise) January 2, 3, 9, 10 2015	4	32	646	\$ 2,299,073	\$ 1,960,639	16,812	\$ 1,695,678	\$ 477,558	\$ 10,799	\$ 203,636
La Paz County Fair at Phoenix (Turf Paradise) January 23, 24, 30, 31, 2015	4	24	674	\$ 2,615,101	\$ 2,354,740	16,234	\$ 1,993,338	\$ 536,868	\$ 12,462	\$ 207,900
Cochise County Fair at Tucson (Rillito Park) February 7, 8, 14, 15, 2015	4	32	238	\$ 410,145	\$ 50,174	20,188	\$ 304,676	\$ 89,943	\$ 3,096	\$ 46,709
Pinal County Fair at Phoenix (Turf Paradise) February 7, 14, 21, 28 2015	4	32	782	\$ 3,146,893	\$ 2,535,798	24,858	\$ 2,285,568	\$ 643,122	\$ 16,661	\$ 266,152
Navajo County Fair at Phoenix (Turf Paradise) March 7, 8, 28, 29, 2015	4	32	741	\$ 2,710,146	\$ 2,247,980	23,446	\$ 2,044,131	\$ 555,262	\$ 14,834	\$ 228,684
Yuma County Fair at Phoenix (Turf Paradise) March 14, 15, 21, 22, 2015	4	32	780	\$ 2,483,525	\$ 1,974,569	24,821	\$ 1,891,831	\$ 509,034	\$ 12,143	\$ 209,427
Cococino County Fair at Phoenix (Turf Paradise) April 25, 26, May 2, 3, 2015	4	32	929	\$ 5,053,045	\$ 4,587,541	34,057	\$ 3,942,798	\$ 1,026,937	\$ 21,615	\$ 331,687
Total - All County Fair Racing	28	216	4,790	\$18,717,929	\$15,711,440	160,416	\$14,166,019	\$3,838,624	\$91,630	\$1,494,195
	30	232	4,790	\$18,806,951	\$15,711,440	168,116	\$14,225,803	\$3,857,155	\$92,557	\$1,503,874

Commercial Greyhound Racing

Commercial Greyhound Racing

The Department of Racing is responsible for regulating and supervising all commercial greyhound racing meetings, conducting investigations, issuing licenses, conducting greyhound drug testing, overseeing wagering, hearing appeals of decisions, conducting hearings on investigation referrals and race incidents, collecting revenues for the State, and distributing awards to program recipients.

Investigations

Investigation numbers listed below reflect the total number of investigations conducted for every incident, inspection, and background investigation, which includes processing of fingerprints and any resulting false applications.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of incident investigations	19	62	178
Number of background investigations	612	701	183
Total number of investigations conducted	631	763	361

Licensing

The Department issues licenses to participate in racing to those who are qualified and eligible.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of licenses issued	612	701	264
Number of licenses denied	0	0	0
Number of licenses revoked	0	4	0

Stewards

The Board of Stewards is present on the permittee grounds on each day entries are being taken or racing is being conducted, representing the Department in all matters pertaining to the enforcement and interpretation of the rules adopted by the Department. All races are observed and supervised to ensure that all participants comply with the rules of racing.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of Stewards' rulings issued	63	27	40
Total Stewards' rulings appealed	0	0	3
Percentage of Stewards' rulings upheld on appeal to the Director	n/a	n/a	100%
<u>Rulings by Track</u>			
*Phoenix Greyhound Park	n/a	n/a	n/a
Tucson Greyhound Park	63	27	40

* PGP last day of live racing was December 19, 2009

Commercial Greyhound Racing

Director

The Director of the Department is required by statute to review all rulings issued by the Stewards. Individual licensees may also appeal a Stewards' ruling to the Director and, if not satisfied with the Director's ruling, to the Racing Commission. The Office of Administrative Hearings also hears matters referred by the Director.

Performance Measures

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of Director's hearings	2	7	8
Number of Administrative Law Judge hearings	0	0	0
Number of Racing Commission hearings	0	0	0
Total number of Director's orders *	2	7	6
Percentage of orders upheld on appeal to the Commission	N/A	N/A	N/A

Orders by Track

Apache Greyhound Park	0	0	0
**Phoenix Greyhound Park	N/A	N/A	N/A
Tucson Greyhound Park	2	7	6

* Does not include orders for action such as stays, reinstatements, cases dismissed, etc.
 **PGP last day of live racing was December 19, 2009

Inspections

The Department inspects greyhound farms, kennels, vehicles that haul greyhounds and other operations after the facilities have satisfied requirements.

Performance Measures

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of facility licenses issued	2	0	7
Number of inspections conducted at facilities	24	24	169
Percentage of inspections resulting in violations and disciplinary action	0%	0%	0%
Number of whelping inspections	0	0	0
Number of vehicle inspections	0	11	2

Breeders' Awards

When monies are available, the Department promotes greyhound breeding in Arizona through the administration and distribution of funds available through the Breeders' Awards Program.

Performance Measures

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Amount of awards	\$44,000	\$41,300	\$40,600
Number of active breeders	3	3	3
Percentage of breeders winning awards	67%	60%	60%
Number of registered greyhounds	640	644	644

Greyhound Adoption

The Department provides grants to non-profit organizations to promote the adoption of retired racing greyhounds as domestic pets. This account receives 100% of all fees collected from licensing greyhound racing kennels, breeding farms and other operations where greyhounds are raised for racing purposes.

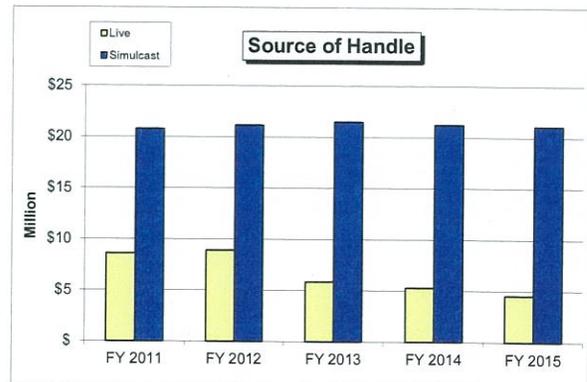
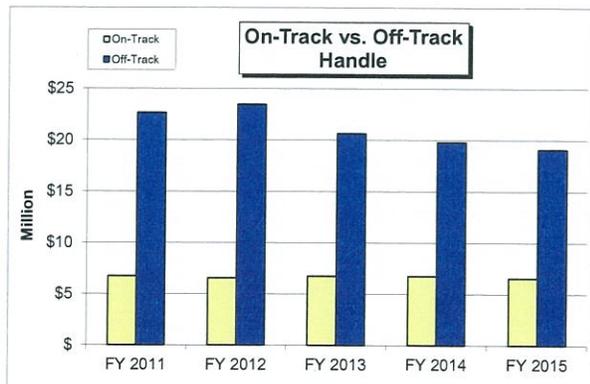
Performance Measures

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of grants awarded	2	1	1
Amount of grants awarded	\$859	\$1,350	\$600

COMMERCIAL GREYHOUND TRACKS
 Apache Greyhound, Phoenix Greyhound, Tucson Greyhound

<u>RACING STATISTICS</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY2014</u>	<u>FY2015</u>
<u>Race Days/Performances</u>					
Live Race Days	310	306	258	207	206
Dark Day-Simulcast only	415	421	467	518	518
Total Race Days	725	727	725	725	724
Total Live Performances (Matinee & Evening)	310	306	258	207	206
<u>Number of Races</u>					
Live Races	4,117	4,244	3,512	3,041	3,491
Simulcast Races	127,193	127,419	128,961	130,028	128,936
Total Number of Races	131,310	131,663	132,473	133,069	132,427
<u>Attendance</u>					
On-Track	99,517	72,020	59,627	67,258	64,135
Off-Track	154,939	155,128	140,536	139,018	126,459
Total Attendance	254,456	227,148	200,163	206,276	190,594
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$40,508	\$41,278	\$37,722	\$36,562	\$35,402
Breakdown by location					
On-Track Handle	\$6,731,038	\$6,561,685	\$6,724,575	\$6,731,019	\$6,551,124
Off-Track Handle	\$22,637,299	\$23,447,149	\$20,623,841	\$19,776,463	\$19,079,641
Breakdown by source					
Live Races	\$8,592,807	\$8,883,314	\$5,850,750	\$5,294,588	\$4,550,487
Simulcast Races	20,775,531	21,125,521	21,497,665	21,212,894	21,080,278
Total Pari-Mutuel Handle	\$29,368,337	\$30,008,835	\$27,348,415	\$26,507,482	\$25,630,765
<u>DISTRIBUTION OF REVENUES</u>					
<u>Returned to Wagering Public</u>	\$22,510,885	\$23,071,947	\$20,967,735	\$20,350,678	\$19,984,459
<u>State Pari-Mutuel Revenues</u>	\$0	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$6,439,368	\$6,545,947	\$6,051,523	\$5,869,892	\$5,704,603
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	0	0	0	0	0
Hardship Tax Credit	472,604	488,582	321,791	291,202	250,277
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	66,769	64,341	56,453	54,979	44,632
Total Track Revenues	\$6,978,740	\$7,098,870	\$6,429,767	\$6,216,074	\$5,999,512
<u>Purses</u>	\$809,418	\$999,509	\$818,810	\$780,113	\$750,852

Racetrack Trends at a Glance



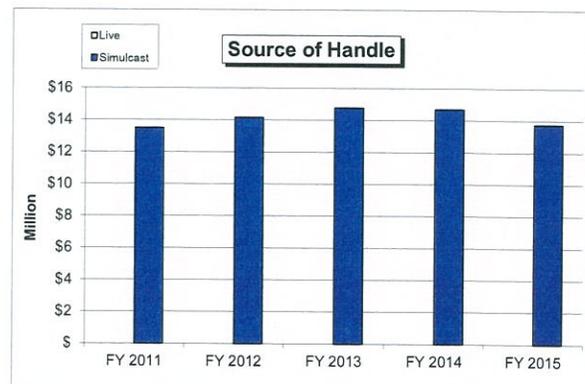
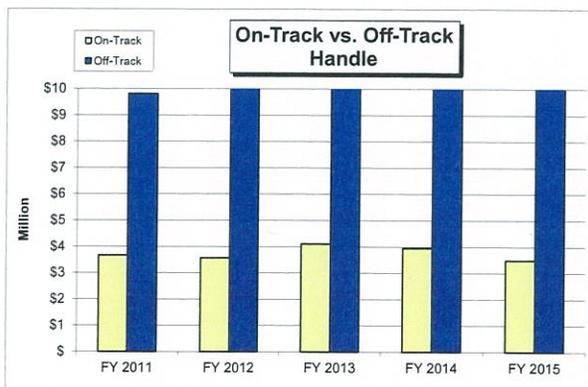
2551 West Apache Trail
Apache Junction, Arizona 85220

APACHE GREYHOUND PARK
American Greyhound Racing, Inc.

FY 2015 Racing Dates:
July 1, 2014 - June 30, 2015

<u>RACING STATISTICS</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY2014</u>	<u>FY2015</u>
<u>Race Days/Performances</u>					
Live Race Days	-	-	-	-	-
Dark Day-Simulcast only	362	363	362	362	362
Total Race Days	362	363	362	362	362
Total Live Performances (Matinee & Evening)	-	-	-	-	-
<u>Number of Races</u>					
Live Races	-	-	-	-	-
Simulcast Races	63,197	65,975	66,696	68,712	68,940
Total Number of Races	63,197	65,975	66,696	68,712	68,940
<u>Attendance</u>					
On-Track	71,772	41,147	23,995	22,746	22,435
Off-Track	79,709	72,155	58,845	55,878	45,512
Total Attendance	151,481	113,302	82,840	78,624	67,947
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$37,247	\$38,963	\$40,783	\$40,551	\$37,953
Breakdown by location					
On-Track Handle	\$3,670,711	\$3,574,994	\$4,105,563	\$3,943,379	\$3,487,079
Off-Track Handle	\$9,812,658	\$10,568,497	\$10,657,984	\$10,736,137	\$10,251,982
Breakdown by source					
Live Races	\$0	\$0	\$0	\$0	\$0
Simulcast Races	13,483,368	14,143,491	14,763,547	14,679,516	13,739,061
Total Pari-Mutuel Handle	\$13,483,368	\$14,143,491	\$14,763,547	\$14,679,516	\$13,739,061
<u>DISTRIBUTION OF REVENUES</u>					
Returned to Wagering Public	\$10,148,935	\$10,686,939	\$11,252,847	\$11,063,497	\$10,518,583
State Pari-Mutuel Revenues	\$0	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$3,173,539	\$3,295,119	\$3,408,467	\$3,379,557	\$3,163,922
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	0	0	0	0	0
Hardship Tax Credit	0	0	0	0	0
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	31,895	31,016	30,525	31,685	24,165
Total Track Revenues	\$3,205,434	\$3,326,135	\$3,438,993	\$3,411,242	\$3,188,088
Purses	\$0	\$0	\$0	\$0	\$0

Racetrack Trends at a Glance



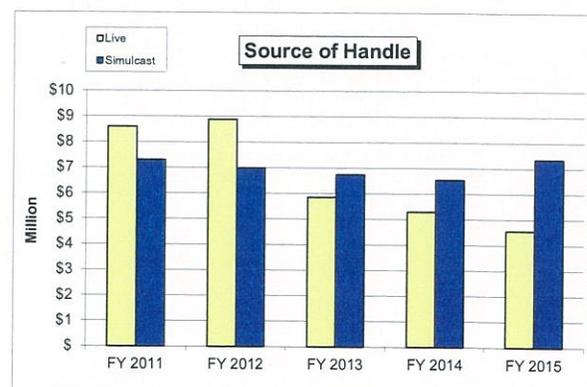
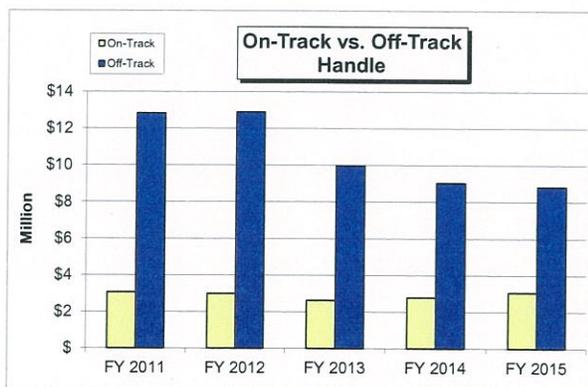
2601 South Third Avenue
Tucson, Arizona 85713

TUCSON GREYHOUND PARK
Tucson Greyhound Park, Inc.

FY 2015 Racing Dates:
July 1, 2014 - June 30, 2015

<u>RACING STATISTICS</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY2014</u>	<u>FY2015</u>
<u>Race Days/Performances</u>					
Live Race Days	310	306	258	207	206
Dark Day-Simulcast only	53	58	105	156	156
Total Race Days	363	364	363	363	362
Total Live Performances (Matinee & Evening)	310	306	258	207	206
<u>Number of Races</u>					
Live Races	4,117	4,244	3,512	3,041	3,491
Simulcast Races	63,996	61,444	62,265	61,316	59,996
Total Number of Races	68,113	65,688	65,777	64,357	63,487
<u>Attendance</u>					
On-Track	27,745	30,873	35,632	44,512	41,700
Off-Track	75,230	82,973	81,691	83,140	80,947
Total Attendance	102,975	113,846	117,323	127,652	122,647
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$43,760	\$43,586	\$34,669	\$32,584	\$32,850
Breakdown by location					
On-Track Handle	\$3,060,328	\$2,986,691	\$2,619,012	\$2,787,641	\$3,064,045
Off-Track Handle	\$12,824,642	\$12,878,652	\$9,965,856	\$9,040,326	\$8,827,658
Breakdown by source					
Live Races	\$8,592,807	\$8,883,314	\$5,850,750	\$5,294,588	\$4,550,487
Simulcast Races	7,292,163	6,982,030	6,734,118	6,533,379	7,341,216
Total Pari-Mutuel Handle	\$15,884,969	\$15,865,343	\$12,584,868	\$11,827,967	\$11,891,703
<u>DISTRIBUTION OF REVENUES</u>					
Returned to Wagering Public	\$12,361,949	\$12,385,008	\$9,714,888	\$9,287,181	\$9,465,876
State Pari-Mutuel Revenues	\$0	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$3,265,829	\$3,250,828	\$2,643,056	\$2,490,335	\$2,540,681
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	0	0	0	0	0
Hardship Tax Credit	472,604	488,582	321,791	291,202	250,277
Breakage	34,873	33,325	25,928	23,294	20,467
Total Track Revenues	\$3,773,306	\$3,772,735	\$2,990,775	\$2,804,832	\$2,811,424
Purses	\$809,418	\$999,509	\$818,810	\$780,113	\$750,852

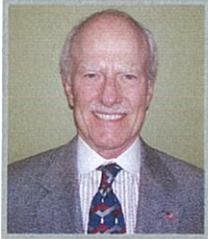
Racetrack Trends at a Glance



Arizona Boxing & Mixed Martial Arts Commission

ARIZONA BOXING and MMA COMMISSION

COMMISSIONERS



JOE PENNINGTON – Mr. Pennington is a veteran of the Commission and is currently serving as the Chairman. He first served on the Commission in 2001 following his appointment by Governor Hull. He was Chairman of the Commission from 2002 – 2004. He returned to the Commission in January 2010 by appointment of Governor Brewer. In early 2013 he was re-appointed by Governor Brewer to a second term which will expire on January 18, 2016.



SCOTT B. FLETCHER – Mr. Fletcher was appointed to the Arizona Boxing and MMA Commission by Governor Brewer in February 2011. He was Commission Chairman from January 2012 to January 2014. He was reappointed in 2014 by Governor Brewer to a second term that will end January 16, 2017.



SCOTT PETERS – Mr. Peters is a former NFL football player, competitive martial artist and advocate for concussion testing. He plans to bring forth positive changes to promote efficiency, safety and transparency to the State of Arizona. Mr. Peters was appointed to the Commission on January 19, 2015 by Governor Ducey and his current term will expire on January 15, 2018.

EXECUTIVE DIRECTOR



MATTHEW VALENZUELA – Mr. Valenzuela has been in the industry since 1994 where he trained and competed as an amateur boxer until 1998. After his competition ended, he became an Inspector for the Arizona Boxing Commission until 2010. He gave up his status as an Inspector to become the Assistant to the Executive Director in July 2010. After a few years he was appointed as the Arizona Boxing and MMA Commission Executive Director on January 18, 2014. Since his appointment, the state has hosted the most Boxing and MMA events since the Commission' origin. Mr. Valenzuela also secured the very first UFC and World Series of Fighting title bouts in Arizona.

Boxing and Mixed Martial Arts Regulation

The Boxing and MMA Commission regulates and supervises boxing and mixed martial arts events conducted in Arizona to protect the participants and to ensure compliance with the applicable laws and regulations.

In 1992, the Arizona Department of Racing assumed responsibility for the financial administration of the Arizona State Boxing Commission. (Note: In July 2010 the name was changed to the Arizona State Boxing and MMA Commission). In this capacity, the Department collects and deposits State receipts associated with the sports. The Department collects a fee of four percent of the gross receipts after deduction of any federal, state, and local taxes generated from regulated events held on non-tribal land.

Additionally, the Boxing and MMA Commission has entered into intergovernmental agreements (IGA) with certain Tribal organizations to supervise events conducted on Tribal land. The Arizona State Boxing and MMA Commission received an average of \$2,000 per event subject to these agreements. During FY 2015, the Boxing and MMA Commission regulated 7 of these events and collected \$14,000 for their regulation. The revenues collected for taxes were deposited into the General Fund while revenues from IGA fees went into the Boxing and MMA fund.

Sanctioned Events

The Boxing and MMA Commission ensures that all events under Commission jurisdiction held in the State are sanctioned by the Arizona State Boxing and MMA Commission and that all participants are duly licensed.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Percent of bouts without serious injury to contestants	100%	100%	100%
Number of events sanctioned	25	29	37
Number of bouts	202	290	328

Licensing

The Boxing and MMA Commission issues licenses to contestants, officials, cornermen, promoters, managers and trainers who are qualified and eligible. Licenses are denied for those who do not meet applicable requirements or are statutorily prohibited from participating.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of licenses issued	875	995	1294
Percent of licenses issued for all applications	98%	98%	98%
<u>Revenue Summary</u>			
Taxes	\$11,400	\$11,400	\$73,000
License Fees	21,600	28,500	39,500
Fines	550	1,350	2,250
Unarmed Combat Fees	18,000	24,000	27,500
Other (Tribal Agreements)	23,000	24,000	14,000
Total Revenue Collected	\$74,550	\$89,250	\$156,250

Investigations

The Boxing and MMA Commission investigates all allegations of statutory and rule violations that may harm the athlete or the public.

<u>Performance Measures</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Number of investigations conducted	1	1	0
Percent of investigations resulting in disciplinary action *	n/a	n/a	n/a

* Does not include investigations that did not rise to Commission level.

Financial Information

Department of Racing Budget

The Department of Racing has an appropriation of \$2.9 million with the majority provided from the Racing Wagering Assessment (RWA). Other contributions to the Department's budget comes from licensing fees, pari-mutuel taxes, dark day assessments and Advanced Deposit Wagering Assessments (ADWA). As of 2013, the day-to-day operations of the Department are funded entirely through the racing industry and the Department only receives two General Fund appropriations for specific purposes.

In FY 2015, the Department received \$2,029,500 in General Fund appropriations; \$250,000 to be distributed solely for Arizona breeders' awards and \$1,779,500 that is passed through to the County Fair Livestock and Agriculture Promotion Fund administered by the Governor's Office. However, on May 5, 2014 Senate Bill 1282 (ADWA) was signed and had a line-item veto of \$1.2 million appropriation for the Arizona Breeders' Award Fund and County Fair Racing Fund.

The ADWA was introduced in February of 2015. In FY 2015, the RWA/ADWA handle was \$310.8 million, down from \$336.9 million in FY 2014 (-7.7%). Between July and December 2014, the RWA/ADWA handle was down - 5.5%. During the last six months of the fiscal year, the RWA/ADWA handle was down -9.3%.

In the table below, we've included expenditures for the last three fiscal years and the Department's projected expenditures for FY 2016 appropriations.

OPERATING BUDGET

	<u>Actual Exp FY 2013</u>	<u>Actual Exp FY 2014</u>	<u>Actual Exp FY 2015</u>	<u>Appropriation FY 2016</u>
Full Time Equivalent Positions (FTE)	40.5	40.5	40.5	40.5
Personal Services	1,280,100	1,489,700	1,476,212	1,589,300
Employee Related Expenses	462,800	604,000	616,414	636,700
Professional & Outside Services	295,600	420,800	474,139	358,800
Travel - In State	48,000	54,600	52,273	78,700
Travel - Out of State	10,100	15,200	6,459	7,500
Other Operating Expenditures	308,400	216,400	217,367	229,700
Equipment	160,400	12,000	5,233	0
Operating Budget Subtotal	<u>\$2,565,400</u>	<u>\$2,812,700</u>	<u>\$2,848,097</u>	<u>\$2,900,700</u>

SPECIAL LINE ITEMS

Arizona Breeders' Award	250,000	250,000	250,000	-
County Fairs Livestock and Agricultural Promotion	1,779,500	1,779,500	1,779,500	1,779,500
Special Line Items Subtotal	<u>2,029,500</u>	<u>2,029,500</u>	<u>2,029,500</u>	<u>1,779,500</u>

AGENCY TOTAL

	<u>\$4,594,900</u>	<u>\$4,842,200</u>	<u>\$4,877,597</u>	<u>\$4,680,200</u>
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FUND SOURCES

Appropriated Funds

General Fund	2,029,500	2,029,500	2,029,500	1,779,500
Racing Regulation Fund	2,565,400	2,812,700	2,848,097	2,900,700

AGENCY TOTAL

	<u>\$4,594,900</u>	<u>\$4,842,200</u>	<u>\$4,877,597</u>	<u>\$4,680,200</u>
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Hardship Tax Credit

The Department of Racing determines the amount, if any, of a Hardship Tax Credit available to the commercial horse and greyhound permittees.

Determination of the FY 2016 Hardship Tax Credit Based on the FY 2015 Dollars Wagered

TRACK	BASE YEAR	BASE YEAR AMOUNT	FY2015 AMOUNT WAGERED	FY2015 % DECREASE	FY2015 PARI-MUTUEL TAX DUE	TAX DUE BASED ON % DECREASE	FY2015 HARDSHIP TAX CREDIT	CARRYOVER FROM FY2015 HARDSHIP TAX CREDIT	FY2016 TAX CREDIT WITH FY2015 CARRYOVER
HORSE TRACKS:									
Fort Tuthill Downs	FY 1994	\$ 798,671	\$ -	-100.00%	\$ -	\$ -	\$ -	\$ 7,320	\$ 7,320
Rillito Park	FY 1990	\$ 3,887,981	\$ 1,197,642	-69.20%	\$ 18,428	\$ 12,752	\$ 38,257	\$ 267,977	\$ 306,234
Turf Paradise	FY 1994	\$ 101,467,993	\$ 112,123,692	10.50%	\$ 186,895	\$ -	\$ -	\$ 14,564	\$ 14,564
Yavapai Downs	FY 1994	\$ 17,490,826	\$ -	-100.00%	\$ -	\$ -	\$ -	\$ 3,598	\$ 3,598
GREYHOUND TRACKS:									
Apache Greyhound Park	FY 1990	\$ 12,262,396	\$ 13,739,061	12.04%	\$ -	\$ -	\$ -	\$ 360,850	\$ 360,850
Phoenix Greyhound Park	FY 1990	\$ 49,391,582	\$ -	-100.00%	\$ -	\$ -	\$ -	\$ 7,712,376	\$ 7,712,376
	FY 1994	\$ 46,293,967							
Tucson Greyhound Park	FY 1990	\$ 38,110,346	\$ 11,891,703	-68.80%	\$ 250,277	\$ 172,190	\$ 516,571	\$ 4,283,899	\$ 4,800,470

Department of Racing Pari-Mutuel Tax Revenue - FY 2015

TRACK	ALLOWABLE HARDSHIP CREDITS FY2015	FY2015 HANDLE	FY2015 PARI-MUTUEL TAX DUE	FY2015 CAPITAL IMPROVEMENT WITHHOLDINGS	FY2015 HARDSHIP TAX CREDIT	FY2015 COUNTY FAIR CREDITS	FY2015 CHARITY DAYS	FY2015 PARI-MUTUEL TAX REVENUE
HORSE TRACKS:								
Rillito Park	\$ 286,405	\$ 1,197,642	\$ 18,428	\$ -	\$ 18,428	\$ -	\$ -	\$ -
Turf Paradise	14,564	112,123,692	186,895	-	-	-	6,427	180,467
Yavapai Downs	3,598	-	-	-	-	-	-	-
Subtotal Horse Tracks	\$ 304,567	\$ 113,321,333	\$ 205,323	\$ -	\$ 18,428	\$ -	\$ 6,427	\$ 180,467
GREYHOUND TRACKS:								
Apache Greyhound Park	\$ 360,850	\$ 13,739,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Phoenix Greyhound Park	7,712,376	-	-	-	-	-	-	-
Tucson Greyhound Park	4,534,176	11,891,703	250,277	-	250,277	-	-	-
Subtotal Greyhound Tracks	\$ 12,607,402	\$ 25,630,765	\$ 250,277	\$ -	\$ 250,277	\$ -	\$ -	\$ -
GRAND TOTAL	\$ 12,911,969	\$ 138,952,098	\$ 455,599	\$ -	\$ 268,705	\$ -	\$ 6,427	\$ 180,467

Track Capital Improvements

Capital Improvement tax breaks were first introduced into law in 1978 to encourage the improvement of racing facilities for the benefit of the public, breeders and owners, and to increase revenue to the State from the increase in pari-mutuel wagering resulting from the improvements. All Capital Improvement projects required approval from the Arizona Racing Commission. The percentages paid the State by the permittee was reduced by 1% of the total amount wagered in counties with a population over 500,000 and 2% in all other counties.

New Capital Improvement projects can no longer be submitted. This provision expired on June 30, 1992 for counties with populations of 500,000 or more and on June 30, 1999 for counties with populations of less than 500,000 according to the previous United States decennial census. The capital improvement dollars for projects approved before the expiration date may continue to be deducted from the pari-mutuel tax due until exhausted. The following table show dollars deducted by all racetracks during FY 2015. The only racetrack which has not exhausted the dollars approved is Yavapai Downs.

Permittee	Project Description	Improvement Dollars Approved	Dollars Deducted FY 2015	Cumulative Dollars Deducted	Remaining Dollars Approved
Prescott Downs (Yavapai Downs)	Grandstand & Clubhouse Structure, etc.	\$52,196,636	\$0	\$866,507	\$51,330,129
Other Permittees		\$0	\$0	\$0	\$0