



ANNUAL REPORT 1994-1995

CALIFORNIA
HORSE RACING
BOARD



TWENTY-FIFTH ANNUAL REPORT

of the

CALIFORNIA HORSE RACING BOARD

A

*Summary of the
FY 1994 - 1995 Racing in California*

CALIFORNIA HORSE RACING BOARD

Ralph M. Scurfield, Chairman
Donald Valpredo, Vice-Chairman
Stefan L. Manolakas, Member
George Nicholaw, Member
James C. Watson, Member
Robert H. Tourtelot, Member
Hyla Berteau, Member
Roy C. Wood, Jr., Executive Director
Roy Minami, Assistant Executive Director

IN MEMORY OF

EARLENE KINSLEY MCCABE
"MAME"

NOVEMBER 14, 1929 - JULY 2, 1995

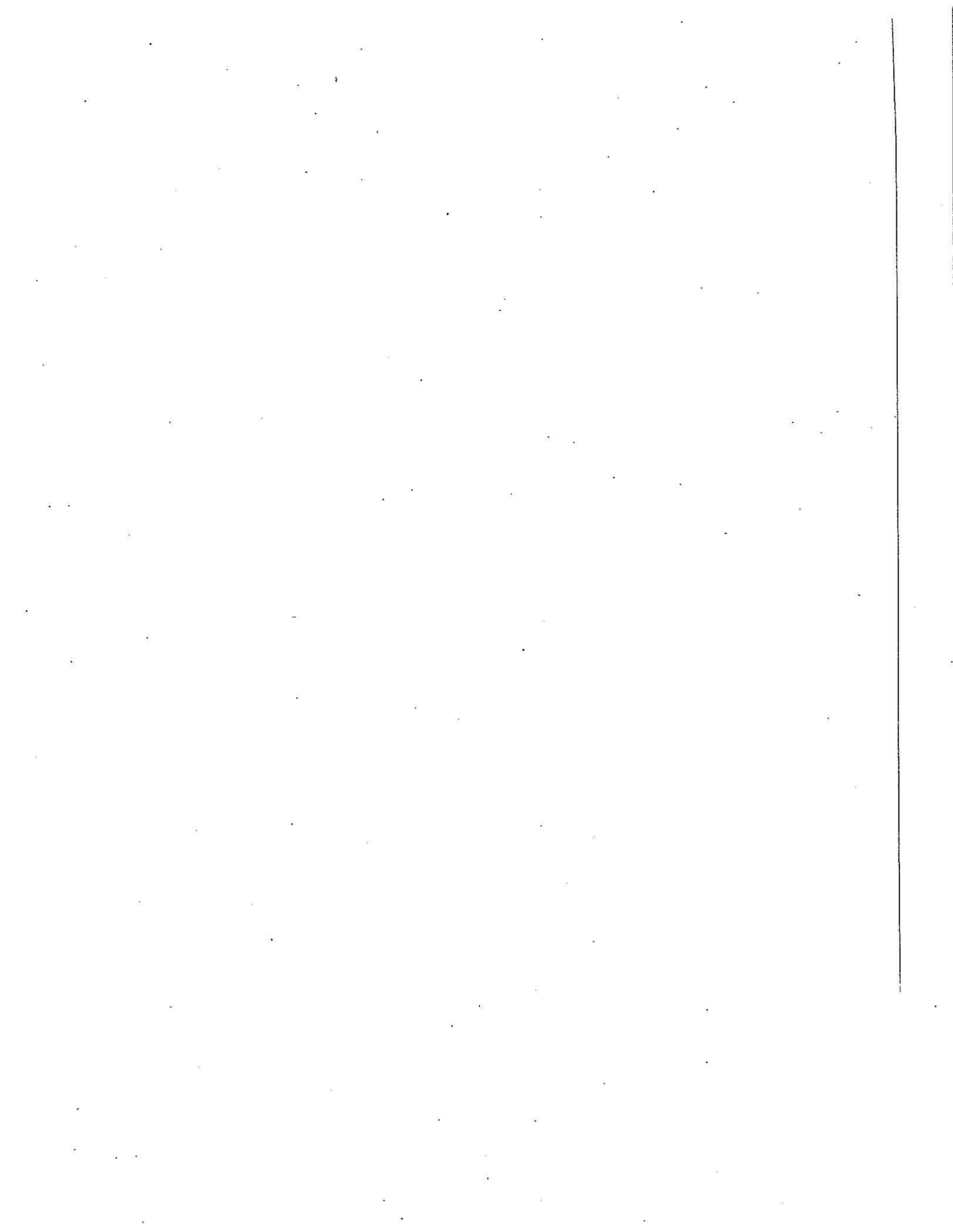
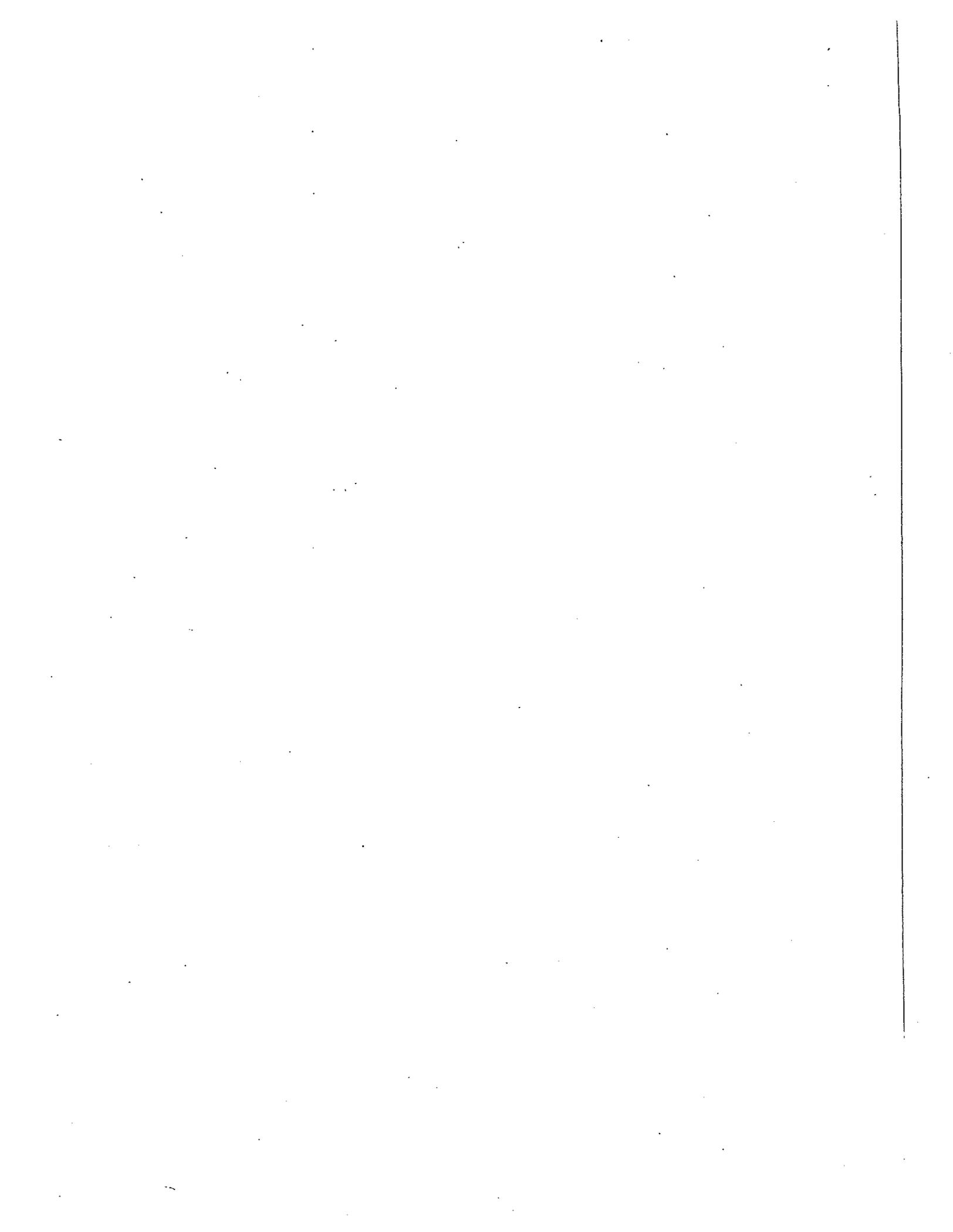


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Roy C. Wood, Jr., Executive Director

Roy Minami, Assistant Executive Director

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January 31, 1996

The Honorable Pete Wilson

Governor of the State of California

The Honorable Members of the

California State Senate

The Honorable Members of the

California State Assembly

The California Horse Racing Board is pleased to submit its Twenty-Fifth Annual Report pursuant to Section 19441 of Chapter 4, Division 8, of the Business and Professions Code. This report summarizes the activities of the Board during the 1994-95 fiscal year. The Board has continued its efforts to enhance and promote horse racing in California, as well as, participated in discussions with other states to consolidate and promote horse racing on a national level.

The contribution to the State of California from horse racing provides more than just revenue to the State General Fund. Horse racing means tax revenues, jobs, investments in the industry and breeding farms, expansion of racing opportunities and the encouragement of agriculture. During the 1994-95 fiscal year, California racing associations and simulcast wagering facilities reported a total parimutuel handle of \$3.14 billion which is a increase of 4.61% from the total reported for 1993-94. The on-track handle was \$1.03 billion which represents a reduction of 4.63% from the 1993-94 on-track handle. Parimutuel wagers placed at the intra-state simulcast wagering facilities were \$1.47 billion representing a increase of 5% over 1993-94. As interstate wagering on California racing expanded to other states and Canada and Mexico, handle increased by 22% from \$558 million in 1993-94 to \$676 million in 1994-95.

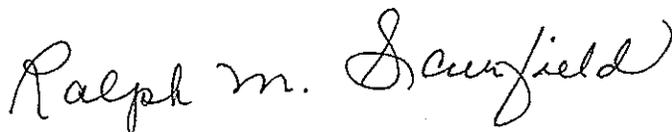
As you are aware, the impact that horse racing has in California is one that effects many segments of this economy. This is an industry that directly contributes to the economy of this state by providing employment and utilizing local business and services through its racing and breeding industry; provides entertainment and other activities to California citizens; donates over \$2 million annually to charities; and makes other economic contributions to peripheral industrial segments of this state's economy. The impact is beyond the \$3 billion of wagering activity, estimated at over \$30 billion. This Board is cognizant of the contributions that horse racing has made to

California and will continue to perform its duty to make this industry healthy and profitable for all participants and citizens of this state.

In presenting this annual report, I wish to extend my gratitude and commend Commissioners Donald Valpredo, Stefan L. Manolakas, George Nicholaw, James C. Watson, Robert H. Tourtelot and Hyla Berteza for their contributions and leadership in the horse racing industry during the 1994-95 fiscal year. I would like to give special thanks and recognition to Commissioner Donald Valpredo who served as Vice-Chairman throughout the year.

Sincerely,

CALIFORNIA HORSE RACING BOARD

A handwritten signature in cursive script that reads "Ralph M. Scurfield". The signature is written in dark ink and is positioned above the printed name and title.

Ralph M. Scurfield
Chairman



Report of the Chairman

As the Chairman of the California Horse Racing Board during the 1994-95 fiscal year, it is both an honor and privilege to submit to the Governor and to the Members of the California Legislature, the Board's Twenty-Fifth Annual Report for the 1994-95 fiscal year. This report provides an overview of the Board's operations, statistical data, programs and industry activities. The contribution of horse racing to California's economy is extremely important since tax revenues, jobs, investments, stability for the expansion of agriculture and the breeding of horses and economic growth for local communities are directly and indirectly impacted by horse racing.

During this fiscal year, California racing associations and simulcast wagering facilities reported a total parimutuel handle of \$3.14 billion which is an increase of 4.61% from the total reported for 1993-94. The on-track handle was \$1.03 billion which represents a reduction of 4.63% from the 1993-94 on-track handle. Parimutuel wagers placed at the intra-state simulcast wagering facilities were \$1.47 billion representing an increase of 5% over 1993-94. As interstate wagering on California racing expanded to other states and Canada and Mexico, handle increased by 22% from \$558 million in 1993-94 to \$676 million in 1994-95.

During 1994-95, the Board continued to be active and was involved in numerous significant racing-related activities. Significant activities and events with which the Board was involved included a report from the Horse Racing Industry Advisory Committee that provided short-range and long-range plans for ways to improve the State's horse racing industry; continuing oversight of Track Safety standards; continuing commitment to the Postmortem Program which has gained national attention; and the enactment of legislation that expands North/South Simulcasting. Additionally, the annual California Cup V, sponsored by the California Thoroughbred Breeders Association was held at Santa Anita Race Track on November 11, 1995. This event, which featured a nine-race card of all California-Bred horses, generated a total handle of \$16.3 million.

The card club at Hollywood Park has provided limited impact on horseracing in which Hollywood Park operators indicate that the horseracing handle has increased as a direct result of card club operations. Additionally, in an effort to improve the public perception of horseracing the Board has implemented the Integrity of Racing Program with the adoption of rules that provide for use of therapeutic medications necessary for the health and welfare of the horse, while upgrading the drug testing efforts on a limited basis by using full instrumental testing. This is the first year of instrumental testing which provides for more thorough testing of samples.



In an effort to enhance the enjoyment and involvement of horse racing fans, in early 1993 the Board authorized a pilot program at Santa Anita Park whereby the race videotapes being reviewed by the stewards during an inquiry were shown simultaneously over the closed-circuit monitors' on-track and at all simulcast facilities, except inquiries involving spills and/or injuries. The program continues to be popular and appreciated by fans and currently all tracks and fairs are showing the inquiries to the public.

Lastly, I wish to thank all members of the Board, and specifically Vice-Chairman Donald Valpredo, for their hard work and dedication to horse racing in this State.

Respectfully submitted,

Ralph M. Scurfield

Ralph M. Scurfield
Chairman



The California Horse Racing Board

The California Horse Racing Board was established in 1933 through a Constitutional Amendment, which added Section 25a to Article IV of the Constitution of the State of California. As a part of the Constitutional Revision of 1966, Section 25a was replaced by Section 19b of Article IV of the California Constitution. The Assembly Constitutional Amendment, passed by the electorate in 1933, authorized an Act of the Legislature creating the jurisdiction to regulate horse racing in California, and to authorize parimutuel wagering on the results of horse races at licensed race meetings.

The California Horse Racing Board derives its statutory authority from, and enforces the provisions of the Business and Professions Code, Chapter 4, Division 8 (commencing with Section 19400), known as the Horse Racing Law:

"Jurisdiction and supervision over meetings in this State where horse races with wagering on their results are held or conducted, or over all persons or things having to do with the operation of such meetings, is vested in the California Horse Racing Board." (Section 19420 of the Horse Racing Law)

The expressed intent of the Horse Racing Law is to allow parimutuel wagering on horse races while:

- Assuring protection of the public;
- Encouraging agriculture and the breeding of horses in this state;
- Generating public revenues;
- Providing for maximum expansion of horse racing opportunities in the public interest; and
- Providing uniformity of regulation for each type of horse racing.

Principal responsibilities of the Board are:

- Adopting rules and regulations for the protection of the public and the control of horse racing and parimutuel wagering;
- Adjudication of controversies arising from the enforcement of laws and regulations of horse racing and parimutuel wagering;
- Licensing of each racing association, each simulcast wagering facility, and all persons, other than the public at large, who participate in a horse race meeting with parimutuel wagering; and
- Allocation of racing dates to qualified associations in the best interests of the people of California, in accordance with the intent of the Horse Racing Law.

The Rules and Regulations of the California Horse Racing Board are codified in the California Code of Regulations, Title 4, Chapter 4, Sections 1400 through 2063.

The Board has its general office in Sacramento for the transaction of its business, and maintains regional offices in San Mateo at the Bay Meadows Race Track, in Arcadia at the Santa Anita Race Track and in Cypress at the Los Alamitos Race Course. A field office is operated during the licensed term of each authorized race meeting.

The Board maintains membership in the Association of Racing Commissioners, International (ARCI), and participates in the annual conferences of that association where national horse racing policies are formulated. Members of the Board are currently serving on the Executive Committee as well as other standing committees of the national organization. The California Horse Racing Board exchanges information on its licensees and its disciplinary proceedings with other Member Commissions of the ARCI through the



National Association State Racing Information System (NASRIS), situated at the national headquarters in Lexington, Kentucky.

Board meetings are held monthly at various locations throughout the state, and are open to the public. At these meetings, the Board exercises quasi-legislative and quasi-judicial jurisdiction over horse racing meetings in California which have parimutuel wagering on race results. The Attorney General of the State of California is the Board's legal counsel, and the Board is assigned a Deputy Attorney General to provide general legal service.

The Board appoints an Executive Director and appoints an Assistant Executive Director to execute the duties as specified.

The Board also selects and contracts with Stewards, and delegates to its Stewards such of its powers and duties as are necessary to carry out and effectuate the Board's regulations and orders at the licensed race meetings conducted in the state. The Board has an enforcement division whose members are state peace officers and whose primary duty is the enforcement of the Horse Racing Law and the provisions of the Penal Code relating to crimes in connection with sporting events and gaming. The Executive Director of the Board is also vested with peace officer powers. The California Horse Racing Board is an agency of constitutional origin and a department of general government of the State of California.



The Members of the California Horse Racing Board

The California Horse Racing Board consists of seven members who are appointed by the Governor, generally to four-year terms, and they are subject to confirmation by the Senate. Members are eligible for reappointment at the discretion of the Governor. The terms are specific and no more than two of the terms expire in any one calendar year. At least four members of the Board must concur in the taking of any official action or in the exercise of any of the Board's duties, powers or functions.

Commissioners receive a per diem of \$100 for each day spent in attendance at meetings and are reimbursed for traveling and other expenses necessarily incurred in the performance of their official duties.

The member Commissioners elect their Chairman, who presides over meetings of the Board. The members also elect a Vice-Chairman to preside in the absence of the Chairman.

The Executive Director, is responsible for the department's operations which includes overseeing on a daily basis, all office and field operations conducted by the staff and contract employees.

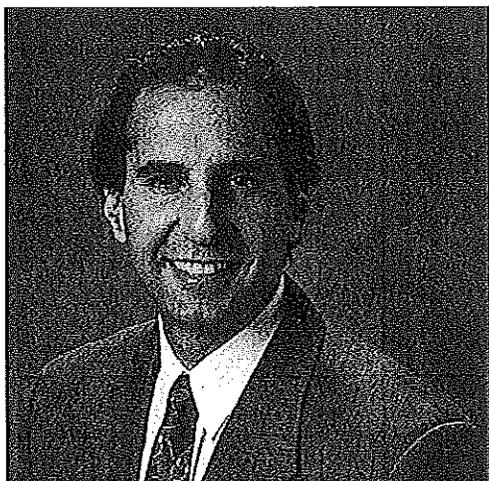
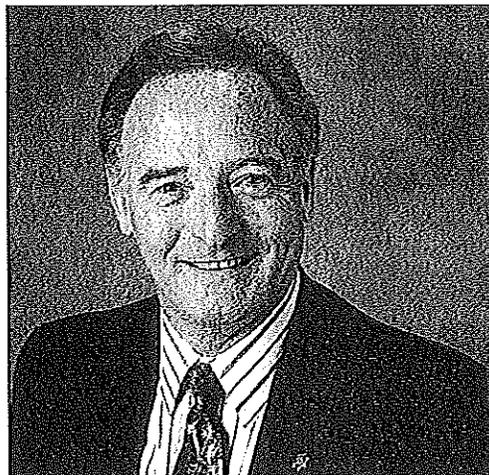
The members of the California Horse Racing Board and their terms of office are:



Ralph M. Scurfield, Chairman, Sacramento, California. President of the Scurfield Company in Sacramento. Formerly a partner in Potter, Taylor and Scurfield. Appointed to the CHRB by Governor George Deukmejian, to complete an unexpired term. Chairman since September 23, 1992, and has been reappointed by Governor Peter Wilson through July 26, 1999.

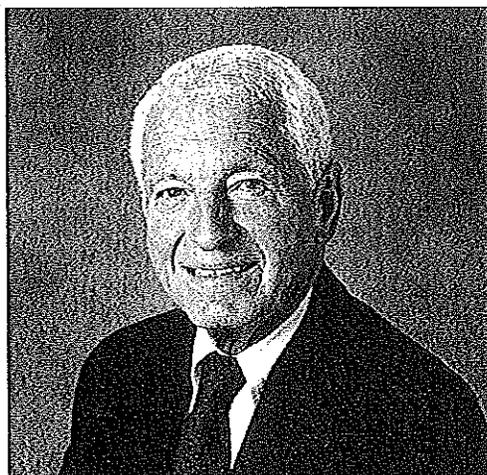


Donald J. Valpredo, Vice-Chairman, of Bakersfield, California. Vice-Chairman since September 23, 1992. Owns and operates Donald Valpredo Farms in Bakersfield. Former President of the California Thoroughbred Breeders Association. Originally appointed to the CHRB by Governor Pete Wilson, to complete an unexpired term through January 1, 1994. Reappointed by Governor Pete Wilson through January 1, 1998.



Stefan L. Manolakas, Member, of Sacramento, California. President, Palisades Properties, Inc. in Folsom. Appointed to the CHRB by Governor Pete Wilson to serve through January 1, 1999.

George Nicholaw, Member, of Hollywood, California. Vice-president, CBS Radio Division, and General Manager of KNX News radio in Los Angeles. On Board of Permanent Charities Committee, Los Angeles Library Foundation. Past Chairman of California Broadcasters Association and Hollywood Radio and Television Society. Served on the Los Angeles Energy Commission for 20 years. Appointed to the CHRB by Governor Pete Wilson, to complete an unexpired term through January 12, 1996.





James C. Watson, Member, of Newport Beach, California. President of Koll International Commercial. Previously President of SDC, Investments, Inc., formerly Santa Anita Development Corporation. Currently serves on the National Board of Directors of the Association for Commercial Real Estate (NAIOP). Appointed to the CHRB by Governor Pete Wilson on December 17, 1992, to a term that expires July 26, 1996.



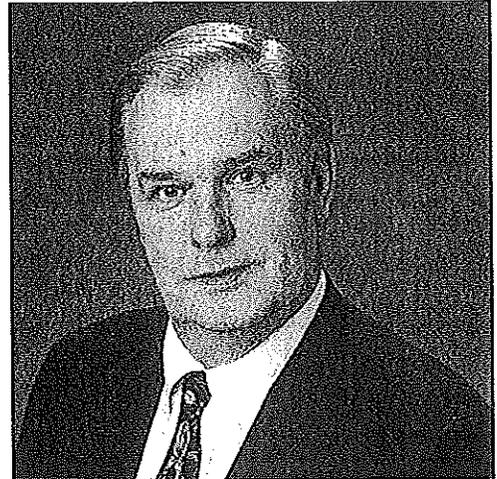
Robert H. Tourtelot, Member, of Los Angeles, California. Partner in the professional law corporation of Tourtelot & Butler in Los Angeles. Member of Board of Directors of DARE California, and Executive Committee Member Los Angeles Police Departments's Crime Prevention Advisory Council. Former member Attorney General's Advisory Council. Member of Governor Wilson's Judicial Selection Advisory Board for Los Angeles County. Appointed to the CHRB by Governor Pete Wilson to serve through July 26, 1997.

Hyla Berteza, Member, of Corona Del Mar, California. A Realtor with Grubb and Ellis, Newport Beach. Serves on boards at Lewis and Clark College, Portland, and Pacific Enterprises, Los Angeles, Director Orange County Community Foundation. Appointed to the CHRB by Governor Pete Wilson to serve through January 1, 1998.





Roy C. Wood, Jr., Executive Director, Appointed Executive Director January 1, 1994. Previously, Director of Racing for the Texas Racing Commission; Served as the presiding State Steward for all racetracks in the jurisdiction of the Louisiana State Racing Commission; Assistant Executive Director for Louisiana State Racing Commission, worked in various capacities in the thoroughbred racing industry including owner, breeder, trainer, horse identifier, and farm manager. Graduate of Memphis State University.



Roy Minami, Assistant Executive Director, Appointed Interim Executive Director May 28, 1993. Appointed Assistant Executive Director, November 1990. Served as the Board's Chief of Administration from April 1989 to 1990. Former Budget Analyst for the Department of Finance. Graduate of the University of California, Los Angeles.



Meetings of the California Horse Racing Board - 1995

<u>Meeting Date</u>	<u>Location</u>
January 27, 1995	Arcadia City Hall Arcadia
February 24, 1995	Albany Community Center Albany
March 24, 1995	Embassy Suites Arcadia
April 28, 1995	Embassy Suites (LAX) Los Angeles
May 19, 1995	Cypress City Hall Cypress
June 23, 1995	Radisson Hotel Sacramento
July 27, 1995	Del Mar Simulcast Facility Del Mar
August 25, 1995	Del Mar Simulcast Facility Del Mar
September 22, 1995	Bay Meadows Race Track San Mateo
October CANCELED	
November 10, 1995	Arcadia City Hall Arcadia
December 15, 1995	Los Angeles Airport Hilton Los Angeles



Scheduled Meetings of the California Horse Racing Board - 1996

<u>Meeting Date</u>	<u>Location</u>
January 26, 1996	Arcadia City Hall Arcadia
February 23, 1996	Bay Meadows Race Track San Mateo
March 22, 1996	Embassy Suites Arcadia
April 24, 1996	Embassy Suites LAX Los Angeles
May 31, 1996	Holiday Inn - Bay Bridge Emeryville
June 21, 1996	Radisson Hotel Sacramento
July 24, 1996	Del Mar Satellite Facility Del Mar
August 23, 1996	Del Mar Satellite Facility Del Mar
September 20, 1996	Bay Meadows Race Track San Mateo
October 18, 1996	Arcadia City Hall Arcadia
November 15, 1996	Cypress City Hall Cypress
December 13, 1996	Embassy Suites (LAX) Los Angeles



Committees of the Board

The Committee Assignments for the standing committees of the Board during 1995 assigned by Chairman Ralph Scurfield are as follows:

BENEVOLENT PROGRAMS COMMITTEE

The Benevolent Programs Committee provides oversight of the Horsemen's Organizations Welfare Special Account (HOWSA) funds; makes recommendations to the Board on submitted requests for distributions of charity racing funds; oversees the propriety of charity racing distributing agents; and makes recommendations to the Board as to revisions of laws or regulations deemed necessary to ascertain appropriate benevolent and charitable uses of funds designated for such purposes.

1995 Benevolent Programs Committee
Commissioner Hyla Berteau, Chairwoman
Commissioner George Nicholaw

EXECUTIVE COMMITTEE

The Executive Committee was established January 11, 1990, to consider matters dealing with the policies and programs determined by the Board, to exercise oversight and supervision of the execution of the Board's decisions and determinations, and to provide the appropriate directions to the Board's senior staff during intervals between regular meetings of the Board.

1995 Executive Committee
Chairman Ralph Scurfield, Committee Chairman
Vice-Chairman Donald Valpredo

FACILITIES COMMITTEE

The Facilities Committee considers matters dealing with California racing and wagering sites; oversees conditions, equipment, maintenance and safety; and recommends conditions of license or revisions to law or regulations deemed necessary to ascertain an appropriate, safe and comfortable environment for racing patrons, participants and employees.

1995 Facilities Committee
Commissioner Hyla Berteau, Chairwoman
Commissioner Robert H. Tourtelot

FINANCE COMMITTEE

The Finance Committee considers matters dealing with the Board's fiscal support; provides oversight of the utilization of budgeted resources; and recommends revisions of laws or regulations deemed necessary to ascertain adequate financial resources for Board operations and to promote efficiency and economical operation of its functions.

1995 Finance Committee
Chairman Ralph M. Scurfield, Chairman
Vice-Chairman Donald Valpredo

HORSEMEN'S REPRESENTATION AND ORGANIZATION BYLAWS COMMITTEE

The Bylaws Committee was established in October 1993, as a result of the passage of SB 118 Chapter 575, Statutes of 1993. The Bylaws Committee considers matters dealing with horsemen's organizations making recommendations to the Board regarding their approval. In addition, the Bylaws Committee is responsible for the review and consideration of revisions to Article 22 of the Board's rules, which contains the regulations governing horsemen's organizations.

1995 Bylaws Committee
Commissioner Robert H. Tourtelot, Chairman
Commissioner George Nicholaw

LEGISLATIVE COMMITTEE

The Legislative Committee considers proposed legislative bills, recommends positions, if any, to be taken by the Board before the Legislature and the Governor on such proposed legislation; transmits Board views on proposed legislation to its author and the



legislative committees hearing the proposal; responds to public questions regarding proposed or enacted legislation; and, proposes or reviews appropriate regulatory or administrative actions necessary for implementation of enacted legislation.

1995 Legislative Committee

Chairman Ralph M. Scurfield, Chairman
Vice-Chairman Donald Valpredo

MEDICATION COMMITTEE

The Medication Committee selects advisory members to the committee from regulatory veterinarians, chemists, horsemen's organizations, racing associations, and practicing veterinarians; establishes the Board's veterinary practices and procedures; selects the Official Veterinarians for assignment to racing meetings; meets not less than twice annually to offer recommendations for laws or regulations deemed necessary to improve veterinary practices; provides oversight of the official racing laboratory; oversees the Board's enforcement of veterinary practices and medication procedures; oversees the Track Safety Standards; and provides leadership and direction in the development of new or amended Track Safety Standards.

1995 Medication Committee

Commissioner Stefan L. Manolakas, Chairman
Commissioner George Nicholaw
Commissioner James C. Watson

PARIMUTUEL OPERATIONS COMMITTEE

The Parimutuel Operations Committee provides oversight of all parimutuel operations; recommends to the Board any necessary changes to law or regulations governing parimutuel operations; determines appropriate procedures for parimutuel operations; considers matters dealing with expansion to parimutuel wagering; approves agreements, facilities equipment and accommodations necessary for intrastate, interstate and out-of-state wagering; and reviews reports for wagering operations.

1995 Parimutuel Operations Committee

Commissioner George Nicholaw, Chairman
Commissioner James C. Watson
Commissioner Robert H. Tourtelot

SECURITY AND LICENSING COMMITTEE

The Security and Licensing Committee selects advisory members from among racing managements, horsemen's organizations and labor organizations representing racing employees; oversees the Board's occupational licensing operations; reviews security controls maintained by racing associations; makes recommendations to the Board as to necessary changes to laws or regulations governing security at racing meetings; and meets with the Security Services Subcommittee, which consists of the Board's Chief Investigator, Supervising Investigators, and designated chiefs and/or supervisors of security for racing associations to consider reports and recommendations of the subcommittee.

1995 Security and Licensing Committee

Commissioner George Nicholaw, Chairman
Commissioner James C. Watson
Commissioner Hyla Berteau

STEWARDS' COMMITTEE

The Stewards' Committee exercises authority over stewards; meets quarterly with representatives of stewards; selects qualified stewards for assignments to race meetings; selects by examination qualified applicants for listing of stewards; adopts policies relative to the duties of stewards; and recommends to the Board revisions to laws and regulations deemed necessary to improve race officiating.

1995 Stewards' Committee

Vice-Chairman Donald Valpredo, Chairman
Commissioner Stefan L. Manolakas

SPECIAL AD HOC COMMITTEES

The Chairman may appoint special ad hoc committees to consider and make recommendations on designated issues. It is the policy of the Chairman to appoint at least two Commissioners to such ad hoc committees. The appointment of two Commissioners allows attendance of an additional Commissioner at meetings without amended notice. The Executive Director is directed to provide public notice of a meeting of a standing committee, other than a meeting of the Stewards' Committee. Whenever a Board quorum is



expected at any meeting of a committee, the Executive Director shall give notice that the meeting is a Special Meeting of the California Horse Racing Board limited to the agenda, the item to be discussed at the meeting, and the expected Commissioners in attendance so that legal notice may be published.

RACE DATES COMMITTEE

The Race Dates Committee considers requests from racing associations that typically conduct night race meets and interested organizations as to the racing weeks and dates to be allocated by the Board pursuant to Section 19440 (5) of the Business and Professions Code, reviews staff proposals for the racing calendars, conducts public hearings where varying proposals are considered, and thereafter recommends to the Board the California horse racing schedule for the calendar year or for multiple years.

1995 Race Dates Committee

Chairman Ralph M. Scurfield, Committee Chairman
Vice-Chairman Donald Valpredo

TRIBAL-STATE COMPACT NEGOTIATION COMMITTEE

Upon direction of the Governor to the Board subsequent to a request of a California Indian tribe for license to conduct parimutuel wagering on horse races as a Class III gaming activity, Public Law 100-497 (gaming on Indian lands), the Indian Compact Negotiations Committee conducts negotiations for a proposed Tribal-State Compact and will propose and recommend a compact for adoption by the Board and later transmittal to the Governor for State approval and adoption.

1995 Tribal-State Compact Negotiations Committee

Commissioner Stefan L. Manolakas, Chairman
Commissioner Robert H. Tourtelot

ARCI COMMITTEES

Members of the Board participate in Committee functions of the Association of Racing Commissioners, International representing California on this international horse racing and parimutuel wagering body.

1995 ARCI Committee

Drug Testing Standards and Practices Committee

Chairman Ralph M. Scurfield
Executive Director Roy C. Wood, Jr.

Executive Directors Committee

Executive Director Roy C. Wood, Jr.

Indian Gaming

Donald Valpredo, Vice-Chairman

Finance Committee

Chairman Ralph M. Scurfield

Stewards Accreditation Committee

Executive Director Roy C. Wood, Jr.

Stewards Accreditation Technical Committee

Executive Director Roy C. Wood, Jr.



Operations of the Board

In order that the California Horse Racing Board may carry out the provisions of the Horse Racing Law, Chapter 4, Division 8, Business & Professions Code, the Board appoints employees and appoints or approves racing officials and expert accountants to perform its statutory functions.

The specialized and complex requirements for regulation of horse racing demands a unique organizational structure and joint responsibilities for the operational divisions of the Board.

Executive

The Board appoints an Executive Director and an Assistant Executive Director who act as the Board's Chief Executives. The Executive Director and Assistant Executive Director are responsible for the Department's operation. The Chief of Administration Division manages all aspects of administrative and support functions. The Senior Management Auditor acts as supervisor over all audit and authorized parimutuel wagering operations.

ADMINISTRATION DIVISION

The Administration Division consists of the Budget and Accounting Unit, Data Processing Unit, Business Services Unit, Policy and Regulations Unit, Office Services Unit, and the Personnel Unit. The general office is the repository for the Board's records, which include the records of all proceedings of the Board, records of individuals prohibited from participating in parimutuel wagering, records of horses and races, and various files, documents and papers of the Board.

Budget and Accounting Unit

The annual budget for the CHRB is prepared and administered by this unit. Projected annual expenditures, as well as the accounting and reporting of revenue and expenditures, are also maintained by this unit. The California Horse Racing Board's 1994-95 operating budget was \$7.7 million.

This unit is also responsible for recording all revenues received and expenses paid, as well as Accounts Receivable and Accounts Payable. The accounting records are maintained on the cash basis of accounting until the end of fiscal year, at which time they are changed to the accrual method of accounting. The books are then closed to prepare financial statements.

Since 1992-93 the accounting function has been fully automated through the California State Accounting and Reporting System (CALSTARS).

Business Services Unit

The Business Services Unit is responsible for support activities such as procurement, travel, and space. The Business Services Unit provides supplies and material handling by ensuring continuous operation and processing for the acquisition, storage, distribution, and reutilization of supplies and equipment. This unit also processes travel and business needs of Board members and staff, processes travel expense claim documents, and acts as a resource for Board members and staff on the business operations of the department.

The Business Services Unit also works with other state agencies for space planning and office space needs. This includes working with various control agencies during all phases of acquisition, negotiations, construction, and occupancy.

Data Processing Unit

Throughout the 1994-95 fiscal year, the California Horse Racing Board's (CHRB) Data Processing Unit (DPU) was involved in a variety of significant Information Technology (IT) projects predicated on the CHRB's need to improve and enhance its business practices through the prudent use of IT. The numerous IT projects, when implemented, will significantly impact the way the CHRB conducts its business which, in turn, will enable the CHRB to better serve the racing industry and public.

The following are the more significant projects begun and/or completed during 1994-95:

- ◆ As mandated by the State Office of information Technology, the DPU completed



CHRB's first Strategic IT Plan. In addition to identifying CHRB's IT infrastructure, the IT plan identifies CHRB's plan for using IT to address its current and future business needs.

- ◆ The DPU began re-engineering its current on-line system, i.e., the California Horse Racing Information System (CHRIS), to accept the Year 2000 date calculation plus give the system added functionality. This project will be completed during the 1995-96 fiscal year.
- ◆ To give the CHRB the communication line "backbone" it needs for future IT growth, the California State Government Network (CSGNet) was installed at CHRB headquarters. The CSGNet gives the CHRB the high-speed communication link it needs to improve performance, provide added functionality, and give the CHRB access to the Internet and the World Wide Web for interagency, national, and world wide information exchanges.
- ◆ The DPU began "migrating" CHRB's personal computers from "DOS" to "MS Windows" graphical user interface platform which will allow future expansion as technology advances. The purchase of nineteen (19) new personal computers during 1994-95 will enable the DPU to complete the "migration" during the 1995-96 fiscal year.
- ◆ The DPU connected CHRB's Business Services Office to the state's on-line Purchasing Information Network (PIN). The PIN enables the CHRB to electronically process purchase orders and office/material services orders.
- ◆ During the 1994-95 fiscal year, CHRB staff and personnel from various California racing associations held several meetings to discuss the viability of utilizing digitized "video imaging" technology to replace CHRB's instant-film based photo-licensing card system. Because video-imaging is computer-based, it

provides the CHRB the potential to utilize a primary data base repository by integrating the video-imaging system to CHRIS, and to implement a method for racing associations, the public, and other state jurisdictions to access the data base to obtain non-confidential information. During 1995-96 the CHRB plans to purchase the video-imaging unit hardware so that each CHRB field office can begin using this technology to issue photo-ID occupational licenses.

- ◆ During 1994-95 the DPU began installing CHRB's first local area network (LAN) at its headquarters office. The installation will be completed during 1995-96.

Future plans for 1995-96 include conducting CHRB's first disaster recovery readiness exercise. The exercise will (1) measure how the CHRB will be impacted in the event its data processing systems fail due to a disaster and (2) help the CHRB identify what it must do so that the CHRB can continue to effectively carry-out its mission in the wake of a disaster.

As previously mentioned, the CHRB plans to purchase video imaging units during 1995-96. Once the video imaging units are operational, the DPU will begin the next phase which is to initiate a feasibility study regarding: (1) utilizing one primary data base repository by integrating the video imaging system with CHRB's current on-line data base, i.e., the CHRIS system; and (2) implementing a process whereby non-CHRB entities may access the data base to obtain non-confidential information and produce ad hoc reports. The feasibility study will be conducted in conjunction with the state's Teale Data Center.

Office Services Unit

The Office Services Unit provides general clerical support and services for the Board and staff. The unit maintains and updates the daily records and filing system for the Board. This unit is also the initial contact point for other state agencies and the general public.



Personnel Unit

The Personnel Unit is responsible for personnel transactions, selection, classification and pay, health benefits for the employees of the Board. Some of the various personnel transactions include processing appointments, separations, transfers, health benefits, and maintenance of personnel files and records. The selection program includes administering examinations for the agency's civil service classifications as well as non-civil service positions. The classification and pay program consists of the CHRB's classification plan, position control, and the administration of employee salary and wage program for both represented and non-represented employees.

POLICY AND REGULATIONS

The Policy and Regulation Unit is responsible for the orderly preparation, review and filing of regulations adopted by the Board. The Policy and Regulation Unit amended rules that impact the Board's Conflict of Interest Code, financial responsibility complaints and intrastate simulcast wagering and regulations that implement the integrity of the racing program. These rules include drug classification, the testing program and penalty guidelines. Many of the amendments or additions were the result of enacted legislation which changed, deleted or added to the existing Horse Racing Law. The regulatory process involves detailed research with the industry, acting as resource specialists for the Board's committees and to the Executive Director and Assistant Director, and acting as a liaison with the Office of Administrative Law.

The Unit reports to the Assistant Executive Director and is comprised of four analysts whose accomplishments this year included coordinating the efforts of the Track Safety Subcommittee and staff in implementing the Track Safety Regulations; representation of the Board at meetings of the Postmortem Advisory Committee; development and administration of licensing examinations for Trainer and Farriers; writing numerous press releases for the Board; assisting as staff person for the Human Substance Abuse Program Committee and helping the industry to establish the popular program that allows patrons to view the race replays while they are being reviewed by the Stewards during inquiries.

Legislative Unit

The Legislative Unit is responsible for tracking, analyzing and evaluating legislative bills which impact the horse racing industry as governed by the California Horse Racing Board. In 1994-95, 64 Senate and Assembly bills were considered by the Legislature. Of these, 14 were enacted by the Legislature and signed into law by the Governor. The various bills dealt with all aspects of horse racing. The Unit also represents the Board in Assembly and Senate committee hearings, and is responsible for updating the Horse Racing Law on an annual basis.

PARIMUTUEL OPERATIONS

Under the supervision of the Senior Management Auditor, the Totalizator Systems Examiner formulates the audit procedures for the computerized totalizators, reviews totalizator programs and audit reports, reviews parimutuel pool distributions, resolves parimutuel complaints submitted to the Board, reviews reports of charity racing proceeds, and monitors audits of breeders' award programs and horsemen's organization welfare funds.

The Parimutuel Auditors

The Board requires each association conducting parimutuel wagering to employ, subject to the approval of the Board, a parimutuel auditor who remains on duty throughout the racing program to provide the Board with an ongoing audit of the parimutuel operations. The Board's Totalizator Systems Examiner coordinates the efforts of the parimutuel auditors by establishing consistent reporting formats, and providing technical assistance as required. A daily audit report of the actual amount of parimutuel wagers (the handle) is provided to the Board to insure that the correct license fee is collected from the association and to insure that the correct parimutuel payoffs have been made to the public.

The Management Auditors

Under the supervision of the Senior Management Auditor, the Management Auditors perform audits on the parimutuel results of racing associations and other racing related organizations in California. These audits may include such areas as purses, charity day results,



horsemen's welfare organizations, and simulcast organizations.

LICENSING AND ENFORCEMENT

The Enforcement Services Section is administered by the Executive Director, and is divided into the Northern and the Southern Region. In the Southern Region a headquarters office for quarter horse and harness racing is located at Los Alamitos race course and another such office for thoroughbred racing is located at Santa Anita race track. The Northern Region is headquartered out of Bay Meadows race track. This Division oversees all locations within the State where a licensed race meeting is conducted, or an authorized stabling or training facility is operated. During the operation of a licensed race meeting at any of the fourteen race tracks in the State, a field office of the Board is established at the operating facility, and staffed with investigative and licensing personnel. The principal activities of the Board's field staff are:

- ◆ Licensing of all participants
- ◆ Licensing compliance
- ◆ Investigations of observed or reported racing offenses
- ◆ Enforcement activities relating to public offenses connected with horse racing

Participant licensing laws and regulations require all persons who participate in the racing of horses, all employees of a parimutuel department, and all persons acting as officials to be licensed by the Board. The Board issues 3-year photo-identification licenses to individuals participating in racing in one or more specific occupational classes such as Horse Owner, Trainer, Jockey, Driver, Racing Official, or Parimutuel Employee. A one-year occupational license is issued to a Groom or Stable Employee.

Certain occupational classes such as trainer or horseshoer require a qualifying examination, or

qualifying experience. All require the applicant to meet specified background criteria.

Licensing compliance assures that each racing participant required to be licensed is so licensed. The enforcement program demands constant checking of stable employee lists or department employee lists, and the checking of the daily racing program. Inasmuch as the Board demands appropriate workers' compensation sureties for every racing employer, certificates of insurance coverage are filed with the Board by employer-licensees, and must be routinely checked against expiration or termination notice. Automatic suspensions are imposed on trainers or owners whose workers' compensation coverage has lapsed or been canceled.

Included in licensing enforcement activity is the filing of pertinent information concerning each licensed individual with the Association of Racing Commissioners, International for inclusion in the computerized national index, the NASRIS program.

Investigations conducted by the field operations section include background investigation of applicants, investigation of observed or reported violations of the Horse Racing Law, other related laws, and of the Rules and Regulations governing horse racing. Background investigations commence with an interview of each applicant determined to have suffered a criminal conviction for any public offense, or a suspension or revocation of license for any racing-related violation. Fingerprints are required of each applicant for an original license, unless previously licensed and fingerprinted. There are on-site microfiche records of the NASRIS index at each office to assist in reviewing an out-of-State applicants license history. Documents supporting eligibility for employment of resident aliens are checked, as are agreements for the employment of applicants under the age of 18. The investigators of the Board and the licensing personnel have the authority to refuse to issue a license to an applicant who fails to meet the criteria established for the license, or when grounds exist to refuse or deny the license for which applied. Such refusals are without prejudice to the applicant, who may reapply at such future time the license criteria is met, or who may appeal the refusal to



the Board and subsequently be heard by a referee of the Board for a determination of eligibility.

Observed or reported offenses are investigated, and the majority of such investigations result in administrative action against a licensee. Racing offenses, generally excluding the riding or driving infractions occurring during an actual race, or the offenses relating to eligibility of an entered race horse, range from financial irresponsibility to possession of injectable drugs, and for mistreatment of animals to the hiring of unlicensed help. Potential or actual criminal offenses which are investigated range from the drugging of a horse, bookmaking, possession and/or sales or controlled substances, racing a horse under a name or designation other than its own, theft, burglary, arson and forgery to such mundane offenses as disorderly conduct and non-sufficient fund checks. In many cases, an investigation is commenced using criminal rules of evidence but at some point becomes an investigation under administrative rules of evidence. Investigators employed by the Board have experience in a variety of enforcement disciplines and must be cognizant not only of the laws governing horse racing itself, but related statutes in the Labor Code, Food and Agriculture Code, Penal Code, Health and Safety Code, Civil Code, Evidence Code, Administrative Code, Business and Professions Code, and the Government Code.

Enforcement activities are closely related to the investigative function when applied to a criminal investigation which may result in a criminal complaint and the issuance of a warrant for arrest. Physical arrests may be made by the Board investigators for criminal violations. Board investigators are State Peace Officers pursuant to Section 830.3(e) of the Penal Code, whose primary duty is the enforcement of the Horse Racing Law and other laws within or about a racing enclosure. The Executive Director, and the Chief Investigator are also vested with general peace officer powers and have the responsibility to coordinate a policy of enforcement against violations of the law relating to bookmaking. Board investigators maintain a close liaison with Municipal, State, and Federal law enforcement agencies as well as local enforcement officers who are assigned to anti-gambling operations. Local policing authorities often work in conjunction with Board investigators concerning matters which have a mutual interest. The investigators also make a compliance inspection report of each racing facility to make certain that it meets or

exceeds the required standards for access, maintenance, cleanliness, fire safety, and officiating equipment.

Administrative Hearings Unit

The Administrative Hearings Unit is located at the Board's general office. All decisions and rulings of the Stewards are subject to review by the Board and may be appealed by a licensee directly affected by the decision or ruling. An applicant for license who is refused the license applied for, also may appeal for review by the Board. Every person who is excluded, ejected, removed, or denied access to a racing inclosure is entitled to a hearing before the Board for a determination as to the propriety of that action. Complaints not resolved by investigators at the field office are referred to the Administrative Hearing Unit for appropriate action. The unit prepares accusations and statements of issues, prepares cases for hearing before the Board's referee, and processes requests for temporary stays and peremptory orders.

Simulcast Wagering Operations Unit

The Simulcast Wagering Operations Unit, is located at the Board's Headquarters office. The unit's responsibilities encompass all authorized intrastate parimutuel wagering facilities and simulcasting operations within the State. Its principal activities are:

- Compliance inspections of all simulcast parimutuel wagering facilities.
- Insuring compliance with all simulcasting regulations.
- Insuring licensure of all participants at these facilities, where applicable.
- Background investigations of applicants for parimutuel wagering facility licenses.
- Investigations of observed or reported parimutuel wagering offenses.
- Investigations of private and public offenses relating to simulcast wagering.

This unit also conducts random inspections of operating simulcast facilities which will enable the unit to make



recommendations to the CHRB Parimutuel Operations and Simulcast Operations Committees regarding the overall operation of the facilities.

During Fiscal Year 1994-1995, Investigators in the Simulcast Wagering Operations Unit conducted a variety of investigations including violations of fraud, embezzlement and moral misconduct. They also provided field support during the Stockton, Cal-Expo, and Fresno race meetings, and administrative support to various headquarter units throughout the year.

The Simulcast Wagering Operations Unit also reviews, maintains, and distributes Stewards' minutes for each simulcast facility location and prepares staff recommendations for submission to the CHRB Simulcast Operations and Parimutuel Operations Committees for each simulcast wagering facility location. This unit also reviews California State criminal history records on all license applicants, and is responsible for the submission of information that leads to license termination of those licensees who do not accurately reflect their convictions at the time of the application.

Investigators also conduct detailed analysis of the satellite uplink and downlink systems from the host facilities to the simulcast and from the simulcast down to the authorized guest facility. The configuration of the uplink and downlink systems often vary among the different simulcast wagering facilities, necessitating periodic inspections of each system.

STEWARDS

The Stewards are racing officials of the California Horse Racing Board, and are responsible for the conduct of horse racing meetings in the State. The California Horse Racing Board Stewards officiate on-track racing, and enforce the laws and rules of the CHRB as it pertains to racing and licensing.

The Stewards are responsible for the conduct of the race meet and for the supervision of all licensees participating at the meet. These Stewards are responsible to, and authorized by, the Board to take appropriate administrative actions to insure the integrity of

racing, and compliance with the Horse Racing Law and CHRB Rules and Regulations.

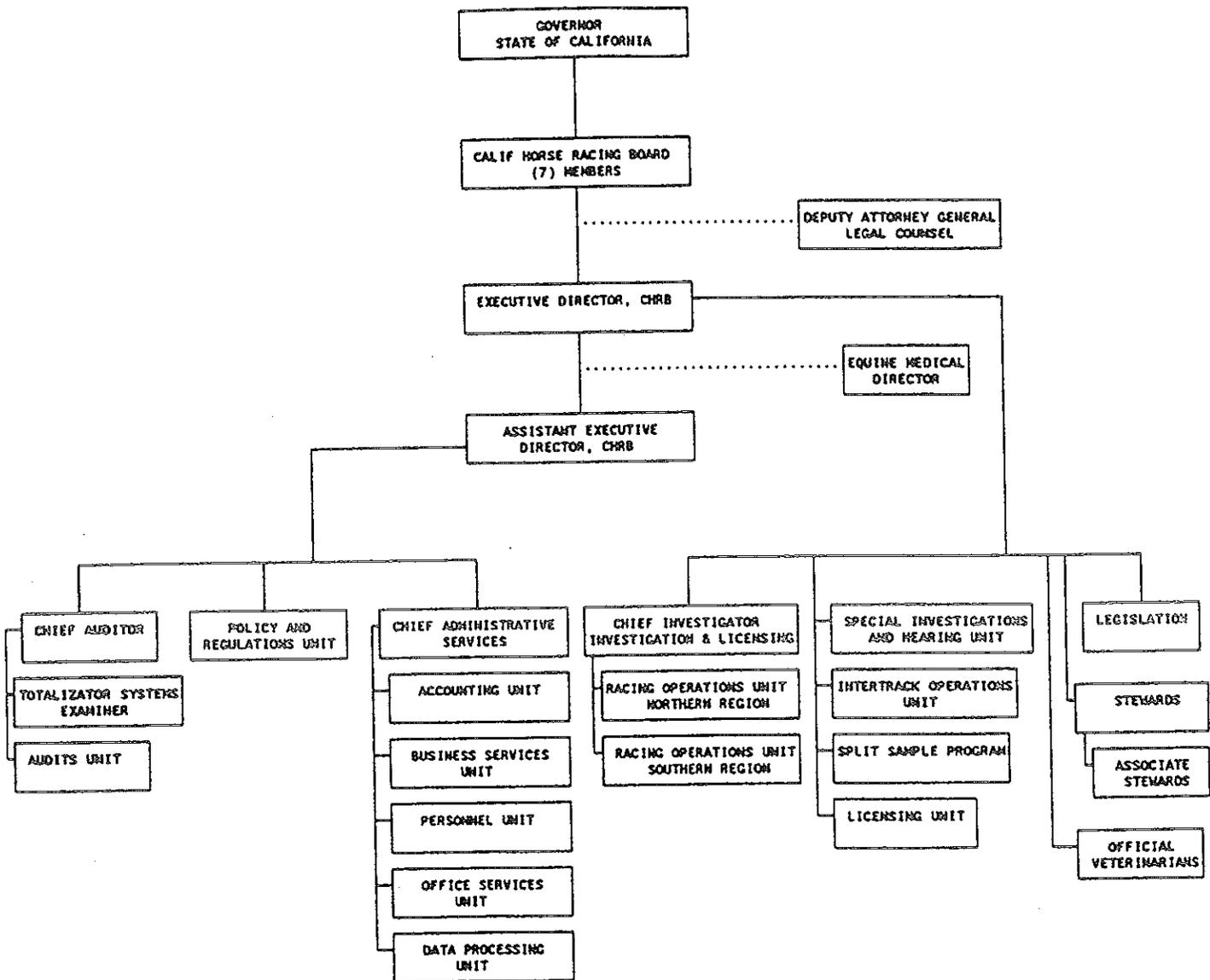
The Associate Stewards are responsible for enforcing the CHRB Rules and Regulations relating to veterinary practices. They assist the Board of Stewards at each track to ensure that the CHRB Rules and Regulations are observed and enforced.

OFFICIAL VETERINARIANS

The Official Veterinarian is responsible for the enforcement of the CHRB regulations that apply to veterinary practices, medication and the health and welfare of the horse. They are also responsible for the supervision of the receiving barn, the collection of urine and blood samples for testing, the preparation and documentation of the samples to be transported to the laboratory. The Official Veterinarian also consults with the Track Veterinarian and examines horses for fitness.



Organization Chart





Enacted Legislation in 1994 - 1995

In the 1994-95 Legislative Session, 64 Senate and Assembly bills relating to horseracing were considered by the Legislature. Of these, 14 were enacted by the Legislature and signed into law by the Governor. Such enacted bills are renamed "Chaptered" bills, and issued a new number by the Secretary of State. The following list is of all legislation enacted, or chaptered, in 1995, and includes the original bill number as well as the chaptered number.

AB 304 Tucker CHAPTER 959, STATUTES OF 1995

Effective Date: January 1, 1996

Breakage: This bill, until January 1, 1999, provides that at a quarter horse meeting, "breakage" is the odd cents by which the amount payable on each dollar wager exceeds a multiple of \$0.05. This bill also requires associations to retain a specified percentage of all wagers for payment of any possessory interest taxes to local governments.

AB 1481 Martinez CHAPTER 151, STATUTES OF 1995

Theft of Equines: This bill makes it a crime to steal or carry away an animal of another for the purpose of slaughter, or to defraud a person of an animal for purposes of sale or other commercial use.

Effective Date: January 1, 1996

Effective Date: January 1, 1996

AB 371 Tucker CHAPTER 826, STATUTES OF 1995

AB 1879 Machado CHAPTER 125, STATUTES OF 1995

Arabian awards: This bill requires sums deducted from first and second place money of every purse won by a California-bred Arabian horse to be deposited with the official registering agency for Arabian horses and thereafter distributed as breeder premiums, owners' awards, and stallion awards in connection with Arabian horse races. This provision is retroactive to January 1, 1995. This bill also changes references in Horse Racing Law from the Equine Research Laboratory to the California Center for Equine Health and Performance, and makes changes in the Board's ability to contract for equine drug testing. Finally, it reduces deductions from simulcast wagering for promotional activities at harness meetings.

Allocation of Race Days: This bill requires racing days allocated to fairs to be days in which general fair activities are conducted.

Effective Date: January 1, 1996

SB 42 Kelley CHAPTER 60, STATUTES OF 1995

Veterinarians: This bill renames the Board of Examiners of Veterinary Medicine to be the Veterinary Medical Board.

Effective Date: July 6, 1995

Effective Date: October 13, 1995

SB 100 Maddy CHAPTER 387, STATUTES OF 1995

AB 472 Setencich CHAPTER 402, STATUTES OF 1995

Gaming Clubs: This bill makes an exception from the Gaming Registration Act for corporations licensed to conduct horseracing and simulcast wagering. The exception would allow such corporations to own and operate a gaming club (card room) even if the corporation has a financial interest in any business

Fair Appropriation: This bill makes an appropriation for state designated fairs by extending an authorization date to include the 1995-96 fiscal year.



outside California that operates forms of gaming or gambling not legal within California.

Effective Date: August 7, 1995

**SB 106 Ayala
CHAPTER 836, STATUTES OF 1995**

Out-of-Country Thoroughbred Signals: This bill permits any thoroughbred association to execute an agreement with any other association that conducts thoroughbred races in a specified zone to allow the other association to distribute the audiovisual signal of specified out-of-country thoroughbred races and accept wagers on those races.

Effective Date: January 1, 1996

**SB 276 Costa
CHAPTER 6, STATUTES OF 1995**

Appaloosa Awards: This bill eliminates the distribution of residual amounts from purses to owners of sires of Appaloosa horse who placed first in one or more races at a fair meeting or a mixed breed meeting.

Effective Date: May 23, 1995

**SB 428 Maddy
CHAPTER 825, STATUTES OF 1995**

Revenue Bonds: This bill permits the state Public Works Board to authorize the issuance of revenue bonds and negotiable notes to pay the costs of constructing and equipping the Equine Drug Testing Laboratory capital outlay project on the campus of the University of California, Davis.

Effective Date: January 1, 1996

**SB 525 Maddy
CHAPTER 248, STATUTES OF 1995**

Welfare Fund: This bill deletes requirements that the welfare fund for the benefit of horsemen be one established by; the horsemen's organization contracting with the association with respect to the conduct of racing meetings. Instead the fund would be for the benefit of backstretch personnel in addition to horsemen and horsewomen.

Effective Date: January 1, 1996

**SB 981 Thompson
CHAPTER 254, STATUTES OF 1995**

Wagering: This bill eliminates the requirement that prohibits the California Horse Racing Board from approving any form of wagering on more than one race unless all those races are conducted on the same racing program.

Effective Date: August 1, 1995

**SB 1196 Thompson
CHAPTER 80, STATUTES OF 1995**

Vanning for Fairs: This bill permits racing fairs, subject to the availability of funds, to provide for the vanning of racehorses from any offsite stabling facility.

Effective Date: January 1, 1996

**SB 1219 Costa
CHAPTER 99, STATUTES OF 1995**

Slaughter Signs: This bill requires the management of an auction or sale to post current slaughter prices or to make them available to sellers upon request, and to inform potential buyers that sellers may set minimum bids above the slaughter price.

Effective Date: January 1, 1996



Operating Budget

CALIFORNIA HORSE RACING BOARD - BUDGET

July 1, 1994 - June 30, 1995

Appropriations	Item	Total
Personal Services	\$3,244,000	
Operating Expenses	4,473,000	
Total Appropriation		<u>7,717,000</u>
Expenditures		
Personal Services		
Salaries and Wages	\$2,376,000	
Staff Benefits	606,000	
Total Personal Services		<u>\$2,982,000</u>
Operating Expenses and Equipment		
General Expense	115,000	
Printing	50,000	
Communications	58,000	
Postage	44,000	
Travel-in-State	191,000	
Travel-out-of-State	11,000	
Training	7,000	
Facility's operation	145,000	
Contractual & Professional Services-Interdepartmental	388,000	
Contractual & Professional Services-External	2,800,000	
Consolidated data center:		
Stephen P. Teale Data Center	124,000	
Data Processing	6,000	
Central Administration Services:		
Pro Rata	60,000	
Equipment	84,000	
Total Operating Expenses and Equipment		<u>\$4,083,000</u>
Total Expenditures		<u>* \$7,065,000</u>
Unexpended Balance FY 1994/95		<u>\$ 652,000</u>
to be reverted to General Fund 6/30/97		
* Includes year-end accruals		
Total Expenditures & Unexpended Balance		<u>\$7,717,000</u>



Summary of Staffing and Performance Measures: 1990-1991 to 1995-1996

Pursuant to Section 19620 of the Horse Racing Law, the Legislature will appropriate annually out of the Fair and Exposition Fund such sums as it deems necessary for the support of the Board, including any costs and expenses incurred by the Attorney General in the enforcement of the Horse Racing Law as authorized by the Board.

- For the fiscal year 1994-95, the Board was appropriated \$7,717,000 for its support and expended \$7,065,000.
- For the fiscal year 1995-96, the Board is appropriated \$7,838,000 for its support.

STAFFING SUMMARY 1990-91 through 1995-96

Positions:	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96
Administration	25.0	25.0	26.0	27.0	26.0	26.0
Licensing	11.0	13.0	11.4	11.4	13.0	13.0
Enforcement	29.0	33.0	30.0	30.0	28.0	28.0
Total	65.0	71.0	68.4	68.4	67.0	67.0
Occupational Licenses:						
Number Issued (x 1,000)	14.0	15.6	13.1	9.5	9.5	9.5
Fees (x \$1,000,000)	1.248	1.433	1.100	.848	.703	.703
Fiscal:						
Fiscal Year Budget (x \$1,000,000)	90-91	91-92	92-93	93-94	94-95	95-96
	7.513	8.493	7.373	7.258	7.717	7.838
Total Revenues	150.4	130.0	119.0	121.0	111.7	111.7

Note: Figures for 1995-96 are estimates.



Reports of Fund Balances

ANALYSES OF BALANCE CHANGES TO THE SPECIAL DEPOSIT FUNDS

FISCAL YEAR 1994-95

TRUST-ASSOCIATION DEPOSITS	Adjustments	Balances
Beginning balance, July 1, 1994		\$420,005
Additions:		
Receipt-depositors	\$510,005	
Deductions:		
Payment-depositors	(600,005)	
Ending balance, June 30, 1995		<u>\$330,005</u>

TRUST-RACE TRACK SECURITY

Beginning balance, July 1, 1994		-0-
Additions:		
Receipts-Unclaimed parimutuel	\$2,080,189	
Deductions:		
Transfer-Fair & Exposition Fund	(263,000)	
Transfer-General Fund	(1,817,189)	
Ending balance, June 30, 1995		<u>-0-</u>

TRUST-DRUG ENFORCEMENT

Beginning balance, July 1, 1994		\$1,212.42
Additions:		
Receipts-Drug Enforcement	-0-	
Deductions:		
Payments-Drug Enforcement Investigation	-0-	
Ending balance, June 30, 1995		<u>\$1,212.42</u>



Summary of Licensing and Enforcement

APPLICANT AND LICENSE PROCESSING - FISCAL YEAR 1994 - 1995

	<u>Item</u>	<u>Total</u>
Verification of license qualifications:		
Approval for license	9,282	
Formal refusal of license	72	9,354
Verification of criminal offender records:		
Fingerprints taken and processed	4,134	
Subsequent arrest notifications	393	4,527

ENFORCEMENT ACTIONS

Investigations:		
Fitness for continued licensing	45	
Unlicensed participation	23	
Conduct of financial affairs	357	
Use of a prohibited drug on entered horse	26	
Improper medication practice	233	
Possession of contraband	11	
General misconduct	135	
Intoxication/alcohol or controlled substance	91	
Simulcast facility inspections	72	
Other	125	1,118
Complaints filed:		1,017

PATRON EXCLUSIONS

Ejections/Exclusions from racing enclosures:	23
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STEWARD'S RULINGS

Official Rulings of the Board of Stewards:		
Racing infractions during a race	167	
Misconduct concerning entry or procedure	143	
Fitness for continued license	52	
Conduct of financial affairs	139	
Use of a prohibited drug on entered horse	24	
Improper medication practice	103	
Possession of contraband	9	
Unlicensed participation/security control	201	
Intoxication/alcohol or controlled substance	50	
Safety helmet violation	4	
Failure to appear	143	1,035

ADMINISTRATIVE PROCEEDINGS

Administrative Action:		
Appeals and Petitions	65	
License action termination	98	
Failure to appear	3	166



Special Investigations

Positive Tests

The following confirmed positive tests for prohibited drugs or their metabolites resulted in complaints filed with the Board of Stewards. Following completion of adjudication each horse was ordered disqualified, deemed unplaced in the race, and ineligible for future entry until determined to again be fit to compete. Ten referrals of confirmed positive test results were made to the Board of Stewards: July 1, 1994 through June 30, 1995.

Throughout the FY 1994-1995, the Licensing and Enforcement Section investigated literally hundreds of complaints brought to its attention by members of the industry and the public, as well as through its ongoing regulatory duties under horse racing law.

DATE:	July 06, 1994	TRAINER'S NAME:	M. Calvario
TYPE OF MEET:	Thoroughbred	PENALTY:	60-day Suspension
LOCATION OF MEET:	Hollywood Park		
RACE AND FINISH:	6th Race/Extra	DATE:	September 15, 1994
HORSE'S NAME:	Gamblin AJ	TYPE OF MEET:	Quarterhorse
PROHIBITED DRUG:	2 (1-Hydroxy ethyl) Promazine	LOCATION OF MEET:	Los Alamitos
TRAINER'S NAME:	B. Mayberry	RACE AND FINISH:	5th Race/Extra
PENALTY:	30-day Suspension	HORSE'S NAME:	Coast to Coast
		PROHIBITED DRUG:	Lidocaine
DATE:	July 08, 1994	TRAINER'S NAME:	J. Burger
TYPE OF MEET:	Quarterhorse	PENALTY:	90-day Suspension/\$1,000 fine
LOCATION OF MEET:	Los Alamitos		
RACE AND FINISH:	8th Race/1st Race	DATE:	February 20, 1995
HORSE'S NAME:	Empty Floor	TYPE OF MEET:	Thoroughbred
PROHIBITED DRUG:	0-Desmethyl Pyrilamine	LOCATION OF MEET:	Golden Gate Fields
TRAINER'S NAME:	S. Craigmyle	RACE AND FINISH:	5th Race/3rd Place
PENALTY:	Dismissed	HORSE'S NAME:	Woodbridge
		PROHIBITED DRUG:	Lidocaine
DATE:	July 23, 1994	TRAINER'S NAME:	G. Brown
TYPE OF MEET:	Fair Meet/Thoroughbred	PENALTY:	\$2,000 fine
LOCATION OF MEET:	Vallejo		
RACE AND FINISH:	10th Race/1st Place	DATE:	May 06, 1995
HORSE'S NAME:	Starsidder	TYPE OF MEET:	Thoroughbred
PROHIBITED DRUG:	3-Hydroxypromazine	LOCATION OF MEET:	Hollywood Park
TRAINER'S NAME:	R. Odom	RACE AND FINISH:	4th Race/3rd Place
PENALTY:	30-day Suspension	HORSE'S NAME:	Guide
		PROHIBITED DRUG:	Morphine
DATE:	September 02, 1994	TRAINER'S NAME:	R. B. Hess, Jr.
TYPE OF MEET:	Fair Meet/Thoroughbred	PENALTY:	60-day Suspension
LOCATION OF MEET:	Cal Expo		
RACE AND FINISH:	10th Race/4th Place		
HORSE'S NAME:	Red Traction		
PROHIBITED DRUG:	Morphine		



DATE: June 07, 1995
TYPE OF MEET: Thoroughbred
LOCATION OF MEET: Hollywood Park
RACE AND FINISH: 3rd Race/1st Place
HORSE'S NAME: Made of Jade
PROHIBITED DRUG: Phenylpropanolamine
TRAINER'S NAME: G. Jones
PENALTY: Pending

DATE: June 21, 1995
TYPE OF MEET: Thoroughbred
LOCATION OF MEET: Hollywood Park
RACE AND FINISH: 3rd Race/1st Place
HORSE'S NAME: Palmdale
PROHIBITED DRUG: Caffeine
TRAINER'S NAME: V. Cerin
PENALTY: Dismissed

DATE: June 30, 1995
TYPE OF MEET: Thoroughbred
LOCATION OF MEET: Hollywood Park
RACE AND FINISH: 2nd Race/1st Place
HORSE'S NAME: Gallant Soldier
PROHIBITED DRUG: Caffeine
TRAINER'S NAME: V. Cerin
PENALTY: Dismissed



Laboratory Services

Truesdail Laboratories, Inc. of Tustin, California, continued to perform its equine test sample analysis, and PharmChem Laboratories, located in Menlo Park, California, performed human drug test analysis. Additionally, the Board contracts with the Veterinary Diagnostic Laboratory at Iowa State University for complementary laboratory testing services. The official laboratories must participate in the Laboratory Quality Assurance Program of the Association of Racing Commissioners International.

The Board also continues to obtain the services of an Equine Medical Director from the University of California, Davis, School of Veterinary Medicine. The Equine Medical Director, among other responsibilities, evaluates security policies and procedures for the reporting of prohibited substances, recommends the types of tests and the drugs that need to be tested by the official laboratories; advises the Board on all aspects of the drug testing program, including the analysis of data; conducts long range program planning; reviews, evaluates and monitors the testing programs of the official laboratories; recommends policies and programs for Board administered veterinary regulations; advises the Board on rules and regulations relating to veterinary practice within racing inclosures; and monitors policies and procedures as they apply to the maintenance of the health and welfare of horses in regulated areas.

The equine testing program is very comprehensive. Post-race urine and blood samples are obtained from the following; the winner of every race, every claimed horse, the horses finishing second and third in every stakes race with a gross purse of \$40,000 or more, nine horses selected at random during each day or night racing program, and such other horses as may be selected by the Stewards. During 1994-95, both equine testing laboratories analyzed more than 25,000 urine and blood specimens. The total expenditures for the drug testing program was \$1.1 million.

Each specimen obtained from a race horse may be evidence in an administrative or criminal proceeding. Accordingly, a strict chain of possession of that evidence must be maintained. The following procedures

are employed in the collecting, testing and retention of specimens:

1. The owner, trainer or representative of the horse(s) being tested witnesses the blood and urine sample collection.
2. The specimen containers are identified and sealed against tampering, and the frozen specimen containers are then cooled and later delivered to the laboratory for analysis.
3. After collection of a urine specimen, a portion of the sample is placed in a separate container for retention by the Board as a horseman's split sample.
4. Specimen containers are identified only by a unique number, and the identity of the horse involved is known only to the Board's official veterinarian until the laboratory informs the Board of the test results.
5. An investigator of the Board is assigned as custodial officer, and receives the specimens at the split sample storage site in Sacramento, California. The blood sample and the amount of urine necessary for analysis are sent directly to the appropriate laboratory.
6. The remainder of the urine specimen, and all horsemen's split samples, are retained under the control of the custodial officer and placed in a secure freezer vault.
7. A complete inventory of the evidence held by the Board is maintained at all times. In the event a further portion of any specimen is required by the laboratory for confirmation or additional testing, the portion is removed under supervision of the custodial officer.
8. Following the analysis of specimens, the custodial officer receives the analytical results from laboratory personnel and relays those reports to field offices.



9. No purse for any race may be paid to an earning owner until the post-race test sample of the horse has been analyzed and an initial report received that no prohibited drug has been detected in that sample.

The detection of drugs in equine specimens is a scientific challenge, requiring the use of a variety of specialized scientific equipment and methodology by highly competent forensic chemists. The principal chemists at the official laboratories are members of the Association of Official Racing Chemists, attesting to their scientific competency. The Board requires that even minute amounts of any of the wide spectrum of foreign substances are to be detected, if present in a specimen.

Acknowledging that new pharmacologically active drug substances are constantly being discovered, the Board must continually strive to advance its methods for maintaining the integrity of the sport and the welfare & safety of its equine and human athletes.

To be used as conclusive evidence, immunoassay results indicating the presence of a drug must be confirmed by in-depth instrumental methods. However, corroboration by a second or third immunoassay variants may also be accepted as substantial evidence of the presence of a drug.

In 1989, the Board established a horseman's split sample program. Upon the finding of the official racing laboratory that a test sample has been detected to contain a prohibited substance, the trainer or owner is notified confidentially of such finding, as are the California Horse Racing Board's Executive Director and Equine Medical Director. Once the trainer or owner has been confidentially notified, they have seventy-two hours from the date of notification to determine whether or not he or she would like to request that the horsemen's split sample be sent to an approved laboratory for retesting. The trainer or owner is required to pay the costs of the duplicate sample retesting.

Should a duplicate sample be requested, the trainer or owner makes the request to the CHRB Custodial Officer immediately. The Custodial Officer initiates an authorization to release evidence procedure to release the horsemen's split sample.

The results of the duplicate sample retest are made confidentially to the trainer or owner, the Executive Director and Equine Medical Director. If the retest does not detect the prohibited substance reported by the official racing laboratory, the test is deemed negative and the California Horse Racing Board does not take any further action. However, if the duplicate samples retest does detect the prohibited substance reported by the official racing laboratory, the test is deemed positive, and the laboratory's test is deemed to be accurate and evidentiary proof of the presence of such prohibited drugs in the test sample. This does not preclude the trainer or owner from seeking all other administrative remedies available.



Equine Postmortem Program

Increased media attention to catastrophic injuries in racehorses heightened public concern about the horseracing industry in the United States. The California Horse Racing Board's (CHRB) commitment to addressing this issue prompted the development of the Postmortem Program in 1990. The CHRB requested the California Veterinary Diagnostic Laboratory System (CVDLS), University of California at Davis, to conduct necropsies on all horses that die at any of the California racetracks or training centers under the jurisdiction of the CHRB. With the cooperation of racing associations, owners, trainers, equine veterinarians and the CHRB, a unique partnership was developed that permits in-depth studies by faculty in the School of Veterinary Medicine, University of California-Davis with support from the Equine Research Laboratory. This cooperative program has provided an extraordinary opportunity to look at problems that affect to all breeds of horses in racing and training, from musculoskeletal injuries to infectious diseases. The statewide laboratories of the CVDLS examine horses from internationally recognized racetracks to small county fairs. Several thousand horses are under the jurisdiction of the CHRB which presents the necropsy program with a broad window to view equine health problems as seen in racing and training.

When the Postmortem Program was instituted in 1990, three goals were established: (1) determine the nature of injuries occurring in racehorses, (2) determine the reasons for the injuries, and (3) develop prevention strategies. The University of California at Davis has shown that the majority of catastrophic fractures to the humerus, scapula and pelvis are sites where previous incomplete stress fractures have occurred. It was shown that these fractures are often not visible with common radiographic equipment, but could be revealed by more sophisticated technology as offered by nuclear scintigraphy. This method allows the veterinarian to view bones that show evidence of abnormal bone growth which may indicate that bone repair from an incomplete stress fracture is taking place. This finding led to the installation of a scintigraphy machine at Santa Anita Racetrack which has detected many previously

undiagnosed stress fractures in horses in racing and training.

The majority of horses submitted to the necropsy program are Thoroughbred and the next largest group is the Quarterhorse. The most common injuries that occur in Thoroughbred and Quarterhorse racehorses are those of the musculoskeletal system. The percentage of exercise-related injuries that occur during racing and training is equal for Thoroughbreds while most exercise-related injuries occur during racing for Quarter horse.

Since the inception of the program it has been demonstrated that contrary to popular perception, equine fatalities are unlikely to be the result of the misuse of prohibited drug substances in race horses. More recently, heart conditions similar to cardiac diseases found in humans have been identified as major factors in previously unexplained "sudden deaths." Investigations into the conduction system of the equine heart and potentially inheritable characters, may reveal predictable yet life threatening factors. Studies will continue to pursue diagnostic methods to anticipate such events prior to their occurrence.

The Postmortem Program offers an extraordinary opportunity to study in depth those factors uniquely affecting the race horse and provides an established and cooperative team of equine researchers, horse owners, trainers, practicing veterinarians, farriers and individuals in race track management. The CHRB Postmortem Program continues to be recognized internationally as the most innovative and comprehensive program designed to safeguard the welfare of the race horse. An industry advisory group known as the Equine Welfare and Racing Injury Prevention Committee meets regularly to direct the Postmortem Program in an ongoing effort to maximize vital information developed from the investigations and to disseminate those finding through educational forums and industry publications toward the improvement of the health and safety of both our equine and human athletes.



Track Safety

Horse racing in California, provides a competitive arena where horse racing participants can showcase their horses, while at the same time, creating an entertainment opportunity for the wagering public. The industry also creates many employment opportunities for many California citizens. The nature of the industry however, places the human participants and the horses at risk of serious or fatal injury. Concern over this potential risk has lead the CHRB to develop and implement safety standards.

The Track Safety Project was initiated with the passage of Chapter 1259, Statutes of 1990 (AB 170, Floyd), which charged the Board with maintaining records of accidents and fatalities at racetracks and training tracks and with making recommendations concerning track safety. Chapter 310 Statutes of 1991 (AB 1782), Floyd) called for the CHRB to establish safety standards governing the uniformity and content of the track base and racing surface, inner and outer rails, gates and gaps, turf, access and egress to the track, lighting for night racing, equipment for horse and rider, drainage, communication, veterinary service, medical and ambulance service and other track facilities in order to improve the safety of horses, riders and workers in the racing inclosure. Chapter 424 Statutes of 1991 (SB 944 Maddy) provided that no license to conduct a horse racing meeting shall be issued unless the track has been inspected by the Board within 30 days prior to the date of the application for license. This provision became effective January 1, 1995.

The year 1994 marked the completion of the initial phase of the Track Safety Project with the adoption and approval of the comprehensive Track Safety Standards. The regulations governing track safety are: Rule 1471, General Provisions and Conditions, which establishes the general parameters for implementing the safety standards at all horse racing associations, fairs and training facilities used for timed and reported workouts; Rule 1472, Rail Construction and Track Specifications, establishes the standards for the type of rail permitted on California race tracks; Rule 1473 Renovation of Dirt Racetracks, outlines the renovation requirement for California tracks; Rule 1474, Maintenance of Dirt Racetracks, addresses the track safety maintenance program schedule; and Rule 1475, Golf Course in the infield of the Racetrack, outlines the criteria that must

be met by facilities operating golf courses in order to ensure the safety racing participants.

In 1995, the CHRB continued its efforts to ensure the safest racing conditions possible, by aggressively enforcing the provisions of its track safety regulations and 1995 was the initial racing year that all California racetracks were required to comply with the adopted safety standards. Each racing association filing an application for license to conduct a race meeting or facilities applying for authorization to operate as a training facility was inspected and apprised of areas and conditions that did not comply with the established standards. The racing industry has embraced the track safety standards, and has cooperated with the CHRB to ensure that California racetracks meet standards by correcting the areas of deficiency.

The Track Safety Project is an ongoing program, as California continues to lead the nation in promoting and ensuring racetrack safety. The CHRB is proud to provide leadership in racetrack safety and to improve conditions for riders, drivers and horses.

The CHRB's goals have been to make California racetracks the safest environment possible for its racing participants, and the Track Safety Standards are a testimony to this goal. As a result of dedicated effort, continued education, and the development of the comprehensive safety standards, the CHRB and the racing industry, will continue to offer a safer environment for all horseracing participants.



RACING FATALITIES

A total of 236 fatalities were reported during the 1994-95 fiscal year. The total represents a 3% increase from the 229 fatalities reported in the 1993-94 fiscal year. Thoroughbreds increased by 2%, Quarter Horses increased by 21%, Appaloosas decreased by 50% and Standardbreds decreased by 40%. No fatalities were reported for Arabians during the 1994-95 fiscal year.

ASSOCIATIONS	BREED OF HORSE					OCCURRED DURING		
	TB	QH	ST	APP	AR	RACE	TRAIN	OTH
THOROUGHBRED								
Los Angeles Turf Club/SA	40					17	16	7
Hollywood Park Operating Co./HP	32					10	14	8
Del Mar Thoroughbred Club/DM	19					7	6	6
Oak Tree Racing Assn./SA	5					2	2	1
Hollywood Park Fair Operating Co./HP	10					3	6	1
Bay Meadows Operating Co./BM	38					16	12	9
Pacific Racing Assn./GGF	23					6	9	7
HARNESS								
Premier Harness Racing Assn./LA			1					1
California Harness Racing Assn./CE			2				1	1
QUARTER HORSE								
Horsemen's QH Racing Assn./LA	13	20		2	2	22	3	12
FAIRS								
Stockton	1	1				2		
Pleasanton	3					2	3	
Vallejo	2	1					1	
Santa Rosa	5	1				2	1	1
San Mateo	3					3	1	3
Ferndale	2					2		
Cal Expo	2					1	1	
Pomona	7					3	4	
Fresno	1							1
TOTAL	206	23	3	2	2	98	80*	58*

* 6 training and 5 other than racing or training fatalities occurred at an auxiliary stabling facility.



RACING INJURIES

A total of 429 injuries was reported during the 1994-95 fiscal year. The total represents a 13% decrease from the 485 injuries reported in the 1993-94 fiscal year. Thoroughbreds decreased by 9%, Quarter Horses by 52%, Appaloosas by 23% and Arabians were the same as the 1993-94 reported injuries.

ASSOCIATIONS

<u>THOROUGHBRED</u>	<u>BREED OF HORSE</u>			
	<u>TB</u>	<u>QH</u>	<u>APP</u>	<u>AR</u>
Los Angeles Turf Club/SA	95			
Hollywood Park Operating Co./HP	92			
Del Mar Thoroughbred Club/DM	35			
Oak Tree Racing Assn./SA	19			
Hollywood Park Fair Operating Co./HP	31			
Bay Meadows Operating Co./BM	32			
Pacific Racing Assn./GGF	15			
Thoroughbred Total	319			

HARNESS

Premier Harness Racing Assn./LA*
California Harness Racing Assn./CE*

QUARTER HORSE

Horsemen's Quarter Horse Racing Assn./LA*

<u>FAIRS</u>	<u>TB</u>	<u>QH</u>	<u>APP</u>	<u>AR</u>
Stockton	3	2	1	
Pleasanton	11		2	
Vallejo	6	1	1	
Santa Rosa	8	4		
San Mateo	3	1		
Ferndale	6			
Cal Expo	9	1	2	
Pomona	36	1	3	
Fresno	6	1	1	1
FAIR TOTAL	88	11	10	1
TOTAL BY BREED	407	11	10	1
TOTAL INJURIES	429			

*Statistics not available



California Horse Racing Officials, Sites and Dates

Racing Supervision

The responsibility for the on-site supervision for the conduct of horse racing meetings is placed on the designated racing officials who are appointed or approved by the Board.

The racing officials are: The Stewards, Associate Judges, Paddock Judge, Patrol Judges, Starter, Clerk of Scales, Official Veterinarian, Racing Veterinarians, Horse Identifier, Horseshoe (plating) Inspector and Timer.

The Stewards are delegated general authority for the supervision of all licensees, persons attendant upon horses and also over the inclosure (grounds) of any recognized meeting and are strictly responsible to the Board for the conduct of the race meeting in every particular. The duties of each racing official are set forth in the Board's regulations. While performing their duties, the racing officials are entitled to the same rights and immunities granted public employees.

The Board directly appoints the Stewards, Official Veterinarian and Horse Identifier for each race meeting while the other racing officials are nominated by the racing association and subject to the Board's approval. The Board has the responsibility for payment of Stewards' costs, including the Official Veterinarians. The Legislature provides an annual appropriation to meet these costs. The appropriation for 1994 - 1995 was \$1.8 million, for Stewards and Official Veterinarians. Other racing officials are paid by the association in the matter prescribed by the Board.

A Board of Stewards, consisting of three Stewards selected by the Board, is appointed for each race meeting and essentially act as surrogates for the Commissioners of the Board in all matters relating to the race meeting assigned. Stewards are delegated the authority to impose suspensions of license, to impose fines, or to bar from the enclosure for commission of misconduct or racing offenses. They have control over entries, declarations, eligibility of horses, and placing of horses for the official order of finish. The Stewards hold hearings on matters involving racing infractions

committed during the running of a race, and upon racing offenses and complaints filed with the Stewards by the Board's investigative staff or the association's Security Officers. Stewards also preside over the examinations required for certain classes of license and make recommendations as to the qualifications and fitness for license of applicants referred to the Stewards by the Board's licensing staff. The Stewards maintain minutes of their proceedings and issue Official Rulings in disciplinary matters and have the important function of electronically closing (locking) the parimutuel ticket issuing machines coincident with the start of each race.

The Official Veterinarian, appointed by the Board, is delegated the authority to supervise all veterinary practices at a race meeting. The Official Veterinarian makes recommendations as to the qualifications and fitness for license of the equine veterinary practitioners, maintains a health and racing soundness record for each race horse eligible to compete at a meeting, reviews confidential reports of all veterinary treatments of horses under his general supervision, maintains a listing of infirm horses, maintains records of accidents and injuries, approves all prescribed therapeutic treatment regimens and otherwise acts as the Board's veterinary advisor for each race meeting.



In order to be eligible to compete at a licensed race meeting, every horse must be identified by the Board's appointed Horse Identifier and re-identified before starting in any race. The identification records of each horse are maintained by the Horse Identifier who also

supervises the tattooing of the horse as part of its official identification record which includes photographs and narrative description, all unique markings and color and pedigree information.

Appointed Racing Officials - FY 1994 - 1995

STEWARDS

Pamela Berg
Albert Christiansen
Michael Corley
Anne Daftary
Ingrid Fermin
Sheila Gaudreau
Martin Hamilton
John Herbuveaux
Robert Latzo
Darryl McHargue

William Meyers
Dennis Nevin
Peder Pederson
David Samuel
George Slender
Peter Tommila
Merlin Volzke
Thomas Ward
John Williams

ASSOCIATE STEWARDS

Pamela Berg
Albert Christiansen
Michael Corley
Anne Daftary
Martin Hamilton
John Herbuveaux

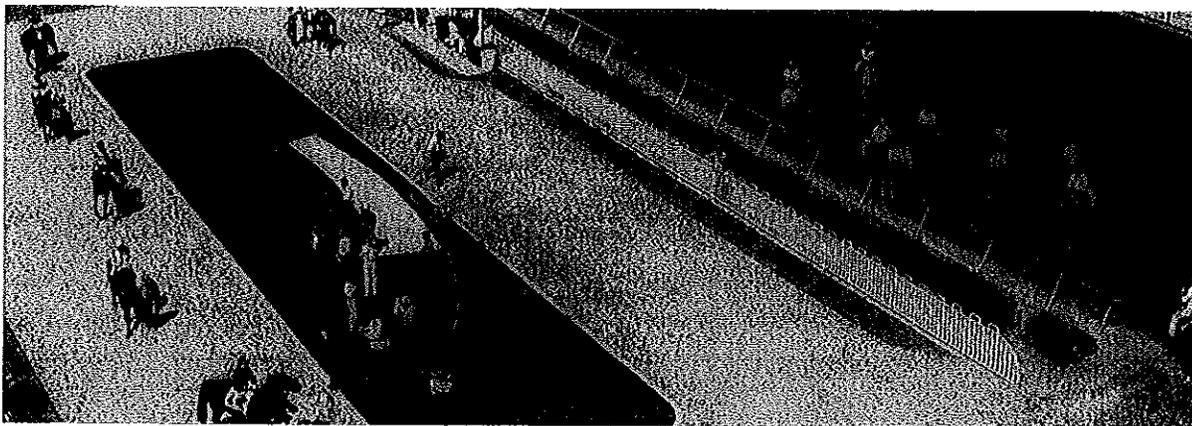
Robert Latzo
William Meyers
George Slender
Peter Tommila
John Williams
Cheryl White

OFFICIAL VETERINARIANS

Dr. Jack Abrahams, DVM
Dr. B. William Bell, DVM
Dr. Christine Cornish, DVM
Dr. Robert Guillen, DVM
Dr. Edward J. Hill, DVM
Dr. Joan Hurley, DVM
Dr. Harvey P. Stein, DVM



BAY MEADOWS



In addition to looking smart, the expanded walking ring/winner's circle area at Bay Meadows provides plenty of room for the horses and their connections.

Bay Meadows ran a series of shorter meets in 1995, alternating with Golden Gate Fields, and in doing so presented its first spring meeting in more than 30 years.

The "Spring Fling," a 19-day session (March 22 to April 14), proved popular with both casual fans and serious handicappers. The later, more traditional meet was broken into divisions. The first division went from August 25 to November 13. Then after a short meet at Golden Gate, the action picked up again at Bay Meadows from December 26 through January 21, 1995.

The spring session featured interesting stakes races and numerous exciting promotions. The result was an outstanding daily handle average of \$3,005,873. For the first time in track history, Bay Meadows enjoyed back-to-back weekends (April 1, 2 and April 8, 9) on which it handled more than \$4 million on both Saturday and Sunday. In fact, the total handle for Saturday, April 8, reached nearly \$5 million.

The inaugural running of the \$150,000 Golden State Derby highlighted the spring stakes schedule. It was won by Jumron, who previously took the \$200,000 El Camino Real Derby. He later went on to finish a troubled fourth in the Kentucky Derby. Also, making an appearance at the sprint meeting was California-bred champion Work the Crowd, who easily beat six opponents in the Brown Bess Breeders' Cup Handicap. Russell Baze won the spring riding title --his 13th Bay

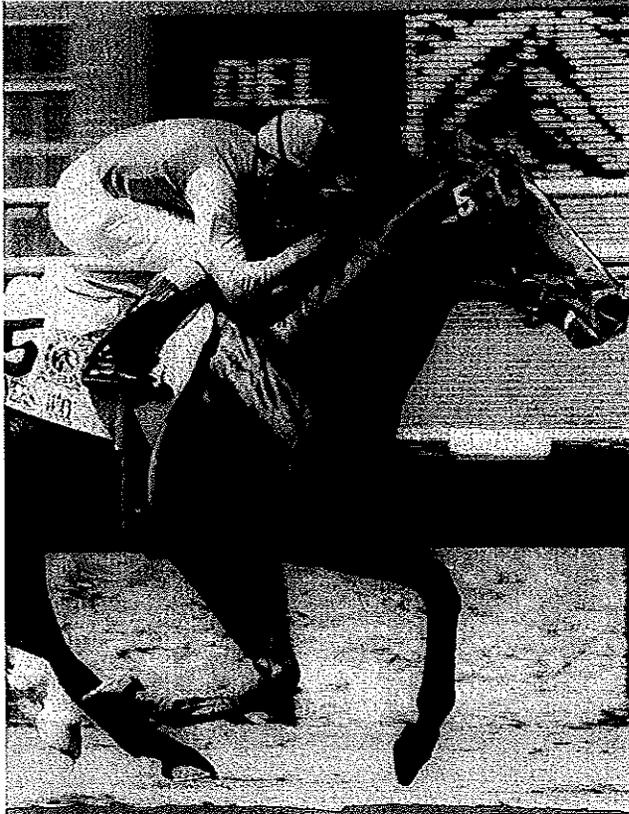
Meadows crown-- with 32 wins. Jerry Hollendorfer collected his 10th Bay Meadows training title by saddling 14 winners.

Slew of Damascus, using his speed and class, scored a victory in the San Francisco Handicap, and Lucky Forever, the world record holder for 61/2 furlongs, posted a game win in the Bay Meadows Budweiser Breeders' Cup.

"Bay Meadows a la Carte," one of the biggest promotions of the season, was held September 24 in the Infield Park. Fans attending the event enjoyed fine wines, delicious food and great beers, provided by some of the Bay Area's best restaurants, wineries and micro-breweries. Another big success was the "Friday's Alive" program, in which fans age 30 and under gained admission for only \$1, and all patrons enjoyed specials, such as \$1 hot dogs and beers. The average attendance for those three Friday promotional days was 5,579, and on one of those days, April 7, the handle exceeded \$3.2 million.



DEL MAR



CLASSIC AGAIN - Juddmonte Farms' *Tinners Way* proves four and one-half lengths the best Sunday (8/13/95) in the \$1,000,000 Pacific Classic. The 5 year old Secretariat horse ran a mile and one-quarter in 1:59 ³/₅ to earn a first prize of \$550,000. It was the second year in a row that *Tinners Way* had won the Grade I headliner. It was also the second year in a row he was handled by Eddie Delahoussaye and saddled by trainer Robert Frankel, who now has won the last four runnings of the five year old Pacific Classic.

Another season by the shore rolled in at Del Mar in the summer of 95, making the seaside oval's 56th meeting. The July 26-September 13 session was a huge success by any standards, highlighted by another national attendance record.

Average daily attendance was 33,150 for 43 days, making for the fifth year in a row that Del Mar led the country in that category. Handle was not far behind. The average of \$11,263,896 per day led all California tracks and placed second in America behind New York's popular Saratoga meeting. It marked the seventh

consecutive year that Del Mar ranked either first or second in average daily handle.

Del Mar's attendance and handle numbers represented on-track figures as well as attendance at southern California's 16 intertrack wagering facilities and handle at all outside wagering outlets. Total handle reached \$484,347,542, topping by nearly 9 percent the record 1994 handle of \$444,871,568.

A dozen handle and attendance marks were bested during the seven-week session, despite less than ideal weather the first few weeks of the meet. Del Mar paid out record amounts for purses on the 391 races it held. The total purse distribution was \$17,321,575, with a daily average of \$402,827. Those figures included 24 advertised stakes worth nearly \$5 million. The track also saw an increase in the size of its racing fields to 9 horses per race, up more than 8 percent from the previous summer's average field size of 8.3.

Del Mar made a day at the races a little more fun for its patrons by offering such popular promotions as Donuts at Del Mar, Fiesta Del Mar, Jazz at Del Mar, the Pacific Classic Festival, and Jockey Photo Days. Another innovation for 4 o'clock Friday, in which first post was pushed back from the normal 2 p.m., for the first five Fridays of the meet. The Friday "racing 'til sunset" theme proved popular--average on-track attendance was up about 2,000 for those days, and it appears likely the change will become permanent.

As usual, the season offered competitive races. The big winners included *Possibly Perfect* (Ramona Handicap), *Fastness* (Eddie Read Handicap), and *Bail Out Becky* (Del Mar Oaks). *Tinners Way* won the Pacific Classic for the second consecutive year, the fourth straight victory in the race for trainer Bobby Frankel, giving him a million-dollar run that is unmatched in the history of racing.



FERNDALE



Humboldt
County Fair Association
1250 5th Street
Ferndale, CA 95536

Outstanding weather helped fill the Ferndale facility to capacity on each day of the 1995 racing meet, an integral part of the 99th annual Humboldt County Fair.

Set amidst the Victorian Village by the sea, the August 10-20 session was a mixed-breed meet with five to seven races per day. For the first time in the Fair's long history, mule racing was included on the program. The mule racing met with enthusiastic support from Humboldt's long-time supporters of horse racing.

The racing surface is the traditional half-mile oval. It is 55 feet wide, with two chutes. Humboldt's grandstand, constructed in 1938 and moved to its present location in 1948, is made of 100 percent coastal redwood products and has the capacity to seat approximately 2,200 patrons. The association has 325 stables on-site for use during the meet.

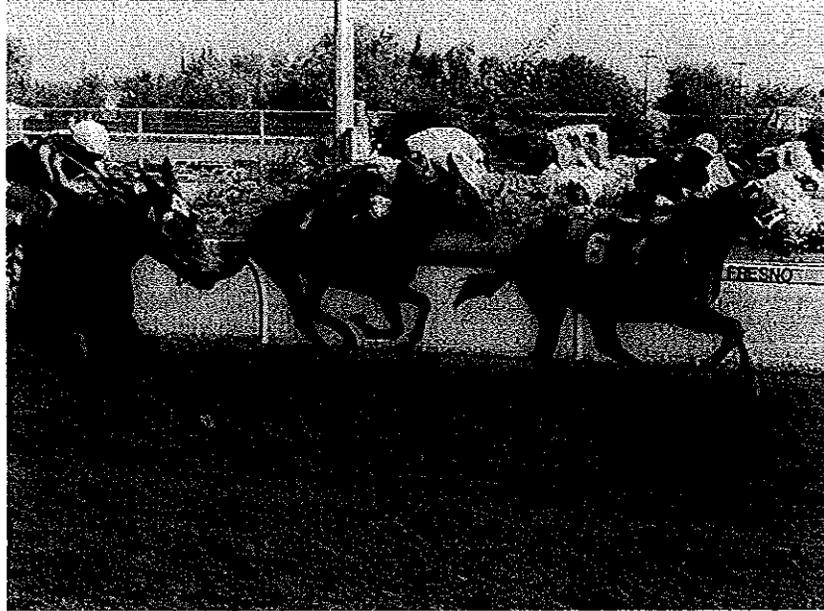
Attendance in 1995 was estimated at approximately 14,000 on-track, with another 100,000 satellite patrons having the opportunity to participate in Ferndale action by wagering at facilities throughout California. For the

first time, Ferndale's signal was received in the southern California market. Accordingly, total handle for the 10 day meet was \$2,674,258, which marked a staggering increase of 83 percent over the 1994 handle of \$1,407,956. In addition to the larger market, the increase was partly due to the improved racing at Ferndale caused by an increase in available horses.

When the 1996 season rolls around (August 8-18) and the Humboldt County Fair celebrates its 100th Anniversary, the Association is looking forward to producing its best race meet ever. To accomplish that feat, the Fair will strive to derive donations from its many supporters to pay for improvements mandated by new state safety regulations. The improvements will help Humboldt extend its exemplary safety record.



FRESNO



The Big Fresno Fair
1121 Chance Ave
Fresno CA 93702

1995 Racing Dates: October 3-15

General Manager:
Director of Racing:
Racing Secretary:
Satellite Supervisor:

James F. Shasky
Jim Pacini
Charles Palmer
Jim Andreotti

Located in the world's agricultural capital, the Big Fresno Fair attracts approximately 650,000 people each year from throughout the bountiful San Joaquin Valley. The facility, located on 165 acres, boasts an annual attendance of more than one million people, mostly fair goers. The simulcast wagering facility on the Fresno Fairgrounds is a dual-signal facility taking wagers on horse racing day and night from northern and southern racetracks year-round.

The racing surface is a one mile dirt oval, 72 feet wide in stretch and 52 feet wide in the backstretch. The grandstand has a seating capacity of 6,000. There are over 900 stalls to accommodate horses during the meet.



GOLDEN GATE FIELDS



A busy Kentucky Derby Day, which resulted in a record northern California handle of more than \$7 million, highlighted the 1995 winter-spring meet at Golden Gate Fields.

Due to a new, experimental schedule that called for shorter, alternating meets with Bay Meadows, the 99-day winter-spring session at Golden Gate Fields was presented in two divisions, with racing from January 20 through March 19 and from April 15 through June 26. A third, autumn session was conducted November 15 through December 3.

Golden Gate, which hosted a nine-race local program on Kentucky Derby Day (May 6), also offered full-card simulcast wagering on races from Woodbine, Hollywood Park, and Hong Kong, in addition to races from Louisville. Handle on the Kentucky Derby alone was \$1,359,208. All together, handle on all live races and simulcasts totaled \$7,093,420, which easily topped the previous northern California record of \$6,685,040 that was set by Golden Gate Fields on the 1990 Kentucky Derby Day program.

Work the Crowd, who swept Golden Gate's top turf stakes for fillies and mares in convincing fashion, was among the many equine stars showcased in 1995. The

daughter of Political Ambition posted wire-to-wire victories in the Miss America and Yerba Buena Handicaps.

Special Price looked awesome winning the meeting's marquee event, the Golden Gate Handicap, by seven lengths under only a hand ride by Eddie Delahoussaye.

Jockey Russell Baze and trainer Jerry Hollendorfer continued their domination at Golden Gate to take the riding and training titles. Baze rode 172 victories to gain his 12th riding title at Golden Gate, while Hollendorfer saddled 78 winners to earn his 10th consecutive training crown.



HOLLYWOOD PARK



INGLEWOOD, CA. - Allen E. Paulson's Cigar wins the \$1-million Hollywood Gold Cup (Gr.1) by 3 ½ lengths for his ninth straight victory Ridden by Jerry Bailey and trained by Bill Mott.

Cigar's thrilling Hollywood Gold Cup victory, a portent of things to come in the \$3 million Breeders' Cup Classic--helped the son of Palace Music put a lock on the Horse of the Year crown and helped Hollywood Park establish an average daily record for handle during the 1995 spring-summer meeting.

Also bolstered by other exciting races, such as Thunder Gulch's win in the Swaps Stake, handle averaged \$10.3 million. This included expanded off-wagering from locations throughout the United States and Canada, but even so, Hollywood Park bucked a national trend of sharply declining on-track handle as the daily on-track average of \$2,675,783 was down just 1.5 percent from 1994.

"Our product is being exposed to more people than ever before," track Chairman R.D. Hubbard said "We had action around the clock at Hollywood Park with the Hollywood Casino also accommodating horse players. For the first time, we imported and exported races to Canada. We continued the simulcasts from Hong Kong throughout their season, and fans in New York also had the opportunity to bet on races from Hollywood Park for the first time."

Kentucky Derby Day generated record handle for a single day at Hollywood Park. The combined handle of \$21,287,723 easily shattered the previous mark of \$17.5 million, which was set a year earlier. While combined handle was up, the combined average attendance of 27,074 was down 8.1 percent from 1994. The on-track average of 11,611 fell 8.8 percent.

The purse for the Hollywood Gold Cup was increased from \$750,000 to \$1 million and effectively Cigar and rival Concern from the east. The world class racing schedule continued right through to the end of the meet when Thunder Gulch, winner of the Kentucky Derby and the Belmont Stakes, won the Swaps Stakes by two lengths over Jersey Derby winner Da Hoss.

Cory Nakatani, one of the nation's leading riders, captured the meet's riding title with 82 winners. Sandy Shulman, who finished second behind Ron McAnally in 1994, gained the 1995 training title with 23 winners.

The Turf Festival, highlight of the Hollywood Park Autumn Meeting, underwent several significant changes, the biggest being a \$300,000 purse increase to the Grade I Matriarch, boosting the purse for that prominent fixture to \$700,000.



LOS ALAMITOS



Los Alamitos Race Course, home to champion quarter-horse and Arabian racing as well as thoroughbred and harness racing, posted a banner year in 1995 and unveiled \$3.5 million in improvements to the Cypress facility.

The facility offers quarter-horse racing April through December. Arabian racing became part of the quarter-horse program in 1989, and more recently a limited number of thoroughbred races joined the nightly programs. Harness racing takes over during the winter.

Los Alamitos has become the largest quarter-horse track in the country with average handle of \$1 million. The 1995 meet was especially memorable for setting the single-night wagering record of \$2,127,758 on Friday, June 30. This came on the heels of a very successful 1994 season during which 20 handle records were set.

The sport's elite quarter-horse riders hang their tack in the Los Alamitos jockey's room, including Eddie Garcia, who in 1995 won over 100 quarter-horse races for the third time in his career. This season also saw the return of one of the most charismatic jockeys in the sport Kip Didericksen.

Premier quarter horses also can be found in the Los Alamitos barn area. Three time World Champion

Refrigerator, champion Down With Debt, all American Derby winner Meter Me Gone and numerous other important horses flashed their brilliance at the Cypress straightaway during the past season. Los Alamitos offers one of the most prestigious races in the world, including the Champion of Champions and the Los Alamitos Million.

Arabian racing held its championship in 1995 with the inaugural running of the Arabian Cup Championship, which offered six graded stakes one evening. The championship is expected to become the most prestigious event in Arabian racing.

Harness racing was conducted from January through March in 1995 and attracted such highly regarded standardbreds as Predazzo and Rana Diablo. Steve Warrington was the leading driver and Rick Plano led all trainers.

The major renovations to the facility that were unveiled in 1995 included the Vessels Club, named in honor of the racetrack's founder, Frank Vessels, Sr., who staged the first parimutuel races at Los Alamitos in 1951.



OAK TREE RACING ASSOCIATION



NORTHERN SPUR - Chris McCarron

A series of record-breaking seasons continued in 1995 with the staging of the 27th season of fall racing at Santa Anita Park by the Oak Tree Racing Association (OTRA).

The highlight, as usual, was the California Cup on November 11, featuring California's finest state-breds, who competed for \$1 million in purses. For the sixth year in a row, Oak Tree joined with the California Thoroughbred Breeders Association to present the Cal Cup, which has quickly become the most successful regular in-state event of the year.

The Cal-Cup combined with wagering on the Breeders' Cup, each year helps turn a highly successful season into a record breaking one, and the prospects are for continued, ever increasing records for average daily handle in the near future.

As a "horsemen's meet," the fall Oak Tree season has been conducted each year on a not-for-profit basis. Net revenue is earmarked for activities related to research, development, care and breeding of the thoroughbred as well as for those who work with them.

Since its founding, the Oak Tree Racing Association has distributed well over \$10 million to various equine

related projects, including over \$2.5 million to the Equine Research Laboratory at the University of California, Davis.

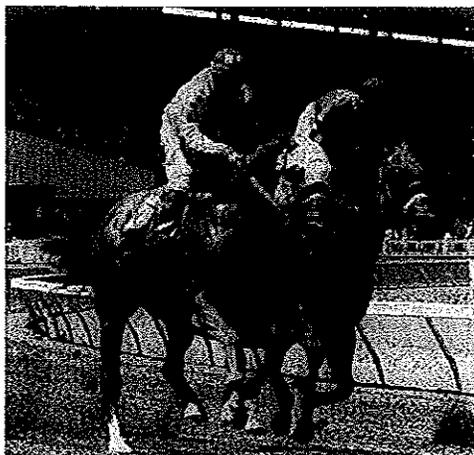
Oak Tree also has directed funding to such projects as the equine hospital at Santa Anita, equine ambulances at California tracks, a portion of the funding for the equine hospital at Hollywood Park, and substantial contributions to such organizations as the Southern California Equine Foundation, the Don MacBeth Memorial Jockey Fund, Winners Foundation, and the Race Track Chaplaincy.

The idea for the OTRA was conceived in 1968 by owner-breeder Clement Hirsch, who has served as the association's president ever since. Arrangements were made to lease the Santa Anita Park facility beginning in 1969.

Oak Tree is celebrated for its spectacular racing schedule, which includes several international events, attracting top horses from throughout the world. It is not unusual for North America's Horse of the Year to compete during the meet. Ack Ack, John Henry, Lady's Secret, Ferdinand and Sunday Silence are among the Horses of the Year who have toured the oval during the Oak Tree meet.



PLEASANTON



One of the largest fairs in California, the annual Alameda County Fair is host to over 430,000 annually, and because of its proximity to major stabling areas at racetracks in the San Francisco Bay Area, each year the Pleasanton facility stages some of the finest fair racing in the state.

The Pleasanton site serves as a year-round training facility with one-mile oval and more than 700 permanent, concrete stalls, with 24-hour security in the barn area. It serves as a guest and host facility for simulcast wagering as well as auxiliary stabling for both the Golden Gate Fields and Bay Meadows racetracks.

The 1995 mixed breed meet ran for 13 days with up to 13 races per day. The attendance for the meet was 138,833 throughout the northern California wagering network, with an average daily on-track attendance of 4,643. Total parimutuel handle, including out-of-state wagers, reached \$42,573,457, which established a record for handle at Pleasanton. The on-track handle was \$8,513,915.

The Association has conducted 84 years of fair activities at the Pleasanton site, with 109 years of overall history as a fair in Alameda County. The first fair was held in 1859 in San Leandro. Fair activities moved to the current site in 1912.

The old Pleasanton race course is literally steeped in romantic history. Built in 1858 by the two sons of the Spanish don who held a huge Spanish land grant in the Pleasanton Valley, it was the favorite wintering quarters for many wealthy racehorse owners who shipped their horses from the east for training during the cold months.

The age of the track surpasses the famous Saratoga oval by six years. Seabiscut trained at Pleasanton before he gained great fame for his racing exploits.

The fair continued to prosper through 1938, at which time a group of Pleasanton businessmen took steps to incorporate the fair as part of the new State Fairs Program. The new non-profit corporation began operations in 1939 using operating capital put up by the directors themselves.

Today, the expansive 267 acre fairgrounds hosts activities throughout the year. Combined with those attending the regular fair and racing activities, more than 1,750,000 persons enjoy the beautifully landscaped grounds each year for the many, diversified trade show and family oriented events.



POMONA



Fairplex Park, the biggest little track in the nation, established an all time total handle record of \$95,729,940 in 1995 with its 57th Los Angeles County Fair meet at Pomona, showing a 9.2 increase in average handle during the 19 day meet that ended October 2.

As has become the trend throughout the United States, particularly in California, the increase was due principally to expanded intertrack and out-of-state wagering, which reached \$74,443,873 last season. Of the total handle, \$17,971,217 was wagered on-track, a decrease from the 19,627,465 on-track figure in 1994. Likewise, total attendance of 270,759 was down from the 1994 figure of 294,828.

Boosted by the off-track figures, total daily average handle was \$5,038,418, keeping Fairplex among the top 10 tracks in the nation in that category. The huge handle traditionally translates into large horses, which attract stables from throughout the country and convince many top southern California trainers to run some of their stars at the meet.

Pollock's Luck earned Horse of the Meet honors for winning the \$150,000 Ralph M. Hinds Pomona Invitational Handicap. Vladimir Cerin won his second straight Fairplex training title, but there was a new king

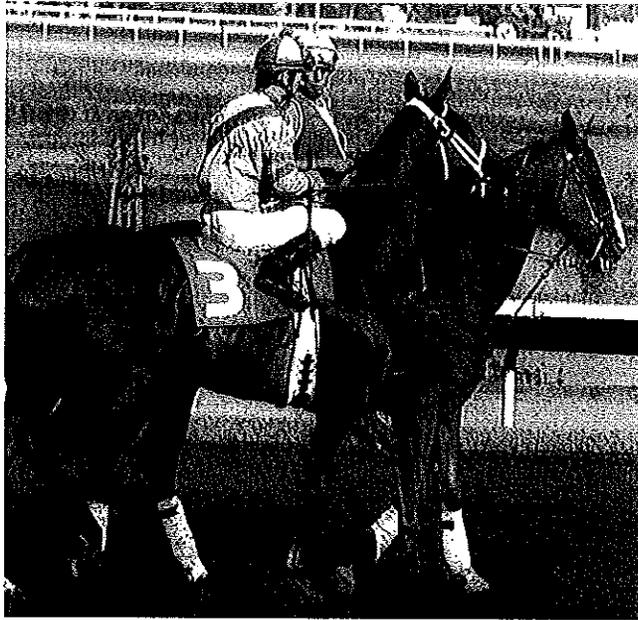
in the jockey ranks when Jose Valdivia, Jr., unseated perennial Fairplex champ David Flores by winning 21 races. Flores only rode four days of the meet.

Fairplex Park is the centerpiece of the 487 acre Fairplex public events facility. In addition to hosting hundred of year round events, Fairplex is the site of the Los Angeles County Fair, the largest county fair in America. The race meet runs during the fair each year, and admission to the races is included in the price of admission to the fair itself.

Fairplex is located approximately 30 miles east of downtown Los Angeles. The oval is five-eighths of a mile in circumference and 75-feet wide, with two chutes. There are more than 1,300 permanent stalls to accommodate horses at the meet and for the year-round training program. The Fairplex signal was sent to more than 20 locations within California and to more than 30 locations out to state.



SACRAMENTO



California State Fair
1600 Exposition Blvd
Sacramento CA 95825

Since 1854, the California State Fair has been entertaining and educating people of all ages. The State Fair meet is part of this proud tradition and ranks as the oldest continuous race meet in the west.

Cal Expo is the site of year-round activities, including harness racing, motor sports events, Waterworld USA waterpark, concerts, public shows, and Paradise Island family fun park, all of which continuously draw large regional audiences. More than 2.5 million people visit Cal Expo annually, including approximately 1.5 million who attend events other than the State Fair. Some of these patrons stay at the fully contained RV park.

In October of 1993, Cal Expo opened the doors of a new \$5 million sports and wagering center featuring 197 television monitors, numerous 10 foot projection screens, a sports bar, teletheater, and a renovated club house offering fine dining. The facility remains open year round, receiving race signals from throughout California. The 38,000 square foot facility also is used for meetings, teleconferencing, parties, and banquets.

The racing surface is a one-mile oval, 80 feet wide, and is equipped with an inner Fontana Safety Rail, providing maximum safety for racing participants. The racetrack is attractively landscaped, providing a pleasing backdrop for racing action. The grandstand has 6,100 permanent seats, with a capacity of 22,000 using portable and festival seating. A modern lighting system allows for evening events. The Turf Club provides fine dining for 680. There are 1,036 stalls available in the stable area for live racing, horse shows and winter training.

The 1995 race meet, which ran August 21 through September 4, had a total attendance of 107,074 and handle of \$18,330,144. The leading trainers were Lloyd Walker and Dennis Hopkins. The leading jockeys were Orlando Garrido and Carlos Arias. Total purses for the meet exceeded \$840,000.



SANTA ANITA PARK



Santa Anita Derby - #4 Larry the Legend, Gary Stevens, #3 Afternoon Deelites, #6 Jumron

The Los Angeles Turf Club (LATC), overcoming unusually heavy rain in January and March, rallied to finish the 60th anniversary winter-spring meeting at Santa Anita Park with a North American record daily average of more than \$11.1 million for the 1995 season. The total includes significant handle from the New York off-track betting network, which accepted the Santa Anita signal for the first time.

The effects of torrential rain, which forced the cancellation of three cards in January, were overcome by an exceptional stakes program, culminated by the \$700,000 Santa Anita Derby on April 8. The Derby attracted a nationwide audience and lived up to its tremendous billing, generating a Los Angeles Turf Club single day common-pool record of \$19.9 million. The race produced the second highest common pool handle in Santa Anita Park history, surpassed only by the \$36 million wagered when Oak Tree hosted the 1993 Breeders Cup.

The common pool average for the meet was up 10.8 percent from the previous record of \$8.9 million; set the

previous season. The record handle produced a record Santa Anita daily purse distribution of \$399,484.

"Other than the weather, it was a very positive meeting," said LATC President Cliff Goodrich. "The feedback from our patrons indicates they are pleased, and that's what we are here to do".

"Some things are out of control. We had 40 inches of rain two years ago, an earthquake last year, and 30 inches of rain this time around. All things considered, everyone should be pleased with the results. It would be nice to see what we could do with a few breaks".

The very popular horse "Larry the Legend" won three stakes at the meet, including the Derby, in which he defeated previously unbeaten "Afternoon Deelites". "Serena's Song" provided another meeting highlight as she swept Santa Anita's series for 3-year-old fillies.

Jockey Kent Desormeaux out-kicked rival Corey Nakatani in the final days to win the riding title with 112 winners.



SANTA ROSA



All time record fair handle and a historic career achievement by jockey Russell Baze were among the highlights of two weeks of "Wine Country" racing in Santa Rosa conducted by the Sonoma County Fair.

The 1995 campaign will long be remembered for Baze's assault on 5,000 career wins. The winningest jockey in Sonoma County Fair history, Baze easily captured top jockey honors for the fourth straight year with 25 wins, and he treated an enthusiastic, packed audience of 7,500 to a piece of history by recording his 5,000th career win about "Cyrus Says" midway through the meet. He became only the 15th jockey in American history to reach that career milestone.

Outstanding achievements were made by longtime Bay Area trainer Bryan Webb and Sonoma County Vine Hill Ranch, owned by Robert and Barbara Walter. Webb's entries won eight of 12 races while Vine Hill Ranch captured four wins in seven starts, led by victories by 2-year-olds Argonnier and Cavonnier.

More than 68,000 spectators, an average daily attendance of 5,269, witnessed the races on-track, wagering a total of \$6.9 million. The total wagered from northern California satellite locations was \$20.6 million. The out-of-state handle totaled \$3.3 million. The average daily handle of \$2,369,408 represented the highest total ever reached on the northern California fair circuit. Of the total wagered in northern California, 61 percent was placed on three Santa Rosa races. For the

first time, each day of racing from Santa Rosa was simulcast to southern California parimutuel locations. More than \$12.3 million was wagered on the Santa Rosa races from southern California.

The Sonoma County Fair continues to flourish on-track, enjoying strong attendance from patrons throughout the region, some of whom are visiting from other areas and mix the thrills of racing with a vacation. The Fair is committed to introducing new patrons to the sport of horse racing. One of the Fair's most successful programs is the popular daily racing seminar. Located in a grove next to the track, the seminar is hosted by professional handicappers and allows fans to meet guests like Baze and other successful jockeys, trainers and owners. Additionally, many promotional efforts are aimed at attracting new patrons, including "Sure Win", which offers a prize to all adult fair goers. The prize redemption area is located in the racing grandstand, maximizing exposure to racing.



STOCKTON

San Joaquin County Fair
1658 South Airport Way
Stockton, CA 95205
Fair (209) 466-5041
Simulcast Facility (209) 466-3589

Racing Dates 1995: June 14-25

General Manager: Forrest White
Racing Secretary: Charles Palmer
Assistant Manager/Simulcast Supervisor: Debbie Cook

The first racetrack in California to offer parimutuel wagering, the San Joaquin County Fair carries a rich and colorful history. The track initiated parimutuel betting in August of 1933. The historic occasion enacted in 1911, banned bookmaking and forced closure of the old Emeryville track.

The estimated 1,500 fans who attended the opening became acquainted with an odds board, a heretofore alien structure that now stood in the infield. Racing impresario Bill Kyne managed the mutuel operation that attracted some \$5,000 on ten races (six of them harness events).

The racing surface is a sandy loam one mile oval, 80 feet wide, with two chutes at six furlongs and a mile and a quarter. Seating capacity is 5,660 in the grandstand and covered bleacher area. The barn area has 756 stalls.

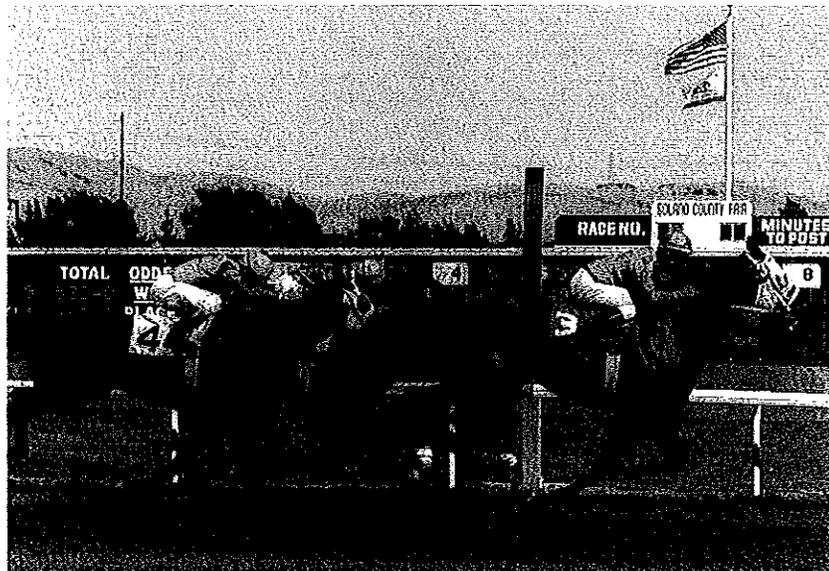
In 1995, the attendance during the live meet was 78,751 and the handle was \$6,350,081. Daily averages were 7,875 and \$635,008.

PURSES DISTRIBUTED BY BREED

Thoroughbred	\$617,315
Quarter Horse	65,986
Appaloosa	80,639
Arabian	5,428
Mule	4,298



VALLEJO



Solano County Fair
900 Fairgrounds Drive
Vallejo, CA 94589

Racing Dates 1995 - July 11-23

SOLANO COUNTY FAIR SHATTERS THREE ALL-TIME RECORDS

The 46th annual Solano County Fair shattered three all-time records when it ended its 13-day run July 23, 1995.

Despite only 12 days of racing instead of 13, the fair's mutuel handle or amount wagered totaled \$24,192,291, breaking the previous record of \$24,072,769 set in 1990. The 1995 handle also easily eclipsed the 1994 handle of \$22,520,401.

Those figures include both on-site and off-site wagering. The on-site handle for 12 days of racing totaled \$3,986,196, down 12.80 percent over the 13-day racing season last year when fans bet \$4,571,559.

The racetrack is known as "The Biggest Little Race Track in the World", ever since it recorded its first single-day handle of more than \$1 million in 1975. The fair, themed "Fun, You Bet!", set a best single-day mutuel handle on Sunday, July 23. Fans bet an historic \$2,979,121, narrowly missing a \$3-million day. The previous record of \$2,946,849 was set July 13, 1994.

The fair also shattered its all-time exhibits record. A record 2,440 persons showed a record 6,777 entries. The 1995 season marked the 45th year of horse racing at the Solano County Fair (no races were held the first year of operation). Attendance for the 13-day fair totaled 146,108, down 8.66 percent over the 159,966 who attended the 1994 fair. Sunday, July 23, the best attendance day that season, drew 23,696.

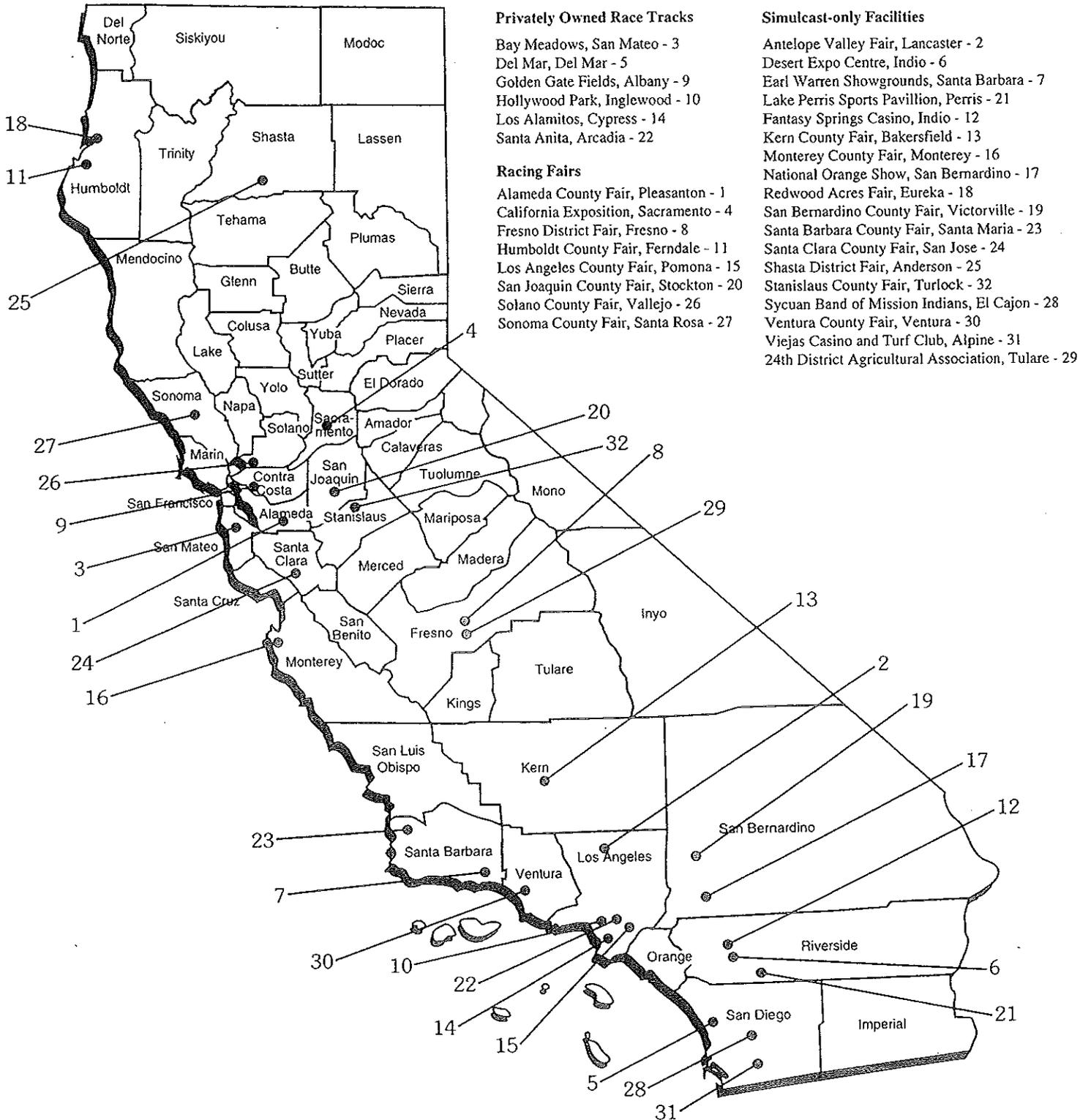
The dip in attendance was attributed in part to errant temperatures (including a heat wave and rain), and a two-hour closure of the nearby Benica bridge due to a grass fire.

Biggest Race Fan: Neither rain nor snow nor sleet could keep Anthony "Bill" Mezzacappa, of Vallejo from attending the Solano County Fair horse races every day, every season, for 45 years.

Longest Fan: Pearl Andrews, a 101-year old Vallejo great-great grandmother, who never missed a year at the Solano County Fair participated in the opening ceremonies and plans to be back for the 1996 season.



Wagering Facilities In California





Simulcast Facilities by Location

2ND DISTRICT AGRICULTURAL ASSOCIATION, STOCKTON

The San Joaquin County Fair facility is located at the east side of Stockton at 1658 South Airport Way. The simulcast wagering facility opened October 24, 1985. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 1,256 patrons wagered a total of \$2,247,813.

7TH DISTRICT AGRICULTURAL ASSOCIATION, MONTEREY

The Monterey County Fair facility is located at 2004 Fairground Road in Monterey, California. The simulcast wagering facility opened on January 6, 1988. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 733 patrons wagered a total of \$164,184

9TH DISTRICT AGRICULTURAL ASSOCIATION, EUREKA

The Redwood Acres Fair facility is located approximately one mile east of downtown Eureka at 3750 Harris Street. The simulcast wagering facility opened November 11, 1987. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 239 patrons wagered a total of \$36,918.

15TH DISTRICT AGRICULTURAL ASSOCIATION, BAKERSFIELD

The Kern County Fair facility is located in the City of Bakersfield at 1142 South P Street. The simulcast wagering facility opened April 1, 1987. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 916 patrons wagered a total of \$131,786.

19TH DISTRICT AGRICULTURAL ASSOCIATION, SANTA BARBARA

The Earl Warren Showgrounds facility is located in the City of Santa Barbara at 3400 Callareal Street. The simulcast wagering facility opened March 3, 1987. The highest parimutuel handle in FY 1994-1995 was

\$117,578 on November 5, 1994 (Breeder's Cup). The highest attendance for FY 1994-1995 was 606 on May 6, 1995 (Kentucky Derby).

21ST DISTRICT AGRICULTURAL ASSOCIATION, FRESNO

The Fresno District Fair facility is located in the City of Fresno at 1121 Chance Avenue. The simulcast wagering facility opened December 18, 1985. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 1,235 patrons wagered a total of \$207,122.

22ND DISTRICT AGRICULTURAL ASSOCIATION, DEL MAR

The Del Mar Fair facility is located in the City of Del Mar at 2260 Jimmy Durante Boulevard. The simulcast wagering facility opened September 12, 1991. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 6,149 patrons wagered a total of \$1,309,397.

24TH DISTRICT AGRICULTURAL ASSOCIATION, TULARE

The Tulare County Fair is located 40 miles south of Fresno, a quarter-mile west of Highway 99 at 215 E. Alpine Avenue. The simulcast facility opened June 25, 1989. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 547 patrons wagered a total of \$82,296.

27TH DISTRICT AGRICULTURAL ASSOCIATION, ANDERSON

The Shasta District Fair facility is located 12 miles south of Redding on Highway 273. The simulcast wagering facility opened May 18, 1988. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 491 patrons wagered a total of \$58,692.



28TH DISTRICT AGRICULTURAL ASSOCIATION, VICTORVILLE

The San Bernardino County Fair facility is located approximately 40 miles north of San Bernardino, adjacent and east of Interstate 15, at 14800 Seventh Street. The simulcast wagering facility opened April 26, 1989. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 807 patrons wagered a total of \$126,591.

31ST DISTRICT AGRICULTURAL ASSOCIATION, VENTURA

The Ventura County Fair facility is located in the City of Ventura at 10 West Harbor Boulevard. The simulcast wagering facility opened November 11, 1987. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 1,953 patrons wagered a total of \$505,148.

37TH DISTRICT AGRICULTURAL ASSOCIATION, SANTA MARIA

The Santa Barbara County Fair is located in the City of Santa Maria at 937 South Thornburg. The simulcast facility opened April 7, 1987. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 453 patrons wagered a total of \$97,206.

50TH DISTRICT AGRICULTURAL ASSOCIATION, LANCASTER

The Antelope Valley Fair facility is located in the City of Lancaster on the northeast side of town at 155 West Avenue I, approximately two miles east of Interstate 14. The simulcast wagering facility opened April 27, 1988. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 961 patrons wagered a total of \$179,323.

NATIONAL ORANGE SHOW, SAN BERNARDINO

The National Orange Show facility is located in the City of San Bernardino at 689 South E Street. The simulcast facility opened November 18, 1987. The highest parimutuel handle and highest attendance in FY 1994-

1995 occurred on May 6, 1995 (Kentucky Derby) when 2,975 patrons wagered a total of \$538,795.

CALIFORNIA EXPOSITION AND STATE FAIR, SACRAMENTO

The Cal Expo facility is located approximately three miles east of downtown Sacramento at 1600 Exposition Boulevard. The simulcast wagering facility opened October 17, 1985. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 2,199 patrons wagered a total of \$441,574.

SONOMA COUNTY FAIR AND EXPOSITION INC., SANTA ROSA

The Sonoma County Fair is located in the City of Santa Rosa at 1350 Bennett Valley Road. The simulcast facility opened October 17, 1985. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 1,302 patrons wagered a total of \$233,749.

SOLANO COUNTY FAIR, VALLEJO

The Solano County Fair is located on the north side of Vallejo at 900 Fairgrounds Drive. The simulcast wagering facility opened December 1, 1987. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 656 patrons wagered a total of \$158,168.

ALAMEDA COUNTY FAIR, PLEASANTON

The Alameda County Fair is located in the City of Pleasanton at 4501 Pleasanton Avenue. Following the start of simulcast wagering on April 27, 1987, the location of the simulcast wagering was changed to a newly constructed facility on October 9, 1992. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 1,730 patrons wagered a total of \$515,892.



BAY MEADOWS RACE TRACK, SAN MATEO

The Bay Meadows Race Track is located in the City of San Mateo at 2600 South Delaware Street. The Bay Meadows simulcast wagering facility opened February 4, 1986. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 5,153 patrons wagered a total of \$1,322,073.

SHALIMAR SPORTS CENTER, INDIO

The Desert Expocentre is located approximately 10 miles southeast of Palm Springs just off Highway 111 at 46-350 Arabia Street on the National Date Festival grounds. The simulcast wagering facility opened May 18, 1988. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 603 patrons wagered a total of \$165,471.

FAIRPLEX PARK, POMONA

The Los Angeles County Fair facility is located in the City of Pomona on the grounds of the Fairplex public events facility, two blocks north of Interstate 10. The simulcast wagering facility opened July 27, 1988. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 2,000 patrons wagered a total of \$649,486.

HOLLYWOOD PARK RACE TRACK, INGLEWOOD

The Hollywood Park facility is located in the City of Inglewood at 1050 Prairie Avenue. The simulcast wagering facility opened July 27, 1988. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on November 5, 1994 (Breeder's Cup) when 9,040 patrons wagered a total of \$2,733,133.

SANTA CLARA COUNTY FAIR, SAN JOSE

The Santa Clara County Fair is located in the City of San Jose approximately 40 miles south of San Mateo, just off Hwy. 101 at 344 Tully Road. The simulcast facility opened July 30, 1988. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 1,490 patrons wagered a total of \$401,572.

GOLDEN GATE FIELDS, ALBANY

Golden Gate Fields is located in the City of Albany at 1100 Eastshore Highway, just north of Berkeley, off Interstate 80, eight miles from downtown Oakland and 11 miles from San Francisco. The simulcast wagering facility opened September 24, 1985. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on November 5, 1994 (Breeder's Cup) when 2,249 patrons wagered a total of \$686,292.

SANTA ANITA PARK, ARCADIA

The Santa Anita facility is located in the City of Arcadia at 285 W. Huntington Drive. The simulcast wagering facility opened July 27, 1988. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 10,863 patrons wagered a total of \$2,452,914.

LOS ALAMITOS RACE COURSE, LOS ALAMITOS

Los Alamitos Race Course is located in the City of Los Alamitos at 4961 Katella Avenue. The simulcast facility opened July 25, 1990. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 8,423 patrons wagered a total of \$1,923,456.

FANTASY SPRINGS CASINO, INDIO

The Cabazon Band of Mission Indians facility is located approximately 18 miles east of Palm Springs in the City of Indio at the intersection of Interstate 10 and Auto Center Drive. The simulcast wagering facility opened March 3, 1990. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 837 patrons wagered a total of \$180,3326.

SYCUAN GAMING CENTER, EL CAJON

The Sycuan Band of Mission Indians facility is located approximately six miles east of the City of El Cajon at 5469 Dehesa Road. The simulcast wagering facility opened October 7, 1990. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 746 patrons wagered a total of \$177,750.



VIEJAS CASINO AND TURF CLUB, EL CAJON

The Viejas Band of Mission Indians facility is located approximately 13 miles east of the Alpine at 5000 Willows Road. The simulcast facility opened September 13, 1991. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 603 patrons wagered a total of \$129,407.

BARONA CASINO, LAKESIDE

The Barona Band of Mission Indians facility is located approximately five miles northeast of Lakeside at 1000 Wildcat Canyon Road. The simulcast wagering facility opened July 4, 1992. The highest parimutuel handle in FY 1994-1995 was \$98,856 on May 6, 1995 (Kentucky Derby). The highest attendance for FY 1994-1995 was 512 on February 5, 1995 (Strub Stakes).

STANISLAUS COUNTY FAIR, TURLOCK

The Stanislaus County Fair facility is located in the City of Turlock approximately two miles east of Highway 99 at 900 No. Broadway at Canal. The simulcast facility opened on April 7, 1993. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 (Kentucky Derby) when 726 patrons wagered a total of \$118,078.

46TH DISTRICT AGRICULTURAL ASSOCIATION, PERRIS

The Farmer's Fair and Expo facility is located in the City of Perris approximately three miles east of the 215 Freeway at 18700 Lake Perris Drive and Ramona Expressway. The simulcast facility opened on December 1, 1993. The highest parimutuel handle and highest attendance in FY 1994-1995 occurred on May 6, 1995 when 1,273 patrons wagered a total of \$206,619.



California Horse Racing Meetings During 1995

1995 Racing Dates

THOROUGHBRED RACE MEETINGS - CENTRAL & SOUTHERN ZONES

Santa Anita Park	12/26/94 - 04/24/95
Hollywood Park	04/28/95 - 07/24/95
Del Mar	07/26/95 - 09/13/95
Santa Anita Park	10/04/95 - 11/13/95
Hollywood Park	11/15/95 - 12/24/95

THOROUGHBRED RACE MEETINGS - NORTHERN ZONE

Bay Meadows	12/26/94 - 01/16/95
Golden Gate Fields	01/20/95 - 03/19/95
Bay Meadows	03/22/95 - 04/13/95
Golden Gate Fields	04/15/95 - 06/26/95
Bay Meadows	08/25/95 - 11/13/95
Golden Gate Fields	11/15/95 - 12/03/95
Bay Meadows	12/06/95 - 01/21/96

QUARTER HORSE RACE MEETINGS - STATEWIDE

Los Alamitos	04/14/95 - 12/17/95
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HARNESS RACE MEETINGS - STATEWIDE

Los Alamitos (PHRA)	12/29/94 - 03/25/95
Cal Expo	04/31/95 - 07/23/95
Cal Expo	10/21/95 - 12/10/95

FAIR & MIXED MEETINGS - STATEWIDE

Stockton (F)	(San Joaquin County Fair)	06/14/95 - 06/25/95
Pleasanton (F)	(Alameda County Fair)	06/26/95 - 07/09/95
Vallejo (F)	(Solano County Fair)	07/11/95 - 07/23/95
Santa Rosa (F)	(Sonoma County Fair)	07/24/95 - 08/06/95
San Mateo (F)	(San Mateo County Fair)	08/07/95 - 08/20/95
Ferndale (F)	(Humboldt County Fair)	08/10/95 - 08/20/95
Sacramento (F)	(California State Fair)	08/21/95 - 09/04/95
Pomona (F)	(Los Angeles County Fair)	09/14/95 - 10/02/95
Fresno (F)	(Fresno District Fair)	10/03/95 - 10/15/95



CALIFORNIA RACING SCHEDULE FOR 1996

Allocated 1996 Racing Dates

THOROUGHBRED RACE MEETINGS - CENTRAL & SOUTHERN ZONES

Santa Anita Park	12/26/95 - 04/22/96
Hollywood Park	04/24/96 - 07/22/96
Del Mar	07/24/96 - 09/11/96
Santa Anita Park	10/02/96 - 11/04/96
Hollywood Park	11/06/96 - 12/22/96

THOROUGHBRED RACE MEETINGS - NORTHERN ZONE

Bay Meadows	*12/26/96 - 01/21/96
Bay Meadows	01/24/96 - 03/24/96
Golden Gate Fields	03/27/96 - 06/16/96
Bay Meadows	08/30/96 - 11/04/96
Golden Gate Fields	11/06/96 - 12/22/96

QUARTER HORSE RACE MEETINGS - STATEWIDE

Los Alamitos	04/12/96 - 12/22/96
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HARNESS RACE MEETINGS - STATEWIDE

Los Alamitos	12/22/96 - 04/07/96
Cal Expo	04/12/96 - 07/21/96

FAIR & MIXED MEETINGS - STATEWIDE

Stockton (F)	(San Joaquin County Fair)	06/12/96 - 06/23/96
Pleasanton(F)	(Alameda County Fair)	06/26/96 - 07/07/96
Vallejo (F)	(Solano County Fair)	07/10/96 - 07/22/96
Santa Rosa(F)	(Sonoma County Fair)	07/24/96 - 08/05/96
San Mateo(F)	(San Mateo County Fair)	08/07/96 - 08/19/96
Ferndale (F)	(Humboldt County Fair)	08/07/96 - 08/18/96
Sacramento(F)	(California State Fair)	08/21/96 - 09/02/96
Pomona(F)	(Los Angeles County Fair)	09/12/96 - 09/30/96
Fresno(F)	(Fresno District Fair)	10/02/96 - 10/13/96

* Continued from 8/26/95



Horse Racing Revenues

RACING REVENUES

The State's revenue from horse racing is derived from license fees on a percentage of the parimutuel pool wagers at each race track, the breakage of winning ticket amounts, and the escheated unclaimed parimutuel tickets. There is also a small amount of revenues from the occupational license fees and the fines collected. Pursuant to Section 19620(a) (b), Business and Professions Code, the sum of \$265,000 plus an amount equal to 63/100 of one percent of the gross amount of money handled in the annual parimutuel pool, plus the support of the Board and Department of Food and Agriculture shall be paid into the State Treasury to the credit of the Fairs and Exposition Fund and allocated for specific Fair activities. All other proceeds and all other revenues (e.g., breakage, unclaimed parimutuel tickets, fines, and miscellaneous) are deposited in the Fairs and Exposition Fund and appropriated for support of the Horse Racing Board, for costs incurred by the Department of Agriculture in supervising, by the Department of Finance in auditing all fairs, and for annual appropriations for promotion and encouragement of agricultural fairs and citrus fruit fairs and expositions expended in accordance with the statutory specifications.

The California Horse Racing Board was responsible for collecting \$115,468,533 in state revenue for 1993-1994 fiscal year and \$111,690,547 for the 1994-1995 fiscal year. The parimutuel handle for the 1994-1995 fiscal year totaled \$3,183,815,376.(.)

SUMMARY OF TAX METHODS

Regular take-out on conventional wagering (win, place, and show) is 15.00% for Thoroughbred and Quarter Horse meetings; 16.00% for Harness, Mixed, and Fair meetings. Additional take-out on Exotic wagering (Exacta, Daily Double, and Pick-Six) is 4.75% for Thoroughbred, Quarter Horse, and Fair meetings; 6.75% for Mixed meetings, and 7.75% for Harness meetings. Quarter Horse meetings in the northern zone take and additional 1% on conventional wagers and an additional 2% on exotic wagers.

On-Track Distribution

Thoroughbred meetings with total handle of \$250 million or over: 5.70% to State, 4.93% to track, 4.03% to purses and .34% to Breeders and Stallion Awards. Meetings handling less than \$250 million, a sliding scale commencing with 4.80% to State and remaining balance shared 55% to tracks and 45% to purses, and .34% to Breeders and Stallion Awards.

Harness and Quarter Horse meetings: Effective upon enactment of Chapter 424, Statutes of 1991 on September 19, 1991, 1.00% to the State as license fees on all wagers; an additional 1.00% on exotic wagers as additional license fee to the State. Remaining balances shall be distributed as follows: For Harness meetings, 59.50% to tracks and 40.50% to purses; for Quarter Horse meetings, 55% to tracks and 45% to purses.

Fair meetings over \$650,000 handle, sliding scale 2.50% and up to State. (Special exemption) Daily handle under \$650,000 sliding scale 2% and up to State. Remaining balance distributed 48% to tracks and 52% to purses.

All breakage at Harness race meetings to Sires Stakes Program. Breakage at all other race meetings handling more than \$250 million is distributed 50% to State, 27.50% to track, 22.50% to purses on the first \$24 million, 100% to State over \$50 million. Race meetings under \$250 million is distributed 50% exempt breakage, 27.50% to track, 22.50% to purses on the first \$24 million, 100% of Purses from \$24 million to \$125 million, 100% to State over \$125 million. At Fairs, distributed equally between tracks and purses. At Quarter Horse meetings, breakage is distributed 55% to track and 45% to purses.

(1) Subject to final audit.



Horse Racing Revenues 1933 - 1995

Fiscal Year	Total Amount Wagered*	Total State Revenue**	% Revenue to Amount Wagered	Fiscal Year	Total Amount Wagered*	Total State Revenue**	% Revenue to Amount Wagered
1933-34	\$6,315,634	\$259,657	4.1	1965-66	617,383,594	47,442,605	7.7
1934-35	24,862,484	1,005,103	4.0	1966-67	629,271,146	49,311,213	7.8
1935-36	39,359,861	1,587,373	4.0	1967-68	681,293,817	54,799,427	8.0
1936-37	47,976,296	1,933,259	4.0	1968-69	786,240,281	59,839,346	7.6
1937-38	66,142,358	2,661,142	4.0	1969-70	792,073,269	58,244,375	7.4
1938-39	75,371,789	3,030,689	4.0	1970-71	872,880,697	64,600,950	7.4
1939-40	70,423,604	2,832,230	4.0	1971-72	973,814,089	69,380,018	7.1
1940-41	94,553,615	3,799,115	4.0	1972-73	940,897,051	72,499,126	7.7
1941-41	37,816,692	1,515,435	4.0	1973-74	1,251,880,498	77,748,085	6.2
1942-43	25,569,145	1,077,685	4.2	1974-75	1,188,402,745	86,828,703	7.3
1943-44	49,383,136	2,372,392	4.8	1975-76	1,276,308,373	96,116,807	7.5
1944-45	152,394,493	8,258,568	5.4	1976-77	1,393,669,258	102,707,570	7.4
1945-46	414,467,035	22,778,671	5.5	1977-78	1,314,213,437	111,591,029	8.5
1946-47	343,884,702	18,741,499	5.4	1978-79	1,531,990,977	113,252,878	7.4
1947-48	354,242,360	20,196,744	5.7	1979-80	1,691,709,674	127,634,796	7.5
1948-49	301,358,691	17,091,734	5.7	1980-81	1,931,963,514	131,751,000	6.8
1949-50	278,075,056	14,129,723	5.1	1981-82	2,036,600,878	129,540,000	6.4
1950-51	288,625,822	16,264,097	6.6	1982-83	2,038,659,036	127,448,000	6.3
1951-52	357,551,294	19,883,709	5.6	1983-84	2,180,758,883	141,705,096	6.5
1952-53	364,080,266	20,752,406	5.7	1984-85	2,022,058,656	138,287,961	6.8
1953-54	402,556,400	22,479,830	5.6	1985-86	2,185,415,043	138,712,207	6.3
1954-55	404,754,548	22,864,199	5.6	1986-87	2,219,438,297	140,356,919	6.3
1955-56	442,846,078	25,050,884	5.7	1987-88	2,489,964,114	146,382,368	5.9
1956-57	469,229,710	26,778,752	5.7	1988-89	2,651,995,587	145,365,128	5.4
1957-58	452,921,490	25,885,255	5.7	1989-90	2,815,859,110	149,926,932	5.3
1958-59	489,905,295	28,029,923	5.7	1990-91	2,884,818,398	150,385,366	5.2
1959-60	481,145,930	36,117,012	7.5	1991-92	2,942,864,950	130,042,430	4.4
1960-61	496,149,501	37,330,906	7.5	1992-93	2,816,745,147	111,255,701	4.0
1961-62	510,897,609	38,204,940	7.5	1993-94	3,038,601,574	115,468,533	3.8
1962-63	545,432,193	41,663,349	7.6	1994-95	3,183,815,373	109,624,906	3.5
1963-64	576,010,908	43,442,480	7.5				
1964-65	614,432,622	47,560,370	7.7				
				Totals:	\$62,660,623,083	\$3,773,828,606	

* Includes parimutuel amounts on all meetings during F.Y.

** Includes all revenue irrespective of later distribution.



Off-Track Parimutuel Distributions

Northern Thoroughbred Race Meetings

	Conventional	Exotic
State License Fee	2.50%	4.00%
General Fund	.05	.05
Breeder's Awards	.40	.40
Local Government	.33	.33
Equine Research	.10	.10
Stabling/Vanning		
Racing Fairs and Associations	.50	.50
All Others	.40	.40
Guest Location	2.00	2.00
Promotion		
Racing Fairs and Associations	.50	.50
All Others	.60	.60
Simulcast Organization:		
Expenses	2.50	2.50
Purses	.05	.05
Commissions	3.25	4.875
Purses	3.25	4.875
TOTAL	<u>15.43%</u>	<u>20.18%</u>

Northern Harness, Quarter Horse, Appaloosa & Mixed Breed Meetings

	Conventional	Exotic
State License Fee	1.00%	1.00%
General Fund	.05	.05
Breeder's Awards	.40	.40
Local Government	.33	.33
Equine Research	.10	.10
Guest Location	2.00	2.00
Simulcast Organization:		
Expenses	6.00	6.00
Promotion	1.00	1.00
Purses	.05	.05
Commissions:		
Harness	2.75	6.625
Quarter Horse	2.85	5.725
Purses:		
Harness	2.75	6.625
Quarter Horse	2.85	5.725
TOTAL - HARNESS	<u>16.43%</u>	<u>24.18%</u>
TOTAL - QUARTER HORSE	<u>16.63%</u>	<u>22.38%</u>



Off-Track Handle Distribution

Northern Fair Race Meetings

	Conventional	Exotic
State License Fee	1.50%	3.00%
Fairs and Exposition Fund	1.00	1.00
General Fund	.05	.05
Breeder's Awards	.40	.40
Local Government	.33	.33
Equine Research	.10	.10
Stabling/Vanning		
Racing Fairs and Associations	.50	.50
All Others	.40	.40
Guest Location	2.00	2.00
Promotion		
Racing Fairs and Associations	.50	.50
All other	.60	.60
Simulcast Organization:		
Expenses	6.00	6.00
Purses	.05	.05
Commissions:	2.17	3.795
Purses:	<u>2.17</u>	<u>3.795</u>
TOTAL	<u>16.77%</u>	<u>21.52%</u>



Off-Track Handle Distributions

Central & Southern Thoroughbred Race Meetings

	<u>Conventional</u>	<u>Exotic</u>
State License Fee	2.50%	4.00%
General Fund	.05	.05
Breeder's	.40	.40
Local Government	.33	.33
Equine Research	.10	.10
Stabling/Vanning Fund	.50	.50
Guest Location	2.00	2.00
Simulcast Organization:		
Expenses	2.50	2.50
Promotion ¹	1.00	1.00
Purses	.05	.05
Commissions	3.00	4.625
Purses	3.00	4.625
TOTAL	<u>15.43%</u>	<u>20.18%</u>

Central & Southern Fair Race Meetings (Thoroughbred Races)

	<u>Conventional</u>	<u>Exotic</u>
State License Fee	1.50%	3.00%
Fairs and Exposition Fund	1.00	1.00
General Fund	.05	.05
Breeder's	.40	.40
Local Government	.33	.33
Equine Research	.10	.10
Stabling/Vanning Fund	.50	.50
Guest Location	2.00	2.00
Simulcast Organization:		
Expenses	6.00	6.00
Promotion ¹	1.00	1.00
Purses	.05	.05
Commissions	1.92	3.545
Purses	1.92	3.545
TOTAL	<u>16.77%</u>	<u>21.52%</u>

1) Effective July 27, 1992; Chapter 367, Statutes of 1992 provides that for wagers made on thoroughbred races at specified locations in Los Angeles and Orange counties, promotion is reduced to 0.50 percent and purses and commissions increased equally by 0.25 percent.



Off-Track Handle Distributions

Central & Southern Harness, Quarter Horse Appaloosa, & Fair Meetings (Non-Thoroughbred Races)

	Conventional	Exotic
State License Fee: Fairs	1.50%	3.00%
State License Fee: All Others	1.00	1.00
Fair and Exposition Fund: Fairs only.	1.00	1.00
General Fund	.05	.05
Breeder's Awards	.40	.40
Local Government	.33	.33
Equine Research	.10	.10
Guest Location	2.00	2.00
Simulcast Organization:		
Expenses	6.00	6.00
Promotion	1.00	1.00
Purses	.05	.05
Commissions:		
Harness	2.75	6.625
Quarter Horse	2.35	4.725
Fairs	2.17	3.795
Purses:		
Harness	2.75	6.625
Quarter horse	2.35	4.725
Fairs	2.17	3.795
TOTAL - HARNESS	<u>16.43%</u>	<u>24.18%</u>
TOTAL - QUARTER HORSE	<u>15.63%</u>	<u>20.38%</u>
TOTAL - FAIRS	<u>16.77%</u>	<u>21.52%</u>



Breakage

The total amount of breakage accrued during Fiscal Year 1994-1995 is as follows:

To State	\$2,984,463
To Commissions	4,242,895
To Purses	8,399,437
To Sires Stakes	<u>221,499</u>
Total Breakage*	\$15,626,795

* Accrued receipts total is as reported by CHRB as of end of Fiscal Year 1994-95.



**Redistributable Money in Parimutuel Pools (Unclaimed Tickets)
Business and Profession Code Section 19641**

REDISTRIBUTABLE MONEY IN PARIMUTUEL POOLS (UNCLAIMED TICKETS)

1994/95	<u>TB</u>	<u>QH</u>	<u>HH</u>	<u>Fairs</u>
Los Angeles Turf Club	\$ 598,659.32			
Hollywood Park Operating.	606,494.11			
Del Mar Thoroughbred Club	304,747.88			
Oak Tree Racing Assn.	139,606.30			
Bay Meadows Racing Assn.	0			
Pacific Racing Assn.	<u>200,714.25</u>			
	\$1,850,221.86			
Horsemen's Quarter Horse		\$173,287.75		
California Harness Racing Association			56,679.75	
Los Angeles County Fair				115,139.25
CARF				280,354.20
				\$395,493.45



Escheated (Uncashed) Parimutuel Tickets

Pursuant to Section 19641 of the Horse Racing Law, winning parimutuel tickets can be cashed by the racing association until May 15 of the year following the year in which the race meet ends. After May 15, the unclaimed monies are distributed as indicated below.

This unclaimed money in the pool is the amount remaining when individuals fail to present winning parimutuel tickets for cashing. Racing patrons may mistakenly tear-up, lose, or forget winning tickets. In some cases, racing patrons have, many months after the meeting, presented valid parimutuel tickets entitling them to a parimutuel payoff.

The amounts derived from unclaimed parimutuel tickets during the Fiscal 1994-95 racing year totaled \$2,475,683.

All such unclaimed money resulting from the thoroughbred, harness or quarter horse meetings, but excluding the meetings of the California Exposition and State Fair, county, district agricultural association, or citrus fruit fair meetings shall be distributed as follows:

1. Fifty percent shall be used by the Board to support research on matters pertaining to horse racing and race track security. The redistributable money provided to the Board pursuant to this paragraph shall be subject to annual budgetary review by the Legislature.
2. Fifty percent shall be paid to a welfare fund established by the horsemen's organization contacting with the association with respect to the conduct of racing meetings for the benefit of the horsemen, and said organization shall make an accounting to the Board within one calendar year of the receipt of such payment.

All unclaimed money from other meetings shall be paid immediately into the State Treasury to the credit of the General Fund.



Occupational Licenses and Fees

Fiscal Year 1994 - 1995
 July 1, 1993 through June 30, 1994

Type of License	Fee	Issued	Total
Stable	\$ 300	128	\$ 38,400
Multiple Ownership	300	16	4,800
Horse Owner-Open Claim	250	78	19,500
Officer/Director/Partner	200	24	4,800
Horse Owner	150	3,092	463,800
Trainer, Assistant Trainer	150	270	40,500
Harness Horse Driver-Trainer	150	24	3,600
Jockey/Apprentice Jockey	150	122	18,300
Jockey Agent	150	23	3,450
Racing Official/Manager of Association	150	69	10,350
Bloodstock Agent	150	14	2,100
Veterinarian	150	35	5,250
Association Employee	75	159	11,925
Valet/Custodian/Attendant	75	6	450
Parimutuel Employee/Tote	75	648	48,600
Horseshoer	75	32	2,400
Exercise Rider/Pony Rider	75	276	20,700
Misc. Employee/Stable Agent			
Vendor	75	222	16,650
Authorized Agent	25	380	9,500
Replacement License	15	475	7,125
Annual Groom/Stable Employee (Original)	35	649	22,715
Annual Groom/Stable Employee (Renewal)	20	2,540	50,800
		9,282	\$805,715



Fines Imposed in 1994 - 1995

THOROUGHBRED MEETINGS - CENTRAL & SOUTHERN ZONES

<u>Location</u>	<u>Rulings</u>	<u>Imposed</u>	<u>Inclusive Dates</u>	<u>Paid</u>
Santa Anita	130	\$8,140.00	12/26/94 - 04/24/95	\$7,940.00
Hollywood Park	88	10,300.00	04/26/94 - 07/24/94	10,300.00
Del Mar	92	4,800.00	07/27/94 - 09/14/94	4,800.00
Santa Anita	59	5,105.00	10/05/94 - 11/07/94	5,105.00
Hollywood Park	62	2,505.00	11/09/94 - 12/24/94	2,355.00

THOROUGHBRED MEETINGS - NORTHERN ZONE

Bay Meadows	139	\$6,565.00	08/26/94 - 01/16/95	\$6,540.00
Golden Gate	37	2,560.00	01/18/95 - 03/19/95	2,560.00

QUARTER HORSE MEETINGS - STATEWIDE

Los Alamitos	265	\$33,535.00	04/15/94 - 12/17/94	\$32,085.00
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HARNESS MEETINGS - STATEWIDE

Cal Expo	42	\$5,000.00	03/31/95 - 07/23/95	\$4,450.00
Los Alamitos	55	1,970.00	12/22/94 - 03/25/95	1,845.00

FAIR AND MIXED MEETINGS - STATEWIDE

Stockton (F)	3	\$ 250.00	06/13/95 - 06/25/95	\$ 250.00
Pleasanton(F)	4	600.00	06/28/94 - 07/10/94	600.00
Vallejo(F)	20	800.00	07/12/94 - 07/24/94	800.00
Santa Rosa (F)	15	1,275.00	07/26/94 - 08/07/94	1,275.00
San Mateo(F)	13	1,250.00	08/08/94 - 08/21/94	1,250.00
Ferndale(F)	1	200.00	08/11/94 - 08/21/94	200.00
Sacramento(F)	10	100.00	08/23/94 - 09/05/94	100.00
Pomona(F)	20	1,390.00	09/15/94 - 10/03/94	1,390.00
Fresno(F)	12	3,100.00	10/04/94 - 10/16/94	3,100.00



Statement of Distribution by Fund of Horse Racing Revenues

For The Period July 1, 1994 Through June 30, 1995

	DETAIL	TOTAL
REVENUE TO FAIR & EXPO		
Parimutuel License Fees, Fund 191:		
0.63 % - total handle	\$14,470,543	
1.00 % - fair handle	1,860,993	
Escheat of unclaimed warrant	100	
Section 19620-A	265,000	
Section 19620-B	8,284,000	
Total 191 Fund		<u>\$24,880,636</u>
Satellite Wagering Fees, Fund 192:		
Satellite Wagering		
Other regulatory, licenses, and permits - purses	\$12,112,254	
Total 192 Fund	805,524	<u>12,917,778</u>
REVENUE TO GENERAL FUND		
Horse racing licenses	\$66,512,813	
Breakage	2,974,745	
Fines & Penalties	90,240	
Unclaimed Parimutuel Tickets	395,493	
Unclaimed Parimutuel Tickets Race Track		
Security	1,817,189	
Occupational Licenses	1,075,190	
Miscellaneous Income	13,463	
Total General Fund		<u>72,879,133</u>
WILDLIFE RESTORATION		
Horse racing licenses		<u>750,000</u>
Race Track Security		263,000
TOTAL REVENUE		<u>\$111,690,547</u>



Other Public Revenues

In addition to revenues collected from horse racing meetings by the Board, other public revenues are derived from horse race meetings in California.

During the FY 1994-1995 racing year, there were 1,895 horses "claimed" at authorized race meetings. The "Claiming" of a race horse is in effect a sale of the horse at designated price (as established by the conditions of the race) to a qualified person who submits a "Claim" for the horse at least 15 minutes prior to the race in which the owner of the race horse established the competitive value of the horse. For example, in a claiming race where the claiming price is established by the Racing Secretary as \$10,000, an owner of a horse may enter the horse in the race if willing to lose the horse to another owner (or qualified person) for the price of \$10,000. An owner who over-values the horse will find competition in the race too severe and will not win a purse - but probably retain the horse; the owner who under-values the horse may well win a purse but in all probability lose title to the horse to a successful claimant. Thus it is the owner who establishes the true competitive value of a horse in a claiming race. Inasmuch as the claim of a horse is in fact a purchase, State sales tax is collected on the amount of the claim. During 1994-1995 racing year, the total amount paid for claiming of horses was \$28,000,925, resulting in sales tax revenues (based on *.25%) of \$2,243,351.

A breakdown of these figures by race meet follows.

Chapter 1202, Statutes of 1982, changed the existing provisions for local license fees and admission taxes. This statute authorizes every racing association other than the California Expo and State Fair or a county or district agricultural association fair to elect permanently to deduct up to .33 of 1% from all parimutuel pools and to distribute the amounts to the city or county where the racing meeting is held if the city or county passes an ordinance to accept such fees in-lieu of admission taxes and license fees. All eligible racing associations have elected to deduct the .33% and during the FY 1994 - 1995 racing year \$7,953,009 was distributed to local governments under this provision.

STATISTICS FOR HORSES CLAIMED

TRACK LOCATION	HORSES CLAIMED	AMOUNT PAID	SALES TAX
THOROUGHBRED MEETINGS - NORTHERN			
Bay Meadows	212	\$2,419,250	\$199,588
Golden Gate Fields	240	2,825,500	233,103
Sub-total	452	5,244,750	432,691
THOROUGHBRED MEETINGS-CENTRAL-SOUTHERN			
Santa Anita	324	\$7,229,500	\$596,434
Hollywood (Spring)	190	4,224,000	348,480
Del Mar	179	4,350,000	304,500
Oak Tree	82	1,702,000	140,415
Hollywood (Fall)	109	2,245,000	185,212
Sub-total	884	19,750,500	1,575,041
HARNESS MEETINGS-STATEWIDE			
Los Alamitos	22	\$172,625	13,378
Cal Expo	11	86,500	6,703
Sub-total	33	259,125	20,081
QUARTER HORSE MEETINGS-STATEWIDE			
Los Alamitos	364	\$1,421,450	110,162
Sub-total	364	1,421,450	110,162
FAIR AND MIXED MEETINGS-STATEWIDE			
Stockton	11	49,950	3,871
Pleasanton	23	180,900	14,019
Vallejo	14	103,450	8,017
Santa Rosa	19	105,450	8,172
San Mateo	24	245,900	19,057
Ferndale	0	0	0
Sacramento	14	85,200	6,603
Pomona	54	536,750	44,281
Fresno	3	17,500	1,356
Sub-total	162	1,325,100	105,376
Grand Total	1,895	\$28,000,925	\$2,243,351



Track Commissions and Horsemen's Purses

Track Operator's Commissions

Under the system known as parimutuel wagering, the racing association acts as the stakeholder for all wagers, deducting from each parimutuel wagering pool the statutory "take-out" which includes the State license fee, the percentage deduction for purses, and the track's commission.

Track commissions are found in the preceding license fee rate schedules of this report. It should be noted that as the State license fee increases with increases to parimutuel handle at a race meeting, the track commissions and the purses must necessarily decrease.

Unlike businesses which may adjust mark-ups to reflect additional costs of operation, the racing associations must operate within the fixed percentages mark-up pending adjustments through statutory amendment.

Commissions retained by California racing associations during FY 1994-95 totaled \$145,277,543.

Horsemen's Purses

As with track operator's commissions, the purses for race meetings are determined by the rate schedules or in some cases by agreement with the racing association.

In order for the individual racing associations to establish its daily purse structure for the race meeting, the association must first make a projection of the amount of parimutuel wagers it expects to handle. The actual purses to be paid for any one race, or for the day's races are determined by the Racing Secretary's projections of "handle" and must be revised during the course of the race meeting as projections of aggregate handle are exceeded or diminished. Each racing association publishes its "condition book" containing the conditions of the races, and the purses to be paid for a period in its meeting - usually two weeks - or for its entire meeting if a fair meeting. The racing association must also conclude an agreement with the respective horsemen's organization representing the horsemen at its meeting to establish the percentage of the total purses which may be used for Stakes races. Other items in the agreement often include matters relating to stabling accommodations, and costs of off-track stabling, security and vanning.

Purses for California race meetings during FY 1994 - 1995 totaled \$151,432,092.

Of this total, \$12,484,013 was paid out in Breeder's and Owner's premiums.*

* Detail of total will be presented in the Statistical Report for 1995.



Authorized Horse Sales

In accordance with the provisions of Section 24016 of the Food and Agriculture Code, the California Horse Racing Board supervises authorized horse sales when such sales are solely for the sale of race horses or breeding stock that is used in the production of race horses and when such sales are conducted on the premises of a racing association. During FY 1994 - 1995, the following sales were supervised:

BARRETTS EQUINE LTD THOROUGHBRED SALES

FAIRPLEX

- | | |
|---------------------------------|----------------|
| 1. Fall Sale - All ages | October 24, 25 |
| 2. Winter Mixed Sale | January 23 |
| 3. March Selected Two-Year-Olds | March 7, 8 |
| 4. Spring Two-Year Olds | May 15,16 |

A total of 1,033 horses were sold for \$29,656,500 which generated \$614,000 in sales tax.

CALIFORNIA THOROUGHBRED BREEDERS ASSOCIATION SALES

- | | |
|--------------------------|----------------------|
| 1. Del Mar Yearling Sale | August 16
Del Mar |
|--------------------------|----------------------|

A total of 49 horses were sold for \$951,500 which generated \$53,655 in sales tax.

QUARTER HORSE SALES

- | | |
|----------------------------|------------------------|
| 1. PCQHRA Yearling Sale | October 17
Fairplex |
| 2. PCQHRA Mixed Stock Sale | October 17
Fairplex |

A total of 120 horses were sold for \$425,800 which generated \$31,414 in sales tax.

During FY 1994 - 1995, 1,202 horses were sold for a total of \$31,033,800. These sales generated a total of \$699,069 in sales tax. The Board assigns an Official Veterinarian and an Investigator of the Board to supervise each horse sale. Prospective purchasers may review the reported medication record of any horse offered for sale and purchasers of a horse may request a verifying blood test of the horse bought.



California Horse Breeding Programs

A principal stated intent of the Horse Racing Law is to encourage agriculture and the breeding of horses in this State. To carry out and effectuate this stated intent, the Horse Racing Law provides various incentives for California horse breeders and for owners of California-bred horses and those incentives were revised and augmented by AB 3383 effective January 1, 1981.

Section 19568 of the California Business & Professions Code dealing with Horse Racing Law, requires every licensee association conducting a horse racing meeting in this State to provide, each racing day, for the running of at least one race limited to California-bred horses provided that sufficient competition can be had among horses of that class on any day. Section 19567 provides for an award equal to 10% of the first place money of any purse won in any race and that the award is paid to the breeder of the winning California-bred horse.

A further incentive to own a California-bred horse is provided by Owners' Premiums. These are funds that are generated from 13.33% (25.00% in the case of Quarter Horses) of the amount specified for purse payments from the optional additional take-out not to exceed 3% which is deducted from exotic wagering parimutuel pools. Owners' premiums are distributed on a pro-rata percentage basis to persons owning California-bred horses that are in races having a total purse value of certain qualifying amounts.

In addition to Breeders' Awards and Owners' Premiums, a Stallion Award is made to the owner or owners of qualified California thoroughbred stallions standing in California, whose progeny win races in California having a certain qualifying gross purse. A Breeders' Award is also paid, for a California-bred thoroughbred, when the horse wins a Graded Stakes race outside the state, or when the horse finishes second or third in a race run in California.

These California breeders programs and distribution of awards and premiums are administered by the recognized California breeders' organizations of the various breeds.

THOROUGHBRED BREEDERS' PROGRAMS

The California Thoroughbred Breeders' Association administers the California-bred awards, owners' premiums and stallion awards for thoroughbreds. At California thoroughbred race meetings, the amount of .34% on track and .40% of off track of all parimutuel pools is deducted as take-out and transferred to the California Thoroughbred Breeders' Association (CTBA) for distribution. A further amount equal to 13.33% of that portion of the optional take-out from exotic wagering specified for purses is likewise transferred to the CTBA for distribution.

During fiscal year 1994-95, \$12,000,000 (not a final amount) was generated by the .34% of the handle and by the 13.33% share of the optional take-out. The CTBA is authorized to deduct up to 5% for administrative overhead and expenses.

The Incentive Awards Program distributes monies as follows: 55% to breeder awards, 15% to owner awards, 20% to stallion owner awards, and 10% to the California-Bred Race Fund. Breeders, owners, and stallion owners receive a prorated share of total monies available in their respective program. All races must be run before awards can be determined. Therefore, incentive award payments are made only once a year.

STANDARD BRED BREEDERS' PROGRAM

The California Standardbred Sires Stakes

On January 1, 1985, the administration of the Standardbred Breeders' Program was transferred to the California Standardbred Sires Stakes Committee, Inc., a California non-profit public benefit corporation. This change was mandated by the passage of AB 2585 (Chapter 860/84). The Sires Stakes Committee is authorized to deduct expenses (not to exceed 4% of funds generated) for administering the Standardbred Breeders' Program.

The program is funded from the breakage at harness meetings and an additional 1% take-out on all exotic wagering at harness meetings. In fiscal year 1994 - 95 the program generated \$35,000.00 for Harness horsemen.



Quarter Horse Breeders' Program

During fiscal 1994 - 95, Pacific Coast Quarter Horse Racing Association, as the recognized breeders organization, paid \$422,332 (not a final amount) to fund their breeders' program. The source of these funds was .34% of the on track and .40% of the off track handle on Quarter Horse racing at the fair race meetings, .20% of the handle at Quarter Horse race meetings, and a proportional payment of the monies required by Section 19567 by the State, the association, and the horsemen. This was in accordance with Section 19617(b) (2) and 19617.7 of the Business and Professions Code.

Appaloosa Breeders' Program

During fiscal year 1994-95 Cal-Western Appaloosa Racing, Inc., as the recognized breeders' organization, received \$57,118 (not a final amount) for their breeders' program. This money was received as Breeders' Awards (.34% of the on track and .40% of the off track handle on Appaloosa racing) per Section 19617.5 and 19617.8 of the Business and Professions Code, and Owners' Premium per Section 19614.2(e).

Arabian Breeders' Program

In 1994-95 fiscal year, the California Arabian horse breeders' awards received \$75,652 for their program per Section 19617.5 and 19617.8 of the Business and Professions Code. (Note: The above amount is not a final total).



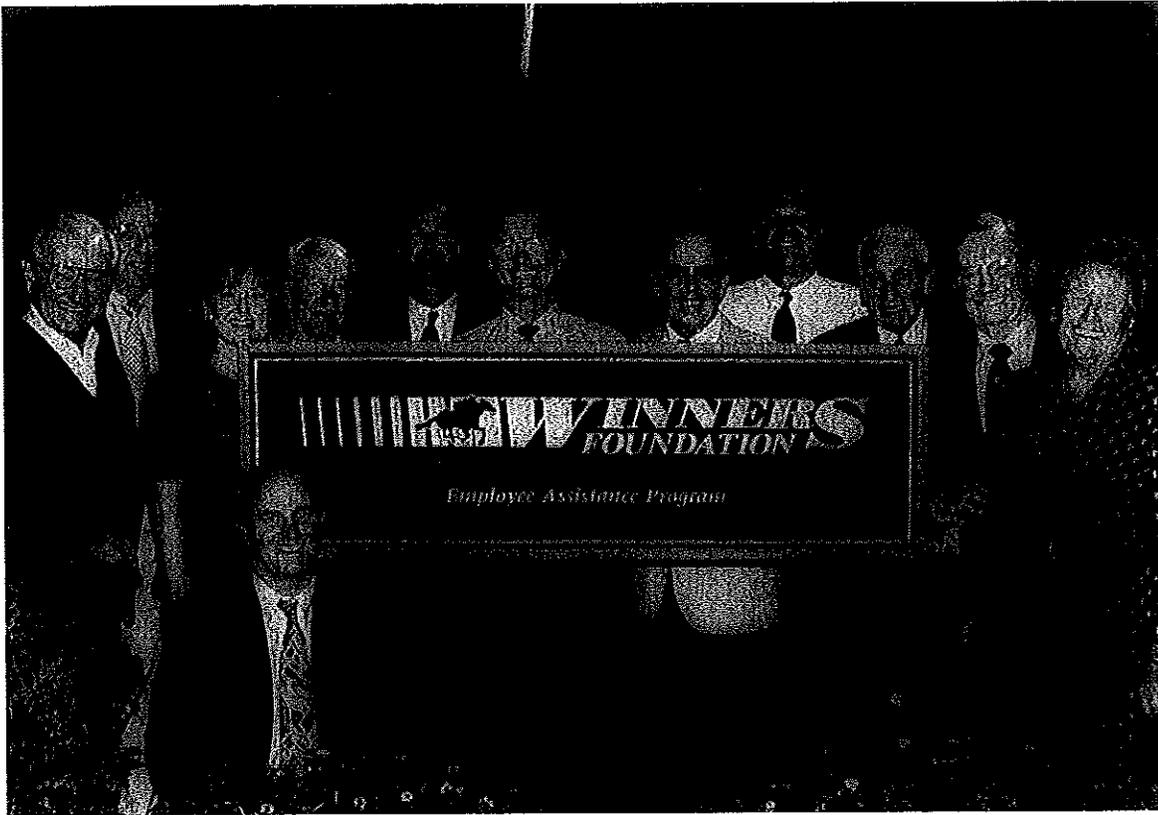
CHARITY DAYS

The California horse racing associations, as a condition of license and as specified by the Horse Racing Law, Sections 19550 - 19557, are obligated to conduct a specified portion of their race meetings for the benefit of charity with the net profits (not to exceed .2% of the ontrack handle) from the charity days operations dedicated to charitable programs. Each racing association obligated to conduct charity day racing establishes a distributing agent (charity foundation) whose members may not be connected with the racing association and who must be a member of a governing board of an organization engaged in civic, religious, charitable, educational, and/or veteran activities in the State. Recent law changes allow racing associations whose board of directors or trustees serve in that capacity without compensation to act as their own distributing agent. The Oak Tree Racing Association and the Del Mar Thoroughbred Club requested that the Board allow them to act as their own distributing agents. At the February 1995, California Horse Racing Board Meeting, their requests were approved by the Board to commence with the proceeds from the 1995 race meets. Each race meeting which is 14 weeks or less in length must conduct three (3) charity racing days during the course of their meet. Meets that are longer than 14 weeks in length must conduct five (5) charity racing days. On charity racing days the racing association furnishes its plant, facilities and all personnel, and property necessary for the conduct of racing. The income from all operations of the race meeting on the charity racing days, less deductions for actual expenses (but not overhead expenses which would be incurred irrespective of the conduct of the racing and not to exceed .2% of the ontrack handle), is made available for charitable purposes. Within 12 months of the receipt of the charitable funds, the charity distributing agent distributes not less than 90% of the funds to charities meeting the statutory criteria and approved by the Board. During Fiscal Year 1994-95, the Board approved \$2,004,175 for distribution to 297 beneficiaries. In FY 1994-95, funds were distributed by the following charitable foundations:

Golden Gate Fields Foundation
Hollywood Park Racing Charities
Del Mar Charities
Oak Tree Foundation
Santa Anita Foundation



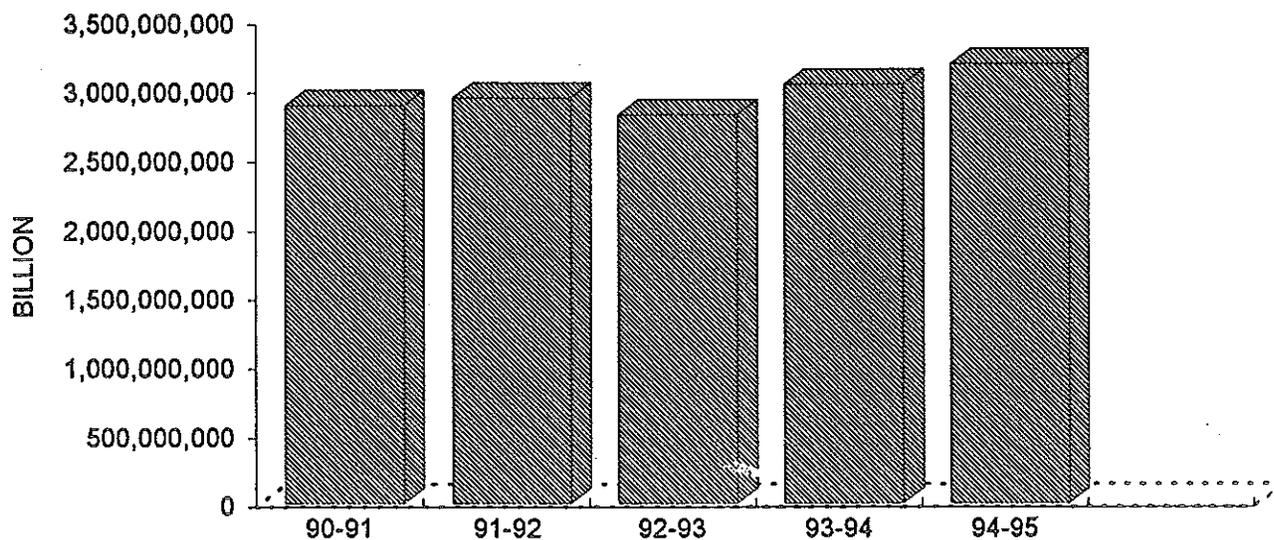
CHARITY DAYS



The Winners Foundation is one beneficiary of charity days proceeds. Members of the Winners Foundation Board of Directors, representing all segments of the industry, gather at the organization's new headquarters on the backstretch at Santa Anita Park prior to a recent meeting. From left, noted owner-breeder Robert Lewis; Foundation Executive Director Don Murray; Sue Temple, Oak Tree corporate administrator; Ray Rogers, retired racing executive; Michael Finnegan, Hollywood Park; Joe Harper, Del Mar; Jack Disney, Southern California racing publicist; Foundation President Gino Roncelli; Howard Koch, Hollywood Park; Noble Threewitt, trainer and California Horsemen's Benevolent and Protective Association (CHBPA), Doris Johnson, Bay Meadows and (kneeling), Charles Dougherty, (CHBPA).



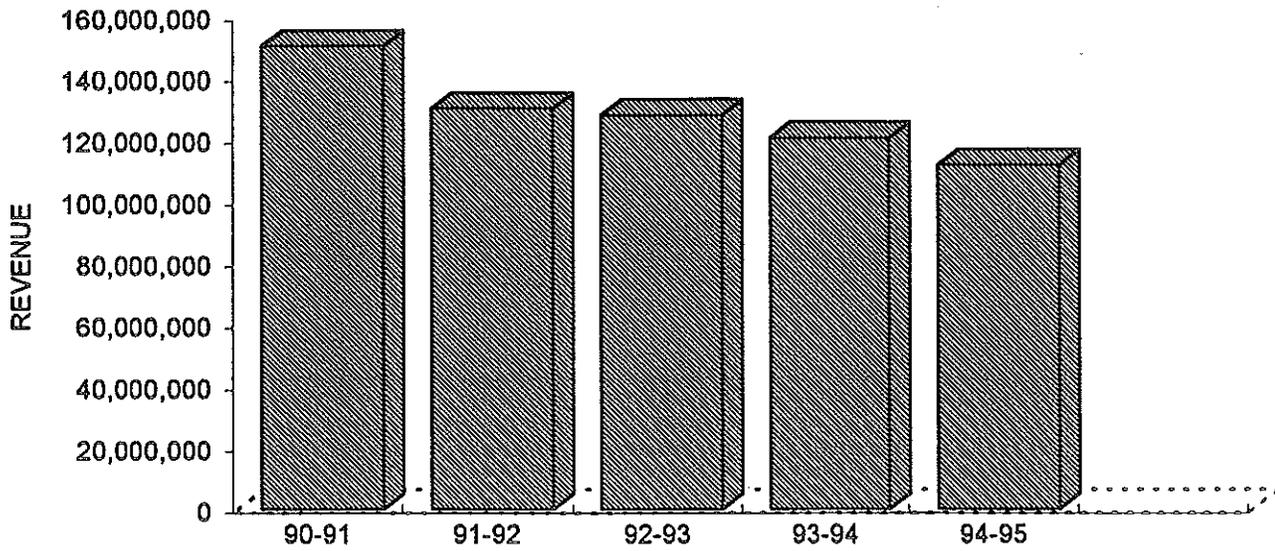
TOTAL HANDLE
COMMINGLED POOLS



With an interstate handle of \$676 million, California tracks reported a record handle of \$3.18 billion for FY 94-95. That was an increase of 4.7% over the previous year.



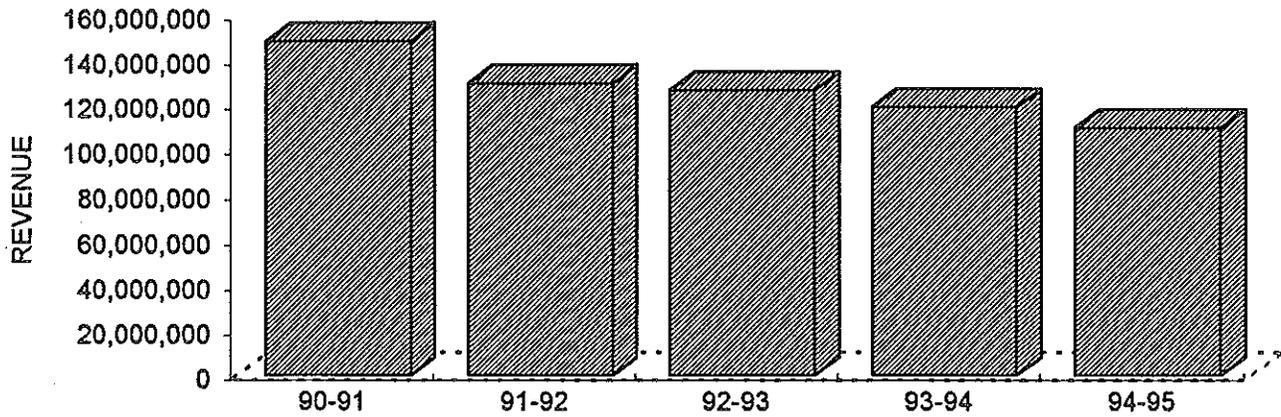
REVENUE TO STATE
Cash Receipts



Since a high of \$150 million in FY 1990-91, fees collected from all horseracing sources have fallen 26%. Of the \$111 million collected during FY 1994-95, \$73 million went to the General Fund, and \$38 million went to the Fairs and Expositions.



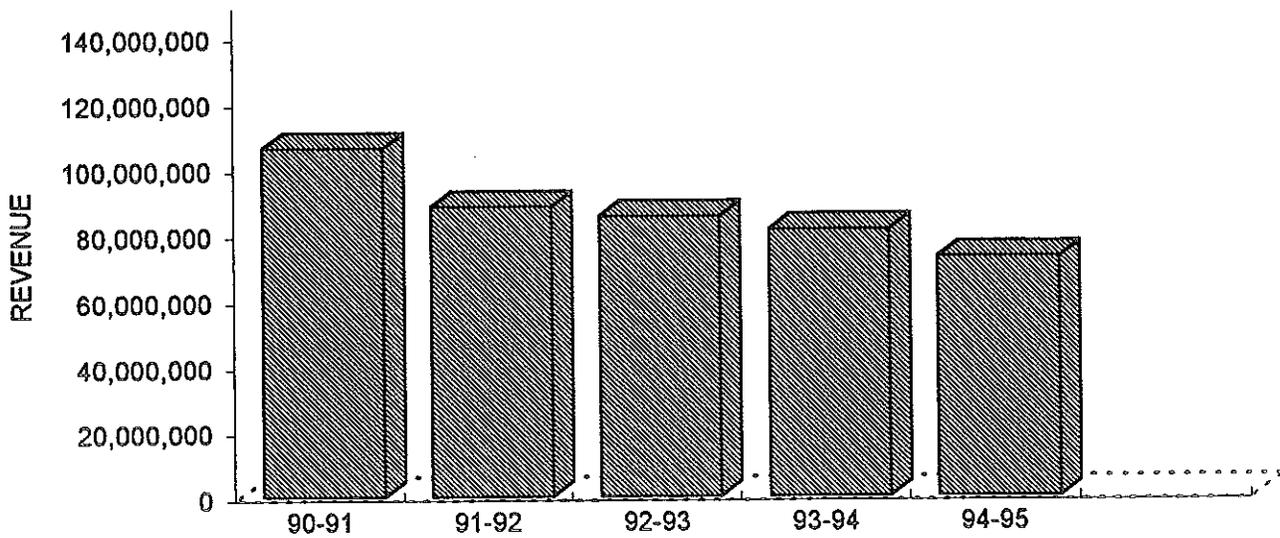
PARIMUTUEL FEES
License Fee Receipts Received



Licensing fees account for 99% of all revenue collected by the State from horseracing. During the FY 94-95, \$109 million was collected from parimutuel fees. Thoroughbred racing contributed \$101 million.



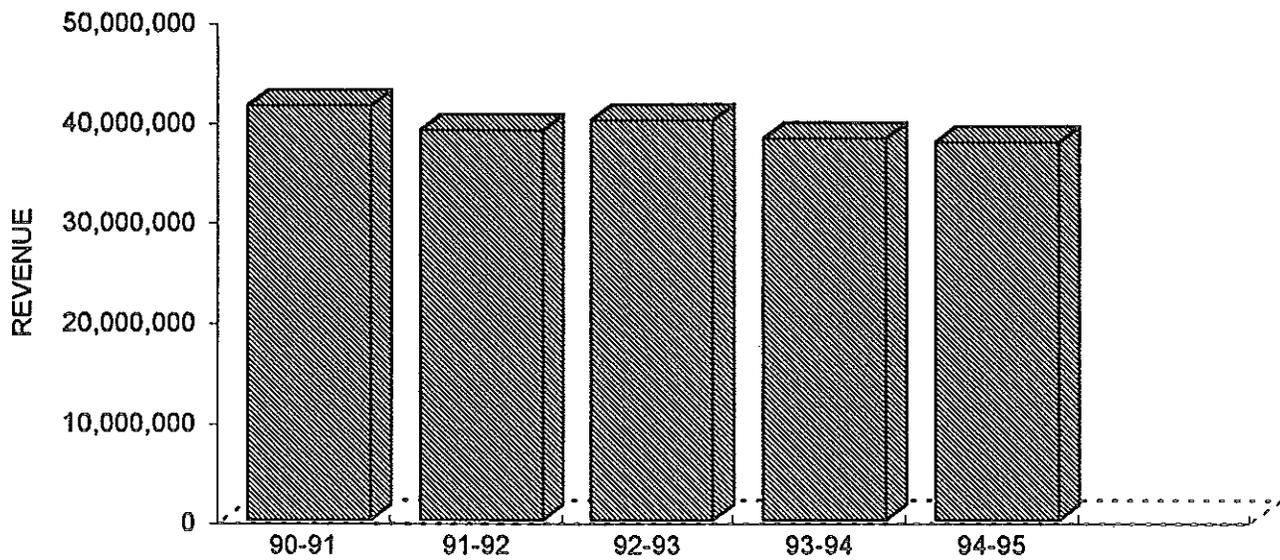
GENERAL FUND
Cash Receipts Received



General Fund transfers from licensing fees were down 10.3%, or \$8.4 million from FY 93-94. This is the sixth consecutive year for the downward trend.



FAIRS & EXPOSITIONS
Cash Receipts Received



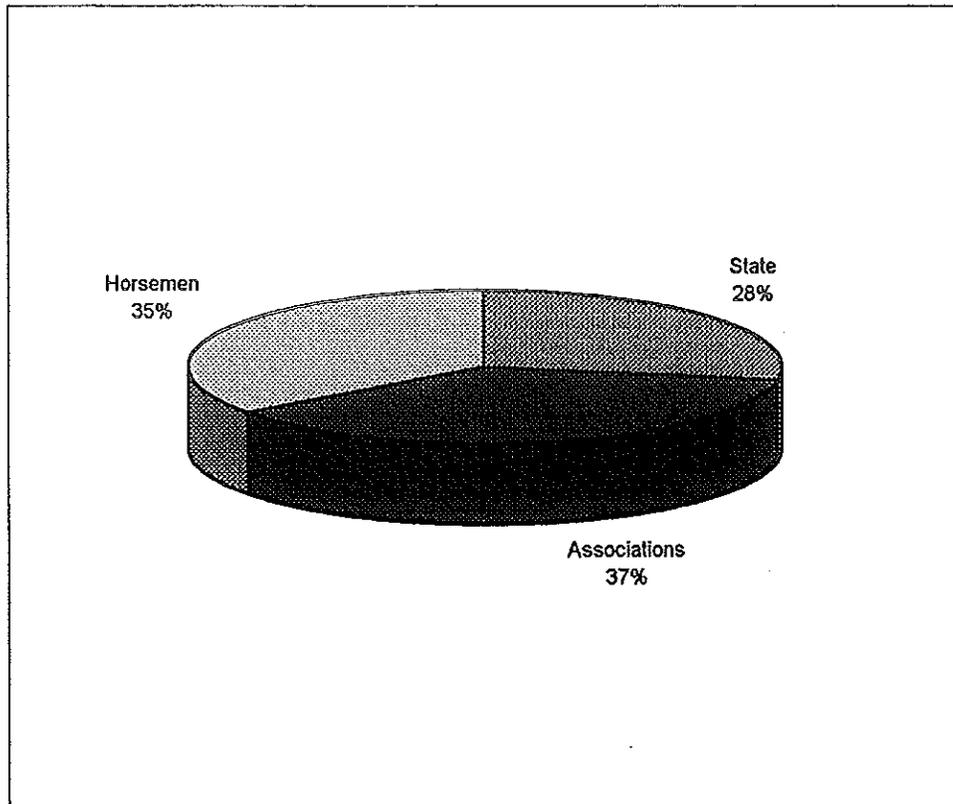
Distribution from licensing fees to the Fairs was down 1% from funds received in FY 93-94. Fairs received \$37.8 million in FY 94-95.



Fiscal Year 1994 - 1995

DISTRIBUTION OF PARIMUTUEL RECEIPTS

Meetings /1	State	Associations	Horsemen	Ratios
Thoroughbred	\$ 100,999,671	\$ 123,174,325	\$ 117,654,576	30:36:34
Harness	573,616	3,328,146	3,063,027	8:48:44
Quarter Horse	1,392,340	9,851,440	9,082,601	7:48:45
Fairs	6,659,279	8,923,632	9,147,875	27:36:37
Totals /2	\$ 109,624,906	\$ 145,277,543	\$ 138,948,079	28:37:35



1. Horsemen's awards from handle. Does not include Breeders and Stallion Awards.
2. Accrued. Subject to final audit.



The California Horsemen's Organization

Section 19613.2 of the Horse Racing Law requires that the California Horse Racing Board determine the organizations that represent California horsemen with respect to each breed. The following are the horsemen's organizations currently recognized by the Board:

1. Thoroughbred Owners of California (TOC) for thoroughbred owners.
2. California Horsemen's Benevolent and Protective Association (CHBPA) for thoroughbred trainers.
3. California Harness Horsemen's Association (CHHA) for harness horsemen.
4. Pacific Coast Quarter Horse Racing Association (PCQHRA) for quarter horsemen.
5. Cal-Western Appaloosa Racing, Inc. for appaloosa horsemen.
6. Arabian Racing Association of California (ARAC) for arabian horsemen.

The Horsemen's Organizations Welfare Funds

As provided in Section 19641(b) of the Horse Racing Law, 50% of the unclaimed redistributable money in parimutuel pools (uncashed parimutuel ticket amounts) resulting from thoroughbred, harness or quarter horse race meetings shall be paid to the welfare fund established by the horsemen's organization contracting with the association for the conduct of the race meeting for the benefit of horsemen.

Pursuant to the provisions of Section 12580 through 12597 of the Government Code, the horsemen's organizations welfare funds must be registered with the Registry of Charitable Trusts of the Office of the Attorney General. The three horsemen's organizations have established and maintain the following welfare funds:

1. **The California Thoroughbred Horsemen's Foundation, Inc.**
285 W. Huntington Drive
P. O. Box 3747
Arcadia CA 91006
(Registry of Charitable Trusts No. 4833)
2. **California Harness Horsemen's Association Welfare Fund**
11132 Winners Circle, Suite 208
Los Alamitos CA 90720
(Registry of Charitable Trusts No. CT 21800)
3. **Quarter Horse Benevolent Charity Foundation**
8295 Westminster Blvd., Suite 160
Westminster CA 92683
(Registry of Charitable Trusts No. CT 18221)

Each of the foregoing welfare funds have a state tax exempt status under the provisions of Section 23701 of the Revenue and Taxation Code.



Need for the Welfare Program

There are approximately 11,300 licensed backstretch persons who are potential recipients for care and services provided by the welfare funds. These persons include those engaged in occupations such as groom, stable employee, exercise rider, pony rider, night watchman, and stable foreman. Approximately 75% of these recipients are hispanic, 20% caucasian and 5% black. The average worker in these classes earns from \$580 to \$800 per month and the average worker's family consists of three dependents. Due to the transient nature of the employment, a substantial number of the workers "travel the circuit" from race track to race track and are not permanent members of any community other than the racing community. Fully one-third of the workers leave racing occupations by the end of one year or assume a similar occupation in another racing jurisdiction, being replaced on a continual basis by new licensees. This transience affects the ability of the individual worker to maintain adequate benefits such as health insurance, pension and unemployment support, and complicates the individual's ability to obtain social service aid from available resources.

The racing industry recognized the need for the welfare program but has been unable to support fully the financial requirements of the program through voluntary contributions and racing charity funds, especially the costs of medical care for non-occupational sickness and injury and for dental care.

California Thoroughbred Horsemen's Foundation, Inc.

Prior to 1981, the California Thoroughbred Horsemen's Foundation, Inc., programs were funded by voluntary contributions and by contractual assessments upon the racing associations. The programs are not supported in the main from funds received pursuant to Sections 19641(b)(2) and 19613(d) of the Horse Racing Law. Section 19613(d) provides that of the portion of the takeout to be paid as purses at fair race meetings, 1% shall be transferred to the Horsemen's Organization Welfare Fund. There is a commingling of funds from these two sources and thus the report must necessarily include receipts and expenditures attributable to both sources. There are from 9,300 to 10,200 persons regularly or occasionally employed in the racing industry who are potential recipients of Welfare Fund benefits at thoroughbred race meetings in California.

CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

Annual Report to the California Horse Racing Board

July 1, 1994 through June 30, 1995

Pursuant to Section 19641(b) of the Horse Racing Law, fifty percent (50%) of unclaimed, redistributable money in parimutuel pools resulting from Thoroughbred race meetings is remitted to the California Thoroughbred Horsemen's Foundation, Inc. These funds, along with 1% of the take-out to be paid as purses at fair race meetings, represent the majority of the income received by CTHF.

CTHF was organized to make appropriate use of these funds to improve the quality of life in the backstretch community of California. In providing medical, dental, optometric, and social-welfare benefits, CTHF strives to raise the standard of living of horsemen and their families, and to offer an incentive to continue their employment in the care of Thoroughbred horses.

The following individuals constitute the volunteer Board of the CTHF:

Noble Threewitt, President

Mike Ames

Richard Carlson

Leonard Dorfman

Jay Robbins

Advisors include:

Rick Arthur, D.V.M.

Russell Maatz, M.D.

David Williams, Esq.

Officer and Senior Staff include:

Mary Ellen Mitchell, Secretary-Treasurer

Irene Stephenson, Health and Welfare Coordinator

Charles Dougherty, Jr., No. California Health/Welfare Representative

The following report is prepared for the California Horse Racing Board by Mary Ellen Mitchell, CTHF Treasurer:

CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

Annual Report to the California Horse Racing Board

1. Report of Operations for the Fiscal Year 1994 - 1995

This fiscal year CTHF undertook the major task of constructing a 5,000 square foot facility on the grounds of the Santa Anita Racetrack. Opened May 1995, this building houses the CTHF Medical/Dental/Optomeric Clinic, as well as our Administrative offices. By providing a more efficient work space for the Clinicians, and consolidating the CTHF offices on site, we have achieved better access for backstretch workers to services available, and improved communication between CTHF Departments. Subsidiary benefits to other racetrack entities resulted. The building which formerly housed the CTHF Clinic was donated to the Winners Foundation providing that organization with a more appropriate-sized facility, large enough to accommodate its meetings. The Race Track Chaplains are utilizing the office space formerly occupied by the Winners Foundation.

In addition to the Southern California location, CTHF operates a Medical/Dental Clinic on the grounds of the Bay Meadows Racetrack. Both Clinics are available to backstretch workers and their dependents at little or no charge. The CTHF Clinics provide a substantial amount of preventative, as well as primary, medical services. This not only assists CTHF in keeping costs down, but results in a healthier backstretch community. The continuous monitoring of patients with chronic conditions such as diabetes, hypertension, etc., alleviates the burden of hospitalization which is essential to reductions in overall expenditures. In keeping with this notion, CTHF is constantly re-evaluating its services, attempting to tailor programs to the particular needs of the backstretch community at large.

CTHF continues to solicit ideas and suggestions from the backstretch community to better assess their specific needs. This past year we began conducting the "English as a Second Language" program and have already expanded the class sessions due to its popularity. In the hope of developing more personal contact with the backstretch worker, we recently hired a Sister from a local convent to act as Backstretch Liaison. Sister Soledad walks the shed rows every morning and keeps the population informed of the many programs available to them. We have found her presence to be very beneficial. In addition, we continue to work closely with CHBPA by arranging and supporting several backstretch activities every year, including the enormous but, gratifying task of orchestrating Thanksgiving and Christmas festivities for the workers and their families. As an ongoing practice we continuously upgrade our knowledge of the numerous programs available by interacting with local communities and their agencies. This has resulted in an increase in the number of outreach services provided to the backstretch population. Currently, we are researching the possibility of instituting new programs including the establishment of a thrift shop, library and music room.

Over the years, CTHF has received annual contributions from The Las Casitas Foundation, Inc., a 501(c)(3) organization established to assist elderly and indigent horsemen. These funds were used primarily to offset the costs associated with our Retiree Care Program. In January 1995, the Board of The Las Casitas Foundation voted to dissolve the Corporation, contributing all assets valued in excess of \$1.4 Million to CTHF. This constitutes an unrestricted donation and will assist CTHF significantly by enhancing our ability to serve the backstretch community.

CTHF continues to closely monitor all benefits, but particularly in three major categories: Medical programs, dental programs, and hospital programs. Typically, these programs are the majority of total expenditures. Containing costs in these areas is essential to maintaining the viability of the CTHF. We are happy to report that during the fiscal year 1995 we remained under the projected budget figures in all three categories.

CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

Statement of Income for the Twelve Months Ended June 30, 1995

<u>REVENUES</u>	Per Budget YTD	Actual YTD	Variance		
Unclaimed Tickets	\$ 2,150,000	\$ 2,052,276	\$ (97,724)		
Welfare Receipts-Fairs	100,000	113,833	13,833		
Interest, Dividends, Gains on Sales	75,000	151,826	76,826		
Donations - Zager Estate, Others	50,000	70,596	20,596		
Donations - Las Casitas	115,000	1,408,274	1,293,274		
Medical Clinics	15,000	15,046	46		
Total Revenues	2,505,000	3,811,851	1,306,851		
<u>EXPENDITURES</u>				Beneficiary Count	Approx. Unit Cost
Medical Programs					
Medical Clinics - On-Site	415,000	329,022	85,978	5,524	\$ 60
Medical Referrals, Lab, X-Rays	440,000	354,363	85,637	3,162	112
Prescriptions	30,000	23,724	6,276	204	116
Sub-Total	885,000	707,109	177,891	8,890	
Dental Programs					
Contract Dental - On-Site	175,000	146,865	28,135	2,485	59
Dental Referrals	135,000	146,732	(11,732)	793	185
Sub-Total	310,000	293,597	16,403	3,278	
Optometric Programs					
Contract Optometric - On-Site	25,000	14,658	10,342	242	61
Optometric Referrals	10,000	8,783	1,217	59	149
Sub-Total	35,000	23,441	11,559	301	
Hospital Programs					
Hospital Services	530,000	458,147	71,853	641	715
Ambulance Service	15,000	4,729	10,271	19	249
Sub-Total	545,000	462,876	82,124	660	
General and Family Programs					
Retiree Program-Board & Care-Case Mangmnt	100,000	71,327	28,673	25	2,853
Alcohol & Drug Rehabilitation	30,000	21,084	8,916	33	639
Winners Foundation	25,000	25,000	0	200	N/A
Family Care Grants	25,000	4,400	20,600	52	85
Nutritional Services	15,000	3,175	11,825	794	4
Emergency Transportation	10,000	2,393	7,607	10	239
Bereavement Services	30,000	21,440	8,560	17	1,261
Health & Welfare Coordination	75,000	46,296	28,704	N/A	N/A
Backstretch Programs/Activities, Education	40,000	15,830	24,170	N/A	N/A
R T Chaplaincy & Charitable Contributions	150,000	122,705	27,295	N/A	N/A
Sub-Total	500,000	333,650	166,350	1,131	
Total Program Expenses	2,275,000	1,820,673	454,327		
Administrative Services	230,000	195,856	34,144		
Total Expenditures	2,505,000	2,016,529	488,471		
Net Excess Revenues over Expenses	\$ 0	\$ 1,795,322	\$ 1,795,322		

The preceding report of CTHF operations summarizes the income and expenditures on an accrual basis for the year ended June 30, 1995. The following describes various major categories contained in the report:

Medical Programs:

The maintenance of good health is the primary goal of the CTHF medical program. To that end, CTHF maintains two Clinics located at the Santa Anita and the Bay Meadows racetracks for the purpose of providing medical, dental, and optical care at a minimum cost to backstretch employees and their families. The most common medical problems treated at the clinics are: Respiratory infections, urinary tract infections, minor orthopedic problems, simple lacerations, and treatment of routine family medical problems, e.g., immunizations, pap smears, prenatal care, etc. Operating the Medical Clinics at two major racetracks provides an accessibility necessary to the backstretch worker for preventative routine health maintenance, as well as emergency services. This has resulted in numerous cases where physicians were able to detect serious problems early enough to treat effectively, thus avoiding the complications and higher costs of hospitalization. The total number of medical patients treated at both facilities during this fiscal year was approximately 5,500 including 1,800 first-time visitors.

The medical units provide a large share of the basic primary care needed by the backstretch community. When referrals *are* necessary, CTHF assists with payments to outside medical facilities and physicians. The Southern California Clinic has on-staff professionals who also have private practices in the local community or work at the local hospital. Their services have reduced the number of patients requiring referrals to outside physicians. Additionally, their professional relationships within the surrounding communities yield valuable knowledge regarding relevant programs and opportunities otherwise unknown to us. By reducing the number of outside referrals, CTHF is able to enhance other programs.

In Southern and Northern California, all medical and dental procedures conform to CAL-OSHA requirements and are geared for the protection of both the patient and the professional rendering the service. The personnel of the Southern California location are currently undergoing safety compliance training. This program will be expanded to the Northern California location within the next few months.

Dental Program:

Our dental program is proving to be very successful. Our dentists are treating a large number of "regular" patients returning for follow-up preventative care. In each CTHF program, education and preventative care proves to be the greatest single factor in reducing future medical and dental costs. In both Southern and Northern California, approximately 2,500 people availed themselves of dental services at our Clinics during this fiscal year. This included 260 new patients.

While a large share of the basic primary care is provided through the medical/dental units, CTHF also assists with payments to outside Dentists and Oral Surgeons when extraordinary care is required. In addition, CTHF supports a Dental Program for those individuals employed at the fairs and various training facilities throughout California and other individuals who live in excess of thirty-five miles from one of our Dental Clinics.

Optometric Program:

The Southern California medical unit has contracted with a highly respected, bi-lingual Optometrist to meet the requirements of the backstretch community. We offer low-cost, excellent eye care on-site to those in need. This fiscal year, services were provided to approximately 242 individuals.

Retirees/Residential Board and Care:

CTHF provides a variety of benefits to backstretch "retirees" of racetracks. Some individuals require financial aid on a monthly basis, while others only require information and assistance in obtaining the benefits available to them through social security and other programs. Currently we "look after" several men residing in board and care homes as well as several living independently in senior apartments. The care givers at these homes provide such services as three meals per day, laundry, taking the men to their physicians and social security office, and the monitoring of medications. Some individuals require more intensive care than can be provided at a board and care home, and must be placed in facilities better designed to meet their needs. CTHF provides funds, when necessary, to offset the higher costs of the specialized care.

CTHF has contracted with a social worker/case manager agency, Age Concerns, Inc. ("ACI"). ACI specializes in dealing with elderly individuals and their unique problems. This agency was retained to assist us in carrying out the goal of ensuring that our "retirees" are properly cared for and are not being abused or neglected. ACI has proven to be an enormous asset to us and the horsemen involved.

Alcohol and Drug Rehabilitation / Winners Foundation:

In response to a demonstrated need by the backstretch community, CTHF established a program whereby we assist individuals with drug and/or alcohol rehabilitation treatment usually provided in a live-in facility over a 30-day period. CTHF works closely with the Winners Foundation by referring all such cases immediately to them for evaluation and recommendation as to the proper course of treatment. This past fiscal year, CTHF assisted 33 individuals in with rehabilitation treatment.

In addition to assisting individuals with the expense of their rehabilitation treatment, CTHF contributes annually directly to the support of the Winners Foundation. This worthwhile organization is a non-profit program established to creatively and compassionately combat alcohol and drug related problems in the horse racing industry. The war on drugs is fought on several fronts; by providing counseling, referrals, and support for individuals and family members who are suffering from a chemical dependency and by offering education, training, informational seminars, and literature specifically designed to increase awareness of alcohol and drug problems. In addition to individual counseling, the Winners Foundation conducts 12-step meetings at each California track. With a minimum of two meetings per week at each location hundreds of people rely on the Winners Foundation for support in maintaining a clean and sober life. Statewide, the Winners Foundation had approximately 198 new clients this past year. Of those new clients, 32 were assisted with referrals to outside medical rehabilitation treatment.

The expansive alcohol and drug rehabilitation program established by these two organizations working together, has had a tremendously positive impact on the racing community.

Chaplaincy Services:

CTHF currently supports the Chaplaincy Program in both Southern and Northern California, providing approximately 65% of the Southern California RTCA annual budget. The Chaplains perform a myriad of duties, including the provision of moral and spiritual support to the backstretch worker. Both church services and Bible study classes are held weekly.

The Chaplains also assist the goals of CTHF by helping backstretch workers with application processes for Social Security, Disability, Unemployment, Medi-Cal, etc. The Chaplains' are also very much involved in the planning and execution of the annual Thanksgiving and Christmas festivities at all racetracks in California.

CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

Annual Report to California Horse Racing Board

July 1, 1994 through June 30, 1995

3. Revised Budget For Fiscal Year 95-96

CTHF continues to provide the Racing Community with an expansive Welfare Program commensurate with the available funds. Each year we modify, enhance and improve existing programs to provide the greatest benefits for the backstretch worker in need. In dire cases of urgency, CTHF remains flexible and has granted exceptions to assist beyond our standard guidelines, taking into consideration the individual's unique situation and condition.

The following is a revised budget for the fiscal year 1995-1996 reflecting the changes necessary based on the 1994-1995 year-end results, and the additional costs related to expanded operations. The projected revenues from unclaimed tickets will increase approximately two percent (2%) while the expenses will increase by approximately 4% over the 94-95 actual numbers.

CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

Revised Budget for Fiscal Year 1995 - 1996

REVENUES

Unclaimed Tickets	\$ 2,100,000
Welfare Receipts-Fairs	100,000
Interest, Dividends, Gains on Sales	150,000
Donations - Zager Estate, Others	75,000
Donation-Las Casitas Foundation	0
Medical Clinics	15,000
Total Revenues	<u>2,440,000</u>

EXPENDITURES

Medical Programs	
Medical Clinics - On Site	\$ 425,000
Medical Referrals, Lab, X-Rays	400,000
Prescriptions	30,000
Sub-Total	<u>855,000</u>
Dental Programs	
Contract Dental - On-Site	165,000
Dental Referrals	155,000
Sub-Total	<u>320,000</u>
Optometric Programs	
Contract Optometric - On-Site	20,000
Optometric Referrals	15,000
Sub-Total	<u>35,000</u>
Hospital Programs	
Hospital Services	485,000
Ambulance Service	10,000
Sub-Total	<u>495,000</u>
General and Family Programs	
Retiree Program-Board & Care-Case Management	100,000
Alcohol & Drug Rehab	35,000
Winners Foundation	30,000
Family Care Grants	15,000
Nutritional Services	15,000
Health Care Programs, Videos	20,000
Emergency Transportation	5,000
Bereavement Services	35,000
Health & Welfare Coordination	80,000
Backstretch Programs/Activities, Education	50,000
R T Chaplaincy & Charitable Contributions	130,000
Sub-Total	<u>515,000</u>
Total Program Expenses	<u>2,220,000</u>
Administrative Services	220,000
Total Expenditures	<u>2,440,000</u>
Net Excess Revenues over Expenses	<u>0</u>
Fund Balance, June 30, 1996-	<u>\$ 4,275,062</u>
not including Unrealized Gains & Losses	

CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

Annual Report to California Horse Racing Board

July 1, 1994 through June 30, 1995

4. Revised Budget For Fiscal Year 96-97

CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

1996 - 1997 Fiscal Year Budget Proposal

REVISED

REVENUES

Unclaimed Tickets	\$ 2,140,000
Welfare Receipts-Fairs	100,000
Interest, Dividends,Gains on Sales	160,000
Donations - Zager Estate, Others	80,000
Medical Clinics	20,000
Total Revenues	<u>2,500,000</u>

EXPENDITURES

Medical Programs	
Medical Clinics - On-Site	\$ 440,000
Medical Referrals, Lab, X-Rays	415,000
Prescriptions	30,000
Sub-Total	<u>885,000</u>
Dental Programs	
Contract Dental - On-Site	170,000
Dental Referrals	160,000
Sub-Total	<u>330,000</u>
Optometric Programs	
Contract Optometric - On-Site	20,000
Optometric Referrals	15,000
Sub-Total	<u>35,000</u>
Hospital Programs	
Hospital Services	505,000
Ambulance Service	10,000
Sub-Total	<u>515,000</u>
Family Programs	
Retiree Program-Board & Care-Case Management	105,000
Alcohol & Drug Rehab	35,000
Winners Foundation	30,000
Family Care Grants	15,000
Nutritional Services	15,000
Health Care Training, Programs, Videos	25,000
Emergency Transportation	5,000
Bereavement Services	35,000
Health & Welfare Coordination	80,000
Backstretch Programs/Activities, Education	65,000
Chaplaincy Services & Charitable Contribs	100,000
Sub-Total	<u>510,000</u>
Total Program Expenses	2,275,000
Administrative Services	225,000
Total Expenditures	<u>2,500,000</u>
Net Excess Revenues over Expenses	<u>0</u>
Fund Balance, June 30, 1997	\$ <u>4,275,062</u>

CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

Annual Report to California Horse Racing Board

July 1, 1994 through June 30, 1995

5. Five Year Budget Projections - Years Ending 1997 - 2001

The following budget projection for the next five years of operation is a feature of this annual report. Some of the assumptions in deriving the numbers are as follows:

- Revenue from unclaimed tickets will increase by two percent (2%) per year while Fair income will remain constant. Investment income will decrease slightly, and Clinic income will increase by two percent (2%) per year;
- CTHF continues to follow procedures to keep costs down. Therefore, the high inflation rates that will hinder private industry will not significantly impact CTHF. This notion is reflected in our budget by indicating an increase of only four percent (4%) annually for all expense categories;
- The number of benefits paid will increase slightly due to greater awareness of the CTHF programs.

CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

Five Year Estimate of Receipts and Expenditures

	1996 / 1997	1997 / 1998	1998 / 1999	1999 / 2000	2000 / 2001
<u>REVENUES</u>					
Unclaimed Tickets	\$ 2,140,000	2,182,800	2,226,456	2,270,985	2,316,405
Welfare Revenues-Fairs	100,000	100,000	100,000	100,000	100,000
Interest, Dividends, Sales	160,000	158,400	156,816	155,248	153,695
Donations	80,000	80,000	80,000	80,000	80,000
Medical Clinics	20,000	20,400	20,808	21,224	21,649
Total Revenues	\$ 2,500,000	2,541,600	2,584,080	2,627,457	2,671,749
<u>EXPENDITURES</u>					
Medical Programs	\$ 885,000	920,400	957,216	995,505	1,035,325
Dental Programs	330,000	343,200	356,928	371,205	386,053
Optometric Programs	35,000	36,400	37,856	39,370	40,945
Hospital Programs	515,000	535,600	557,024	579,305	602,477
General and Family Programs	510,000	530,400	551,616	573,681	596,628
Administrative	225,000	234,000	243,360	253,094	263,218
Total Expenditures	\$ 2,500,000	2,600,000	2,704,000	2,812,160	2,924,646
Net Excess Expenses over Revenues	\$ 0	(58,400)	(119,920)	(184,703)	(252,898)
Fund Balance, June 30, 19XX	\$ 4,275,062	4,216,662	4,096,742	3,912,039	3,659,142
<u>BENEFICIARIES</u>					
Medical Programs	9,090	9,190	9,290	9,390	9,490
Dental Programs	3,478	3,578	3,678	3,778	3,878
Optometric Programs	321	331	341	351	361
Hospital Programs	860	885	910	935	960
General and Family Programs	2,181	2,206	2,231	2,256	2,281
Total	15,930	16,190	16,450	16,710	16,970

The figures presented here represent estimates of revenues and costs. Numerous factors may result in significant changes. These programs and services are available to the immediate families of those individuals eligible to receive benefits per the Bylaws of the California Thoroughbred Horsemen's Foundation, Inc. and per the Rules and Regulations of the California Horse Racing Board, Section 2050.

CALIFORNIA THOROUGHBRED HORSEMEN'S FOUNDATION, INC.

Annual Report to California Horse Racing Board

July 1, 1994 through June 30, 1995

2. Report of Certified Public Accountant - Ernst & Young

For Fiscal Year 1994-1995

Report of Independent Auditors

Board of Directors
California Thoroughbred Horsemen's Foundation, Inc.

We have audited the accompanying statements of assets, liabilities and fund balance of the California Thoroughbred Horsemen's Foundation, Inc. at June 30, 1995 and 1994, and the related statements of revenues, expenses and changes in fund balance and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the California Thoroughbred Horsemen's Foundation, Inc. at June 30, 1995 and 1994, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Ernst & Young LLP

August 29, 1995

California Thoroughbred Horsemen's Foundation, Inc.

Statement of Assets, Liabilities, and Fund Balance

	June 30	
	1995	1994
Assets		
Cash and cash equivalents	\$ 620,877	\$1,581,759
Investments, at lower of cost or market	3,229,574	972,454
Accounts receivable	50,763	12,037
Receivable from affiliate	-	47,454
Prepaid expenses	24,700	18,650
Property and equipment (net of accumulated depreciation of \$224,539 in 1995 and \$276,854 in 1994)	690,629	51,027
Total assets	<u>\$4,616,543</u>	<u>\$2,683,381</u>
Liabilities and fund balance		
Accounts payable and accrued liabilities	\$ 341,481	\$ 227,983
Fund balance	4,275,062	2,455,398
Total liabilities and fund balance	<u>\$4,616,543</u>	<u>\$2,683,381</u>

See accompanying notes.

California Thoroughbred Horsemen's Foundation, Inc.

Statements of Revenues, Expenses and
Changes in Fund Balance

	Year ended June 30	
	1995	1994
Revenues:		
Revenue from unclaimed tickets	\$2,052,276	\$2,121,714
Revenue from fairs	113,833	98,937
Donations	1,478,870	188,570
Interest and dividends	150,015	78,416
Medical income	15,046	13,788
Realized gain on sale of investments	1,809	-
Total revenues	3,811,849	2,501,425
Welfare expenses:		
Medical professionals, lab fees, x-rays and clinic expenses	1,000,422	998,795
Hospitals	458,147	469,828
Residential board and care and case management	71,327	76,983
Alcohol and drug rehabilitation	46,084	42,795
Burial expenses	21,440	22,799
Chaplaincy program	99,608	82,428
Depreciation, net of amount in administrative expenses	18,154	14,835
Welfare assistance	9,968	29,211
Prescriptions	23,724	19,534
Ambulance services	4,729	5,121
Health and welfare	46,297	43,123
Charitable contributions	23,097	14,100
Backstretch	15,829	11,215
Total welfare expenses	1,838,826	1,830,767
Administrative expenses	195,855	154,400
Total expenses	2,034,681	1,985,167
Excess of revenues over expenses before unrealized (loss) gain on investments	1,777,168	516,258
Unrealized (loss) gain on investments	42,496	(27,455)
Excess of revenues over expenses	1,819,664	488,803
Fund balance at beginning of year	2,455,398	1,966,595
Fund balance at end of year	\$4,275,062	\$2,455,398

See accompanying notes.

California Thoroughbred Horsemen's Foundation, Inc.

Statements of Cash Flows

	Year ended June 30	
	1995	1994
Operating activities		
Excess of revenues over expenses	\$ 1,819,664	\$ 488,803
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation	21,851	19,131
Loss on disposal of property and equipment	4,545	-
Unrealized loss (gain) on investments	(42,496)	27,455
Donation of investments from Las Casitas	(1,345,225)	-
Changes in operating assets and liabilities:		
Accounts receivable and receivable from affiliate	8,728	(4,352)
Prepaid expenses	(6,050)	(2,324)
Accounts payable and accrued liabilities	113,498	35,229
Net cash provided by operating activities	<u>574,515</u>	<u>563,942</u>
Investing activities		
Purchases of investments	(1,169,399)	(26,507)
Liquidation of investments	300,000	-
Purchases of property and equipment	(665,998)	(9,215)
Net cash used in financing activities	<u>(1,535,397)</u>	<u>(35,722)</u>
Net (decrease) increase in cash and cash equivalents	(960,882)	528,220
Cash and cash equivalents at beginning of year	1,581,759	1,053,539
Cash and cash equivalents at end of year	<u>\$ 620,877</u>	<u>\$ 1,581,759</u>

See accompanying notes.

California Thoroughbred Horsemen's Foundation, Inc.

Notes to Financial Statements

June 30, 1995

1. Description of Business

The California Thoroughbred Horsemen's Foundation, Inc. (CTHF), a nonprofit organization, was organized under the California Horse Racing Law to provide welfare benefits to individuals working in occupations directly related to the care of thoroughbred horses. CTHF receives its operating funds from the distribution of unclaimed winning pari-mutuel tickets from thoroughbred meets, and a percentage of the total purse monies from county fair racing events.

2. Summary of Significant Accounting Policies

Revenue Recognition

Revenue for unclaimed pari-mutuel tickets from thoroughbred meets is recognized when the amount of revenue to be received has been determined and the money has been remitted to CTHF. For the period from July 1, 1994, through December 31, 1994, unclaimed pari-mutuel tickets were remitted to the CTHF 126 days after the close of the meet. However, on January 1, 1995, a new California horse racing law went into effect. The new law extends the expiration period for winning pari-mutuel tickets until May 15 of the following year in which the race meet occurred. As of that date, the winning pari-mutuel tickets officially expire and are considered unclaimed tickets. Throughout the fiscal year, CTHF receive monies in quarterly installments up to a maximum of 80% of the preceding season's total monies received by the CTHF. The difference between the quarterly installments received and the total amount of monies earned for the current year is remitted to CTHF on May 30, or the next business day thereafter, of the current season.

Revenue from horse racing events at the county fairs is recognized when CTHF is eligible to receive the monies from the fair, which is within ten days of the close of the event.

Cash Equivalents

For the purposes of the statement of cash flows, CTHF considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

California Thoroughbred Horsemen's Foundation, Inc.

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment, which is stated at cost, consists primarily of medical and office equipment and facilities. Depreciation is taken on the straight-line basis over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Medical and office equipment	5 years
Facilities (medical trailers)	20 years

Investments

Investments are recorded at the lower of aggregate cost or market, which is determined at quoted market prices within each fund. Realized gains and losses are determined using a weighted average cost method. Interest is recognized when earned. CTHF invests with three investment brokers with strong credit ratings. Certain funds are subject to risk due to market price fluctuations.

Tax-Exempt Status

CTHF is a non-profit charitable organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state franchise taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been included in the accompanying statements of revenues, expenses and changes in fund balance.

Reclassification

Certain reclassifications have been made to the 1994 presentation to conform to the 1995 presentation.

California Thoroughbred Horsemen's Foundation, Inc.

Notes to Financial Statements (continued)

3. Investments

Investments at June 30 consist of certificates of deposit and various funds managed by Prudential-Bache, Bear Sterns and Dean Witter, and are summarized as follows:

	1995		1994	
	Market Value	Cost	Market Value	Cost
Certificate of Deposit	\$ 300,022	\$ 300,022	\$600,022	\$ 600,022
Prudential-Bache:				
Government Plus Fund	170,076	183,289	151,558	172,892
High-Yield Fund	190,136	217,879	174,300	199,954
Inconvertible Plus	54,052	46,642	46,574	42,082
	<u>414,264</u>	<u>447,810</u>	<u>372,432</u>	<u>414,928</u>
Bear Sterns:				
Money Market Account	35,474	35,474	-	-
U.S. Government Securities	663,076	627,940	-	-
Common Stock	808,609	681,811	-	-
	<u>1,507,159</u>	<u>1,345,225</u>	-	-
Dean Witter:				
Money Market Account	147,735	147,735	-	-
U.S. Treasury Bills and Notes	1,010,313	988,782	-	-
	<u>1,158,048</u>	<u>1,136,517</u>	-	-
Total Investments	<u>\$3,379,493</u>	<u>\$3,229,574</u>	<u>\$972,454</u>	<u>\$1,014,950</u>

California Thoroughbred Horsemen's Foundation, Inc.

Notes to Financial Statements (continued)

4 Property and Equipment

Property and equipment consists of the following at June 30, 1995 and 1994:

	<u>1995</u>	<u>1994</u>
Medical and office equipment	\$201,453	\$245,168
Facilities (medical trailers)	709,265	77,983
Burial plots	4,450	4,730
	<u>915,168</u>	<u>327,881</u>
Less accumulated depreciation	(224,539)	(276,854)
Net property and equipment	<u>\$690,629</u>	<u>\$ 51,027</u>

5. Donations

Donations received by CTHF for the years ended June 30 are summarized below:

	<u>1995</u>	<u>1994</u>
Donor:		
Estate of Wallace F. Zager	\$ 6,980	\$ 16,195
Las Casitas Foundation	1,408,270	110,725
J.C. Dellinger Trust	50,000	50,000
Others	13,620	11,650
	<u>\$1,478,870</u>	<u>\$188,570</u>

6. Related Party Transactions

CTHF is part of a group of affiliated organizations which are related to the horse racing industry. On January 20, 1995, the Las Casitas Foundation, Inc. (the Foundation), an affiliated organization, was officially dissolved by the Foundation's Board of Directors with all assets being contributed to CTHF. The assets donated to CTHF were recorded as contribution income at the fair market value of the assets as of the date of donation. CTHF received donations from affiliates for the years ended June 30, 1995 and 1994, in the amounts of \$1,408,270 and \$110,725, respectively.

California Thoroughbred Horsemen's Foundation, Inc.

Notes to Financial Statements (continued)

6. Related Party Transactions (continued)

In addition, one of the members of the Board of Directors provides medical services on behalf of CTHF. Amounts paid to this individual for services provided by him and other doctors, under his supervision, on behalf of CTHF for the years ended June 30, 1995 and 1994, amounted to approximately \$99,000 and \$103,000, respectively.

7. Pension Plan

The Foundation has a qualified Money Purchase Pension Plan for eligible employees who are at least 20 1/2 years of age and have completed at least six months of service. The Plan provides for the purchase of an annuity contract for the participant upon death or retirement. Employer contributions to the Plan vest at a rate of 20% per year after the completion of one full year of participation in the Plan. Participant contributions vest immediately. The Plan requires mandatory participant contributions equal to 3% of compensation, and defined employer contributions of 10% of base salaries. Participants can also contribute amounts in excess of the mandatory contribution. Pension expense for each of the years ended June 30, 1995 and 1994, was approximately \$15,000 and \$13,000, respectively.

QUARTER HORSE BENEVOLENT CHARITY FOUNDATION

June 30, 1995

McCULLOUGH, RAY & BRYAN
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KATHLEEN A. SIMON, CPA
CAROL E. BUMSTEAD, CPA

September 26, 1995

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of assets, liabilities and fund balances arising from cash transactions of the Quarter Horse Benevolent Charity Foundation, as of June 30, 1995 and the related statement of revenues collected and expenses disbursed and changes in fund balances for the year then ended. These financial statements are the responsibility of the Quarter Horse Benevolent Charity Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, it is the Quarter Horse Benevolent Charity Foundation's policy to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenue and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Quarter Horse Benevolent Charity Foundation, as of June 30, 1995, and the results of its operations for the year then ended, on the basis of accounting described in Note 1.

McCullough, Ray & Bryan

QUARTER HORSE BENEVOLENT CHARITY FOUNDATION
STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES ARISING FROM CASH TRANSACTIONS
JUNE 30, 1995

	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash	\$ 42,719	\$ 481,996	\$ 524,715
Loans Receivable	<u> </u>	<u>49,963</u>	<u>49,963</u>
	<u>42,719</u>	<u>531,959</u>	<u>574,678</u>
PROPERTY AND EQUIPMENT, at cost, less accumulated depreciation of \$ 36,219	<u>0</u>	<u>2,022</u>	<u>2,022</u>
TOTAL ASSETS	<u>\$ 42,719</u>	<u>\$ 533,981</u>	<u>\$ 576,700</u>
FUND BALANCES	<u>\$ 42,719</u>	<u>\$ 533,981</u>	<u>\$ 576,700</u>

See accompanying notes

QUARTER HORSE BENEVOLENT CHARITY FOUNDATION
STATEMENT OF REVENUES COLLECTED AND EXPENSES DISBURSED
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1995

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u>
REVENUE COLLECTED			
Redistributable money in parimutuel pools at quarter horse racing meetings received from the California Horse Racing Board	\$	\$ 173,288	\$ 173,288
Donations	1,580		1,580
Interest		12,395	12,395
	<u>1,580</u>	<u>185,683</u>	<u>187,263</u>
EXPENSES			
Program services			
Benevolent assistance		10,959	10,959
Medical clinic		65,274	65,274
Chaplaincy		18,582	18,582
Dental clinic		35,262	35,262
Chemical dependency		6,267	6,267
		<u>136,344</u>	<u>136,344</u>
General and Administration			
Contract services		3,175	3,175
Legal and accounting		1,755	1,755
Telephone		1,106	1,106
Office expense		630	630
Insurance		3,225	3,225
Depreciation		292	292
Property taxes		10	10
	<u>0</u>	<u>10,193</u>	<u>10,193</u>
TOTAL EXPENSES	<u>0</u>	<u>146,537</u>	<u>146,537</u>
EXCESS OF REVENUE OVER EXPENSES	1,580	39,146	40,726
FUND BALANCES, BEGINNING	<u>41,139</u>	<u>494,835</u>	<u>535,974</u>
FUND BALANCES, ENDING	<u>\$ 42,719</u>	<u>\$533,981</u>	<u>\$ 576,700</u>

See accompanying notes

QUARTER HORSE BENEVOLENT CHARITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Quarter Horse Benevolent Charity Foundation was formed on November 19, 1974 for the primary purpose of providing charitable services and educational opportunities to persons who are, have been or intend to breed, raise, train, or care for quarter horses.

Principles of Accounting

The Foundation prepares its financial statements on a cash basis. Under this basis, revenue and related assets are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred. Consequently, the financial statements do not include accrued interest receivable on interest-bearing funds and related income, prepaid or deferred expenses, and liabilities and related expenses.

Restricted Funds

The Foundation currently received a substantial portion of its funds from the California Horse Racing Board on account of unclaimed money in parimutuel pools at California quarter horse racing meets. The use of these funds is restricted to the foundation's program expenditures with an amount to 10 percent of program expenditures for overhead expenses. The accompanying financial statements include a segregation of the restricted funds from other funds.

In the fiscal year ended June 30, 1989, the Foundation started receiving these funds directly from the quarter horse racing meet operators.

Property and Equipment and Depreciation

The trailer and dental equipment are stated at the fair market value at the date of acquisition and was accounted for as a non-cash contribution. The remaining assets are stated at cost. Depreciation is being provided using straight-line depreciation over 10 years for the trailer and 7 years for the dental equipment. The office equipment is being depreciated using straight-line depreciation over five years.

Expenditures for maintenance and repairs are charged to operation as incurred while renewals and betterments are capitalized.

QUARTER HORSE BENEVOLENT CHARITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Foundation is a corporation that was organized pursuant to the General Nonprofit Corporation Law of the State of California, and is presently exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from California Franchise or income tax under Section 23701d of the Revenue and Taxation Code.

Description of Programs

Benevolent Assistance - Financial assistance provided to qualified persons who need help with funeral arrangements or other extraordinary expenses.

Medical Clinic - Medical services provided to qualified persons.

Chaplaincy - Financial assistance provided to support a chaplain in satisfying the spiritual needs of qualified persons.

Dental Clinic - Dental services provided to qualified persons.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>Unrestricted</u>	<u>Restricted</u>
Trailer	\$	\$25,000
Dental equipment		9,114
Computer equipment	<u>4,127</u>	
	4,127	<u>34,114</u>
Accumulated depreciation	<u>(4,127)</u>	<u>(32,092)</u>
	<u>\$ 0</u>	<u>\$ 2,022</u>

Depreciation expense of \$ 3,962 is included in dental clinic expenses for the year ended June 30, 1995.

QUARTER HORSE BENEVOLENT CHARITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1995

NOTE 3 - MEMBERSHIP

The bylaws of the Foundation contain provisions that the membership of the Foundation shall be limited to five natural persons. Only one class of membership shall be established, and said class shall be known as regular membership. The members serve for a period of two years or until their successors are appointed, but not more than five successive terms. The authorized number of directors of the corporation shall be five, provided, however, that at least two of the directors shall have no financial interest in horse racing as a licensed horse owner, trainer, or assistance trainer, and shall not be a current member of the horsemen's organization.

NOTE 4 - CONTRACT SERVICES

The Foundation has paid contract services for the year ended June 30, 1995 of \$31,748. These service costs have been allocated to the service programs based upon the estimated amount of time dedicated to each activity as follows:

Medical Clinic (50%)	\$15,874
Dental Clinic (30%)	9,524
Chaplaincy (5%)	1,587
Chemical Dependency (5%)	1,588
General and Administrative (10%)	<u>3,175</u>
	<u>\$31,748</u>

NOTE 5 - CONCENTRATIONS OF CREDIT RISK FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Organization maintains the majority of its cash deposits at Bank of America. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At June 30, 1995, the Organization's cash balances at Bank of America amounted to \$321,005.

REPORT OF OPERATIONS

For The Period

July 1, 1994 to June 30, 1995

Prepared for: CALIFORNIA HORSE RACING BOARD

Prepared by: Nancy Brookfield, Business Manager

QUARTER HORSE BENEVOLENT CHARITY FOUNDATION

The Foundation is a public charity recognized by, state and federal jurisdictions to have been organized to pursue as it purposes charitable and educational opportunities to horsemen in the quarter horse racing industry.

Directors of the Foundation

Jane Schuth	President/Director
George Haddad, M.D.	Vice-President/Director
Richard English	Secretary-CFO/Director
Brett Layne	Director
Shirley Schvaneveldt	Director

Staff of the Foundation

Nancy Brookfield	Business Manager (For this reporting period)
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INTRODUCTION

This report is submitted pursuant to the Rules and regulations of the California Horse Racing Board governing Horsemen's Organizations Welfare Special Accounts and covers the operations of the Quarter Horse Benevolent Charity Foundation ("Foundation") for the period July 1, 1994 through June 30, 1995.

The Foundation currently operates the following programs:

MEDICAL PROGRAM

DENTAL PROGRAM

EDUCATIONAL/RECREATIONAL PROGRAM

EMERGENCY FINANCIAL ASSISTANCE PROGRAM

CHEMICAL DEPENDENCY REHABILITATION PROGRAM

Each of the programs is discussed in the report. Also furnished in the appendix are copies of the:

1. Audited Financial Statement for the fiscal year July 1, 1994 through June 30, 1995.
2. Proposed Welfare Program Budget for the fiscal year July 1, 1995 through June 30, 1996.
3. Form CT-2 with IRS form 990 attached for the fiscal year July 1, 1994 through June 30, 1995.

MEDICAL PROGRAM

The Medical Program in place at this time is a contract with a local medical clinic providing horsemen with seven day a week care. This program offers the horsemen the services of several physicians specializing in different fields. The Foundation pays for the office visits and needed test of the horsemen at a reduction of 20%. The Foundation also provides financial assistance for extraordinary health care costs.

During this reporting period, a total of 183 visits to the clinic were paid by the Foundation and 24 received financial assistance for medical care expenses.

The total funds expended on the Medical Program during this reporting period are as follows:

Professional Fees Medical Program	\$28,974
Pharmacy	4,142
Financial Assistance	31,397
Eye Care	761
TOTAL MEDICAL PROGRAM COST:	\$65,274

DENTAL PROGRAM

The Dental Program is comprised of an on-site clinic and financial assistance for extraordinary dental health care. The on-site Dental Clinic at Los Alamitos Race Course opened in May, 1982, and has been operated at all Quarter Horse race meets at Los Alamitos. The clinic is open only on Saturday.

During this reporting period there were a total of 284 visits to the dental clinic: 12 applicants received financial assistance with dental treatment costs.

The total funds expended on the Dental Program during this reporting period are as follows:

Professional fees for clinic	\$26,494
Dental equipment and supplies	319
Dental operating expense	439
Depreciation	3,962
Financial Assistance	4,048
TOTAL Dental Program Costs:	\$35,262

EDUCATIONAL/RECREATIONAL PROGRAMS

The Educational/Recreational Programs are on contract basis with Race Track Chaplaincy of California ("RTCC"). During this reporting period there was one part-time Chaplain as well as one part-time staff person who cleans the Clinic and the Chaplains offices. We also utilized the services of local groups and agencies in dealing with the special needs of industry personnel.

The duties of the Chaplain encompassed the areas of counseling with personal, family, health and work-related problems; education; health and hygiene programs; supervision of recreational facilities and activities; spiritual development; interpreting services; amnesty concerns; and drug and alcohol programs.

During the period of this report, approximately 997 individuals sought assistance through its program with medical, dental, work-related, drug and/or alcohol referral, marital and emotional problems, emergency meal arrangements, interpreting, recreational and educational activities.

Chaplaincy Program Expenses	\$ 18, 582
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EMERGENCY FINANCIAL ASSISTANCE PROGRAM

Beginning in the 1985-86 fiscal year, the Foundation included financial assistance for medical and dental treatment costs under the Medical Program and Dental Program. Emergency financial assistance covers emergency travel, funeral and living expenses.

During this reporting period the expenses were as follows:

Living Expenses and Travel	\$ 264
Funeral Expenses	\$ 10,795
TOTAL Emergency Financial Assistance	\$ 10,959

CHEMICAL DEPENDENCY REHABILITATION

Beginning May, 1989, the Foundation adopted a new rehabilitation program of direct assistance to individuals who seek help. This program was instituted for many reasons the primary one being the cost of rehabilitation. It came to our attention that although a person may want to free their lives of drug or alcohol abuse without financial help it is almost impossible.

The program we had been taking advantage of at a local hospital has been canceled. As of this reporting period we are working with the Winners Foundation as they now offer financial assistance also. As of this reporting period (3) people took advantage of assistance.

Financial Assistance	\$ 4,680.00
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The eligibility criteria for granting all forms of financial assistance are the same. Each individual requesting financial assistance completes a written application. The application is reviewed by the Foundation Board and a decision is reached based on the merits of the application, including but not limited to, the length of time licensed, length of time employed in the quarter horse industry, current financial information of the applicant and reason why assistance is requested. While there are no hard and fast rules, the Foundation Board has adopted some basic policies on certain types of applications. For example:

1. Pregnancy related costs are generally handled on a matching funds basis;
2. Dental care expenses at the Clinic are handled on a matching funds basis when estimate for treatment exceeds \$200 for specific types of treatment such as crowns, bridges, etc.; and
3. Other medical treatment expense is generally on an 80%/20% basis.

It is appropriate to note that while health care cost have risen dramatically during the past few years, the revenue from uncashed tickets which the Foundation receives has remained the same or decreased. In order to stretch our available dollars, the Foundation has endeavored whenever possible to obtain significant discounts from the health care providers. We are happy to report that the local community has responded positively to this approach and has been most cooperative in resolving fees.

FUTURE PROGRAMS

With the prospect of a new Riverside facility the Foundation is looking into ways of providing the same programs we now provide at Los Alamitos. We have been meeting with management in hopes of having a dental clinic on the premises as well as having a place to start the retirement facility for industry personnel.

As of this year we have been conducting a chapel service in the recreation hall on Monday evenings. The attendance has been very encouraging and as a new project the Foundation is currently looking into ways to provide a better facility for the services.

QUARTER HORSE BENEVOLENT CHARITY FOUNDATION

BOARD OF DIRECTORS

Mrs. Jane Schuth, President
610 El Mirado Drive
Fullerton CA 92635

Dr. George Haddad
275 Victoria Street, Suite 1-H
Costa Mesa CA 92627

Mr. Richard English, Secretary/CFO
4961 Katella Ave
Los Alamitos CA 90720

Mrs. Shirley Schvaneveldt
5965 Cathy Avenue
Cypress CA 90630

Mr. Brett Layne
4961 Katella Avenue
Los Alamitos CA 90720

QUARTER HORSE BENEVOLENT CHARITY FOUNDATION

WELFARE PROGRAMS BUDGET PROPOSAL

For 1995 - 1996 Fiscal Year

REVENUE EXPENDITURES

Uncashed ticket process		\$174,625
HQHRA	\$160,723	
HOLPK		
INTEREST	13,902	

EXPENDITURES BY PROGRAM ESTIMATE

1. Medical Program		\$ 73,095
(Includes office visits and testing at a local clinic, payments to health care provides, off-track physicians, hospital, etc.)		
Professional fees and Physicians	\$43,445	
Financial Assistance	28,450	
Eye Care	1,200	
2. Dental Program		\$ 45,675
(Includes on-site Dental Clinic staffed by dentist and dental assistant)		
Professional fees and physician	\$37,875	
Financial Assistance	4,360	
Operating Expense	3,470	
3. Alcohol & Chemical Dependency Program		\$ 24,000
Hospital (Detox)	\$17,020	
Financial Assistance (Loans)	6,980	
4. Emergency Financial Assistance		\$ 10,625
Loans	\$ 3,575	
Funeral/Burial Expense	5,225	

Housing/Meals	1,825	
5. Education Development (Includes expenses for Chaplains salaries, clinic janitorial, educational and recreational program expenses, etc.)		\$ 21,230
Salaries - Chaplains, clinic janitorial, ESL Instructor, etc.	\$ 18,480	
Recreational and Special Programs	2,750	
6. Administrative Expense		\$ _____
TOTAL PROGRAM EXPENDITURES		\$174,625
DEFICIT - PROGRAM BUDGET (See Note 1)		<\$000.00>

Note 1: Any deficit in the proposed budget will be met through fund raising activities of the Foundation

**WELFARE FUND OF CALIFORNIA
HARNESS HORSEMEN'S ASSOCIATION**

CHAPKIS & MITCHELL

An Accountancy Corporation

16633 Ventura Blvd., Suite 905
Encino, California 91436-1882
(818) 990-0740
(818) 990-5391 Fax

B. Andrew Chapkis, CPA

Barbara J. Mitchell, CPA

October 14, 1995

Independent Auditor's Report

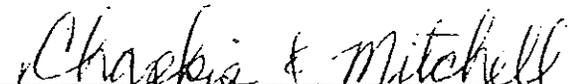
To the Board of Trustees of
California Harness Horsemen's Association
P.O. Box 254767
Sacramento, CA 95865-4767

We have audited the accompanying balance sheet of the California Harness Horsemen's Association Welfare Fund (a nonprofit organization) as of June 30, 1995, and the related statements of activity and changes in financial condition for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the California Harness Horsemen's Association Welfare Fund (a nonprofit organization) as of June 30, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The financial statements being presented are only for the fund referred to above and do not include the assets, liabilities, and fund balances and the support, revenue, expenses, and capital additions of California Harness Horsemen's Association that are recorded in its operating funds. Accordingly, the accompanying financial statements are not intended to present the financial position of California Harness Horsemen's Association as of June 30, 1995, or its results of operations for the year then ended in conformity with generally accepted accounting principles.


Chapkis & Mitchell, An Accountancy Corporation

CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION
WELFARE FUND
BALANCE SHEET
JUNE 30, 1995

ASSETS

Cash in Bank	67,001.00	
Due from Operating Fund	<u>73,900.00</u>	
TOTAL ASSETS		<u>140,901.00</u>

FUND BALANCE

Balance, June 30, 1994	109,436.00	
Current Earnings	<u>31,465.00</u>	
TOTAL FUND BALANCE		<u>140,901.00</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENT
CHAPKIS & MITCHELL, AN ACCOUNTANCY CORPORATION

CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION
STATEMENT OF ACTIVITY & FUND BALANCE
CASH RECEIPTS AND DISBURSEMENTS
JUNE 30, 1995

REVENUE

Insurance Assessments - Sec. 19641 (B&P)	62,530.00	
Interest Income	<u>1,044.00</u>	
		63,574.00

EXPENSES

Welfare Health Insurance	32,098.00	
Bank Charges	<u>11.00</u>	
Total Expenses		32,109.00

NET INCOME		<u>31,465.00</u>
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Fund Balance, Beginning of Year		<u>109,436.00</u>
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Fund Balance, End of Year		<u><u>140,901.00</u></u>
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CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION
WELFARE FUND

STATEMENT OF CASH FLOWS
JUNE 30, 1995

	Jun. 30, 95
CASH FLOW FROM OPERATING ACTIVITY	
Net cash provided by operating activities	31,465.00
Cash & cash equivalents at beginning of year	<u>35,536.00</u>
Cash & cash equivalents at end of year	<u>67,001.00</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENT
CHAPKIS & MITCHELL, AN ACCOUNTANCY CORPORATION