

# ARIZONA DEPARTMENT OF RACING



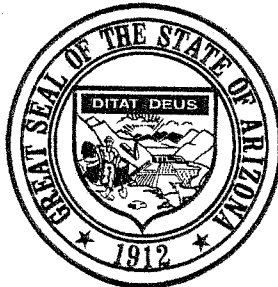
ANNUAL REPORT  
FY-2011

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# ARIZONA DEPARTMENT OF RACING

JANICE K. BREWER  
GOVERNOR



LONNY T. POWELL  
DIRECTOR

September 30, 2011

The Honorable Janice K. Brewer  
Governor of the State of Arizona  
1700 West Washington  
Phoenix, Arizona 85007

Dear Governor Brewer:

It is my pleasure to submit the FY 2011 Department of Racing Annual Report. This report reflects statutory requirements as they relate to the Department's regulatory, fiscal, and administrative responsibilities.

During fiscal year 2011 the Department regulated and supervised live and simulcast horse and greyhound racing and pari-mutuel wagering at two commercial horse tracks, two greyhound tracks, 10 county fair racing meetings, and 70 teletrack locations throughout Arizona. The total pari-mutuel handle for all racing was \$169 million, a decrease of \$11.8 million or 6.5% from the prior year. The total pari-mutuel tax receipts amounted to \$284,807, a decrease of 9.3% from the prior year.

A combined total of 221 boxing and mixed martial arts bouts or matches were also supervised and regulated during the year. Of particular note was the hosting of the Strikeforce Mixed Martial Arts show at the Dodge Theater televised on Showtime, and the internationally televised World Extreme Cagefighting World Championship bout held at the Jobing.com Arena, and their related economic impact and publicity for the local community and state.

FY 2011 completed the first full year under new leadership, vision and progress for the Department. The agency enthusiastically and swiftly undertook a number of new approaches to best utilize its expertise, strengths and resources to effectively and efficiently supervise an economically challenged industry while continuing to grapple with its own budgetary hurdles. We also heard very clearly and very much supported the mission of your COPE (Commission on Privatization & Efficiency) initiative and took a leading role in maximizing operational efficiencies via the pursuit and successful execution of one of the first new Interagency Service Agreements (ISAs) under your leadership. This arrangement provided us the opportunity to consolidate certain generic "back office" functions while redirecting resources and focus to our core regulatory, enforcement and service programs.

The Honorable Janice K. Brewer

September 30, 2011

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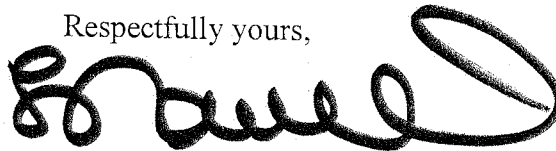
By far, the greatest highlight for the Department and its leadership during this past year was the significant achievement legislatively to transition to total "self-funding" over the next two years, thus allowing this agency to move forward in a more stable and effective manner while doing its part to take pressure off the growing demand for scarce General Fund resources during these challenging economic times. This herculean accomplishment could not have happened without the selfless and dedicated support of all aspects of the pari-mutuel industry as well as the Arizona Racing Commission. Though the industry stakeholders faced their own significant economic and competitive challenges, they recognized the critical and necessary need for regulation of their sport and businesses and actively supported our new funding legislation throughout the entire process. Their input and support was invaluable.

With the steadfast support and leadership of your administration, our objective is to continue building a more modernized, responsive, customer-friendly and enhanced operation. We will continue to make every effort to regulate firmly and fairly while fostering productive, supportive and positive relationships throughout our government as well as our job- and agribusiness-intensive industry.

As part of the annual report, the Department is required by statute to submit recommendations for increasing state revenues from the regulation of the racing industry while maintaining the financial health of the industry and protecting the public interest. These are challenges that the Department and the industry must confront together while preserving the jobs, economic impact, contribution to tourism, agriculture development and years of tradition that are all objectives and values important to the citizens and communities throughout the state.

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

Respectfully yours,

A handwritten signature in black ink, appearing to read "Lonny T. Powell". The signature is fluid and cursive, with a large loop at the end.

Lonny T. Powell  
Director

## MEET THE DIRECTOR: LONNY POWELL



Director Powell arrived via Lexington, Kentucky in order to begin his ADOR tenure January 2010 at the conclusion of a national search. Born in California and raised primarily in Idaho as part of a horse racing family, Powell began his racing career as an assistant starter, jockey valet and maintenance worker at Boise's Les Bois Park and Tucson's Rillito Downs. He attended and graduated from the University of Arizona's Race Track Industry Program within the Department of Animal Sciences and later would become the Coordinator and Director of the Program. Years later, he returned to Arizona once again in order to serve as president of the State's largest track, Turf Paradise in Phoenix where he presided over a number of record-breaking business years which saw the track become a national player on the simulcast front, greatly expand its in-state OTB system and elevate the quality and competitiveness of its live racing program.

In addition to his considerable background in Arizona racing, Powell has extensive knowledge and expertise in the National racing scene having served as president, CEO or COO at a number of acclaimed and successful race tracks including: Santa Anita, Longacres and Multnomah Greyhound Park. In addition, he was hired as the first Executive Vice President-Operations for the largest owner of race tracks at the time, Magna Entertainment Corp. He also was named president and CEO of Racing Commissioners International (RCI) as well as Senior VP-Public Affairs at Youbet.com. He also served as the principal and Chairman of his own management and consulting company, L. Powell Strategy & Solutions of Kentucky where he represented such entities as the NTRA, Racing Medication & Testing Consortium, Multi-Media Games, Inc., Advance Monitoring Systems and many others.

As an adjunct to his career dedicated to racing, Powell was recruited to serve on a number of Boards including: NTRA, AQHA Racing Council, TRA, Los Angeles Turf Club (Santa Anita), Pacific Racing Association (Golden Gate Fields), Emerald Racing Association, Gulfstream Park, Remington Park, Race Track Chaplaincy of America, Bluegrass Farms Chaplaincy, University of Arizona RTIP College of Ag Advisory Council, Lone Mountain Vista of Scottsdale Home Owners Association and the Arizona 4-H State Board of Trustees.

During his course of duty Powell has received of number of awards and industry recognitions including: RCI's May Award for Distinguished National Service, Arizona Racing Commission Recognition of Service, Race Track Industry Program Distinguished Service, University of Arizona Presidents Club, AQHA Winners Circle Award and the John K. Goodman University of Arizona RTIP Outstanding Alumni Award.

## ARIZONA RACING COMMISSION

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

Arizona Revised Statutes § 5-102 authorizes a five-member Racing Commission, who shall be appointed by the Governor pursuant to A.R.S. § 38-211. Appointment is for a term of five years. The following Commissioners were serving on the Racing Commission during FY 2011.

### Erin Owens Chair



**Erin Owens.** Ms. Owens was raised in a Thoroughbred breeding and racing family in Arizona. She spent many years as an official at many racetracks. Some of her positions included Steward, Director of Racing and Racing Secretary, all of which has extended her knowledge of the horse racing industry. For 10 years, Ms. Owens was a Director at the University of Phoenix where she also completed her Master's degree.

### Melvin McDonald, Jr. Vice-Chair



**Melvin McDonald, Jr.** Mr. McDonald, Vice-Chair, is a partner of the law firm of Jones, Skelton & Hochuli since 1985 and practices in the areas of criminal defense and major civil litigation. He is a former United States Attorney for the District of Arizona (1981-1985), a former Superior Court Judge for Maricopa County (1974-1981), and has taught Criminal Justice at Arizona State University. Mr. McDonald is admitted to practice in Arizona state and federal courts. He is a fellow with the American College of Trial Lawyers.

### Thomas E. Kelly, D.V.M. Racing Commissioner



**Thomas E. Kelly, D.V.M.** Mr. Kelly, Racing Commissioner, has worked as a veterinarian at Arizona's greyhound racing tracks since the mid 1960's through the present. He was raised and received his pre-professional education in Arizona, his Veterinary Medicine Degree from Washington State University in 1961, and a Masters Degree of Public Health in 1965 from the University of California, Los Angeles. He retired in 1989, from 27 years as a Public Health Veterinarian for Maricopa County.

# ARIZONA RACING COMMISSION

## Burton S. Kruglick former Racing Commission Chairman



**Burton S. Kruglick.** Mr. Kruglick, former Racing Commission Chairman, has been active in Arizona government and politics for many years. He is a former Chairman of the Arizona Republican Party (1985-1991) and served as Co-Chair for Senator John McCain's presidential campaign. He has been appointed to several Commissions and Boards over the years and is an active participant in community and philanthropic organizations.

## Jay C. McClintock Racing Commissioner



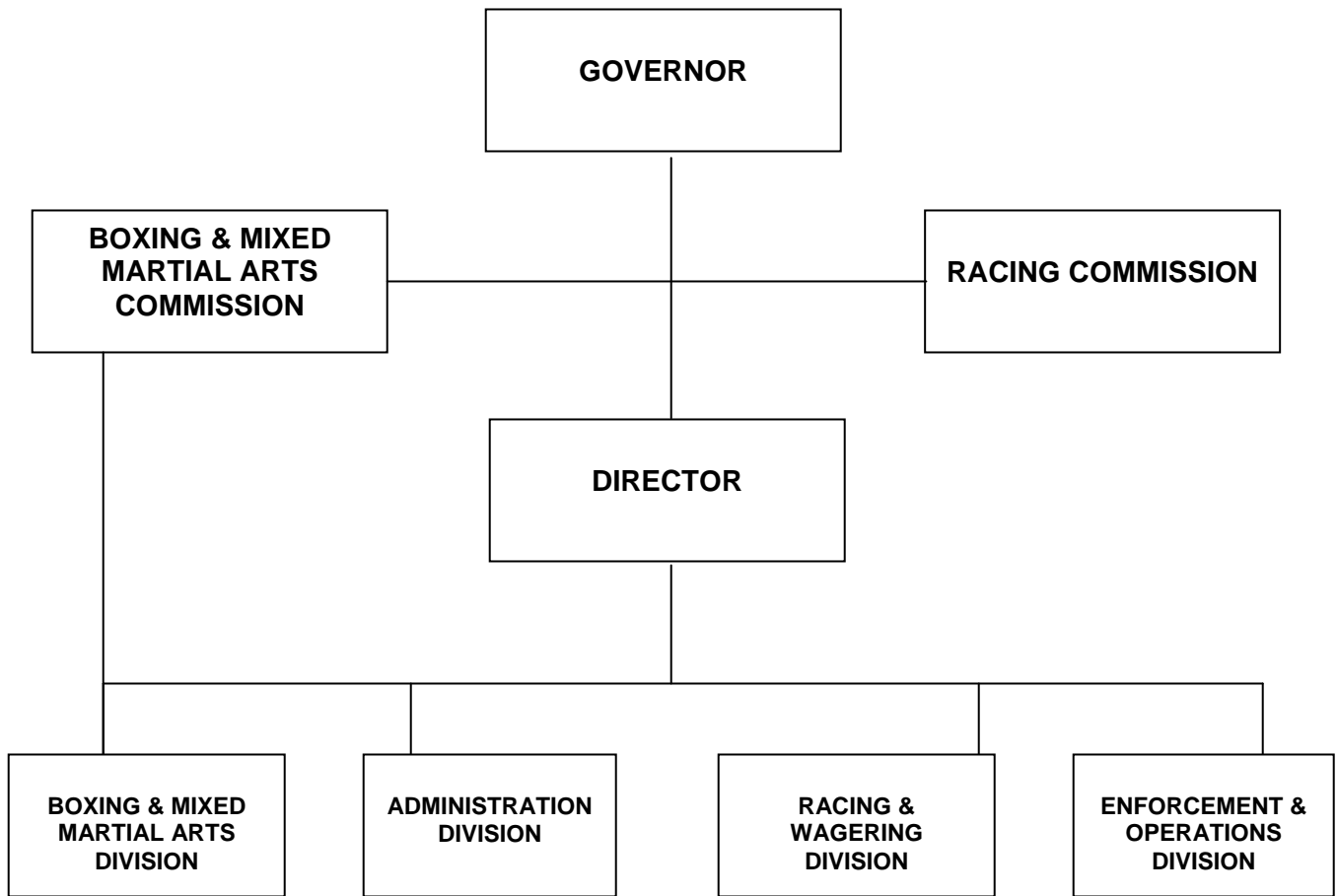
**Jay C. McClintock.** Mr. McClintock has worked as a financial advisor for Moran Financial Services since 2001 helping clients plan for investment and insurance needs to prepare for retirement, estate and complete financial planning. Mr. McClintock was a thoroughbred owner in Arizona, California, and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

The following are the terms of the current Commission members:

<b><u>Name</u></b>	<b><u>Member Designation</u></b>	<b><u>Expiration Date</u></b>
Thomas E. Kelly, D.V.M.	Greyhound Racing Industry	01/16/2012
A. Melvin McDonald	Public	01/21/2013
Burton S. Kruglick	Public	01/20/2014
Erin Owens	Horse Racing Industry	01/19/2015
Jay C. McClintock	Public	01/18/2016

## Department of Racing

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



## Racing Regulation Summary

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

### Investigations

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of incident investigations	209	120	215
Number of background investigations	1,608	1,104	844
Total number of investigations conducted	1,817	1,224	1,059

### Types of Investigations

<u>Offenses</u>	<u>Total</u>	<u>Referred</u>	<u>No Violation</u>
False application	23	23	0
Disorderly conduct/assault	6	5	1
Human drug -testing	20	4	16
Animal drug testing	41	41	0
Kennel inspection	24	0	24
Whelping inspection	10	0	10
Vehicle inspection	24	1	23
License denial/ineligible	3	3	0
Information only	19	0	19
Total	170	77	93

### Licensing

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of licenses issued	2,292	2,971	3,721
Number of licenses denied	5	2	2
Number of licenses revoked	27	6	6

## Racing Regulation

### Stewards

The Board of Stewards is present on the permittee grounds on each day entries are being taken or racing is being conducted, representing the Department in all matters pertaining to the enforcement and interpretation of the rules adopted by the Department. The Stewards may impose civil penalties up to \$1,000, license suspensions up to 60 days, and refer matters to the Director with recommendations of further action, including license revocation.

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Total rulings issued	562	463	370
Total Stewards Rulings Appealed	10	4	10
Percentage of Stewards' rulings upheld on appeal to the Director	70%	72%	90%

### Director

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

<u>Summary of Hearings and Orders</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Director's hearings	5	61	90
Administrative Law Judge hearings	12	5	7
Racing Commission hearings	6	3	0
Total number of Director's orders*	118	47	99
Percentage of orders upheld on appeal to the Commission	83%	100%	n/a

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

### Drug/Alcohol Testing

The Department of Racing is authorized to require persons licensed to submit to testing when there is reason to believe they may be under the influence of or unlawfully in possession of any prohibited substance regulated by Title 13, Chapter 34, or has consumed alcohol in violation of A.A.C. R19-2-112(8) or (10) or R19-2-311(9).

<u>Testing Summary</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Human Drug Tests	40	35	20
Positive Drug Tests	14	6	4
Licensee Refused to Test	1	2	5
Percent Positive	35%	17%	20%
Breath/Alcohol Tests	5	7	1
Positive Breath/Alcohol Tests	1	0	0
Percent Positive	20%	0%	0%

## Racing Regulation

### Horse & Dog Drug Testing

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

<u>Testing Summary</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Horse Drug Testing			
Number positive equine drug tests	33	37	37
Percent positive equine drug tests	1.93%	2.54%	4%
Dog Drug Testing			
Number positive canine tests	4	1	0
Percent positive canine tests	.18%	0.06%	0%
Totals			
Total Positive tests	37	38	37
Percent Total positive tests	0.86%	1.2%	2%

### Teletracking

The Department of Racing has the authority to approve applications for teletracking (off-track betting) permits, license teletracking sites and their personnel, and monitor compliance for both operational and technical requirements. Turf Paradise, Yavapai County Fair Association (Yavapai Downs), American Greyhound Racing, Inc. and Tucson Greyhound Park each held teletracking permits approved by the Arizona Racing Commission to operate off-track wagering sites in FY 2011. A total of 70 off-track-betting sites were authorized to support both greyhound and horse racing in Arizona.

The total handle generated by commercial and county fair racing for teletracking was \$125.7 million. This included \$103.1 million for horse racing and \$22.6 million for greyhound racing. The State of Arizona received \$137,492 in revenue from the teletracking handle, all of which was generated from the Turf Paradise handle at off-track sites.

The handle at teletracking facilities decreased 2.9% during FY 2011 when compared to the prior year.

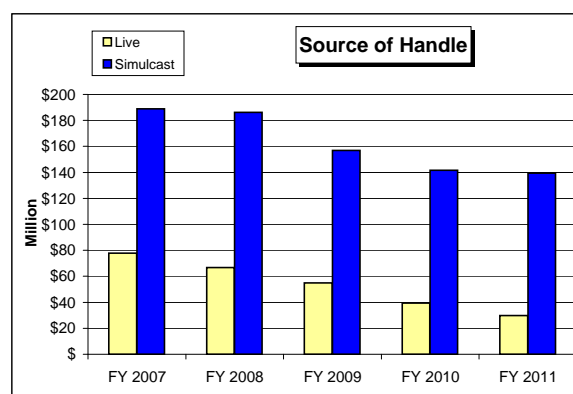
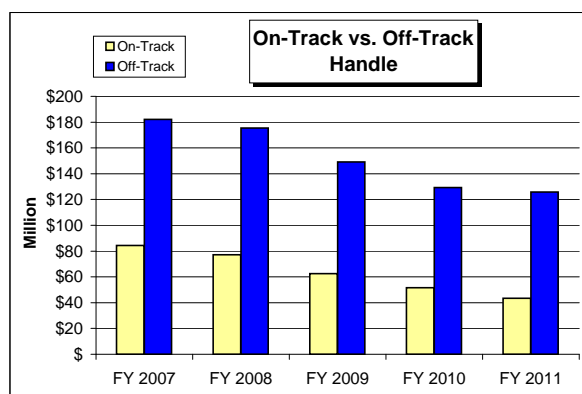
LICENSE BY CATEGORY

CATEGORY	HORSES				GREYHOUNDS				GRAND TOTAL
	TURF PARADISE	YAVAPAI DOWNS	COUNTY FAIR	TOTAL	APACHE / PHOENIX	TUCSON	RBO	TOTAL	
1 YR CONCESSION				0				0	0
1 YR MUTUEL				0				0	0
1 YR PEACE OFFICER				0				0	0
3 YR COOLOUT				0		14		14	14
3 YR MUTUEL	87	15	47	149	42	58		100	249
3 YR PEACE OFFICER				0				0	0
APPRENTICE JOCKEY		2	1	3				0	3
ASSISTANT STARTER	5	6	7	18				0	18
ASSISTANT TRAINER	31	1		32		11		11	43
AUTH. AGENT-FULL	4			4	1			1	5
AUTH. AGENT-PARTIAL	95	8	6	109		4		4	113
BREED FARM/OTHER OP				0		2		2	2
COMBINATION OPER				0			1	1	1
DUPLICATE	78	9	3	90	1	11		12	102
EXERCISE RIDER	125	24	5	154				0	154
GROOM	290	34	52	376		2		2	378
INELIGIBLE	2			2				0	2
JOCKEY	49	11	17	77				0	77
JOCKEY AGENT	12	1	1	14				0	14
KENNEL-NEW				0		2		2	2
KENNEL-RENEWAL				0		5		5	5
OCCUPATIONAL	153	25	48	226	25	32		57	283
OFFICIAL	11	5	7	23	2	23		25	48
OTB	48			48	21	30		51	99
OUTRIDER	3		3	6				0	6
OWNER	877	204	128	1,209	1	125		126	1,335
OWNER-TRAINER	129	36	32	197		3		3	200
PADDOCK EMPLOYEE				0		49		49	49
PERMITTEE DIR/BD MBR	4		3	7	2	1		3	10
PLATER	17	3	4	24				0	24
PONY RIDER	71	10	17	98				0	98
RACING KENNEL				0		7	1	8	8
SECURITY	8	8	23	39	8	16		24	63
STABLE-NEW	56	2	3	61		1		1	62
STABLE-RENEWAL	47	11	4	62				0	62
TEMP. CLAIM	7			7				0	7
TEMP. OWNER	6			6				0	6
TEMP. STABLE				0				0	0
TRAINER	77	12	14	103		12		12	115
VENDOR-BUSINESS	3	1	1	5	1			1	6
VENDOR-EMPLOYEE	29	3	5	37	7	2		9	46
VETERINARIAN	7	1	5	13		1		1	14
VOIDS				0				0	0
<b>LICENSES ISSUED</b>	<b>2,331</b>	<b>432</b>	<b>436</b>	<b>3,199</b>	<b>111</b>	<b>411</b>	<b>2</b>	<b>524</b>	<b>3,723</b>
<b>FINGERPRINTS TAKEN</b>	<b>1,618</b>	<b>308</b>	<b>355</b>	<b>2,281</b>	<b>107</b>	<b>339</b>	<b>0</b>	<b>446</b>	<b>2,727</b>
<b>LICENSING FEES</b>	<b>\$72,345</b>	<b>\$14,399</b>	<b>\$13,040</b>	<b>\$99,784</b>	<b>\$1,724</b>	<b>\$10,379</b>	<b>\$150</b>	<b>\$12,253</b>	<b>\$112,037</b>
<b>FINGERPRINT FEES</b>	<b>\$46,822</b>	<b>\$8,671</b>	<b>\$10,295</b>	<b>\$65,788</b>	<b>\$3,103</b>	<b>\$9,398</b>	<b>\$0</b>	<b>\$12,501</b>	<b>\$78,289</b>
<b>TOTAL FEES</b>	<b>\$119,167</b>	<b>\$23,070</b>	<b>\$23,335</b>	<b>\$165,572</b>	<b>\$4,827</b>	<b>\$19,777</b>	<b>\$150</b>	<b>\$24,754</b>	<b>\$190,326</b>

**COMMERCIAL AND COUNTY FAIR RACING**  
Commercial Horse, Greyhound and County Fair Racing

<u>RACING STATISTICS</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
<b><u>Race Days/Performances (including 4 Charity Days)</u></b>					
Live Race Days	909	852	840	685	516
Dark Day-Simulcast only	681	744	740	717	659
<b>Total Race Days</b>	<b>1,590</b>	<b>1,596</b>	<b>1,580</b>	<b>1,402</b>	<b>1,175</b>
<b>Total Live Performances (Matinee &amp; Evening)</b>	<b>909</b>	<b>852</b>	<b>840</b>	<b>685</b>	<b>516</b>
<b><u>Number of Races</u></b>					
Live Races	11,791	10,205	10,793	8,353	5,957
Simulcast Races	284,597	287,415	269,318	234,679	190,857
<b>Total Number of Races</b>	<b>296,388</b>	<b>297,620</b>	<b>280,111</b>	<b>243,032</b>	<b>196,814</b>
<b><u>Attendance</u></b>					
On-Track	723,879	693,553	652,807	578,212	483,787
Off-Track	887,078	892,026	771,745	692,624	344,774
<b>Total Attendance</b>	<b>1,610,957</b>	<b>1,585,579</b>	<b>1,424,552</b>	<b>1,270,836</b>	<b>828,561</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$167,667	\$158,359	\$133,970	\$129,064	\$143,970
Breakdown by location					
On-Track Handle	\$84,486,049	\$77,268,017	\$62,574,674	\$51,550,249	\$43,479,479
Off-Track Handle	\$182,104,065	\$175,472,915	\$149,097,386	\$129,397,125	\$125,685,106
Breakdown by source					
Live Races	\$77,780,820	\$66,643,403	\$54,856,192	\$39,392,293	\$29,734,049
Simulcast Races	188,809,295	186,097,529	156,815,868	141,555,081	139,430,537
<b>Total Pari-Mutuel Handle</b>	<b>\$266,590,114</b>	<b>\$252,740,932</b>	<b>\$211,672,059</b>	<b>\$180,947,374</b>	<b>\$169,164,585</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b>Returned to Wagering Public</b>	<b>\$203,766,212</b>	<b>\$193,921,658</b>	<b>\$162,095,753</b>	<b>\$138,400,642</b>	<b>\$128,364,878</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$431,437</b>	<b>\$429,592</b>	<b>\$326,590</b>	<b>\$314,021</b>	<b>\$284,807</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$53,620,670	\$51,074,270	\$42,834,032	\$37,013,892	\$35,132,296
Capital Improvement Rebate	100,917	100,037	80,474	68,254	32,506
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	55,863	51,415	40,641	13,438	8,203
Hardship Tax Credit	2,353,026	1,768,623	1,497,803	835,919	472,604
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	1,085,469	1,026,555	857,514	746,129	697,899
<b>Total Track Revenues</b>	<b>\$57,215,946</b>	<b>\$54,020,900</b>	<b>\$45,310,464</b>	<b>\$38,677,632</b>	<b>\$36,343,507</b>
<b>Purses</b>	<b>\$21,133,206</b>	<b>\$22,246,607</b>	<b>\$18,902,895</b>	<b>\$15,997,406</b>	<b>\$13,980,881</b>

Racetrack Trends at a Glance



## Commercial Racing

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

In FY 2011, the Arizona Racing Commission approved three-year commercial and teletracking permits for American Greyhound Racing, Inc. and a three-year commercial permit for Pima County Horsemen's Association. Tucson Greyhound Park, Inc. filed renewal applications for commercial racing and teletracking for the years 2011, 2012 and 2013. By statute, Tucson Greyhound Park may continue to operate under their current permit until the Arizona Racing Commission, upon recommendation by the Department, has finally ruled on the application. The renewal application submitted by Yavapai County Fair Association is still pending. Yavapai Downs did not open for racing in May 2011.

### Commercial Racing Permittees, Tracks and Permit Terms

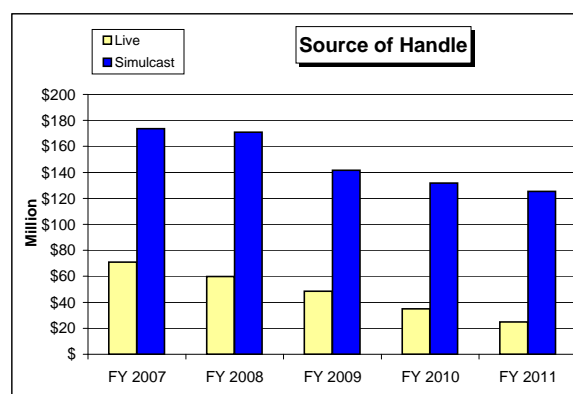
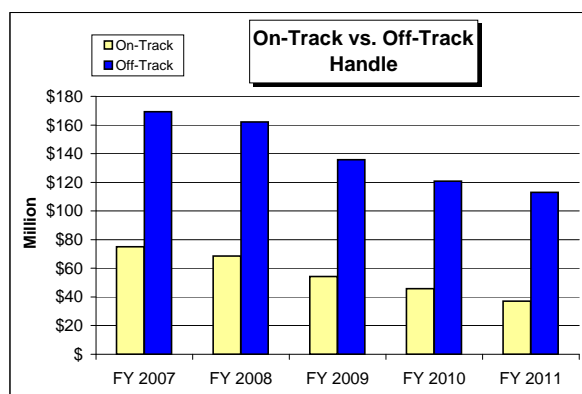
<u>Permittee</u>	<u>Track</u>	<u>Permit Term</u>
American Greyhound Racing, Inc.	Apache Greyhound Park	01/01/11 - 12/31/13
American Greyhound Racing, Inc.	Phoenix Greyhound Park	01/01/11 - 12/31/13
Pima County Horsemen's Association	Rillito Park	01/01/11 - 12/31/13
Tucson Greyhound Park, Inc.	Tucson Greyhound Park	*01/01/08 - 12/31/10
TP Racing, L.L.L.P.	Turf Paradise Race Course	06/01/09 - 05/31/12
Yavapai County Fair Association	Yavapai Downs at Prescott Valley	*05/26/07 - 09/04/09

\* application pending

**COMMERCIAL TRACKS**  
Commercial Horse and Greyhound Racing

<u>RACING STATISTICS</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
<b><u>Race Days/Performances (including 4 Charity Days)</u></b>					
Live Race Days	845	788	775	631	472
Dark Day-Simulcast only	679	742	738	717	657
<b>Total Race Days</b>	<b>1,524</b>	<b>1,530</b>	<b>1,513</b>	<b>1,348</b>	<b>1,129</b>
<b>Total Live Performances (Matinee &amp; Evening)</b>	<b>845</b>	<b>788</b>	<b>775</b>	<b>631</b>	<b>472</b>
<b><u>Number of Races</u></b>					
Live Races	11,219	9,637	10,229	7,885	5,569
Simulcast Races	281,048	283,889	265,027	230,939	185,332
<b>Total Number of Races</b>	<b>292,267</b>	<b>293,526</b>	<b>275,256</b>	<b>238,824</b>	<b>190,901</b>
<b><u>Attendance</u></b>					
On-Track	570,571	547,912	491,439	448,235	372,327
Off-Track	818,825	822,795	702,087	646,780	278,295
<b>Total Attendance</b>	<b>1,389,396</b>	<b>1,370,707</b>	<b>1,193,526</b>	<b>1,095,015</b>	<b>650,622</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$160,357	\$150,869	\$125,708	\$123,583	\$132,991
Breakdown by location					
On-Track Handle	\$75,031,996	\$68,590,356	\$54,334,827	\$45,779,534	\$37,092,808
Off-Track Handle	\$169,352,518	\$162,238,621	\$135,862,133	\$120,810,375	\$113,053,837
Breakdown by source					
Live Races	\$70,820,823	\$59,962,992	\$48,594,826	\$34,862,474	\$24,868,205
Simulcast Races	173,563,691	170,865,985	141,602,133	131,727,434	125,278,440
<b>Total Pari-Mutuel Handle</b>	<b>\$244,384,514</b>	<b>\$230,828,978</b>	<b>\$190,196,960</b>	<b>\$166,589,908</b>	<b>\$150,146,645</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b>Returned to Wagering Public</b>	<b>\$186,927,263</b>	<b>\$177,373,642</b>	<b>\$145,736,829</b>	<b>\$127,231,702</b>	<b>\$113,849,638</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$431,437</b>	<b>\$429,592</b>	<b>\$326,590</b>	<b>\$314,021</b>	<b>\$284,807</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$49,230,357	\$46,717,237	\$38,540,728	\$34,129,931	\$31,226,891
Capital Improvement Rebate	100,917	100,037	80,474	68,254	32,506
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	55,863	51,415	40,641	13,438	8,203
Hardship Tax Credit	2,353,026	1,768,623	1,497,803	835,919	472,604
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	968,928	917,242	752,862	677,382	602,667
<b>Total Track Revenues</b>	<b>\$52,709,092</b>	<b>\$49,554,554</b>	<b>\$40,912,508</b>	<b>\$35,724,923</b>	<b>\$32,342,871</b>
<b>Purses</b>	<b>\$18,520,580</b>	<b>\$19,323,512</b>	<b>\$16,208,760</b>	<b>\$14,033,433</b>	<b>\$12,063,670</b>

Racetrack Trends at a Glance



## Commercial Horse Racing

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

### Investigations

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of incident investigations	21	90	174
Number of background investigations	1,154	914	719
Total number of investigations conducted	1,175	1,004	893

### Licensing

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of licenses issued	1,530	2415	2761
Number of licenses denied	4	2	2
Number of licenses revoked	14	4	4

### Stewards

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of rulings issued	395	362	340
Total steward rulings appealed	9	2	8
Percentage of rulings upheld on appeal to the Director	66%	72%	88%
<u>Rulings by Track</u>			
Turf Paradise	268	263	274
Yavapai Downs	127	99	66

## Commercial Horse Racing

### Director

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

<b><u>Performance Measures</u></b>	<b><u>FY 2009</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>
Number of Director's hearings	69	39	81
Number of Administrative Law Judge hearings	10	5	5
Number of Racing Commission hearings	5	3	0
Total number of Director's orders *	67	29	87
Percentage of orders upheld on appeal to the Commission	80%	100%	n/a
<b><u>Orders by Track</u></b>			
Turf Paradise	44	21	32
Yavapai Downs	23	8	55

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

### **Breeders & Stallion Awards**

The Department encourages and promotes horse breeding in Arizona through the administration of and distribution to recipients of funds available through Breeders and Stallion Awards Programs.

<b><u>Performance Measures</u></b>	<b><u>FY 2009</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>
Number of active registered breeders	90	92	88
Percentage of registered breeders winning awards	4%	4%	n/a
Number of registered horses	6,944	7,230	*4,114
Percentage of registered horses winning awards	1.2%	1.0%	n/a
Quarter Horse Breeders' Awards	\$84,267	\$53,585	n/a
Thoroughbred Breeders' Awards	\$649,903	\$221,970	n/a
Stallion Awards	\$59,417	\$39,162	n/a

\*Database purged of horses certified more than 14 years ago

### **Racehorse Adoption**

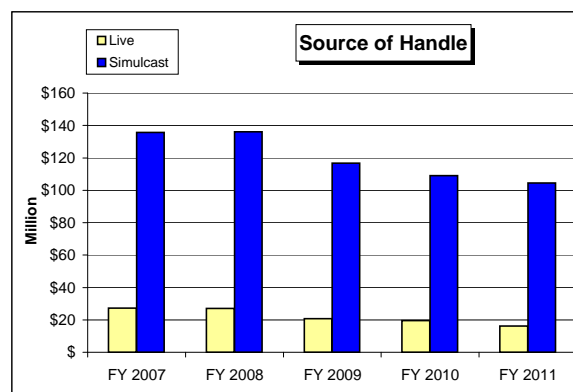
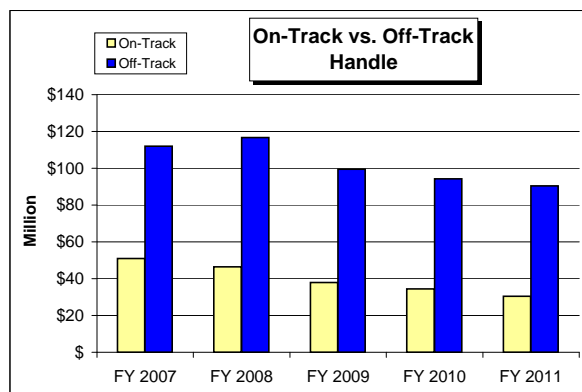
The Department provides grants to non-profit organizations to promote the adoption of retired racehorses in Arizona. The funds for this program are generated from a surcharge against all civil penalties assessed in connection with horseracing in Arizona. The program went into effect in 2005 and the first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

<b><u>Performance Measures</u></b>	<b><u>FY 2009</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>
Number of grants awarded	1	1	1
Amount of grants awarded	\$1,647	\$1,244	\$1,483

**COMMERCIAL HORSE TRACKS**  
Rillito Park, Turf Paradise, Yavapai Downs

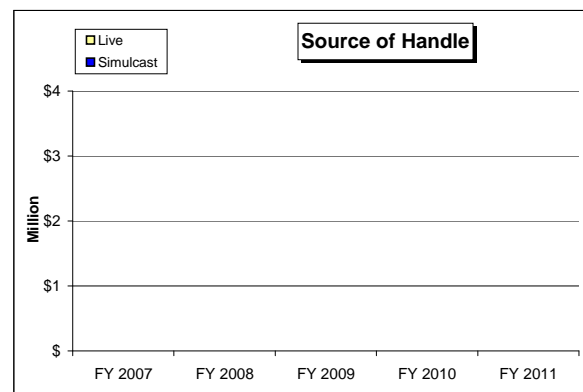
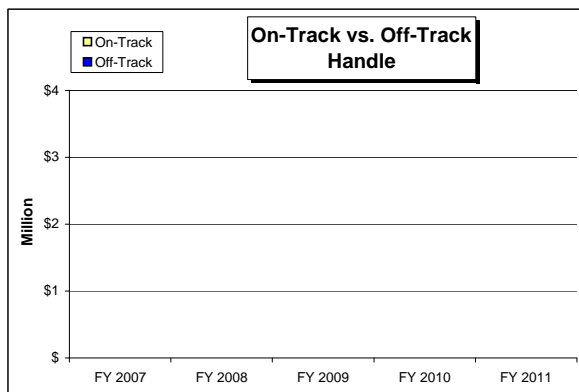
<u>RACING STATISTICS</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
<b><u>Race Days/Performances (including 3 Charity Days)</u></b>					
Live Race Days	185	188	181	181	162
Dark Day-Simulcast only	252	252	251	261	242
<b>Total Race Days</b>	<b>437</b>	<b>440</b>	<b>432</b>	<b>442</b>	<b>404</b>
<b>Total Live Performances (Matinee &amp; Evening)</b>	<b>185</b>	<b>188</b>	<b>181</b>	<b>181</b>	<b>162</b>
<b><u>Number of Races</u></b>					
Live Races	1,674	1,706	1,620	1,624	1,452
Simulcast Races	48,881	50,688	50,382	57,041	58,139
<b>Total Number of Races</b>	<b>50,555</b>	<b>52,394</b>	<b>52,002</b>	<b>58,665</b>	<b>59,591</b>
<b><u>Attendance</u></b>					
On-Track	328,492	324,079	289,381	290,388	272,810
Off-Track	592,070	614,599	523,798	496,143	123,356
<b>Total Attendance</b>	<b>920,562</b>	<b>938,678</b>	<b>813,179</b>	<b>786,531</b>	<b>396,166</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$372,843	\$370,672	\$318,135	\$290,986	\$298,956
Breakdown by location					
On-Track Handle	\$50,914,112	\$46,415,601	\$37,880,820	\$34,441,647	\$30,361,770
Off-Track Handle	\$112,018,399	\$116,680,191	\$99,553,421	\$94,173,951	\$90,416,538
Breakdown by source					
Live Races	\$27,254,506	\$27,094,443	\$20,777,540	\$19,594,567	\$16,275,398
Simulcast Races	135,678,005	136,001,349	116,656,700	109,021,031	104,502,909
<b>Total Pari-Mutuel Handle</b>	<b>\$162,932,511</b>	<b>\$163,095,792</b>	<b>\$137,434,240</b>	<b>\$128,615,598</b>	<b>\$120,778,307</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b><u>Returned to Wagering Public</u></b>	<b>\$124,571,918</b>	<b>\$125,299,914</b>	<b>\$105,457,399</b>	<b>\$98,157,491</b>	<b>\$91,338,754</b>
<b><u>State Pari-Mutuel Revenues</u></b>	<b>\$431,437</b>	<b>\$429,592</b>	<b>\$326,590</b>	<b>\$314,021</b>	<b>\$284,807</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$32,688,941	\$32,744,518	\$27,789,057	\$26,094,321	\$24,787,523
Capital Improvement Rebate	100,917	100,037	80,474	68,254	32,506
Capital Improvement Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	12,743	12,268	8,494	9,623	8,203
Hardship Tax Credit	0	0	0	0	0
Breakage	768,659	759,954	629,086	586,731	535,899
<b>Total Track Revenues</b>	<b>\$33,571,259</b>	<b>\$33,616,777</b>	<b>\$28,507,112</b>	<b>\$26,758,929</b>	<b>\$25,364,130</b>
<b><u>Purses</u></b>	<b>\$14,260,653</b>	<b>\$15,828,636</b>	<b>\$13,448,044</b>	<b>\$12,474,952</b>	<b>\$11,254,252</b>

Racetrack Trends at a Glance



<b><u>RACING STATISTICS</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>
<b><u>Race Days/Performances</u></b>					
Live Race Days	-	-	-	-	-
Dark Day-Simulcast Only	-	-	-	-	-
<b>Total Race Days</b>	-	-	-	-	-
<b>Total Live Performances</b>	-	-	-	-	-
<b><u>Number of Races</u></b>					
Live Races	-	-	-	-	-
Simulcast Races	-	-	-	-	-
<b>Total Number of Races</b>	-	-	-	-	-
<b><u>Attendance</u></b>					
On-Track	-	-	-	-	-
Off-Track	-	-	-	-	-
<b>Total Attendance</b>	-	-	-	-	-
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$0	\$0	\$0	\$0	\$0
Breakdown by location					
On-Track Handle	\$0	\$0	\$0	\$0	\$0
Off-Track Handle	0	0	0	0	0
Breakdown by source					
Live Races	\$0	\$0	\$0	\$0	\$0
Simulcast Races	0	0	0	0	0
<b>Total Pari-Mutuel Handle</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b>Returned to Wagering Public</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$0	\$0	\$0	\$0	\$0
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement-Non Taxable	0	0	0	0	0
Charity Day	0	0	0	0	0
Hardship Tax Credit	0	0	0	0	0
Breakage	0	0	0	0	0
<b>Total Track Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Purses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Racetrack Trends at a Glance



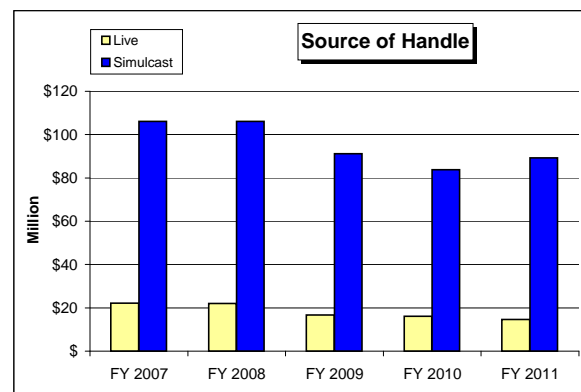
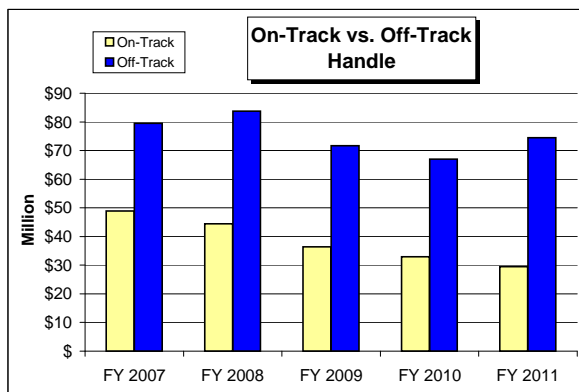
1501 West Bell Road  
Phoenix, Arizona 85023

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

FY 2011 Racing Dates:  
July 1, 2010 - June 30, 2011

<b>RACING STATISTICS</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Race Days/Performances (including 3 Charity Days)</b>					
Live Race Days	133	133	131	129	132
Dark Day-Simulcast only	211	212	208	214	207
<b>Total Race Days</b>	<b>344</b>	<b>345</b>	<b>339</b>	<b>343</b>	<b>339</b>
<b>Total Live Performances (Matinee &amp; Evening)</b>	<b>133</b>	<b>133</b>	<b>131</b>	<b>129</b>	<b>132</b>
<b>Number of Races</b>					
Live Races	1,205	1,211	1,175	1,164	1,187
Simulcast Races	44,605	46,485	46,112	50,334	51,979
<b>Total Number of Races</b>	<b>45,810</b>	<b>47,696</b>	<b>47,287</b>	<b>51,498</b>	<b>53,166</b>
<b>Attendance</b>					
On-Track	282,764	281,137	255,374	258,241	253,595
Off-Track	420,788	441,130	376,924	352,858	39,226
<b>Total Attendance</b>	<b>703,552</b>	<b>722,267</b>	<b>632,298</b>	<b>611,099</b>	<b>292,821</b>
<b>Pari-Mutuel Handle</b>					
Average Handle per Race Day	\$373,056	\$371,605	\$318,577	\$291,383	\$306,587
Breakdown by location					
On-Track Handle	\$48,856,296	\$44,483,207	\$36,350,503	\$32,995,111	\$29,500,978
Off-Track Handle	\$79,475,014	\$83,720,553	\$71,646,948	\$66,949,360	\$74,431,872
Breakdown by source					
Live Races	\$22,208,647	\$22,092,609	\$16,753,833	\$16,181,894	\$14,650,115
Simulcast Races	106,122,663	106,111,151	91,243,618	83,762,576	89,282,734
<b>Total Pari-Mutuel Handle</b>	<b>\$128,331,310</b>	<b>\$128,203,760</b>	<b>\$107,997,451</b>	<b>\$99,944,470</b>	<b>\$103,932,849</b>
<b>DISTRIBUTION OF REVENUES</b>					
<b>Returned to Wagering Public</b>	<b>\$98,117,698</b>	<b>\$98,508,381</b>	<b>\$83,068,015</b>	<b>\$76,074,976</b>	<b>\$78,526,009</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$431,437</b>	<b>\$429,592</b>	<b>\$326,590</b>	<b>\$314,021</b>	<b>\$284,807</b>
<b>Track Mutuel Revenues</b>					
Track Commission	\$25,747,068	\$25,770,861	\$21,843,282	\$20,257,041	\$21,331,382
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	12,743	12,268	8,494	9,623	8,203
Hardship Tax Credit	0	0	0	0	0
Breakage	600,244	605,819	500,393	458,532	462,766
<b>Total Track Revenues</b>	<b>\$26,360,055</b>	<b>\$26,388,947</b>	<b>\$22,352,169</b>	<b>\$20,725,197</b>	<b>\$21,802,351</b>
<b>Purses</b>	<b>\$11,532,280</b>	<b>\$13,008,498</b>	<b>\$11,053,240</b>	<b>\$9,941,897</b>	<b>\$9,874,607</b>

Racetrack Trends at a Glance



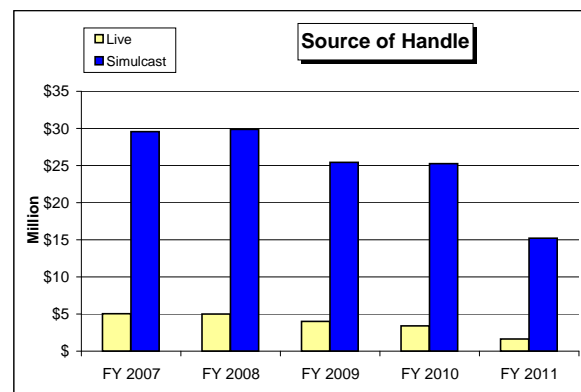
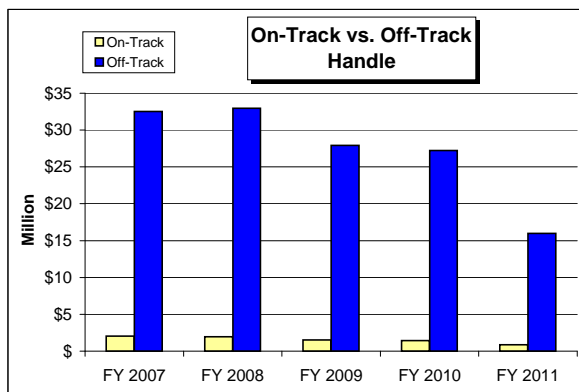
10501 Hwy. 89A  
Prescott Valley, Arizona 86314

**YAVAPAI DOWNS**  
Yavapai County Fair Association

FY 2011 Racing Dates:  
July 1, 2010 - September 3, 2010  
May 28, 2011 - June 30, 2011 (no racing offered)

<b>RACING STATISTICS</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Race Days/Performances (including 4 Charity Days)</b>					
Live Race Days	52	55	50	52	30
Dark Day-Simulcast only	41	40	43	47	35
<b>Total Race Days</b>	<b>93</b>	<b>95</b>	<b>93</b>	<b>99</b>	<b>65</b>
<b>Total Live Performances (Matinee &amp; Evening)</b>	<b>52</b>	<b>55</b>	<b>50</b>	<b>52</b>	<b>30</b>
<b>Number of Races</b>					
Live Races	469	495	445	460	265
Simulcast Races	4,276	4,203	4,270	6,707	6,160
<b>Total Number of Races</b>	<b>4,745</b>	<b>4,698</b>	<b>4,715</b>	<b>7,167</b>	<b>6,425</b>
<b>Attendance</b>					
On-Track	45,728	42,942	34,007	32,147	19,215
Off-Track	171,282	173,469	146,874	143,285	84,130
<b>Total Attendance</b>	<b>217,010</b>	<b>216,411</b>	<b>180,881</b>	<b>175,432</b>	<b>103,345</b>
<b>Pari-Mutuel Handle</b>					
Average Handle per Race Day	\$372,056	\$367,285	\$316,525	\$289,607	\$259,161
Breakdown by location					
On-Track Handle	\$2,057,817	\$1,932,394	\$1,530,316	\$1,446,536	\$860,792
Off-Track Handle	\$32,543,385	\$32,959,639	\$27,906,473	\$27,224,591	\$15,984,666
Breakdown by source					
Live Races	\$5,045,859	\$5,001,835	\$4,023,707	\$3,412,672	\$1,625,284
Simulcast Races	29,555,342	29,890,198	25,413,082	25,258,455	15,220,175
<b>Total Pari-Mutuel Handle</b>	<b>\$34,601,201</b>	<b>\$34,892,032</b>	<b>\$29,436,790</b>	<b>\$28,671,127</b>	<b>\$16,845,458</b>
<b>DISTRIBUTION OF REVENUES</b>					
<b>Returned to Wagering Public</b>	<b>\$26,454,220</b>	<b>\$26,791,533</b>	<b>\$22,389,384</b>	<b>\$22,082,514</b>	<b>\$12,812,745</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Track Mutuel Revenues</b>					
Track Commission	\$6,941,873	\$6,973,658	\$5,945,775	\$5,837,279	\$3,456,141
Capital Improvement Rebate	100,917	100,037	80,474	68,254	32,506
Capital Improvement Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	0	0	0	0	0
Hardship Tax Credit	0	0	0	0	0
Breakage	168,414	154,136	128,693	128,199	73,133
<b>Total Track Revenues</b>	<b>\$7,211,204</b>	<b>\$7,227,830</b>	<b>\$6,154,943</b>	<b>\$6,033,732</b>	<b>\$3,561,780</b>
<b>Purses</b>	<b>\$2,728,373</b>	<b>\$2,820,139</b>	<b>\$2,394,804</b>	<b>\$2,533,056</b>	<b>\$1,379,645</b>

Racetrack Trends at a Glance



## County Fair Racing

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

County fair racing is supported by the following two fund sources: the County Fair Racing Fund and the County Fair Racing Betterment Fund. No monies were appropriated for these funds in FY 2011; therefore, racing at county fairs saw a sharp decline. Only four fairs conducted live racing in FY 2011, compared to nine fairs that raced in FY 2010.

### Investigations

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of incident investigations	49	12	27
Number of background investigations	141	75	78
Total number of investigations conducted	190	87	105

### Licensing

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of licenses issued	409	390	436
Number of licenses denied	0	0	0
Number of licenses revoked	6	0	0

### Stewards

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of Stewards' rulings issued	38	11	0
Total Stewards' rulings appealed	0	1	0
Percentage of Stewards' rulings upheld on appeal to the Director	NA	0%	n/a

#### Rulings by Track

Apache County Fair, St. Johns	3	1	0
Cochise County Fair, Douglas	0	6	0
Coconino County Fair, Flagstaff	2	0	0
Gila County Fair, Globe	2	0	0
Graham County Fair, Safford	11	0	0
Greenlee County Fair, Duncan	4	1	0
Mohave County Fair, Kingman	1	0	0
Pima County Fair, Rillito Park in Tucson	12	2	0
Santa Cruz County Fair, Sonoita	3	1	0

## County Fair Racing

### Director

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

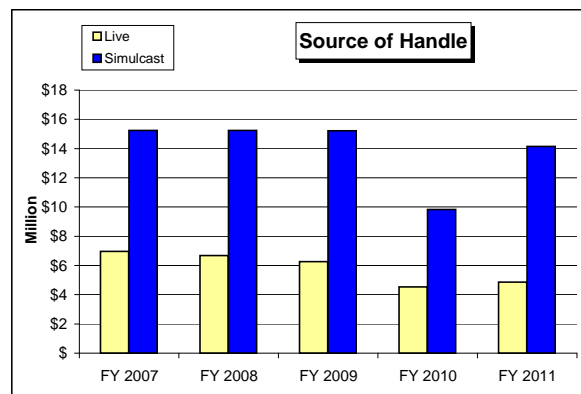
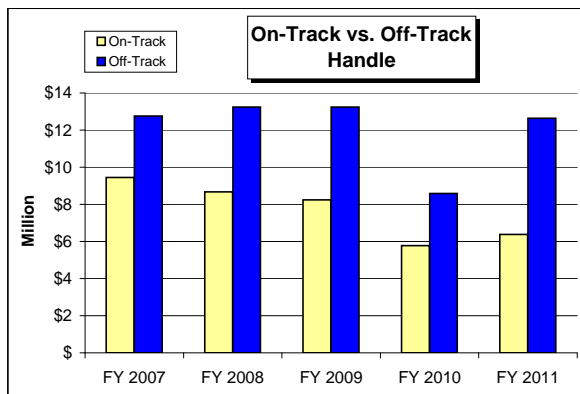
<b><u>Performance Measures</u></b>	<b><u>FY 2009</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>
Number of Director's hearings	23	3	4
Number of Administrative Law Judge hearings	2	0	0
Number of Racing Commission hearings	0	0	0
Total number of Director's orders*	22	3	5
Percentage of orders upheld on appeal to the Commission	NA	NA	n/a
<b><u>Orders by Track</u></b>			
Apache County Fair, St. Johns	1	0	0
Cochise County Fair, Douglas	2	0	3
Coconino County Fair, Flagstaff	2	1	0
Gila County Fair, Globe	2	0	0
Graham County Fair, Safford	1	1	1
Greenlee County Fair, Duncan	1	0	1
Mohave County Fair, Kingman	2	0	0
Pima County Fair, Rillito Park in Tucson	10	1	0
Santa Cruz County Fair, Sonoita	1	0	0

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

**COUNTY FAIR TRACKS**  
County Fair Racing at Fairs and Commercial Tracks

<b>RACING STATISTICS</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b><u>Race Days/Performances</u></b>					
Live Race Days	64	64	65	54	44
Dark Day-Simulcast Only	2	2	2	-	2
<b>Total Race Days</b>	<b>66</b>	<b>66</b>	<b>67</b>	<b>54</b>	<b>46</b>
<b>Total Live Performances</b>	<b>64</b>	<b>64</b>	<b>65</b>	<b>54</b>	<b>44</b>
<b><u>Number of Races</u></b>					
Live Races	572	568	564	468	388
Simulcast Races	3,549	3,526	4,291	3,740	5,525
<b>Total Number of Races</b>	<b>4,121</b>	<b>4,094</b>	<b>4,855</b>	<b>4,208</b>	<b>5,913</b>
<b><u>Attendance</u></b>					
On-Track	153,308	145,641	161,368	129,977	111,460
Off-Track	68,253	69,231	69,658	45,844	66,479
<b>Total Attendance</b>	<b>221,561</b>	<b>214,872</b>	<b>231,026</b>	<b>175,821</b>	<b>177,939</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$336,448	\$331,999	\$320,524	\$265,879	\$413,433
Breakdown by location					
On-Track Handle	\$9,454,053	\$8,677,661	\$8,239,847	\$5,770,715	\$6,386,671
Off-Track Handle	\$12,751,547	\$13,234,294	\$13,235,253	\$8,586,751	\$12,631,269
Breakdown by source					
Live Races	\$6,959,997	\$6,680,411	\$6,261,365	\$4,529,820	\$4,865,844
Simulcast Races	15,245,603	15,231,544	15,213,734	9,827,646	14,152,097
<b>Total Pari-Mutuel Handle</b>	<b>\$22,205,600</b>	<b>\$21,911,955</b>	<b>\$21,475,100</b>	<b>\$14,357,466</b>	<b>\$19,017,940</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b>Returned to Wagering Public</b>	<b>\$16,838,949</b>	<b>\$16,548,016</b>	<b>\$16,358,923</b>	<b>\$11,168,940</b>	<b>\$14,515,240</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$4,390,313	\$4,357,033	\$4,293,304	\$2,883,962	\$3,905,405
Breakage	116,542	109,312	104,652	68,748	95,232
<b>Total Track Revenues</b>	<b>\$4,506,854</b>	<b>\$4,466,346</b>	<b>\$4,397,956</b>	<b>\$2,952,709</b>	<b>\$4,000,637</b>
<b>Purses</b>	<b>\$2,612,626</b>	<b>\$2,923,095</b>	<b>\$2,694,134</b>	<b>\$1,963,973</b>	<b>\$1,917,210</b>

Racetrack Trends at a Glance



**COUNTY FAIR RACING**  
**Schedule and Statistics**  
**FY 2011**

	<u>Race Days</u>	<u>Live Races</u>	<u>Simulcast Races</u>	<u>Total Handle</u>	<u>Simulcast Handle</u>	<u>Attendance</u>	<u>Returned to Public</u>	<u>Track Commission</u>	<u>Breakage to Track</u>	<u>Purses</u>
<b>Fairs at Non-Commercial Tracks</b>										
<b>Coconino County Fair at Flagstaff</b> June 30, July 1 (dark) July 2, 3, 4, 5, 2010 (live)	6	36	517	\$ 2,102,890	\$ 1,684,663	15,891	\$ 1,607,850	\$ 424,239	\$ 9,961	\$ 105,231
<b>Apache County Fair at St. Johns</b> September 18, 19, 25, 26, 2010 (did not run)	-	-	-	-	-	-	-	-	-	-
<b>Gila County Fair at Globe</b> October 2, 3, 9, 10, 2010 (did not run)	-	-	-	-	-	-	-	-	-	-
<b>Pima County Fair at Tucson</b> Jan. 15, 16, 22, 23, 29, 30, Feb. 12, 13, 19, 20, 2011	10	92	-	960,978	-	39,919	733,733	199,655	8,371	243,700
<b>Greenlee County Fair at Duncan</b> March 5, 6, 12, 13, 2011 (did not run)	-	-	-	-	-	-	-	-	-	-
<b>Graham County Fair at Safford</b> March 19, 20, 26, 27 (did not run)	-	-	-	-	-	-	-	-	-	-
<b>Santa Cruz County Fair at Sonoita</b> May 7, 8, 2011	2	17	-	76,966	-	5,000	60,025	14,670	732	22,947
<b>Subtotal - Fairs at Non-Commercial Tracks</b>	<b>18</b>	<b>145</b>	<b>517</b>	<b>\$3,140,834</b>	<b>\$1,684,663</b>	<b>60,810</b>	<b>\$2,401,608</b>	<b>\$638,564</b>	<b>\$19,064</b>	<b>\$371,878</b>
<b>Fairs at Commercial Tracks</b>										
<b>Yavapai County Fair at Prescott Valley (Yavapai Downs)</b> September 4, 5, 6, 7, 2010	4	36	272	\$ 1,356,153	\$ 1,101,833	9,603	\$ 1,035,908	\$ 273,344	\$ 5,276	\$ 111,354
<b>Maricopa County Fair at Phoenix (Turf Paradise)</b> January 7, 8, 29, 30, 2011	4	36	678	2,309,181	1,832,972	16,699	1,782,063	481,259	10,431	231,781
<b>La Paz County Fair at Phoenix (Turf Paradise)</b> January 14, 15, 22, 28, 2011	4	36	737	2,503,419	1,940,447	19,245	1,862,884	515,028	12,654	251,051
<b>Pinal County Fair at Phoenix (Turf Paradise)</b> February 5, 6, 12, 13, 2011	4	27	620	2,257,980	1,821,299	15,235	1,700,746	466,360	10,926	217,946
<b>Navajo County Fair at Phoenix (Turf Paradise)</b> March 5, 6, 12, 13, 2011	4	36	862	2,614,903	2,025,942	19,013	1,936,364	537,896	13,142	255,525
<b>Yuma County Fair at Phoenix (Turf Paradise)</b> March 19, 20, 26, 27, 2011	4	36	857	2,486,970	1,860,849	20,385	1,912,839	513,394	12,384	251,337
<b>Cochise County Fair at Phoenix (Turf Paradise)</b> April 16, 17, 30, May 1, 2011	4	36	982	2,348,501	1,884,093	16,949	1,882,828	479,560	11,355	226,339
<b>Subtotal - Fairs at Commercial Tracks</b>	<b>28</b>	<b>243</b>	<b>5,008</b>	<b>\$15,877,106</b>	<b>\$12,467,434</b>	<b>117,129</b>	<b>\$ 12,113,632</b>	<b>\$ 3,266,841</b>	<b>\$ 76,168</b>	<b>\$ 1,545,332</b>
<b>Total - All County Fair Racing</b>	<b>46</b>	<b>388</b>	<b>5,525</b>	<b>\$19,017,940</b>	<b>\$14,152,097</b>	<b>177,939</b>	<b>\$14,515,240</b>	<b>\$3,905,405</b>	<b>\$95,232</b>	<b>\$1,917,210</b>

## Commercial Greyhound Racing

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

### Investigations

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of incident investigations	139	18	14
Number of background investigations	259	115	47
Total number of investigations conducted	398	133	61

### Licensing

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of licenses issued	353	166	524
Number of licenses denied	1	0	0
Number of licenses revoked	7	2	1

### Stewards

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of Stewards' rulings issued	141	90	30
Total Stewards' rulings appealed	1	1	2
Percentage of Stewards' rulings upheld on appeal to the Director	100%	100%	100%
<b><u>Rulings by Track</u></b>			
Phoenix Greyhound Park	60	*18	n/a
Tucson Greyhound Park	81	71	2

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

## Commercial Greyhound Racing

### Director

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of Director's hearings	23	19	5
Number of Administrative Law Judge hearings	0	0	2
Number of Racing Commission hearings	1	0	0
Total number of Director's orders *	29	15	7
Percentage of orders upheld on appeal to the Commission	100%	N/A	n/a
<b><u>Orders by Track</u></b>			
Phoenix Greyhound Park	13	**6	**1
Tucson Greyhound Park	16	9	6

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

### Inspections

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of facility licenses issued	6	6	4
Number of inspections conducted at facilities	20	25	24
Percentage of inspections resulting in violations and disciplinary action	5%	0%	0%
Number of whelping inspections	66	68	10
Number of vehicle inspections	31	25	24

### Breeders' Awards

The Department encourages and promotes greyhound breeding in Arizona through the administration of and distribution to recipients of funds available through the Breeders' Awards Programs.

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Amount of awards	\$223,112	\$77,227	n/a
Percentage of breeders winning awards	6%	21%	n/a
Number of greyhounds earning awards	612	1,027	n/a
Number of registered greyhounds	10,664	10,959	*2,642

\* Database purged of greyhounds certified more than 8 years ago

### Greyhound Adoption

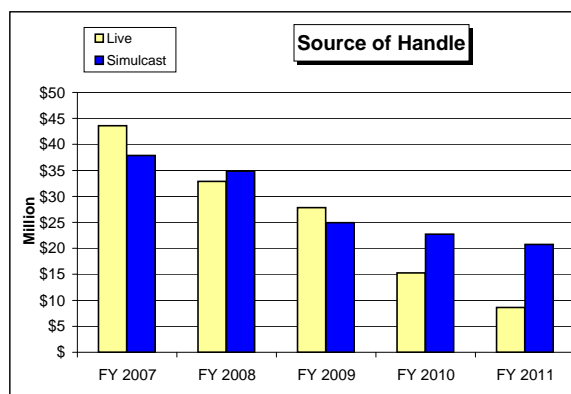
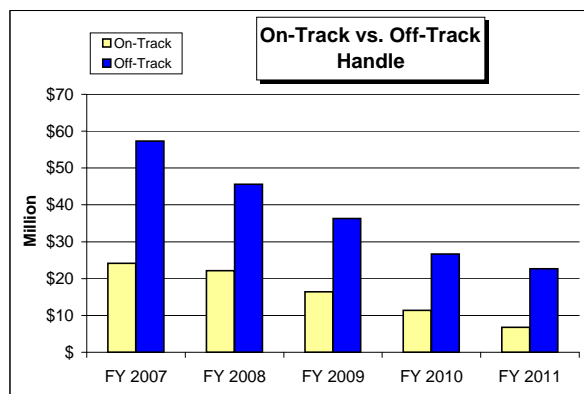
The Department provides grants to non-profit organizations to promote the adoption of retired racing greyhounds as domestic pets. This fund receives 100% of all fees collected from licensing greyhound racing kennels, breeding farms and other operations where greyhounds are raised for racing purposes. In FY 2009, the fund received \$0.

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of grants awarded	0	3	2
Amount of grants awarded	\$0	\$375	\$600

**COMMERCIAL GREYHOUND TRACKS**  
 Apache Greyhound, Phoenix Greyhound, Tucson Greyhound

<b>RACING STATISTICS</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b><u>Race Days/Performances</u></b>					
Live Race Days	660	600	594	450	310
Dark Day-Simulcast only	427	490	487	456	415
<b>Total Race Days</b>	<b>1,087</b>	<b>1,090</b>	<b>1,081</b>	<b>906</b>	<b>725</b>
<b>Total Live Performances (Matinee &amp; Evening)</b>	<b>660</b>	<b>600</b>	<b>594</b>	<b>450</b>	<b>310</b>
<b><u>Number of Races</u></b>					
Live Races	9,545	7,931	8,609	6,261	4,117
Simulcast Races	232,167	233,201	214,645	173,898	127,193
<b>Total Number of Races</b>	<b>241,712</b>	<b>241,132</b>	<b>223,254</b>	<b>180,159</b>	<b>131,310</b>
<b><u>Attendance</u></b>					
On-Track	242,079	223,833	202,058	157,847	99,517
Off-Track	226,755	208,196	178,289	150,637	154,939
<b>Total Attendance</b>	<b>468,834</b>	<b>432,029</b>	<b>380,347</b>	<b>308,484</b>	<b>254,456</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$74,933	\$62,141	\$48,809	\$41,914	\$40,508
Breakdown by location					
On-Track Handle	\$24,117,884	\$22,174,756	\$16,454,007	\$11,337,887	\$6,731,038
Off-Track Handle	\$57,334,119	\$45,558,430	\$36,308,712	\$26,636,424	\$22,637,299
Breakdown by source					
Live Races	\$43,566,317	\$32,868,549	\$27,817,286	\$15,267,907	\$8,592,807
Simulcast Races	37,885,687	34,864,637	24,945,433	22,706,403	20,775,531
<b>Total Pari-Mutuel Handle</b>	<b>\$81,452,003</b>	<b>\$67,733,186</b>	<b>\$52,762,719</b>	<b>\$37,974,311</b>	<b>\$29,368,337</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b>Returned to Wagering Public</b>	<b>\$62,355,345</b>	<b>\$52,073,727</b>	<b>\$40,279,431</b>	<b>\$29,074,212</b>	<b>\$22,510,885</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$16,541,416	\$13,972,719	\$10,751,671	\$8,035,610	\$6,439,368
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	43,121	39,147	32,148	3,815	0
Hardship Tax Credit	2,353,026	1,768,623	1,497,803	835,919	472,604
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	200,269	157,288	123,775	90,650	66,769
<b>Total Track Revenues</b>	<b>\$19,137,832</b>	<b>\$15,937,777</b>	<b>\$12,405,397</b>	<b>\$8,965,995</b>	<b>\$6,978,740</b>
<b>Purses</b>	<b>\$4,259,927</b>	<b>\$3,494,876</b>	<b>\$2,760,716</b>	<b>\$1,558,481</b>	<b>\$809,418</b>

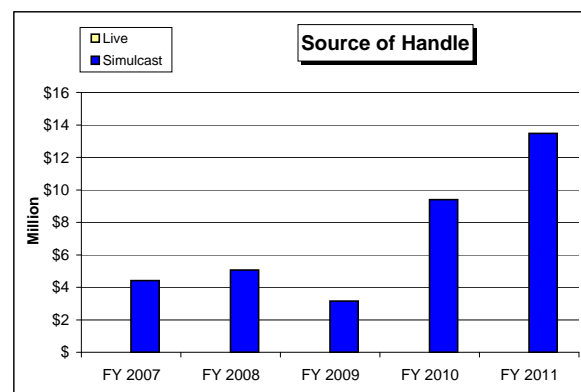
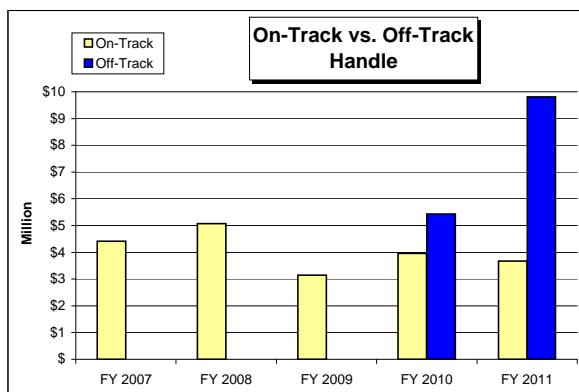
Racetrack Trends at a Glance



**APACHE GREYHOUND PARK**  
American Greyhound Racing, Inc.

<b><u>RACING STATISTICS</u></b>	<b><u>FY 2007</u></b>	<b><u>FY 2008</u></b>	<b><u>FY 2009</u></b>	<b><u>FY 2010</u></b>	<b><u>FY 2011</u></b>
<b><u>Race Days/Performances</u></b>					
Live Race Days	-	-	-	-	-
Dark Day-Simulcast only	362	363	362	362	362
<b>Total Race Days</b>	<b>362</b>	<b>363</b>	<b>362</b>	<b>362</b>	<b>362</b>
<b>Total Live Performances (Matinee &amp; Evening)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Number of Races</u></b>					
Live Races	-	-	-	-	-
Simulcast Races	72,968	73,490	71,625	72,965	63,197
<b>Total Number of Races</b>	<b>72,968</b>	<b>73,490</b>	<b>71,625</b>	<b>72,965</b>	<b>63,197</b>
<b><u>Attendance</u></b>					
On-Track	79,200	79,013	78,565	78,698	71,772
Off-Track	-	-	-	41,406	79,709
<b>Total Attendance</b>	<b>79,200</b>	<b>79,013</b>	<b>78,565</b>	<b>120,104</b>	<b>151,481</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$12,191	\$13,957	\$8,702	\$25,949	\$37,247
Breakdown by location					
On-Track Handle	\$4,413,071	\$5,066,332	\$3,150,048	\$3,963,410	\$3,670,711
Off-Track Handle	\$0	\$0	\$0	\$5,430,189	\$9,812,658
Breakdown by source					
Live Races	\$0	\$0	\$0	\$0	\$0
Simulcast Races	4,413,071	5,066,332	3,150,048	9,393,598	13,483,368
<b>Total Pari-Mutuel Handle</b>	<b>\$4,413,071</b>	<b>\$5,066,332</b>	<b>\$3,150,048</b>	<b>\$9,393,598</b>	<b>\$13,483,368</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b>Returned to Wagering Public</b>	<b>\$3,441,643</b>	<b>\$3,886,753</b>	<b>\$2,402,290</b>	<b>\$7,002,240</b>	<b>\$10,148,935</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$1,032,928	\$1,192,917	\$732,497	\$2,216,286	\$3,173,539
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	0	0	0	0	0
Hardship Tax Credit	0	0	0	0	0
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	9,110	8,235	6,572	21,773	31,895
<b>Total Track Revenues</b>	<b>\$1,042,037</b>	<b>\$1,201,152</b>	<b>\$739,069</b>	<b>\$2,238,059</b>	<b>\$3,205,434</b>
<b>Purses</b>	<b>\$201,092</b>	<b>\$228,396</b>	<b>\$147,643</b>	<b>\$78,122</b>	<b>\$0</b>

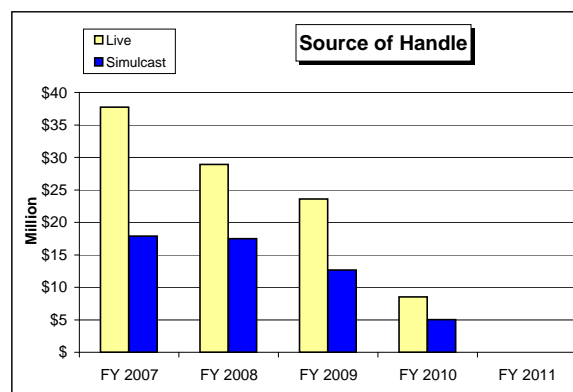
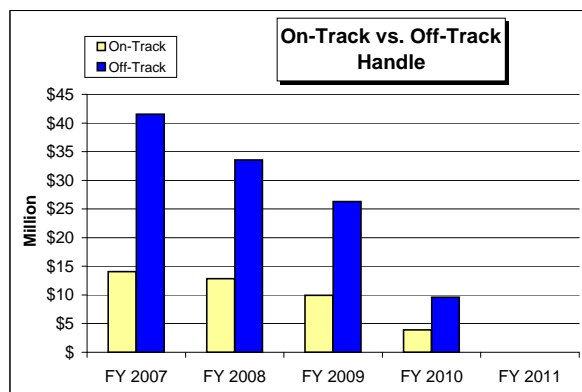
Racetrack Trends at a Glance



**PHOENIX GREYHOUND PARK**  
American Greyhound Racing, Inc.

<u>RACING STATISTICS</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
<b><u>Race Days/Performances</u></b>					
Live Race Days	362	348	338	168	-
Dark Day-Simulcast only	-	15	20	13	-
<b>Total Race Days</b>	<b>362</b>	<b>363</b>	<b>358</b>	<b>181</b>	-
<b>Total Live Performances (Matinee &amp; Evening)</b>	<b>362</b>	<b>348</b>	<b>338</b>	<b>168</b>	-
<b><u>Number of Races</u></b>					
Live Races	5,733	5,019	5,422	2,399	-
Simulcast Races	70,123	70,116	64,302	31,413	-
<b>Total Number of Races</b>	<b>75,856</b>	<b>75,135</b>	<b>69,724</b>	<b>33,812</b>	-
<b><u>Attendance</u></b>					
On-Track	122,821	106,100	93,234	43,059	-
Off-Track	150,734	127,862	103,594	43,962	-
<b>Total Attendance</b>	<b>273,555</b>	<b>233,962</b>	<b>196,828</b>	<b>87,021</b>	-
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$153,588	\$127,816	\$101,228	\$74,824	\$0
Breakdown by location					
On-Track Handle	\$14,071,955	\$12,822,684	\$9,945,695	\$3,935,117	\$0
Off-Track Handle	\$41,526,811	\$33,574,550	\$26,294,053	\$9,608,030	\$0
Breakdown by source					
Live Races	\$37,733,613	\$28,922,407	\$23,585,459	\$8,507,773	\$0
Simulcast Races	17,865,152	17,474,827	12,654,289	5,035,374	0
<b>Total Pari-Mutuel Handle</b>	<b>\$55,598,765</b>	<b>\$46,397,234</b>	<b>\$36,239,748</b>	<b>\$13,543,147</b>	<b>\$0</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b>Returned to Wagering Public</b>	<b>\$42,367,781</b>	<b>\$35,372,281</b>	<b>\$27,301,010</b>	<b>\$10,241,002</b>	
<b>State Pari-Mutuel Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	\$10,757,869	\$9,151,719	\$7,113,441	\$2,663,706	\$0
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Capital Improvement AGP Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	43,121	39,147	32,148	3,815	0
Hardship Tax Credit	2,032,228	1,551,585	1,265,053	464,112	0
AGP-Hardship Tax (Transferred to PGP)	0	0	0	0	0
Breakage	143,872	115,733	89,620	36,144	0
<b>Total Track Revenues</b>	<b>\$12,977,090</b>	<b>\$10,858,184</b>	<b>\$8,500,261</b>	<b>\$3,167,778</b>	<b>\$0</b>
<b>Purses</b>	<b>\$3,095,274</b>	<b>\$2,545,527</b>	<b>\$1,997,810</b>	<b>\$744,968</b>	

Racetrack Trends at a Glance



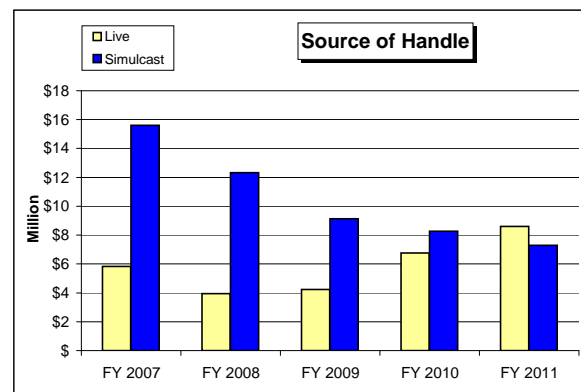
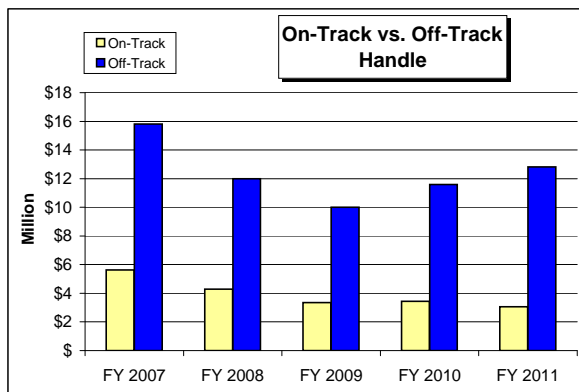
2601 South Third Avenue  
Tucson, Arizona 85713

**TUCSON GREYHOUND PARK**  
Tucson Greyhound Park, Inc.

FY 2011 Racing Dates:  
July 1, 2010 - June 30, 2011

<u>RACING STATISTICS</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
<b><u>Race Days/Performances</u></b>					
Live Race Days	298	252	256	282	310
Dark Day-Simulcast only	65	112	105	81	53
<b>Total Race Days</b>	<b>363</b>	<b>364</b>	<b>361</b>	<b>363</b>	<b>363</b>
<b>Total Live Performances (Matinee &amp; Evening)</b>	<b>298</b>	<b>252</b>	<b>256</b>	<b>282</b>	<b>310</b>
<b><u>Number of Races</u></b>					
Live Races	3,812	2,912	3,187	3,862	4,117
Simulcast Races	89,076	89,595	78,718	69,520	63,996
<b>Total Number of Races</b>	<b>92,888</b>	<b>92,507</b>	<b>81,905</b>	<b>73,382</b>	<b>68,113</b>
<b><u>Attendance</u></b>					
On-Track	40,058	38,720	30,259	36,090	27,745
Off-Track	76,021	80,334	74,695	65,269	75,230
<b>Total Attendance</b>	<b>116,079</b>	<b>119,054</b>	<b>104,954</b>	<b>101,359</b>	<b>102,975</b>
<b><u>Pari-Mutuel Handle</u></b>					
Average Handle per Race Day	\$59,064	\$44,697	\$37,044	\$41,426	\$43,760
Breakdown by location					
On-Track Handle	\$5,632,858	\$4,285,739	\$3,358,264	\$3,439,361	\$3,060,328
Off-Track Handle	\$15,807,308	\$11,983,880	\$10,014,659	\$11,598,205	\$12,824,642
Breakdown by source					
Live Races	\$5,832,704	\$3,946,142	\$4,231,828	\$6,760,135	\$8,592,807
Simulcast Races	15,607,463	12,323,477	9,141,096	8,277,431	7,292,163
<b>Total Pari-Mutuel Handle</b>	<b>\$21,440,167</b>	<b>\$16,269,619</b>	<b>\$13,372,923</b>	<b>\$15,037,565</b>	<b>\$15,884,969</b>
<b><u>DISTRIBUTION OF REVENUES</u></b>					
<b>Returned to Wagering Public</b>	<b>\$16,545,921</b>	<b>\$12,814,693</b>	<b>\$10,576,130</b>	<b>\$11,830,969</b>	<b>\$12,361,949</b>
<b>State Pari-Mutuel Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Track Mutuel Revenues</u></b>					
Track Commission	4,750,619	3,628,084	2,905,733	3,155,618	3,265,829
Capital Improvement Rebate	0	0	0	0	0
Capital Improvement Non-Taxable	0	0	0	0	0
Charity Days-Revenues Withheld	0	0	0	0	0
Hardship Tax Credit	320,798	217,037	232,750	371,807	472,604
Breakage	47,288	33,320	27,583	32,734	34,873
<b>Total Track Revenues</b>	<b>\$5,118,705</b>	<b>\$3,878,441</b>	<b>\$3,166,066</b>	<b>\$3,560,158</b>	<b>\$3,773,306</b>
<b>Purses</b>	<b>\$963,561</b>	<b>\$720,953</b>	<b>\$615,264</b>	<b>\$735,391</b>	<b>\$809,418</b>

Racetrack Trends at a Glance



# **Arizona Boxing & Mixed Martial Arts Commission**

# Arizona State Boxing and MMA Commission

## Commissioners

**Michael Preston Green** – **Chairman**. Mr. Green was appointed to the Boxing Commission on June 16, 2009. His Boxing Commission term expires on January 16, 2012.

**Joe Pennington** – **Commissioner**. Mr. Pennington was appointed to the Boxing Commission on January 18, 2010. His Boxing Commission term expires on January 21, 2013.

**Scott B. Fletcher** – **Commissioner**. Mr. Fletcher was appointed to the Boxing Commission on February 23, 2011. His Boxing Commission term expires on January 20, 2014.

## Executive Director

**Dennis R. O'Connell** – Mr. O'Connell was appointed as the Boxing Executive Director on September 21, 2009.

## Boxing and Mixed Martial Arts Regulation

The Boxing and MMA Commission regulate and supervise Boxing and Mixed Martial Arts Events conducted in Arizona to protect the participants in these events and to ensure compliance with the applicable laws and regulations.

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

Additionally, the Boxing and MMA Commission has entered into intergovernmental agreements with certain Tribal organizations to supervise Boxing events conducted on Tribal land. The Arizona State Boxing and MMA Commission receive an average of \$2,500 per event subject to these agreements. During FY 2011, the Boxing Commission regulated 11 of these events and collected \$28,000 for their regulation. The revenues collected for taxes and Tribal fees were deposited into the General Fund.

### Sanctioned Events

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Percent of bouts without serious injury to contestants	100%	100%	100%
Number of events sanctioned	29	26	24
Number of bouts	232	257	221

### Licensing

The Boxing and MMA Commission issues licenses to participate in Boxing to those who are qualified and eligible. Licenses are denied for those who are undesirable or statutorily prohibited from participating.

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of licenses issued	664	560	685
Percent of licenses issued for all applications	99.5%	99%	98%
<u>Revenue Summary</u>			
Taxes	\$13,048	\$10,700	\$25,805
License Fees	10,620	7,655	11,795
Fines	400	0	0
Unarmed Combat Fees	18,000	20,000	17,000
Other (Tribal Agreements)	27,000	27,000	28,000
Total Revenue Collected	\$69,068	\$65,355	\$82,600

### Investigations

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

<u>Performance Measures</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Number of investigations conducted	0	1	0
Percent of investigations resulting in disciplinary action	N/A	100%	N/A

# **Financial Information**

**Department of Racing Budget**

The Department of Racing receives 100% of its funding from the General Fund. As with most agencies, the budget for the Department has been greatly reduced. The total Department of Racing budget for FY 2011 was \$3,863,600. Included in the Department's budget is \$1,779,500, which is deposited to the County Fairs Livestock and Agricultural Promotion Fund, a fund administered by the Governor's Office to promote the livestock and agricultural resources of the State and for conducting an annual Arizona livestock fair by the Arizona Exposition and State Fair Board to further livestock resources.

In FY 2011, the Department's appropriation was again reduced, which placed the agency's ability to effectively regulate in jeopardy. To alleviate the burden on the General Fund, the Department pursued legislation through the budget process to transition from General Fund support to "self-funding" from the racing industry. The Legislature approved the budget request and effective July 20, 2011, the Department of Racing will receive approximately half of its funding from the General Fund and half from the newly created Racing Regulation Fund. In FY 2013, the Department will be totally funded from the Racing Regulation Fund.

The Department of Racing's expenditures for the last three fiscal years and the appropriated funds for FY 2012, are included below.

**OPERATING BUDGET**

	<b><u>Actual Exp</u></b> <b><u>FY 2009</u></b>	<b><u>Actual Exp</u></b> <b><u>FY 2010</u></b>	<b><u>Actual Exp</u></b> <b><u>FY 2011</u></b>	<b><u>Appropriation</u></b> <b><u>FY 2012</u></b>
Full Time Equivalent Positions (FTE)	46.5	42.5	40.5	40.5
Full Time	33.0	29.0		
Part Time	13.5	13.5		
Personal Services	\$ 1,567,700	\$ 1,153,500	\$ 1,065,200	\$ 1,434,400
Employee Related Expenses (ERE)	535,200	476,500	492,100	600,000
Professional & Outside Services	144,500	103,400	105,600	235,300
Travel - In State	123,000	77,900	76,500	21,000
Travel - Out of State	3,200	1,600	5,900	4,900
Other Operating	339,200	220,500	260,500	140,800
Equipment	52,700	1,500	37,200	-
<b>SUBTOTAL</b>	<b>\$ 2,765,500</b>	<b>\$ 2,034,900</b>	<b>\$ 2,043,000</b>	<b>\$ 2,436,400</b>

**SPECIAL LINE ITEMS:**

Breeder's Award	N/A	246,700	-	-
County Fair Racing	N/A	340,200	-	-
County Fairs Livestock & Agricultural Promotic	N/A	1,779,500	1,779,500	1,779,500
County Fair Betterment	N/A	519,400	-	-
Racing Administration	N/A	42,800	-	-
Stallion Award	N/A	-	-	-
5th Special Session Reduction	N/A	-	-	-
Line Items Subtotal	N/A	2,928,600	1,779,500	1,779,500

**AGENCY TOTAL**

<b>\$ 2,765,500</b>	<b>\$ 4,963,500</b>	<b>\$ 3,822,500</b>	<b>\$ 4,215,900</b>
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**FUND SOURCES**

General Fund	\$ 2,278,900	\$ 4,963,500	\$ 3,822,500	\$ 2,781,600
Racing Regulation Fund	-	-	-	\$ 1,434,300

**Other Appropriated Funds**

County Fair Racing Fund	\$ 427,700	-	-	-
Administration of Betterment & Breeders' Awards Fund	58,900	-	-	-
Arizona Breeders Awards	-	-	-	-
Arizona Stallion Awards	-	-	-	-
County Fair Betterment	-	-	-	-
Livestock Promotion	-	-	-	-
<b>SUBTOTAL</b>	<b>\$ 486,600</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**AGENCY TOTAL**

<b>\$ 2,765,500</b>	<b>\$ 4,963,500</b>	<b>\$ 3,822,500</b>	<b>\$ 4,215,900</b>
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**ARIZONA DEPARTMENT OF RACING**

FY 2011 ANNUAL REPORT

## Hardship Tax Credit

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

### Determination of the FY 2012 Hardship Tax Credit Based on the FY 2011 Dollars Wagered

TRACK	BASE YEAR	BASE YEAR AMOUNT	FY 2011 AMOUNT WAGERED	FY 2011 % DECREASE	FY 2011 CAPITAL PARI-MUTUEL TAX DUE	TAX DUE BASED ON % DECREASE	FY 2012 HARDSHIP TAX CREDIT	CARRYOVER	FY 2012
								FROM FY 2011 HARDSHIP TAX CREDIT	FY 2012 TAX CREDIT WITH FY 2011 CARRYOVER
<b>HORSE TRACKS:</b>									
Fort Tuthill Downs	FY 1994	\$ 798,671	\$ -	-100.00%	\$ -	\$ -	\$ -	\$ 7,320	\$ 7,320
Rillito Park	FY 1990	\$ 3,887,981	\$ -	-100.00%	\$ -	\$ -	\$ -	\$ 219,826	\$ 219,826
Turf Paradise	FY 1994	\$ 101,467,993	\$ 103,932,849	2.43%	\$ 293,002	\$ -	\$ -	\$ 14,564	\$ 14,564
Yavapai Downs	FY 1994	\$ 17,490,826	\$ 16,845,458	-3.69%	\$ 32,506	\$ 1,199	\$ 3,598	\$ -	\$ 3,598
<b>GREYHOUND TRACKS:</b>									
Apache Greyhound Park	FY 1990	\$ 12,262,396	\$ 13,483,368	9.96%	\$ -	\$ -	\$ -	\$ 360,850	\$ 360,850
Phoenix Greyhound Park	FY 1990	\$ 49,391,582	\$ -	-100.00%	\$ -	\$ -	\$ -	\$ 7,712,376	\$ 7,712,376
	FY 1994	\$ 46,293,967							
Tucson Greyhound Park	FY 1990	\$ 38,110,346	\$ 15,884,969	-58.32%	\$ 472,604	\$ 275,623	\$ 826,869	\$ 2,704,280	\$ 3,531,149

### Department of Racing Pari-Mutuel Tax Revenue - FY 2011

TRACK	ALLOWABLE HARDSHIP CREDITS IN FY 2011	FY 2011 HANDLE	FY 2011 PARI-MUTUEL TAX DUE	FY 2011 CAPITAL IMPROVEMENT WITHHOLDINGS	FY 2011 HARDSHIP TAX CREDIT	FY2011 COUNTY FAIR CREDITS	FY 2011 CHARITY DAYS	FY 2011 PARI-MUTUEL TAX REVENUE
<b>HORSE TRACKS:</b>								
Rillito Park	\$ 219,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Turf Paradise	14,564	103,932,849	293,002	-	-	-	8,203	284,799
Yavapai Downs	-	16,845,458	32,506	32,506	-	-	-	-
Subtotal Horse Tracks	\$ 234,390	\$ 120,778,307	\$ 325,508	\$ 32,506	\$ -	\$ -	\$ 8,203	\$ 284,799
<b>GREYHOUND TRACKS:</b>								
Apache Greyhound Park	\$ 360,850	\$ 13,483,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Phoenix Greyhound Park	7,712,376	-	-	-	-	-	-	-
Tucson Greyhound Park	3,176,884	15,884,969	472,604	-	472,604	-	-	-
Subtotal Greyhound Tracks	\$ 11,250,110	\$ 29,368,337	\$ 472,604	\$ -	\$ 472,604	\$ -	\$ -	\$ -
<b>GRAND TOTAL</b>	<b>\$ 11,484,500</b>	<b>\$ 150,146,645</b>	<b>\$ 798,112</b>	<b>\$ 32,506</b>	<b>\$ 472,604</b>	<b>\$ -</b>	<b>\$ 8,203</b>	<b>\$ 284,799</b>

## Track Capital Improvements

The Department was authorized by statute to encourage the improvement of racing facilities by reducing the pari-mutuel tax due the State. The percentages paid the State by the permittee was reduced by 1% of the total amount wagered in counties with a population over 500,000 and 2% in all other counties.

Prior approval of the Racing Commission for the capital improvement proposed was required to qualify for the reduction. This provision expired on June 30, 1992 for counties with populations of 500,000 or more and on June 30, 1999 for counties with populations of less than 500,000 according to the previous United States decennial census. The capital improvement dollars for projects approved before the expiration date may continue to be deducted from the pari-mutuel tax due until exhausted. The following table show dollars deducted by all racetracks during FY 2011. The only racetrack which has not exhausted the dollars approved is Yavapai Downs.

Permittee	Project Description	Improvement Dollars Approved	Dollars Deducted FY 2011	Cumulative Dollars Deducted	Remaining Dollars Approved
Prescott Downs (Yavapai Downs)	Grandstand & Clubhouse Structure, etc.	\$52,196,636	\$32,506	\$866,507	\$51,330,129
Other Permittees		\$0	\$0	\$0	\$0