



Pennsylvania Horse and Harness Racing Commissions
2014 Annual Report



Horse Racing Commission

Alan Novak, Chairman

Dr. Corinne Sweeney, Commissioner

Walter Remmert, Acting Executive Secretary

Harness Racing Commission

Jonathan Newman, Chairman

Noah Wenger, Commissioner

C. Edward Roger, Jr., Commissioner

George Crawford, Executive Secretary

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Introduction

In 1959 Pennsylvanians were introduced to the sport of harness and horse racing. Today, six racetracks provide entertainment and live-racing action to Pennsylvania, the country and the world. Step out on any racetrack apron and your ears will hear the sounds of pounding hooves and the screams of adoring fans as horses are heading down the stretch towards the finish line.

Beside the racetracks, 15 county fairs support harness racing, providing yet another outlet for people to come and enjoy racing.

Pennsylvania also hosts some of the world's most renowned breeders and since the inception of gaming has provided a breeders' award program that has consistently demonstrated the Commonwealth as a distinguished place to come and purchase farmland. The Standardbred Horse Sale, held annually at the Pennsylvania Farm Show Complex, is a leader among nations providing sales in excess of \$50 million dollars.

Pennsylvania ensures the highest integrity of our sport. The Harness and Horse Racing Commissions and the Commissioners leading these teams believe in the work being accomplished at our laboratory. Funding for the testing and research needed to provide integrity and a level playing field among those participating in racing is of the utmost concern. The Pennsylvania Equine Testing and Research Laboratory (PETRL), in conjunction with the University of Pennsylvania, is a vital component of the sport of harness and horse racing.

Harness and horse racing in Pennsylvania continues to demonstrate the importance of agriculture and provides employment opportunities to a number of Pennsylvanians who call the Commonwealth home.

2014 Licensing and Ruling Statistics

Licenses Issued

Thoroughbred Total	8,580	Harness Total	3,386
COMBINED LICENSING		11,966	

Licensing Fees Collected

Thoroughbred Licensing	\$308,063		
Thoroughbred Colors Fees	\$27,831		
Total Thoroughbred Fees:	\$ 335,894	Total Harness Fees:	\$323,240
COMBINED LICENSING FEES		\$659,134	

Rulings Issued

THOROUGHBRED		HARNESS	
Executive Office	43	Executive Office	72
Parx	237	Harrah's	277
Penn National	370	Meadows	329
Presque Isle	164	Pocono	301
Total Thoroughbred	814	Total Harness	979
COMBINED RULINGS		1,793	

Fines Collected

Thoroughbred	\$104,560	Harness	\$134,925
COMBINED FINES		\$239,485	

2014 State Racing Commissions Report of Expenditures

(Jan. 1 to Dec. 31, 2014)

Salaries	\$1,139,686.27
Wages	\$4,449,285.45
Overtime	\$47,729.54
Benefits	\$3,520,222.89
Other Personnel Costs	\$97,950.67
Total Personnel Services	\$9,254,874.82
Travel Expenses	\$22,771.56
Communications	\$47,669.64
Database/Technical Infrastructure	\$143,564.80
Legal Services/Fees	\$14,610.35
Specialized, Contracted, and Other Services	\$481,792.87
Membership Dues	\$37,300.00
Supplies (Office, Lab, etc.)	\$480,210.58
Equipment	\$19,669.16
Software/Hardware	\$1,520.69
Postage and Freight	\$48,958.44
Other Operating Expenses	\$595,874.78
Total Operating Expenses	\$1,893,942.87
Machinery	\$ 21,000.00
Total Fixed Assets	\$21,000.00
Interfund Reimbursements	\$531,553.00
Total Non-Expense Items	\$531,553.00
Total Expenditures	\$11,701,370.69

PETRL Expenditures	
Salaries	\$187,167.25
Benefits	\$119,377.33
Total PETRL Personnel Services	\$306,544.58
Communications	\$5,753.54
Specialized, Contracted and Other	\$1,980,704.38
Other Operating Expenses	\$730.60
Total PETRL Operating Expenses	\$1,987,188.52
Interfund Reimbursements	\$112,000.00
Total PETRL Non-Expense Items	\$112,000.00
Total PETRL Expenditures	\$2,405,733.10
Total Racing and PETRL Expenditures	\$14,107,103.79

Funding supports racing at three thoroughbred tracks (Parx, Penn National, and Presque Isle) and three standardbred tracks (Harrah's Philadelphia, Mohegan Sun at Pocono Downs, and The Meadows). In 2014 a combination of 1,009 live racing days took place at these tracks. Funding also supports approximately 40 salaried employees and 180 wage employees who operate the commissions' racing programs.

Track Complement in Administrative Positions

Parx	36
Penn National	37
Presque Isle	30
The Meadows	32
Pocono Downs	27
Harrah's Philadelphia	28
PETRL	9
Administrative	25
TOTAL	224

Pennsylvania Breeders Fund Statement of Restricted Revenue

(Calendar Year Ending December 31, 2014)

FUND BALANCE – DECEMBER 31, 2013		\$1,526,559
REVENUE		
Transfers from Race Horse Development Fund in 2014		\$17,916,212
Less Transfers from Race Horse Development Fund in 2014 applicable to 2013		\$ 476,768
Add Transfers from Race Horse Development Fund in 2015 applicable to 2014		\$ 497,495
Total Revenue		\$17,936,939
Expenditures		
Administrative & Development		\$700,743
Awards		
Breeder	\$9,647,143	
Stallion	\$1,434,186	
Owner	\$ 62,200	
Total Awards		\$11,143,529
Purses		
Overnights	\$4,006,480	
Stakes	\$ 885,713	
Total Purses		\$ 4,892,193
Total Expenditures		\$16,035,722
Fund Balance – December 31, 2014		\$1,901,217

2014 Standardbred Breed-Enhancement Programs

Sire Stakes

Balance as of January 1, 2014	\$7,095,220
Receipts	
Transfers from Race Horse Development Fund CY2014	\$8,197,266
Transfers from Race Horse Development Fund in 2015 applicable to 2014	\$236,966
Nominating Fees	\$123,740
Sustaining Fee	\$1,093,275
Total Revenue	\$9,651,247
Expenditures	
Personnel/Operating/Administrative	\$183,107
Awards	\$8,434,232
Total Expenditures	\$8,617,339
Net Change	\$(0)
Balance as of December 31, 2014	\$8,129,128

Standardbred Breeders Fund

Balance as of January 1, 2014	\$8,257,765
Receipts	
Transfers from Race Horse Development Fund CY2014	\$8,197,266
Transfers from Race Horse Development Fund in 2015 applicable to 2014	\$236,966
Total Revenue	\$8,434,232
Expenditures	
Awards Paid in CY14	\$8,434,232
Administrative	\$0
Total Expenditures	\$8,434,232
Net Change	\$(0)
Prior Year Adjustment	\$(0)
Balance as of December 31, 2014	\$8,257,765

2014 Taxable Wagering on Horse Racing

(Handle total determines base for PA taxes, Commissions' expenses)

RACINO	Thoroughbred	Harness	Total
Parx Racing	\$153,134,343	\$23,644,162	\$176,778,505
Penn National	\$69,176,774	\$5,958,901	\$75,135,675
The Meadows	\$48,569,461	\$28,804,983	\$77,374,444
Mohegan Sun/Pocono Downs	\$31,870,859	\$23,828,639	\$55,699,498
Harrah's Philadelphia	\$22,288,922	\$9,108,601	\$31,397,523
Presque Isle Downs	\$10,485,444	\$677,961	\$11,163,405
TAXABLE WAGERING	\$335,525,803	\$92,023,247	\$427,549,050

Pennsylvania Betting by Tracks' Systems

("System betting" = on-track, phone/computer, and at off-track sites)

<u>THOROUGHBRED</u>		<u>STANDARD BRED</u>	
PARX		MEADOWS	
On-Track	\$51,238,044	On-Track	\$22,366,044
Phone Bet	\$34,037,281	Account Wagering	\$23,994,346
Center City	\$11,402,730	New Castle	\$11,244,020
South Philadelphia	\$33,346,684	Harmar	\$16,629,201
Valley Forge	\$15,060,446	Moon	N/A
Brandywine	\$10,351,888	SYSTEM TOTAL	\$74,233,611
Northeast	\$24,360,417		
SYSTEM TOTAL	\$179,797,490		
PENN NATIONAL		POCONO	
On-Track	\$20,556,334	On-Track	\$15,443,157
Telebet	\$18,831,019	Dial-A-Bet	\$10,953,232
Reading	\$9,135,866	Carbondale	\$6,419,642
Chambersburg	N/A	East Stroudsburg	\$7,087,304
York	\$14,751,931	Lehigh Valley	\$20,013,302
Lancaster	\$10,067,493	SYSTEM TOTAL	\$59,916,638
SYSTEM TOTAL	\$73,342,643		
PRESQUE ISLE		HARRAH'S PHILA.	
On-Track	\$9,075,914	On-Track	\$21,490,391
SYSTEM TOTAL	\$9,075,914	Account Wagering	\$9,907,133
		SYSTEM TOTAL	\$31,397,524
T'BRED SYSTEMS	\$262,216,047	HARNESS SYSTEMS	\$165,547,773

2014 Betting on Live Racing

(at the track, through phone/OTW, at other state tracks, and outside the state)

THOROUGHBRED		STANDARD BRED	
PARX	(215 cards)	MEADOWS	(208 cards)
On-Track	\$13,004,086	On-Track	\$4,885,747
Phone Betting/OTWs	\$8,613,249	Phone Betting/OTWs	\$3,650,388
Intrastate Wagering	\$6,465,963	Intrastate Wagering	\$6,183,490
Interstate Wagering	\$230,829,070	Interstate Wagering	\$111,979,096
BET ON PARX	\$258,912,368	BET ON MEADOWS	\$126,698,721
PENN NATIONAL		POCONO	
	(200 cards)		(139 cards)
On-Track	\$5,503,716	On-Track	\$3,610,018
Phone Betting/OTWs	\$5,240,022	Phone Betting/OTWs	\$1,509,208
Intrastate Wagering	\$7,347,648	Intrastate Wagering	\$2,615,728
Interstate Wagering	\$157,235,996	Interstate Wagering	\$51,721,617
BET ON PENN NAT.	\$175,327,382	BET ON POCONO	\$59,456,571
PRESQUE ISLE		HARRAH'S PHILA.	
	(99 cards)		(151 cards)
On-Track	\$2,782,760	On-Track & phone	\$3,210,401
Intrastate Wagering	\$2,542,811	Intrastate Wagering	\$3,961,361
Interstate Wagering	\$63,932,983	Interstate Wagering	\$68,154,206
BET ON PRESQUE	69,258,554	BET ON PHILA.	\$75,325,968
BET ON T'BREDS	\$503,498,304	BET ON HARNESS	\$261,481,260

INTERSTATE BETTING ON 2014 PENNSYLVANIA RACING: \$764,979,564

2014 Purses Paid

THOROUGHBRED		HARNESS	
at Parx	\$55,396,398	at Meadows	\$38,927,595
at Penn National	\$33,340,236	at Philadelphia	\$32,134,618
at Presque Isle	\$18,492,443	at Pocono	\$30,638,805
T'Bred Purses	\$107,229,077	Harness Purses	\$101,701,018

2014 Revenue Generated by Wagering

	Parx	PN	PID	Mea	PcD	Phila.	TOTAL
THOROUGHBRED							
Wagering Tax 1.5%	\$2,297,015	\$1,037,652	\$157,282	\$728,542	\$478,063	\$334,334	\$5,032,888
Exotic Pools Tax 1%	\$981,877	\$436,845	\$66,603	\$349,491	\$247,264	\$147,266	\$2,229,346
Breakage 25%	\$124,981	\$77,249	\$11,824	\$46,451	\$19,871	\$23,758	\$304,134
Admission	\$6,348	\$3,462	\$2,439	**	**	**	\$12,249
2013 Outs	\$642,203	\$219,344	\$68,737	**	**	**	\$930,284
TOTAL	\$4,052,424	\$1,774,552	\$306,885	\$1,124,484	\$745,198	\$505,358	\$8,508,901
HARNESS							
Wagering Tax 1.5%	\$354,662	\$89,384	\$10,169	\$432,075	\$357,430	\$136,629	\$1,380,349
Exotic Pools Tax 1%	\$163,840	\$43,067	\$5,280	\$217,877	\$138,646	\$62,000	\$630,710
Admission	**	**	**	\$2,241	\$4,106	\$3,993	\$10,340
2013 Outs	**	**	**	\$217,769	\$191,786	\$82,717	\$492,272
TOTAL	\$518,502	\$132,451	\$15,449	\$869,962	\$691,968	\$285,339	\$2,513,671
COMBINED							
Wagering Tax 1.5%	\$2,651,677	\$1,127,036	\$167,451	\$1,160,617	\$835,943	\$470,963	\$6,413,237
Exotic Pools Tax 1%	\$1,145,717	\$479,912	\$71,883	\$567,368	\$385,910	\$209,266	\$2,860,056
Breakage 25%	\$124,981	\$77,249	\$11,824	\$46,451	\$19,871	\$23,758	\$304,134
Admission	\$6,348	\$3,462	\$2,439	\$2,241	\$4,106	\$3,993	\$22,589
2013 Outs	\$642,203	\$219,344	\$68,737	\$217,769	\$191,786	\$82,717	\$1,422,556
TOTAL	\$4,570,926	\$1,907,003	\$322,334	\$1,994,446	\$1,437,166	\$790,697	\$11,022,572

** - included in "home" figure