

7870.0080 DISCLOSURE OF FINANCIAL PLAN.

An applicant for a Class A license must disclose with regard to its financial plan the financial projections for the development period and each of the first five racing years, with separate schedules based upon the number of racing days and types of pari-mutuel betting the applicant requires to break even and the optimum number of racing and types of betting applicant seeks each year. The commission will utilize financial projections in deciding whether to issue Class A licenses. Neither acceptance of a license application nor issuance of a license shall bind the commission as to matters within its discretion, including, but not limited to, assignment of racing days and designation of types of permissible pari-mutuel pools. The disclosure must include:

- A. the following assumptions and support for them:
 - (1) average daily attendance;
 - (2) average daily per capita handle and average bet;
 - (3) retainage;
 - (4) admissions to track, including ticket prices and free admissions;
 - (5) parking volume, fees, and revenues;
 - (6) concessions, gift shop, and program sales;
 - (7) cost of purses;
 - (8) pari-mutuel expense;
 - (9) state taxes;
 - (10) real estate taxes;
 - (11) breeder fund;
 - (12) payroll;
 - (13) operating supplies and services;
 - (14) utilities;
 - (15) repairs and maintenance;
 - (16) insurance;
 - (17) travel expense;
 - (18) membership expense;
 - (19) security expense;
 - (20) legal and audit expense;

(21) debt service; and

(22) federal taxes;

B. the following profit and loss elements:

(1) total revenue, including projected revenues from retainage and breakage, admissions, parking, and concessions, gift, and program operations;

(2) total operating expenses, including anticipated expenses for:

(a) purses;

(b) pari-mutuel;

(c) sales tax;

(d) breakage to state;

(e) real estate tax;

(f) admissions tax;

(g) breeder fund;

(h) special assessments;

(i) cost of concession goods, gifts, and programs;

(j) advertising and promotion;

(k) payroll;

(l) operating supplies and service;

(m) maintenance and repairs;

(n) insurance;

(o) security;

(p) legal and audit; and

(q) federal and state income taxes; and

(3) nonoperating expenses, including anticipated expenses for debt service, facility depreciation and identification of method used, and equipment depreciation and identification of method used;

C. projected cash flow, including assessment of:

(1) income, including equity contributions, debt contributions, interest income, operating revenue; and

(2) disbursements, including land, improvements, equipment, debt service, operating expense, organizational expense; and

D. projected balance sheets as of the end of the development period and each of the five racing years setting forth:

- (1) current, fixed, and other noncurrent assets;
- (2) current and long-term liabilities; and
- (3) capital accounts;

The applicant must also disclose an accountant's review report of the financial projections.

Statutory Authority: *MS s 240.23*

History: *8 SR 1823*

Published Electronically: *April 16, 2007*