

7870.0680 DISCLOSURE OF FINANCIAL PLAN.

An applicant for a Class D license must disclose with regard to its financial plan, financial projections for any development period of each of the first or next three 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 days and types of betting the applicant seeks each year. The commission will use financial projections in deciding whether to issue Class D 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 betting 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 admission;
- (5) parking volume, fees, and revenues;
- (6) concessions and program sales;
- (7) cost of purses;
- (8) pari-mutuel expense;
- (9) breeders' fund;
- (10) payroll;
- (11) operating supplies and services;
- (12) utilities;
- (13) repairs and maintenance;
- (14) insurance;
- (15) membership expense;
- (16) security expense;
- (17) legal and audit expense; and
- (18) debt service;

B. the following profit and loss elements:

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

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

- (a) purses;
- (b) pari-mutuel;
- (c) state and local taxes;
- (d) breakage to state;
- (e) breeders' fund;
- (f) cost of concession goods and programs;
- (g) advertising and promotion;
- (h) payroll;
- (i) operating supplies and service;
- (j) maintenance and repairs;
- (k) security; and
- (l) legal and audit;

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

C. projected cash flow, including assessment of:

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

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

D. projected balance sheets as of the end of any development period and the first or next three racing years setting forth current, fixed, and other noncurrent assets; current and long-term liabilities; and capital accounts.

Statutory Authority: *MS s 240.23*

History: *16 SR 484*

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