

MAINE STATE LEGISLATURE

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**MAINE STATE HARNESS RACING COMMISSION
ANNUAL REPORT
For Calendar Year 2018**

PURSUANT TO 8 MRS SECTIONS 267(2) AND 1037

PRESENTED TO THE JOINT STANDING COMMITTEES ON:

**VETERANS AND LEGAL AFFAIRS;
AGRICULTURE, CONSERVATION AND FORESTRY; AND,
APPROPRIATIONS AND FINANCIAL AFFAIRS**

February 15, 2019

**SUBMITTED BY:
THE MAINE STATE HARNESS RACING COMMISSION
MAINE DEPARTMENT OF AGRICULTURE, CONSERVATION AND FORESTRY**

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1. Executive Summary

The State Harness Racing Commission was originally created by Public Law 1975, Chapter 771, and reconstituted in 1997 to its current structure of five public members appointed by the Governor. One member must be affiliated with agricultural fairs, one member must represent the public and three members must have knowledge of harness racing. Administrative support and staff are provided through the Department of Agriculture, Conservation and Forestry, where there are four year-round, two seasonal and two half time employees dedicated to the work of the Commission.

The Commission is responsible for rulemaking, adjudicating appeals of judge's decisions, licensing of participants, tracks and off-track betting facilities, and setting the race dates for the year. It meets approximately monthly. The Commission's staff is present in the paddock area of each racing venue on days when there is live racing. A veterinarian employed by the state oversees a sampling program intended to ensure that the racing is not tainted by the inappropriate use of drugs. When prescribed, the Commission's staff also administers furosemide to horses prior to racing, to prevent pulmonary hemorrhaging. A State Steward is also present at racing venues to oversee administration of the Commission's laws.

Recently, the Commission endeavored to bolster marketing efforts directed toward Maine's harness racing industry. Historical efforts were carried out primarily by the Harness Racing Promotional Board and focused on traditional media advertising including print, radio and network television. By statute, the Promotional Board was comprised of volunteers from within the harness racing community, and it never enjoyed the luxury of professional marketing advice. Industry associations also dabbled in marketing, but efforts were hindered by an absence of professional support and a lack of coordination.

During 2017, the Commission undertook a handful of preliminary marketing initiatives on a shoestring budget. It leveraged Department resources to revamp its website, and then initiated a very modest social media marketing campaign using Facebook. A pilot project to revive live radio broadcasts of harness racing was implemented during 2017 as well. Marketing efforts were broadened during 2018, and the enactment of Public Law 2017, Chapter 371 repealed the Harness Racing Promotional Board and transferred both the funding and the marketing responsibility to the Commission. See the summary of marketing efforts under the following section for further details about 2018 marketing efforts.

2. Overview of Commission Operations and Actions

Annually, the Commission's staff engages in a series of oversight and support activities intended to ensure the integrity of the sport, promote fairness and participation, and enhance the economic viability of the industry. The Commission operates a licensing program for tracks, racing participants and off-track betting facilities which forms the first line of oversight. Every fall, the Commission holds a hearing to award race dates to the racing venues in a manner that best supports the interests of the industry. State Stewards and State Veterinarians are present on every race day providing on-site supervision of horses and racing. The Commission's staff processes enforcement cases and presents appeals to judge's decisions to the Commission. Finally, the Commission recently assumed responsibility for promoting harness racing in the state.

RULEMAKING

Title 8, Chapter 11, contains thirteen different statements that provide authorization to conduct agency rulemaking. The Commission currently operates under eleven separate rule chapters. Keeping rules current with constantly evolving industry practices, issues and statutory mandates requires vigilance and frequent amendments.

Administrative rulemaking must be conducted in accordance with the Maine Administrative Procedures Act pursuant to Title 5, Chapter 375. All the Commission's rules are considered routine technical rules as defined under Title 5, Section 8071. Routine technical rules do not require legislative review prior to final agency adoption.

During calendar year 2018, the Commission adopted amendments to four rule chapters—Chapters 5, 7, 9 and 11.

GRANTING LICENSES AND AWARDING RACE DATES

The Commission is authorized to issue annual licenses to entities desiring to hold harness races in which wagering is allowed. It also oversees the issuance of race dates to the various racing venues and issues licenses for simulcasting and to off-track betting facilities. Finally, the Commission licenses horse owners, trainers, drivers, grooms and all other persons participating in harness horse racing, including pari-mutuel employees and race officials.

During the 2018 racing year, race days were awarded from March – December:

| | Days Granted | Days Raced | Days Not Raced |
|---------------------|-----------------|---------------|----------------------|
| Scarborough Downs | 78 | 74 | 4 |
| Bangor Raceway | 43 | 42 | 1 |
| Northern Maine Fair | 6 | 6 | 0 |
| Topsham Fair | 5 | 5 | 0 |
| Skowhegan Fair | 7 | 7 | 0 |
| Union Fair | 5 | 4 | 1 |
| Windsor Fair | 9 | 9 | 0 |
| Farmington Fair | 7 | 6 | 1 |
| Cumberland Fair | 7 | 7 | 0 |
| Cumberland Extended | 1 | 1 | 0 |
| Fryeburg Fair | 6 | 6 | 0 |
| TOTALS | 174 | 167 | 7 |

Off-Track and Inter-Track Betting Facilities Days Requested

| | |
|--------------------------------------------------------------------------|-----|
| HC Bangor, LLC, DBA Hollywood Casino, Hotel & Raceway Bangor, ME | 363 |
| Pioneer Gaming, LLC, DBA Sanford OTB Sanford, Maine | 363 |
| Midcoast OTB, Inc., DBA Winner's OTB Brunswick, ME | 363 |
| LRI, Inc., DBA Lewiston Raceway, DBA Winner's Circle OTB Lewiston, ME | 363 |
| Pioneer Gaming, LLC, DBA Favorites Waterville, ME | 363 |
| Davric Maine Corporation, DBA Scarborough Downs Scarborough, ME | 363 |

Licenses of Racing Personnel 2018 Licenses Issued

| Type of License | Number Issued |
|------------------------------|---------------------|
| Owner | 313 @ \$35 |
| Trainer | 29 @ \$35 |
| Driver | 27 @ \$35 |
| Driver/Trainer | 32 @ \$60 |
| Owner/Driver/Trainer | 102 @ \$90 |
| Owner/Driver | 14 @ \$60 |
| Owner/Trainer | 83 @ \$60 |
| Owner/Limited Trainer | 30 @ \$60 |
| Owner/Driver/Limited Trainer | 1 @ \$90 |
| Groom | 494 @ \$20 |
| Officials | 79 @ Various Prices |
| Pari-mutuel Clerks | 91 @ \$20 |
| Stables | 28 @ \$30 |
| Venders | 7 @ \$50 |

MAINE SIRE STAKES PROGRAM

The Commission also oversees Maine's Sire Stakes Program, which seeks to encourage the breeding of Standardbred racehorses in Maine. The program requires the registration of participating stallions and mares, and the resulting foals that will participate in the program. Revenues from both harness racing wagering profits and slot machine profits are designated—by statute—for the purpose of supplementing Sire Stakes race purses. Just under \$2 million was designated to the Sire Stakes purse supplement fund in 2018.

During 2018, the Commission staff once again helped organize and implement the Sire Stakes program in collaboration with the Maine Standardbred Breeders and Owners Association (MSBOA). The staff also took part in closing out the Sire Stakes season by attending the consolation draws and the 2 and 3-year old Sire Stakes Finals at Scarborough Downs.

The Commission is happy to report that the 2018 Sire Stakes Program was very successful. As in the past few years there has been a slight decline in the number of participants; however, the favorable purse structure makes the program popular.

Horses in the Sire Stakes events are tested for any prohibited substances as requested by the Sire Stakes Advisory Committee.

A special thank you goes out to each track for hosting, promoting and providing assistance to showcase the Maine Sire Stakes Program. Additionally, a sincere thank you goes to the breeders, owners, Advisory Committee and the MSBOA Board of Directors for all the support and help given to the Commission in carrying out its responsibilities.

MEDICATION/TESTING PROGRAMS

BLOOD TESTING PROGRAM

Test samples were analyzed by the LGC Science Inc. Laboratory located in Lexington, Kentucky, until the end of their contract which ended July 31, 2018. Beginning in August, the Department contracted with the University of Illinois at Chicago Analytical Forensic Testing Laboratory (AFTL), located in Chicago, Illinois. AFTL won the complete bid for laboratory services earlier in the year. Upon arrival at the lab, samples were analyzed to detect prohibited drugs or therapeutic medications that exceeded the permitted levels as stated in the Maine State Harness Racing rules.

Initial screening of samples is done primarily using either gas or liquid chromatography coupled with mass spectrometry. These dual instrument methods allow for greater confidence in analyte identification. Confirmatory tests generally utilize the same instrumentation, but the method is refined to target and quantify the specific analyte in question.

During the 2018 racing year, 3,290 equine blood samples were taken. Of that total, there were 11 positive tests and 4 were found to be in violation of the Commission's rules.

OUT OF COMPETITION TESTING PROGRAM

Beginning in 2008, the Commission requested the staff test for “blood doping” agents, such as erythropoietin (EPO). This procedure requires taking blood from the horses at the tracks and training centers on days when the horse is not scheduled to race and transferring it to the laboratory for analysis. In 2018, there were 17 horses tested out of competition, none of which were found to be in violation.

BLOOD GAS TESTING PROGRAM

The Blood Gas Testing Program was established in 1993 at the request of the Commission. The program requires taking blood from horses shortly before they are scheduled to race and transferring it to the laboratory for analysis. In 2018, 675 samples were taken pre-race to test for blood gas use. Out of the 675 tests, one was found in violation of the Blood Gas Testing Program.

FUROSEMIDE PROGRAM

The Furosemide Program, formally known as the Controlled Medication Program, was established in 1992 by statute. The program allowed tolerances for horses that use phenylbutazone and furosemide. The Commission voted to eliminate phenylbutazone from the Controlled Medication Program during the Commission meeting that was held in June 2014. Consequently, the program now provides for on-site administration of furosemide only by the State Veterinarian on race day. There were 531 horses participating in this program in 2018. Throughout the year 30 horses went off the program.

HUMAN DRUG TESTING PROGRAM

The Human Drug Testing Program was created to test anyone with a Maine State Harness Racing license while in the paddock on race day. This program was designed to ensure the safety of the licensees and horses, on and off the track. Urine was collected by the State Stewards.

In the 2018 racing season, 75 drug tests were administered. Of the 75 samples collected there were none in violation of the Commission’s rules.

SUMMARY OF FINES AND SUSPENSIONS

During the 2018 racing year, there were 112 violations of on-track racing laws and rules.

| | |
|-------------------------------------------|------------|
| Failed to Drive When Programmed..... | 3 |
| Failure to keep a line in each hand | 29 |
| Foot out of Stirrup | 9 |
| Foot out of Stirrup with Intent..... | 8 |
| Inside Pylons..... | 1 |
| Late Driver Change..... | 6 |
| Late to Bring Horse to Testing Barn..... | 4 |
| Excessive Use of the Whip | 12 |
| Interference - Impeding the Progress..... | 20 |
| Miscellaneous | 20 |
| TOTAL..... | 112 |

COMMISSION ACTION ON 2018 RULE VIOLATIONS

| | | | | | |
|---------|---|--------|---|------------|---|
| Appeals | 4 | Upheld | 1 | Overturned | 3 |
|---------|---|--------|---|------------|---|

ACCOUNT OF COMMISSION’S ACTIONS REGARDING PROMOTION OF HARNESS RACING

The Commission recognized that improving marketing of Maine harness racing is paramount to its long-term survival. In late 2016, a small group of industry stakeholders began brainstorming ideas to improve marketing and to better coordinate marketing between industry associations, fairs and commercial tracks. The Commission authorized expenditure of approximately \$10,000 in calendar year 2017 to pilot a social media marketing effort. Although only slightly more than half of the funding was expended, the Commission was able to revamp its online homepage and promote all of the significant events over the last two-thirds of the racing season using “boosted” posts on Facebook. While the results were not overwhelming, they were noticeable at times, and the lessons provided a valuable launching point to build upon. Additionally, the Commission cosponsored a pilot project to reintroduce the live audio broadcasts of harness racing from the agricultural fairs. Racing was broadcast—via AM radio and streamed across the internet—at five fairs and the Sire Stakes Finals in Scarborough.

During 2018, the Commission engaged a marketing consultant on a very modest contract for assistance in organizing a multifaceted marketing plan for the year. The plan resulted in the following marketing efforts; 1) establishment of dedicated Commission social media accounts with

Facebook, Instagram and Twitter; 2) regularly scheduled social media posts, including “organic”, “boosted” and shared posts throughout the racing year; 3) development of two human interest stories intended to highlight positive aspects of the industry; 4) expansion/refinement of the live audio broadcast of fair racing to include every fair, and all 51 fair race dates—during 2018, live interviews following each race were incorporated into the broadcast effort and the Sire Stakes Finals were also broadcast; 5) a new television ad that ran during the Kentucky Derby and the Belmont broadcasts and reached the target market; and 6) an integrated traditional advertising campaign that used print, radio and television advertising to augment the other efforts.

While it is difficult to measure the impacts of low budget marketing effort in an industry like harness racing, there were a number of encouraging signs in 2018. The long-running decline in fan participation at the pari-mutuel fairs appeared to bottom out. Only poor weather during a couple of fairs prevented the handle from rebounding and showing an increase for the fairs.

In addition, anecdotal reports indicated that—for the first in recent memory—a sprinkling of younger fans began showing up at Maine’s racing venues in 2018. This is an important development—and a focus for the marketing efforts—because it’s not difficult to discern that the current fan-base is essentially devoid of fans younger than normal retirement age, with many of them well into retirement.

Finally, the marketing efforts produced some notable successes around featured events. The 2018 Sire Stakes Finals were universally regarded as an impressive success, with a turnout that was regarded as one of the highest in many years. Family Fun Days at Scarborough Downs also had a robust turnout, as did race cards during the Triple Crown Saturdays. And an unusual crowd was observed at the Labor Day Invitational at Windsor Fair where “Foiled Again”, the winningest Standardbred in harness racing history, was featured as part of his preretirement victory tour.

In general, and across the country, harness racing has suffered due to intense competition for gaming and entertainment dollars. In addition, the migration of the populous away from an agrarian lifestyle has exacerbated the disconnection from horses. But harness racing is reemerging and reinventing itself in some parts of the country. Upscale venues with modern, high-end amenities is one method that has been successful.

The Commission has invested heavily in overhauling the industry’s marketing approach, and improving the industry’s image. Younger fans are beginning to show up at the tracks for the first time in many years. In addition, the overall handle—the amount of money wagered at the all the venues—was up slightly in 2018. This is significant, because the handle has been in a gradual decline for decades. The bottom line is that there are clear signs of life in the harness racing industry for the first time in many years, and there is optimism within the industry that those signs are just the beginning of things to come.

3. Practical Effect of Title 8, Chapter 11 and Recommended Legislation

Title 8, Chapter 11 establishes the State Harness Racing Commission and provides statutory authority for the oversight and regulation of harness racing in the state. It authorizes licensing of participants, tracks and off-track betting facilities, and for the allocation of race dates between the various racing venues. During 2018, marketing responsibility was transferred to the Commission. Chapter 11 contains extensive rulemaking authority for the Commission which has resulted in the promulgation of eleven chapters of rules.

In general, Chapter 11 provides adequate authority to regulate and support Maine's harness racing industry. However, recent events have demonstrated that Chapter 11 contains a statutory defect that is inconsistent with historical practice, Commission rules, Commission sentiment, and the longstanding views and policy objectives of most constituents. Recent litigation reveals that Chapter 11 does not authorize return of purse for prohibited substance violations except through criminal convictions via Maine's court system. This circumstance is diametrically opposite of the prevailing sentiment and historical practice. Consequently, the Commission unanimously endorses legislation to authorize purse returns for any violation of prohibited substance cases, consistent with the gravity of the violation and current Commission rules.

4. Report of the Commission's Financial Position

The Commission derives its operating budget from four revenue sources as follows:

1. The Department's share from the commission on harness racing wagering profits;
2. Licensing fees associated with racing participants, tracks, race dates and off-track betting facilities;
3. Revenue from administration of the furosemide program intended to prevent pulmonary hemorrhaging; and
4. To the degree necessary to remain solvent, periodic administrative assessments against revenue allocated pursuant to Title 8, Section 1036, Subsection 2, paragraphs B, C, D, H and I.

The Commission essentially operates a zero-sum budget, insomuch as it attempts to make administrative assessments in a manner that ensures that revenues are approximately equal to expenditures by year end. A small amount of carryover is a necessary component of the calculations since dedicated accounts should never show a negative balance. The table below summarizes the Commission's Financial Position for calendar year 2018.

The Commission's administrative staff has implemented a series of cost cutting measures over the last few years in an effort to minimize the need for administrative assessments to balance the budget. During 2018, the Commission reduced its administrative assessments by \$130,000 but had a decreased year-end carryover. After adjusting for the difference in carryover, it could be stated that the Commission reduced its administrative assessment by \$80,000 during 2018.

Statement of the Commission's Financial Position-Cash Basis
January 1, 2018 - December 31, 2018
014-01A-0320-07

| | | |
|-------------------------------------------------------------------------------|-------------------|-------------------------------|
| Beginning cash balance 01/01/18 Commission acct 014-0320-07- Admin units only | | \$ 58,786.38 |
| REVENUE | | |
| 1221 Licenses Harness Horse Racing | \$ 3,310.00 | |
| 1301 Comm Pari Mutuels Harness (CPMH) | 400,607.11 | |
| 1448 Special Licenses & Leases | 47,940.00 | |
| 2631 Registration Fees for CMP | 114,045.00 | |
| 2686 Misc Income | - | |
| 2689 Cash Over Cash Short - appeals | (100.00) | |
| 2690 Recovered Cost | 120.00 | |
| 2719 Contributions from other special revenue Administrative Assessment: | | |
| Administrative Assessment 06/28/18 | \$ 150,000.00 | |
| Administrative Assessment 10/25/18 | 300,000.00 | |
| Administrative Assessment 12/28/18 | <u>50,000.00</u> | |
| Total Administrative Assessment | 500,000.00 | |
| 2952 Adjustment to prior year bal/unallocated | | <u>(16,593.22)</u> |
| TOTAL REVENUE | | \$ 1,049,328.89 |
| EXPENDITURES | | |
| 3100 Salary & Wages | \$ 388,098.74 | |
| 3900 Benefits Costs | <u>219,421.40</u> | |
| TOTAL PERSONAL SERVICES | | \$ 607,520.14 |
| 4000 Services Not By State | \$ 416,509.36 | |
| 4100 Services By State | 675.00 | |
| 4200 Mileage, Meal & Lodging, In State | 6,274.34 | |
| 4300 Mileage, Meal & Lodging, Out of State | - | |
| 4600 Rents | 5,702.27 | |
| 4700 Repairs & Maintenance | 210.00 | |
| 4800 Insurances, Risk Management | 1,530.42 | |
| 4900 General Operating Expenses | 21,162.54 | |
| 5300 OIT Technology | 28.99 | |
| 5500 Equipment & Technology | 449.08 | |
| 5600 Other Supplies, lab, household, educational, etc | 17,392.95 | |
| 6400 Grants to Pub and Priv Orgns | 950.00 | |
| 8200 Admin Charges & Fees (NSF) | 20.00 | |
| 8511 Sta Cap Charges | 23,835.34 | |
| TOTAL ALL OTHER | | \$ <u>494,740.29</u> |
| TOTAL EXPENDITURES | | \$ <u>1,102,260.43</u> |
| Ending cash balance 12/31/18 Commission acct 014-0320-07- Admin units only | | \$ <u>5,854.84</u> |

5. SUMMARY OF INCOME AND EXPENSES FOR THE HARNESS RACING PROMOTIONAL FUND

Statement of the Promotion Board's Financial Position-Cash Basis
January 1, 2018 - December 31, 2018
014-01A-0320-08

| | | | |
|----------------------------------------------------------------------------|----|-----------|--------------------------------|
| Beginning cash balance 01/01/18 Promotion Board Appropriation: 014-0320-08 | | \$ | - |
| REVENUE | | | |
| 1301 Comm Pari Mutuels Harness | \$ | 22,807.05 | |
| 2734 Contributions From Private Sources | | 69,761.01 | |
| 2978 Dicap Transfer | | (862.51) | |
| 2981 Legis Transfer Of Revenue | | 13,698.62 | |
| TOTAL REVENUE | | \$ | 105,404.17 |
| EXPENDITURES | | | |
| 4900 General Operating Expenses | \$ | 8,543.56 | |
| 6400 Grants to Pub and Priv Orgns | | 1,000.00 | |
| 8511 Sta Cap Charges | | 178.39 | |
| TOTAL EXPENDITURES | | \$ | <u>9,721.95</u> |
| Ending cash balance 12/31/18 Promotion Board acct 014-0320-08 | | \$ | <u><u>95,682.22</u></u> |

6. Overview of Wagering Commission Revenue (Handle) and Disbursements

2018 WAGERING DISTRIBUTION FOR THE HANDLE

LIVE RACING:

| TRACK: | EXOTIC | STRAIGHT | TOTAL |
|--------------------------|---------------------|-------------------|---------------------|
| Scarborough | \$ 540,937 | \$ 271,547 | \$ 812,484 |
| Bangor Raceway | 120,957 | 59,820 | 180,777 |
| Northern Maine | 42,087 | 26,963 | 69,050 |
| Topsham | 23,711 | 12,635 | 36,346 |
| Skowhegan | 102,128 | 47,225 | 149,353 |
| Union | 30,934 | 16,414 | 47,348 |
| Windsor | 240,605 | 108,633 | 349,238 |
| Farmington Fair | 68,776 | 27,046 | 95,822 |
| Cumberland Fair | 65,254 | 32,821 | 98,075 |
| Cumberland Extension | 9,447 | 3,202 | 12,649 |
| Fryeburg | 288,060 | 165,400 | 453,460 |
| TOTAL LIVE RACING | \$ 1,532,896 | \$ 771,706 | \$ 2,304,602 |

INTRA-STATE SIMULCAST:

OTB FACILITY:

| | | | |
|----------------------------------------|-------------------|------------------|-------------------|
| LRI INC, d/b/a Lewiston Raceways, Inc. | \$ 86,209 | \$ 31,131 | \$ 117,340 |
| OTB Facilitators dba Sanford OTB | 12,976 | 3,916 | 16,892 |
| Pioneer Gaming LLC d/b/a Favorites | 110,151 | 20,380 | 130,531 |
| Winner's OTB-Midcoast OTB | 39,563 | 20,547 | 60,110 |
| TOTAL OTB FACILITY | \$ 248,900 | \$ 75,974 | \$ 324,874 |

COMMERCIAL TRACK:

| | | | |
|-------------------------------|-------------------|------------------|-------------------|
| Scarborough | \$ 72,043 | \$ 16,319 | \$ 88,362 |
| Bangor Raceway | 66,920 | 12,626 | 79,546 |
| TOTAL COMMERCIAL TRACK | \$ 138,963 | \$ 28,945 | \$ 167,908 |

| | | | |
|------------------------------------|-------------------|-------------------|-------------------|
| TOTAL INTRA-STATE SIMULCAST | \$ 387,862 | \$ 104,919 | \$ 492,781 |
|------------------------------------|-------------------|-------------------|-------------------|

2018 WAGERING DISTRIBUTION FOR THE HANDLE CONT'D

INTER-STATE SIMULCAST

| | EXOTIC HANDLE | STRAIGHT HANDLE | TOTAL HANDLE | EXOTIC COMMISSION | STRAIGHT COMMISSION | TOTAL COMMISSION |
|----------------------------------------|--------------------------|----------------------------|-------------------------|------------------------------|--------------------------------|-----------------------------|
| OTB FACILITIES | | | | | | |
| LRI INC, d/b/a Lewiston Raceways, Inc. | \$ 2,063,780 | \$ 830,027 | \$ 2,893,807 | \$ 470,295 | \$ 143,366 | \$ 613,660 |
| OTB Facilitators dba Sanford OTB | 1,593,747 | 444,262 | 2,038,009 | - | 75,590 | 75,590 |
| Pioneer Gaming LLC d/b/a Favorites | 2,438,220 | 456,144 | 2,894,364 | 549,142 | 78,330 | 627,472 |
| Winner's OTB-Midcoast OTB | 2,640,753 | 1,068,709 | 3,709,462 | 606,410 | 183,799 | 790,209 |
| TOTAL OTB FACILITIES | \$ 8,736,500 | \$ 2,799,142 | \$ 11,535,642 | \$ 1,625,847 | \$ 481,085 | \$ 2,106,932 |
| COMMERCIAL TRACKS | | | | | | |
| Scarborough | \$ 5,922,640 | \$ 2,542,206 | \$ 8,464,846 | \$ 1,355,722 | \$ 432,987 | \$ 1,788,710 |
| Bangor Raceway | 1,681,211 | 524,087 | 2,205,298 | 376,090 | 89,993 | 466,083 |
| TOTAL COMMERCIAL TRACKS | \$ 7,603,851 | \$ 3,066,293 | \$ 10,670,144 | \$ 1,731,813 | \$ 522,980 | \$ 2,254,793 |
| TOTAL INTERSTATE SIMULCAST | \$ 16,340,352 | \$ 5,865,435 | \$ 22,205,786 | \$ 3,357,659 | \$ 1,004,066 | \$ 4,361,725 |
| GRAND TOTAL HANDLE WAGERING | \$ 18,261,110 | \$ 6,742,060 | \$ 25,003,169 | | | |

Funds received pursuant to MRS Title 8, Chapter 11, §286 Calculation of Distribution of Commission

| | GF/STATE 477X-07 | AG FAIR STIPEND 473X-01 | SIRE STAKE 476X-01 | PURSE SUPPLE 478X-01 | PROMO BOARD 0873-01 | OTB SIMULCAST 474X-01 | AGR FAIR FUND 472X-01 | TOTAL |
|----------------------------|-----------------------------|----------------------------------------|-------------------------------|-------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|---------------------|
| Bangor | \$ 37,588 | \$ 25,888 | \$ 25,760 | \$ 21,830 | \$ 5,519 | \$ - | \$ 1,978 | \$ 118,563 |
| Scarborough | 137,073 | 100,040 | 92,315 | 84,270 | 21,308 | - | 7,214 | 442,221 |
| Cumberland Fair | 1,547 | 1,152 | 1,036 | 970 | 245 | - | 81 | 5,031 |
| Cumberland Fair Ext. | 217 | 148 | 149 | 125 | 32 | - | 11 | 682 |
| Farmington Fair | 1,595 | 1,125 | 1,086 | 948 | 240 | - | 84 | 5,077 |
| Fryeburg Fair | 6,926 | 5,329 | 4,587 | 4,483 | 1,134 | - | 365 | 22,823 |
| Northern Maine Fair | 1,025 | 812 | 672 | 683 | 173 | - | 54 | 3,418 |
| Skowhegan State Fair | 2,402 | 1,754 | 1,618 | 1,477 | 373 | - | 126 | 7,751 |
| Topsham Fair | 566 | 427 | 377 | 359 | 91 | - | 30 | 1,849 |
| Union Fair | 738 | 556 | 492 | 468 | 118 | - | 39 | 2,411 |
| Windsor Fair | 5,647 | 4,101 | 3,810 | 3,453 | 873 | - | 297 | 18,182 |
| Winner's OTB, Brunswick | 65,282 | 32,505 | 31,064 | 94,766 | 6,927 | 91,130 | 3,436 | 325,109 |
| LRI, Lewiston | 52,143 | 26,062 | 24,929 | 73,455 | 5,554 | 70,737 | 2,744 | 255,625 |
| Pioneer Gaming, Sanford | 36,971 | 17,293 | 18,068 | 53,803 | 3,689 | 49,054 | 1,946 | 180,824 |
| Pioneer Gaming, Waterville | 57,267 | 25,786 | 28,902 | 79,825 | 5,506 | 69,680 | 3,014 | 269,980 |
| | \$ 406,988 | \$ 242,978 | \$ 234,865 | \$ 420,913 | \$ 51,781 | \$ 280,601 | \$ 21,420 | \$ 1,659,546 |

Overview of Wagering Commission Revenue (Handle) and Distribution for 2018

| Distribution Basis | | | | Handle | | | | | | | |
|--------------------|------------------|-----------------------|----------|------------|-------------------------------------|---------------|-------------|------------------|----------------|--------------------|-------|
| Actual Days Raced | Number of Dashes | Exotic Wagers at OTBs | Premiums | Commission | Agri Stip-Prem/facility Improvement | Fair Spend 5% | Sire Stakes | Purse Supplement | Promotion Fund | OTB Simulcast Fund | Total |

Handle Revenue

| | | | | | | | |
|------------|------------|-----------|------------|------------|-----------|------------|--------------|
| \$ 406,988 | \$ 242,978 | \$ 21,420 | \$ 234,865 | \$ 420,913 | \$ 51,781 | \$ 280,601 | \$ 1,659,546 |
|------------|------------|-----------|------------|------------|-----------|------------|--------------|

| Recipients: | | | | | | | | | | | | |
|------------------------------------------|----|-----|-----------|----------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|---------------------|
| Agricultural Fair Coordinator Assessment | | | | | \$ 34,372 | | | | | | \$ 34,372 | |
| Commission Operating Fund | | | | 406,988 | | | | | | | 406,988 | |
| Promotion Board | | | | | | | | | 51,781 | | 51,781 | |
| See Sire Stakes Report | | | | | | 234,865 | | | | | 234,865 | |
| Bangor Raceway | 42 | 376 | \$ 43,328 | | | | | 105,858 | | 49,095 | 154,953 | |
| Scarborough Downs | 74 | 724 | 127,171 | | | | | 186,513 | | 144,097 | 330,610 | |
| Acton Fair | | | | \$42,459 | | 4,160 | | | | | 4,160 | |
| Bangor Fair | | | | 80,687 | | 7,905 | | | | | 7,905 | |
| Blue Hill Fair | | | | 53,432 | | 5,235 | | | | | 5,235 | |
| Clinton Lions Club | | | | 44,856 | | 272 | | | | | 4,394 | |
| Common Ground Fair | | | | 39,527 | | 3,872 | | | | | 3,872 | |
| Cumberland Fair | 7 | 70 | 11,215 | 124,965 | 20,519 | | | 17,643 | | 12,708 | 50,870 | |
| Cumberland Fair EXT | 1 | 10 | | - | | | | 2,520 | | | 2,520 | |
| Farmington Fair | 6 | 56 | 10,213 | 73,477 | | 16,855 | | 15,123 | | 11,572 | 43,550 | |
| Fryeburg Fair | 6 | 60 | 14,749 | 378,333 | | 38,547 | | 15,123 | | 16,712 | 70,382 | |
| Harmony Free Fair | | | | 23,895 | | 2,341 | | | | | 2,341 | |
| Houlton Fair | | | | 71,978 | | 7,051 | | | | | 7,051 | |
| Litchfield Fair | | | | 40,203 | | 3,939 | | | | | 3,939 | |
| Maine Farm Days | | | | 3,404 | | 333 | | | | | 333 | |
| Monmouth Fair | | | | 19,116 | | 1,873 | | | | | 1,873 | |
| New Portland Fair | | | | 7,729 | | 757 | | | | | 757 | |
| Northern Maine Fair | 6 | 54 | 3,282 | 76,306 | | 17,057 | | 15,123 | | 3,719 | 35,898 | |
| Ossipee Valley Fair | | | | 39,693 | | 3,889 | | | | | 3,889 | |
| Oxford County Fair | | | | 52,590 | | 5,152 | | | | | 5,152 | |
| Piscataquis Valley Fair | | | | 42,252 | | 4,139 | | | | | 4,139 | |
| Pittston Fair | | | | 32,055 | | 3,140 | | | | | 3,140 | |
| Skowhegan State Fair | 7 | 68 | 10,282 | 125,336 | | 20,545 | | 17,643 | | 11,651 | 49,839 | |
| Springfield Fair | | | | 23,833 | | 2,335 | | | | | 2,335 | |
| Topsham Fair | 5 | 48 | 5,318 | 57,053 | | 15,687 | | 12,602 | | 6,026 | 34,315 | |
| Union Fair | 4 | 33 | 3,585 | 79,743 | | 17,301 | | 10,082 | | 4,062 | 31,445 | |
| Waterford's World Fair | | | | 12,890 | | 1,263 | | | | | 1,263 | |
| Windsor Fair | 9 | 94 | 18,498 | 142,110 | | 21,739 | | 22,684 | | 20,960 | 65,383 | |
| Total distribution | | | | | \$ 406,988 | \$ 242,978 | \$ 21,420 | \$ 234,865 | \$ 420,913 | \$ 51,781 | \$ 280,601 | \$ 1,659,546 |

Total distribution basis **167** **1593** **\$ 247,641** **\$ 1,687,924**

Distribution based on :

| | | | | | | |
|-----|----------|----------|------------------------|-------------------|-----|----------------------------|
| N/A | Premiums | Premiums | See Sire Stakes Report | Actual Days Raced | N/A | Exotic Wagers at the OTB's |
|-----|----------|----------|------------------------|-------------------|-----|----------------------------|

7. Overview of Revenue and Disbursements Arising from the Bangor Racino

Overview of Wagering & Disbursements Arising from the Bangor Racino

State Revenue from Slot Machines at Hollywood Casino Operation Calendar Year 2018

| | | Totals |
|-------------------------------------------------------|-------|-------------|
| Number of Machines in Play | | 729 |
| Funds In Bills and Tickets | | 263,227,664 |
| Funds Out Bills and Tickets | | 222,958,841 |
| Unclaimed tickets (Dollar Value) | | 38,347 |
| Net Slot Revenue | | 40,304,279 |
| Average Slot Win % | | 1 |
| Total Tax revenue Due the State | | 3,929,230 |
| Total Tax revenue Due the State | | 14,186,592 |
| Fund To Supplement Purses | 10% | 3,637,588 |
| Agricultural Fair Support Fund | 3% | 1,091,276 |
| Sire Stakes Fund | 3% | 1,091,276 |
| General Fund | 4% | 1,455,035 |
| Fund To Encourage Racing at Maine's Commercial Tracks | 4% | 1,455,035 |
| Fund to Stabilize OTB Facilities | 1% | 363,759 |
| Fund for a Healthy Maine | 10% | 3,637,588 |
| UMS Scholarship Fund* | 1.89% | 687,671 |
| Maine Maritime Academy* | 0.11% | 39,846 |
| ME Com. Col. System Scholarship FundMaine | 1% | 363,759 |
| City of Bangor | 1% | 363,759 |
| Total | 39% | 14,186,592 |

Source: Gambling Control Unit Website Revenue Information for Hollywood Casino 2018

8. Overview of Revenue and Disbursements Arising from the Oxford Casino

Overview of Wagering & Disbursements Arising from the Oxford Casino

State Revenue from Slot Machines at Oxford Casino Operation Calendar Year 2018

| | Totals |
|---------------------------------------|--------------------------|
| Number of Machines in Play | 968 |
| Funds In Bills and Tickets | 688,490,018 |
| Funds Out Bills and Tickets | 608,035,597 |
| Unclaimed tickets (Dollar Value) | 57,660 |
| Net Slot Revenue | <u>77,776,267</u> |
| Average Slot Win % | <u>10.088%</u> |
| Total Tax revenue Due the State @ 46% | <u><u>35,758,070</u></u> |

| | | |
|-----------------------------------|-------|------------|
| DOE Grades K-12 | 25% | 19,433,734 |
| U of ME Scholarship Sys* | 3.77% | 2,930,607 |
| Maine Maritime Academy* | 0.23% | 178,790 |
| ME Comm College Scholarship | 3% | 2,332,048 |
| Tribal Governments Penob & Pass | 4% | 3,109,397 |
| Gambling Control Board & Add'l | 3% | 2,332,048 |
| Host Municipality-Town of Oxford | 2% | 1,554,699 |
| Agricultural Fair Support Fund | 1% | 777,349 |
| Harness Racing Purse Supplement | 1% | 777,349 |
| Sire Stakes Fund | 1% | 777,349 |
| Host County Costs-Oxford | 1% | 777,349 |
| Dept of Agr. Dair Imp. Fund 7/13 | 0.50% | 388,675 |
| Dept of Agr. Maine Milk Fund 7/13 | 0.50% | 388,675 |
| Total 46% Tax | 46% | 35,758,070 |

Source: Gambling Control Unit Website Revenue Information for Oxford Casino 2018

Overview of Wagering Commission Revenue (Oxford Casino) and Distribution for 2018

| Distribution Basis | |
|--------------------|----------|
| Number of Dashes | Premiums |

| Oxford Casino | | | | |
|--------------------------|----------------------------------|-------------|------------------|-------|
| Ag Fair Stipend Premiums | Ag Fair Stipend Purse Supplement | Sire Stakes | Purse Supplement | Total |

Oxford Casino Revenue*

| | | | | |
|------------|------------|------------|------------|--------------|
| \$ 513,051 | \$ 264,299 | \$ 777,349 | \$ 777,349 | \$ 2,332,048 |
|------------|------------|------------|------------|--------------|

Distributions/Disbursements:

| | | | | | | | |
|-----------------------------------------|-----|---------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Transferred to Ag Fair Coord | | | \$ 66,697 | | | | \$ 66,697 |
| See Sire Stakes Report | | | | | 777,349 | | 777,349 |
| Bangor Raceway | 376 | | | 62,383 | | 183,480 | 245,863 |
| Scarborough Downs | 724 | | | 120,121 | | 353,296 | 473,417 |
| Acton Fair | | 42,459 | 11,228 | | | | 11,228 |
| Bangor Fair | | 80,687 | 21,337 | | | | 21,337 |
| Blue Hill Fair | | 53,432 | 14,130 | | | | 14,130 |
| Clinton Lions Club | | 44,856 | 11,862 | | | | 11,862 |
| Common Ground Fair | | 39,527 | 10,453 | | | | 10,453 |
| Cumberland Fair | 70 | 124,965 | 33,046 | 11,614 | | 34,158 | 78,818 |
| Cumberland Fair EXT | 10 | | | 1,659 | | 4,880 | 6,539 |
| Farmington Fair | 56 | 73,477 | 19,430 | 9,291 | | 27,327 | 56,048 |
| Fryeburg Fair | 60 | 378,333 | 100,046 | 9,955 | | 29,279 | 139,280 |
| Harmony Free Fair | | 23,895 | 6,319 | | | | 6,319 |
| Houlton Fair | | 71,978 | 19,034 | | | | 19,034 |
| Litchfield Fair | | 40,203 | 10,631 | | | | 10,631 |
| Maine Farm Days | | 3,404 | 900 | | | | 900 |
| Monmouth Fair | | 19,116 | 5,055 | | | | 5,055 |
| New Portland Fair | | 7,729 | 2,044 | | | | 2,044 |
| Northern Maine Fair | 54 | 76,306 | 20,178 | 8,959 | | 26,351 | 55,488 |
| Ossipee Valley Fair | | 39,693 | 10,496 | | | | 10,496 |
| Oxford County Fair | | 52,590 | 13,907 | | | | 13,907 |
| Piscataquis Valley Fair | | 42,252 | 11,173 | | | | 11,173 |
| Pittston Fair | | 32,055 | 8,477 | | | | 8,477 |
| Skowhegan State Fair | 68 | 125,336 | 33,144 | 11,282 | | 33,183 | 77,608 |
| Springfield Fair | | 23,833 | 6,302 | | | | 6,302 |
| Topsham Fair | 48 | 57,053 | 15,087 | 7,964 | | 23,423 | 46,474 |
| Union Fair | 33 | 79,743 | 21,087 | 5,475 | | 16,103 | 42,666 |
| Waterford's World Fair | | 12,890 | 3,409 | | | | 3,409 |
| Windsor Fair | 94 | 142,110 | 37,580 | 15,596 | | 45,870 | 99,045 |
| Total distribution/disbursements | | | \$ 513,051 | \$ 264,299 | \$ 777,349 | \$ 777,349 | \$ 2,332,048 |

Total distribution basis 1,593 **\$ 1,687,924**

Distribution based on :

| Premiums | Number of Dashes | See Sire Stakes Report | Number of Dashes |
|----------|------------------|------------------------|------------------|
|----------|------------------|------------------------|------------------|

9. Use of Funds by Commercial Tracks (pursuant to 8 MRS § 1037(1))

There were two (2) licensed pari-mutuel facilities that met the definition of a Commercial Race Track pursuant to 8 MRS Section 275-A. One is in Scarborough and the other in Bangor.

Davric Maine Corporation, DBA Scarborough Downs conducted 74 days of live racing and offered wagering on 724 dashes and HC Bangor LLC, DBA Hollywood Casino Hotel & Raceway conducted 42 days of live racing and offered wagering on 376 dashes to the Off-track Betting facilities in Maine as well as out-of-state. Both facilities were licensed to accept pari mutuel wagers on simulcast races for 363 days.

The revenues received from the Fund To Encourage Racing At Maine's Commercial Tracks were used by the recipients to defray expenses incurred in conducting live racing and accepting pair mutuel wagers throughout the licensing year.

The information required to be reported in 8 MRS Section 1037 subsection 1 is contained on the following pages.

Use of Funds by Commercial Tracks for 2018

| Commercial Tracks | SD | Bangor |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| A The total amount wagered on live harness races | 812,484 | 180,777 |
| B The total amount wagered on intrastate simulcast races | 88,362 | 79,546 |
| C The total amount wagered on interstate simulcast races | 8,464,846 | 2,205,298 |
| D The number of harness races originated in the State and made available for simulcast outside of the State | 724 | 376 |
| E The amount of the harness racing handle from wagers at the commercial track kept by that commercial track and the distribution of the handle to the State and industry recipients under section 286 | | |
| Handle Distribution to State & Industry Recipients Under section 286 | | |
| Ag. Fair Stipend | 100,040 | 25,888 |
| Sire Stakes | 92,315 | 25,760 |
| Purse Supplement | 84,270 | 21,830 |
| Promotional Board Fund | 21,308 | 5,519 |
| Commission Operations | 137,073 | 37,588 |
| Ag. Fair Fund | 7,214 | 1,978 |
| Racing Handle Kept by Track-Horseman's Purse | 280,208 | 74,156 |
| Racing Handle Kept by Track-Track's Share | 1,274,124 | 332,181 |
| F The amount received from the handle distribution from wagers at other tracks and off-track betting facilities under section 286 | | |
| Racing Handle received from other Track-Horseman's Purse | 967 | 1,585 |
| Racing Handle received from other Track-Tracks's Share | 3,887 | 6,317 |
| Racing Handle received from off-track betting facilities-Horseman's Purse | 11,983 | 4,119 |
| Racing Handle received from off-track betting facilities-Track's Share | 13,154 | 4,539 |
| G The amount of revenue received in accordance with section 1036, subsection 2, paragraphs B, D and H | | |
| B-Section 298-Supplement Harness Racing Purses-Bangor Racino | 1,545,030 | 802,391 |
| B-Section 298-Supplement Harness Racing Purses-Oxford Casino | 353,296 | 183,480 |
| Section 290-Supplement Harness Racing Purses-Handle | 186,513 | 105,858 |
| D-Title 7, Section 91-Agricultural Fair Support fund-Bangor Racino | 157,593 | 81,844 |
| D-Title 7, Section 91-Agricultural Fair Support fund-Oxford Casino | 120,121 | 62,383 |
| H-Section 299-Fund to Encourage Racing at Maine's Commercial Track-Bangor Racino | 861,410 | 498,387 |
| Section 295-Off-Track Betting Facility Simulcast Fund-Handle | 144,097 | 49,095 |
| H The number of full-time and part-time employees at the commercial track | | |
| Full-Time Employees | 18 | 3 |
| Part-Time Employees | 38 | 10 |
| I The amount, if any, spent on capital improvements to the commercial track and related facilities and a description of those improvements The first report must include the amount spent since November 2005, shown by year Subsequent annual reports must include the amount spent on capital improvements the immediately preceding calendar year; | | |
| | See below | See below |
| J Operating costs for the commercial track | 3,257,516 | 1,806,055 |
| K Depreciation figures for the commercial track | 41,338 | 37,328 |
| K Profit or (loss) figures for the commercial track | (229,123) | (454,562) |
| L Administrative costs to comply with reporting requirements and contributions to the State Harness Racing Commission's operating account described in section 267-A | 200 | 1,100 |

| Scarborough Downs Capital Improvements: | |
|------------------------------------------------|-----------------|
| Replaced Televisions in simulcast area | \$14,500 |
| Repaired road in front of grandstand | 8,000 |
| Replaced work/plow truck | 40,000 |
| Total | \$62,500 |

| Bangor Capital Improvements: | |
|-----------------------------------------|-----------------|
| Purchase of Spreader/plow truck | \$14,500 |
| Kitchen in grandstand remodel | 6,250 |
| Grandstand siding | 3,000 |
| Track drainage/culverts and resurfacing | 3,600 |
| Total | \$27,350 |

10. Use of Funds by Fairs that Conduct Harness Racing (pursuant to 8 MRS §1037 (2))

There were eight (8) licensed agricultural fairs that conducted harness racing during their annual exhibition. The total number of days these eight agricultural fairs conducted harness racing in 2018 was 50 days. Cumberland Fair conducted one (1) day of racing that is classified as an Extended Meet.

These eight fairs spent a total of \$1,057,323 in premiums and made \$1,087,858 in capital improvements in 2018. These fairs wagered \$1,311,341 at their tracks and paid out \$1,528,700 in purses.

The information required to be reported in 8 MRS Section 1037 subsection 2 is contained on the following page.

It should be noted that absent a requirement in the statute to keep funds received from the racino in Bangor and the casino in Oxford separate, most fairs comingled these funds in either their general operating account or in the horsemen's purse account. Therefore, there is not an independent accounting for the funds received pursuant to 8 MRS Section 286 and 7 MRS Section 86. However, after reviewing the annual reports required for submission to this office, it has been determined that these funds have been used in accordance with the provisions found in 8 MRS Section 286 and 7 MRS Section 86.

2018 Agricultural Fairs hat Conduct Harness Racing

| Fair | Handle Purse Supplement | Racino Purse Supplement | Casino Purse Supplement | Ag. Fair Racino Purse Supplement | Ag Fair Casino Purse Supplement | On Track Purse Supplement | OTB Purse Supplement | Payment MHHA Funding | Purses Paid | Days Raced | Dashes Raced | Dashes Available to OTB | Total Live Wagered |
|-----------------|-------------------------|-------------------------|-------------------------|----------------------------------|---------------------------------|---------------------------|----------------------|----------------------|-------------|------------|--------------|-------------------------|--------------------|
| Cumberland | 17,643 | 149,381 | 34,158 | 15,237 | 11,614 | 2,336 | 1,053 | 4,860 | 227,500 | 7 | 70 | 70 | 98,075 |
| Cumberland Ext. | 2,520 | 21,340 | 4,880 | 2,177 | 1,659 | 330 | 120 | 694 | 34,300 | 1 | 10 | 10 | 12,649 |
| Farmington | 15,123 | 119,505 | 27,327 | 12,190 | 9,291 | 2,422 | 962 | 3,923 | 172,900 | 6 | 56 | 56 | 95,822 |
| Fryeburg | 15,123 | 128,041 | 29,279 | 13,060 | 9,955 | 10,419 | 1,374 | 4,352 | 213,000 | 6 | 60 | 60 | 453,460 |
| Nor hern Maine | 15,123 | 115,237 | 26,351 | 11,754 | 8,959 | 1,537 | 321 | 3,765 | 153,400 | 6 | 54 | 54 | 69,050 |
| Skowhegan | 17,643 | 145,113 | 33,183 | 14,802 | 11,282 | 3,634 | 971 | 4,759 | 200,700 | 7 | 68 | 68 | 149,353 |
| Topsham | 12,602 | 102,433 | 23,423 | 10,448 | 7,964 | 852 | 538 | 3,323 | 144,900 | 5 | 48 | 48 | 36,346 |
| Union | 10,082 | 70,423 | 16,103 | 7,183 | 5,475 | 1,112 | 332 | 2,325 | 81,800 | 4 | 33 | 33 | 47,348 |
| Windsor | 22,684 | 200,598 | 45,870 | 20,461 | 15,596 | 8,547 | 1,663 | 6,624 | 300,200 | 9 | 94 | 94 | 349,238 |
| | 128,542 | 1,052,072 | 240,573 | 107,311 | 81,795 | 31,190 | 7,334 | 34,625 | 1,528,700 | 51 | 493 | 493 | 1,311,341 |

| Fair | OTB Simulcast Fund | Premiums Approved | Facilities Approved* | Bangor Racino Stipend | Oxford Casino Stipend | Premium Stipend | Facility Stipend | Attendance Paid * | Attendance Free & Vendor* | Attendance Total* | Labor Costs* | Operating Expenses* |
|----------------|--------------------|-------------------|----------------------|-----------------------|-----------------------|-----------------|------------------|-------------------|---------------------------|-------------------|--------------|---------------------|
| Cumberland | 12,708 | 124,965 | 94,238 | 43,355 | 33,046 | 8,892 | 11,627 | 33,762 | 11,898 | 45,660 | 143,563 | 500,101 |
| Farmington | 11,572 | 73,477 | 47,071 | 25,492 | 19,430 | 5,228 | 11,627 | 23,143 | 1,857 | 25,000 | 86,878 | 210,740 |
| Fryeburg | 16,712 | 378,333 | 745,750 | 131,256 | 100,046 | 26,920 | 11,627 | 165,392 | 43,608 | 209,000 | 1,480,253 | 853,684 |
| Nor hern Maine | 12,708 | 76,306 | 85,238 | 26,473 | 20,178 | 5,430 | 11,627 | 18,082 | 3,049 | 21,131 | 17,365 | 232,408 |
| Skowhegan | 11,651 | 125,336 | 9,084 | 43,483 | 33,144 | 8,918 | 11,627 | 51,000 | 3,500 | 54,500 | 115,294 | 663,276 |
| Topsham | 6,026 | 57,053 | 23,771 | 19,794 | 15,087 | 4,060 | 11,627 | 19,972 | 0 | 19,972 | 43,688 | 267,364 |
| Union | 4,062 | 79,743 | 14,897 | 27,666 | 21,087 | 5,674 | 11,627 | 23,650 | 5,910 | 29,560 | 16,411 | 300,142 |
| Windsor | 20,960 | 142,110 | 67,809 | 49,303 | 37,580 | 10,112 | 11,627 | 45,969 | 44,031 | 90,000 | 135,118 | 688,163 |
| | 96,398 | 1,057,323 | 1,087,858 | 366,821 | 279,598 | 75,233 | 93,016 | 380,970 | 113,853 | 494,823 | 2,038,570 | 3,715,879 |

*Information provided by Fair Associations

11. Use of Funds by Fairs that Do Not Conduct Harness Racing (pursuant to 8 MRS § 1037 (3))

There were seventeen (17) licensed agricultural fairs that did not conduct harness racing during their annual exhibition in 2018. These seventeen fairs paid out \$630,600 in premiums and made \$295,370 in capital improvements.

The information required to be reported in 8 MRS Section 1037 subsection 3 is contained on the following page.

It should be noted that absent a requirement in the statute to keep the funds received from the racino in Bangor and the casino in Oxford separate, most fairs comingled these funds in their general operating account. Therefore, there is not an independent accounting for the funds received pursuant to 8 MRS Section 286 and 7 MRS Section 86. However, after reviewing the annual reports required for submission to this office, it has been determined that these funds have been used in accordance with the provisions found in 8 MRS Section 286 and 7 MRS Section 86.

2018 Agricultural Fairs that do not Conduct Harness Racing

| Fair | Premiums Approved | Facilities Approved | Bangor Racino Stipend | Oxford Casino Stipend | Handle Premium Stipend | Handle Facility Stipend | Attendance Paid* | Attendance Free & Vendor* | Attendance Total* | Labor Costs* | Operating Expenses* |
|-------------------------|-------------------|---------------------|-----------------------|-----------------------|------------------------|-------------------------|------------------|---------------------------|-------------------|----------------|---------------------|
| Acton Fair | 42,459 | 47,548 | 14,730 | 11,228 | 3,021 | 1,138 | 10,662 | 4,422 | 15,084 | 23,895 | 79,567 |
| Bangor Fair | 80,687 | 0 | 27,993 | 21,337 | 5,741 | 2,163 | 24,233 | 2,069 | 26,302 | 99,638 | 245,027 |
| Blue Hill Fair | 53,432 | 3,624 | 18,537 | 14,130 | 3,802 | 1,433 | 26,176 | 0 | 26,176 | 75,807 | 235,548 |
| Clinton Fair | 44,856 | 31,066 | 15,562 | 11,862 | 3,192 | 1,203 | 13,583 | 1,098 | 14,681 | 16,389 | 50,150 |
| Common Ground Fair | 39,527 | 97,948 | 13,713 | 10,453 | 2,813 | 1,060 | 39,145 | 18,789 | 57,934 | 253,747 | 646,358 |
| Harmony Free Fair | 23,895 | 18,666 | 8,290 | 6,319 | 1,700 | 641 | 13,000 | 0 | 13,000 | 938 | 53,874 |
| Houlton Fair | 71,978 | 5,708 | 24,972 | 19,034 | 5,122 | 1,930 | 6,784 | 249 | 7,033 | 16,518 | 101,825 |
| Litchfield Fair | 40,203 | 27,848 | 13,948 | 10,631 | 2,861 | 1,078 | 14,714 | 0 | 14,714 | 13,084 | 57,550 |
| Maine Farm Days | 3,404 | 0 | 1,181 | 900 | 242 | 91 | 2,500 | 0 | 2,500 | 600 | 28,624 |
| Monmouth Fair | 19,116 | 2,814 | 6,632 | 5,055 | 1,360 | 513 | 1,910 | 1,090 | 3,000 | 650 | 31,699 |
| North New Portland Fair | 7,729 | 6,984 | 2,681 | 2,044 | 550 | 207 | 4,006 | 194 | 4,200 | 3,392 | 17,125 |
| Ossipee Valley Fair | 39,693 | 14,076 | 13,771 | 10,496 | 2,824 | 1,064 | 6,138 | 1,566 | 7,704 | 35,597 | 42,183 |
| Oxford | 52,590 | 0 | 18,245 | 13,907 | 3,742 | 1,410 | 15,350 | 250 | 15,600 | 24,782 | 171,594 |
| Piscataquis Valley Fair | 42,252 | 1,789 | 14,659 | 11,173 | 3,006 | 1,133 | 12,000 | 0 | 12,000 | 3,500 | 139,672 |
| Pittston Fair | 32,055 | 0 | 11,121 | 8,477 | 2,281 | 859 | 2,024 | 2,024 | 4,048 | 760 | 21,661 |
| Springfield Fair | 23,833 | 21,114 | 8,268 | 6,302 | 1,696 | 639 | 2,879 | 250 | 3,129 | 5,231 | 58,972 |
| Waterford World's Fair | 12,890 | 16,185 | 4,472 | 3,409 | 917 | 346 | 1,445 | 433 | 1,878 | 0 | 55,613 |
| TOTALS | 630,600 | 295,370 | 218,776 | 166,756 | 44,870 | 16,907 | 196,549 | 32,434 | 228,983 | 574,527 | 2,037,042 |

*Information provided by Fair Associations

12. Use of Funds by the Maine Standardbred Breeding Program (pursuant to 8 MRS § 1037 (4))

Maine has experienced a decrease in the number of Sire Stakes eligibles participating in overnight events, therefore the need continues for additional horses from other racing jurisdictions to participate in Maine's overnight racing program.

2018

| | |
|---------------------------|----------|
| Yearlings Nominated | 82 |
| Mares Bred | 106 |
| Stallions Registered | 18 |
| | |
| Total Number of Dashes | 131 |
| | |
| 2 year olds | 47 |
| Average Purse per Dash | \$10,378 |
| Average Final Purse | \$56,519 |
| Average Consolation Final | \$0.00 |
| | |
| 3 year olds | 84 |
| Average Purse per Dash | \$10,411 |
| Average Final Purse | \$89,229 |
| Average Consolation Final | \$14,750 |

The revenues generated for 2018 from the operation of the slot facility in Bangor was \$1,091,277; from the Oxford Casino was \$777,349; and from the wagering handle was \$234,865.

Contained in the following pages is a breakdown of participants for calendar year 2018 and an accounting of the funds received and the expenditures made from that account. At the end of the 2018 racing year, there was a balance of \$12,798.

2018 STALLIONS REGISTERED AND NUMBER OF MARES COVERED

| | |
|---------------------|----|
| Baron Biltmore | 9 |
| Boy Band | 2 |
| Cash Cab | 0 |
| Cheyenne Hollywood | 3 |
| CR Power Glide | 2 |
| Deuce Seelster | 9 |
| Eighteen | 3 |
| Excel Nine | 2 |
| Gaelic Thunder | 0 |
| Luigi | 0 |
| Noble Venture | 21 |
| Pembroke Slugger | 12 |
| Shipps Super Cruise | 4 |
| Stirling Enforcer | 0 |
| Tenant In Chief | 2 |
| Victor Blue Chip | 4 |
| Western Bay | 0 |
| Western Maverick | 33 |

2018 PARTICIPATION STATISTICS

| | | |
|---------------------------|----------|-----|
| Stallions Registered | | 18 |
| Mares Bred | | 106 |
| Yearlings Nominated | | 82 |
| Two Year Olds Continued | | 67 |
| Two Year Olds Sustained | | 67 |
| | Pacing | |
| | Colts: | 19 |
| | Pacing | |
| | Fillies: | 19 |
| | Trotting | |
| | Colts: | 14 |
| | Trotting | |
| | Fillies: | 15 |
| Three Year Olds Continued | | 78 |
| Three Year Olds Sustained | | 75 |
| | Pacing | |
| | Colts: | 25 |
| | Pacing | |
| | Fillies: | 22 |
| | Trotting | |
| | Colts: | 12 |
| | Trotting | |
| | Fillies: | 16 |

2018 STANDARDBRED BREEDERS SIRE STAKES FINANCIAL REPORT

TOTAL HANDLE: \$ 25,003,169

REVENUES:

| | | | |
|-----------------|--|----|-----------|
| Carried forward | | \$ | 157,530 |
| Handle | | | 234,865 |
| Fees | | | 18,790 |
| Bangor Racino | | | 1,091,277 |
| Oxford Casino | | | 777,349 |
| | | | 777,349 |

TOTAL REVENUE \$ 2,279,811

EXPENSES:

| | | | |
|------------------------------------------|----|--------|-----------|
| Total legs | | \$ | 1,362,330 |
| Finals | | | 582,694 |
| Consolation Finals | | | 29,500 |
| MHHA Contract 2.100% | | | 41,071 |
| MSBOA Promotion Contract | | | 180,000 |
| Transfer to Commission Operating Budget: | | | |
| Transfer 06/25/18 | \$ | 21,429 | |
| Transfer 10/25/18 | | 42,857 | |
| Transfer 12/28/18 | | 7,143 | |
| Total transferred to Operating Budget | | | 71,429 |
| TOTAL EXPENSES: | | | 2,267,023 |

BALANCE 2018: \$ 12,788

BALANCE CARRIED FORWARD TO 2019: \$ 12,788

13. Use of Funds by Off Track Betting Facilities (pursuant to 8 MRS § 1037 (5))

There were four (4) licensed off-track betting facilities that operated in 2018. Pioneer Gaming LLC, DBA Favorites is located in Waterville; Midcoast OTB, DBA Winner's OTB is located in Brunswick; LRI, Inc., DBA Winner's Circle OTB is located in Lewiston and, Pioneer Gaming LLC, DBA Sanford OTB is located in Sanford.

All four facilities offer pari-mutuel wagering on races that originate in Maine as well as races from other states.

The information required to be reported in 8 MRS Section 1037 subsection 5 is contained on the following page.

It should be noted that the requirement for Section 1037 subsection 5 paragraph A is not included in this report. None of the off-track betting facilities were able to extract this information from the totalizator records that were in their custody.

5. **Off-track betting facility.** The report required by this section must include, with regard to a facility licensed to conduct off-track betting on harness racing:

A The number of individual wagers placed on intrastate and interstate simulcast races and the total amount for each;

| | LRI | Waterville | Sanford | Winners |
|-------------------|-----------|------------|-----------|-----------|
| Intrastate Wagers | 117,340 | 130,531 | 16,892 | 60,110 |
| Interstate Wagers | 2,893,807 | 2,894,364 | 2,038,009 | 3,709,462 |

B The number of full-time and part-time employees of the off-track betting facility

| | | | | |
|---------------------|---|---|---|---|
| Full Time Employees | 3 | 2 | 2 | 3 |
| Part Time Employees | 5 | 1 | 2 | 1 |

C The operating costs for the off-track betting facility

| | | | | |
|--|---------|---------|---------|---------|
| | 553,713 | 674,781 | 563,750 | 731,496 |
|--|---------|---------|---------|---------|

D The name and primary location of the company licensed to operate the off-track betting facility; [2011, c. 358, §6 (NEW).]

| | | | |
|-------------------------------------------------|-------------------------------------------------------|--------------------------------------------------|----------------------------------------------|
| LRI, Inc. dba Winners Circle OTB Lewiston | Pioneer Gaming LLC dba Favorites OTB Waterville | Pioneer Gaming LLC dba Sanford OTB Sanford | Midcoast OTB dba Winners OTB Brunswick |
|-------------------------------------------------|-------------------------------------------------------|--------------------------------------------------|----------------------------------------------|

E The total number of races originating in the State received for simulcast as reported by the off-track betting facility; [2011, c. 358, §6 (NEW).]

| | | | | |
|--|-------|-------|-------|-------|
| | 1,593 | 1,593 | 1,593 | 1,593 |
|--|-------|-------|-------|-------|

F The amount, if any, spent on capital improvements to the off-track betting facility and a description of those improvements. The first report must include the amount spent since November 2005, shown by year. Subsequent annual reports must include the amount spent on capital improvements the immediately preceding calendar year; [2011, c. 358, §6 (NEW).]

| | | | | |
|--|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| | \$2,000 office computers & \$500 computer to decode race signals | Approximately \$20,000. New TVs, Electrical, Plumbing, new construction, walls & other renovations related to moving into new facility | No capital improvements made this year | No capital improvements made this year |
|--|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|

G The amount of the harness racing handle kept by the off-track betting facility and the distribution of the handle to the State and industry recipients under section 286; [2011, c. 358, §6 (NEW).]

| | | | | |
|-----------------------------------------------|---------|---------|---------|---------|
| Kept by the off-track betting facility | 368,407 | 369,773 | 470,168 | 470,168 |
|-----------------------------------------------|---------|---------|---------|---------|

Distribution of Wagering Handle:

| | | | | |
|--------------------------------|--------|--------|--------|--------|
| Ag. Fair Stipend | 26,062 | 25,786 | 17,293 | 32,505 |
| Sire Stakes | 24,929 | 28,902 | 18,068 | 31,064 |
| Purse Supplement | 73,455 | 79,825 | 53,803 | 94,766 |
| Promotional Board Fund | 5,554 | 5,506 | 3,689 | 6,927 |
| Commission Operations | 54,888 | 60,281 | 38,917 | 68,718 |
| OTB Simulcast Fund | 70,737 | 69,680 | 49,054 | 91,130 |
| Originating Track Share | 9,289 | 10,349 | 1,337 | 4,744 |
| Horsemen's Purse Acct. | 8,361 | 9,710 | 1,220 | 4,146 |

H The amount received from the handle distribution from wagers at tracks and other off-track betting facilities under section 286; and [2011, c. 358, §6 (NEW).]

| | | | | |
|--|---------|---------|---------|---------|
| | 273,274 | 290,040 | 183,381 | 333,999 |
|--|---------|---------|---------|---------|

I The amount of revenue received in accordance with section 1036, subsection 2, paragraph I [2011, c. 358, §6 (NEW).]

| | | | | |
|--|--------|--------|--------|--------|
| | 84,987 | 84,987 | 84,987 | 84,987 |
|--|--------|--------|--------|--------|