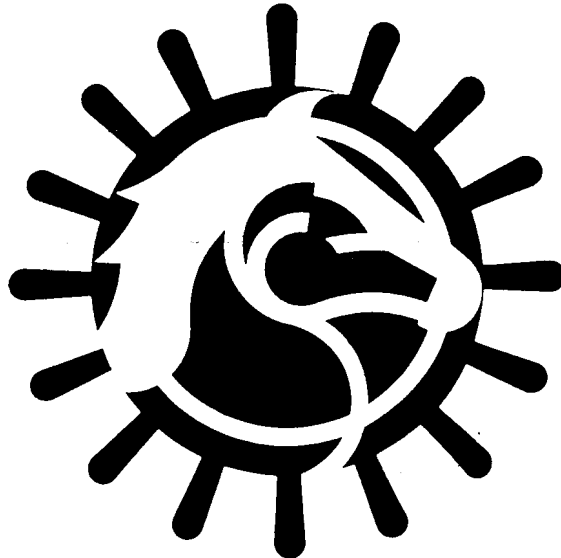

1989
ANNUAL REPORT OF THE



IOWA RACING AND GAMING COMMISSION

INTRODUCTION

IOWA RACING AND GAMING COMMISSION
Lucas State Office Building
Des Moines, Iowa 50319

The Honorable Terry E. Branstad
Governor of the State of Iowa
State House
Des Moines, Iowa 50319

Dear Governor Branstad:

In compliance with Chapter 99D, Iowa Code, the Iowa State Racing and Gaming Commission submits herewith its Sixth Annual Report, covering the period of January 1, 1989, through December 31, 1989.

Respectfully yours,

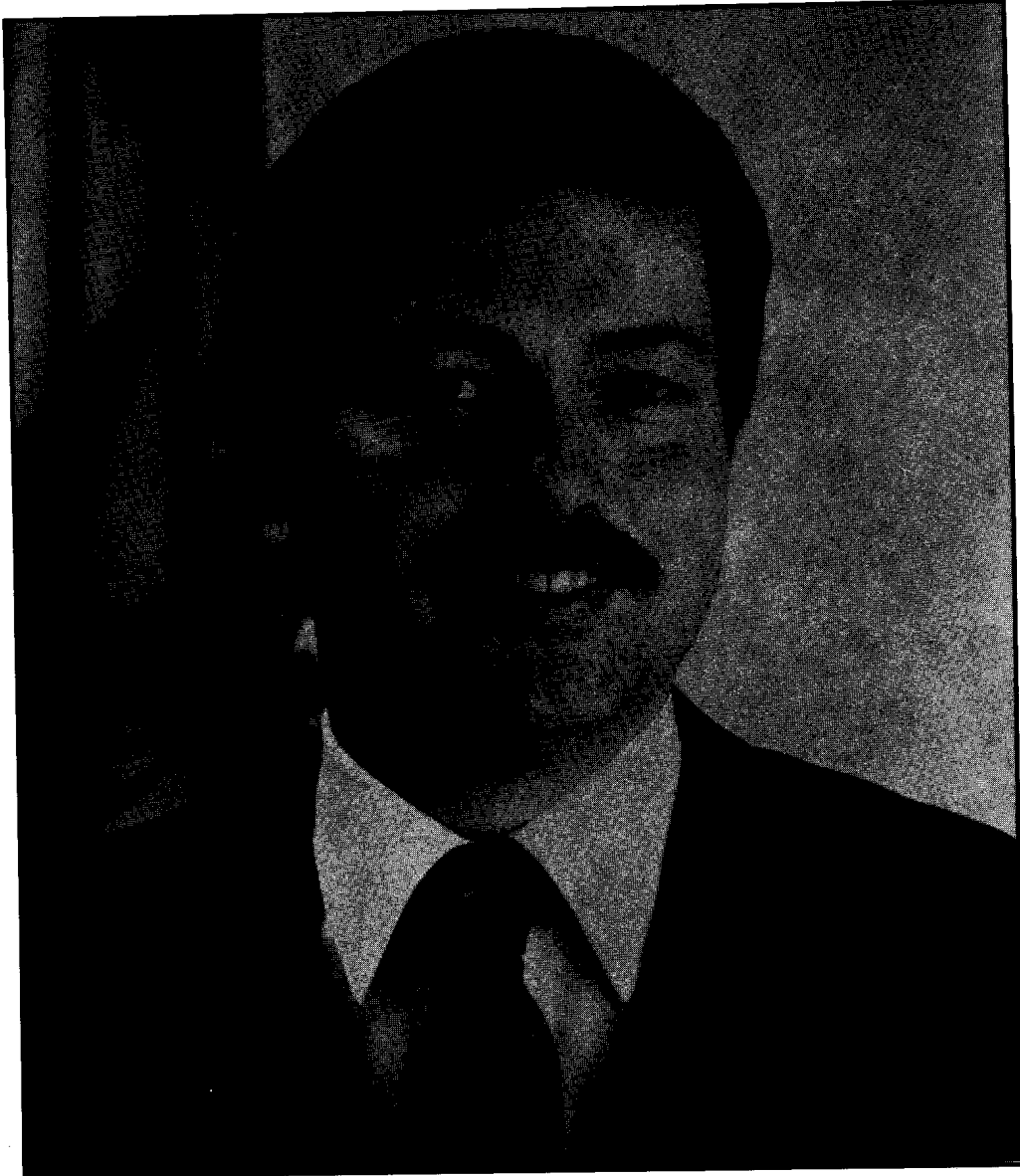


MICK LURA
Administrator

IOWA RACING COMMISSION

L. C. "Bud" Pike, Chairman
Rita Sealock, Member
Richard Canella, Member
Mick R. Lura, Administrator

Leo Monaghan, Vice-Chairman
Lorraine May, Member



The Honorable Terry E. Branstad,
Governor of Iowa

TABLE OF CONTENTS

LETTER TO GOVERNOR	1
NEW LEGISLATION	2
COMMISSION MEMBERS	3
COMMISSION STAFF	4
COMMISSION MEETINGS	5
SEASON SUMMARY FOR ALL TRACKS/ALL BREEDS	7
SEASON SUMMARY FOR DUBUQUE GREYHOUND PARK	9
SEASON SUMMARY FOR BLUFFS RUN	11
SEASON SUMMARY FOR WATERLOO GREYHOUND PARK	13
SEASON SUMMARY FOR PRAIRIE MEADOWS	15
LABORATORY TESTING	16
IOWA BREEDER'S FUND	17
FINANCIAL POSITION FOR PARI-MUTUEL	19
STATEMENT OF EXPENDITURES FOR PARI-MUTUEL	20
STATEMENT OF OCCUPATIONAL GREYHOUND LICENSE FEES	21
STATEMENT OF OCCUPATIONAL HORSE LICENSE FEES	22
IOWA'S WAGERING DOLLAR	23
FINANCIAL POSITION FOR RIVERBOAT GAMBLING	25

LETTER TO THE GOVERNOR

The Honorable Terry E. Branstad
Governor of Iowa
Capitol
L O C A L

December 31, 1989

Dear Governor Branstad:

Another year has passed since our last report to you. 1989 has not been a year where the pari-mutuel industry stood still. It has been a year of good, bad, and concerned news. It has been a year of movement of people, both on the Commission level and on the staff level. During the year Senate File 124 was enacted into law and our Commission was renamed the Iowa Racing and Gaming Commission and was designated as the body to regulate riverboat gambling in Iowa.

Senate File 220 made changes in the pari-mutuel law that cut state revenue and returned tax dollars and "outs" money to the various tracks costing state government (short term), two and a half million dollars.

Lavonne Mydland, an original appointee, resigned from the Commission and was replaced by Rita Sealock, a former banker from Council Bluffs. Lorraine May, an attorney from Des Moines, was named to the Commission. Mick Lura completed his first year as our Administrator and has had a busy inaugural year. He has hired Lorenzo Creighton and Charles Patton to assist with riverboat gambling and horse and dog racing.

The good news is that riverboat gambling is in the process of being launched on the Mississippi and Missouri Rivers. As 1989 drew to a close, we received applications for riverboat gambling licenses from Dubuque, Sioux City, Davenport, Bettendorf-Clinton-Muscatine (2 licenses), and Burlington-Fort Madison-Keokuk for a total of six applications. Excitement runs high in these various communities as city planners see opportunities of tourism expansion, jobs, and a chance to build and improve their harbors and waterfronts. In addition to the above, it is the feeling of this Commission that riverboat gambling will bring a new and exciting dimension of entertainment to our state.

The bad news is, of course, the poor start that Prairie Meadows had with their first year of horse racing in Iowa. Low attendance and handle dealt the track severe losses that present management is struggling hard to overcome as they prepare for their 1990 season. Other bad news is the drop in handle and attendance at the dog track at Bluffs Run in Council Bluffs. The opening of a new "super" greyhound track in Kansas City, Kansas, and increased gambling activity in Omaha and at Aksarben have combined to siphon off customers from this track.

Five greyhound tracks will open in 1990 in Wisconsin. Naturally this will have a negative effect on attendance at the Dubuque Greyhound Park (DGP) with a drop in patrons of around 35% predicted for 1990. DGP is fighting back and plans to meet this new competition head-on with riverboat gambling. They figure that the two tourist attractions will compliment each other and that they will be great patron drawing partners in the field of tourism.

The concern is, of course, with Indian tribes entering into the unrestricted casino gambling business. Our pari-mutuel industry will be dealt a severe blow if unrestricted casino gambling is allowed. We need to remember that when the betting handles decline at our racetracks that purses for horses and dogs are reduced. This drop in income stands to have a negative impact on both the horse and dog industries that pari-mutuel is trying to promote in this state. Horse and dog farms are positive factors in diversifying agriculture in Iowa.

The 1990's and beyond has the makings for exciting years for the Iowa Racing and Gaming Commission. We very much appreciate the backing and support of your office and look forward to working with you during the many months ahead as we jointly struggle with the many challenges and opportunities brought about by gambling in the state of Iowa.

Respectfully submitted,



L. C. Pike
Chairman

NEW LEGISLATION

During the 73rd General Assembly, there were several changes made to 99D, that part of the Iowa Code establishing pari-mutuel racing.

Simulcasting, the simultaneous telecasting or televising of races at out-of-state pari-mutuel tracks to existing Iowa racing facilities was approved. Current law establishes that ten racing events per calendar year may be telecast to racing association premises, allowing patrons the opportunity to wager on nationally-known races.

A dog racing promotion fund was established by allowing 2% of each track's breakage money to be paid by the Racing and Gaming Commission to an approved non-profit organization. This money is to be used for the research, education and marketing of dog racing in the state.

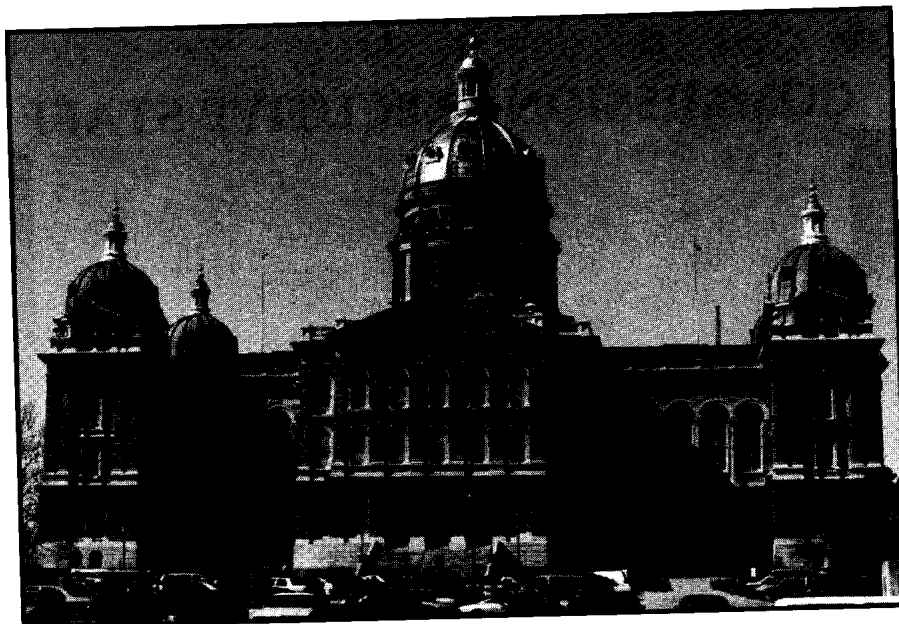
Previously, the unclaimed winnings from each track have escheated to the unclaimed property section of the State Treasurer's Office. The new law provides for these monies to now be used in administering the Iowa Breeders program by the Department of Agriculture and Land Stewardship and for paying the cost of drug testing at all tracks. Any funds left at the end of the fiscal year will be reimbursed 1/3 to the track, 1/3 to the city and 1/3 to the county where the track is located. The amount received by the track is to be used only for the retiring of the track's debt.

The exemption of property tax is also addressed in the new law changes. A three-year exemption begins for any track not currently exempt July 1 of 1989. Thereafter, the County Board of Supervisors shall present the question of exemption at a regular or special election. If a favorable vote is cast, an extension of ten years is granted.

A pari-mutuel tax of 6% of the gross amount wagered is now imposed on a horse racing meet. A tax credit of 5% is granted for retiring the annual debt on cost of construction, unless the gross amount wagered is under ninety million dollars. Then a tax credit of 6% is granted.

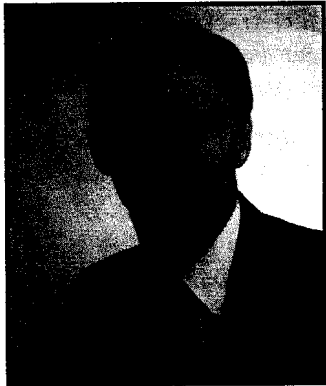
The dog tracks pari-mutuel tax rates were also amended and instead of each dog racing facility now paying a straight 6%, the amount of tax is based on the gross sum wagered. If the amount wagered is over fifty five million, the tax remains at 6%. At thirty million, but less than fifty-five million, the tax is reduced to 5%, and under thirty million, 4%.

Lastly, a Racing Dog Adoption Program has been established in 99D.27 to be overseen by the Department of Agriculture and Land Stewardship. Greyhounds are known to make warm, lovable pets and this law hopes to help place dogs retiring from the racing industry with families around the state.



State Capitol, where legislation becomes law

IOWA RACING AND GAMING COMMISSION MEMBERS



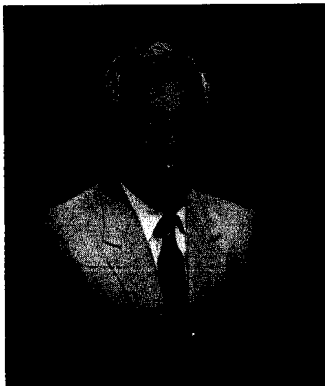
LEO K. MONAGHAN, Vice Chairman
Manchester
Term Expires: April 30, 1990



L.C. "BUD" PIKE, Chairman
Grundy Center
Term Expires: April 30, 1991



RITA SEALOCK
Council Bluffs
Term Expires: April 30, 1990

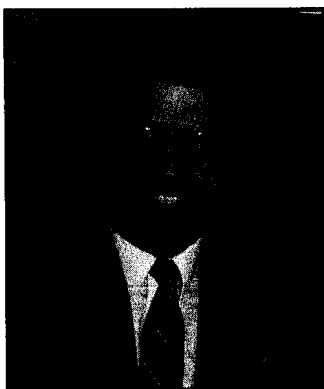


RICHARD CANELLA
Fort Madison
Term Expires: April 30, 1992

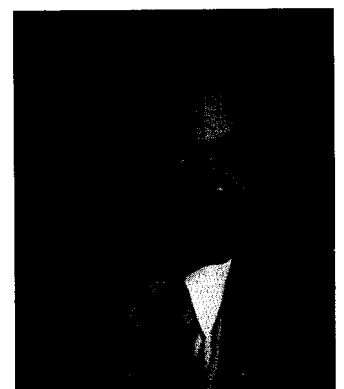


LORRAINE MAY
Des Moines
Term Expires: April 30, 1991

COMMISSION EXECUTIVE STAFF



MICK LURA
Administrator



LORENZO CREIGHTON
Deputy Administrator

COMMISSION STAFF

Des Moines

Mick Lura
Lorenzo Creighton
John "Jake" McIsaac
Chuck Patton
Jean Cook
Kathleen Berglund
Karyl Jones
Connie Eichhorn

Administrator
Deputy Administrator
Director of Greyhound Racing
Riverboat Manager
Licensing Steward
Office Manager
Administrative Assistant
Secretary

Bluffs Run

Richard Woodsmall
Virginia Fuller
Lori Schultz
Lynne Rogers
Kathy Schaben
Prickett Veterinary Clinic

Steward
Steward
Pari-Mutuel Clerk
Pari-Mutuel Clerk
Pari-Mutuel Clerk
Contract Veterinarian

Dubuque Greyhound Park

Terrance Hirsch
Timothy Healy
Cathy Dillon
Julie Manders
Denise Kafar
Vanderloo, White & Assoc

Steward
Steward
Pari-Mutuel Clerk
Pari-Mutuel Clerk
Pari-Mutuel Clerk
Contract Veterinarian

Waterloo Greyhound Park

James Gibson
Lisa Reiker-Hall
Ramona Moody
Jane Storey
Deb Aalfs
Brookside Vet Clinic

Steward
Steward
Pari-Mutuel Clerk
Pari-Mutuel Clerk
Pari-Mutuel Clerk
Contract Veterinarian

Prairie Meadows

Lou Baranello
Sheila Gaudreau
Terry Allen
Shirley Stokes
Kim Jensen
Shirley McClelland
Dr. John Sweeney
Dr. Robert Stenbom

Steward
Steward
Steward
Pari-Mutuel Clerk
Pari-Mutuel Clerk
Pari-Mutuel Clerk
Veterinarian
Veterinarian

COMMISSION MEETINGS

During 1989, the Iowa Racing and Gaming Commission met 11 times. In addition, two telephonic meetings were held. Minutes of each meeting are kept on file in the Commission office, and are available to the public upon request. Highlights of the meetings follow:

January 19, 1989 — Approved FY89 research proposals from Iowa State University. Jim Heywang, Bluffs Run (BR) gave a 1988 season recap. Reports were given by Stan Bowker, Prairie Meadows (PM); and Judy Roland, representing the standardbred industry. Mick Lura was appointed Administrator for the Racing Commission. Amendments to Chapters 9 and 10 were Emergency adopted. Executive Session was held.

February 16, 1989 — Presentation to Dr. Sally Prickett, former Commissioner, who resigned from the Commission in December 1988. Iowa-bred purse supplement program, racing officials, performance bond, minimum purse and multiple wagering format were approved for PM. A greyhound industry update was given by Bob Hardison, President of the Iowa Greyhound Association. Final adoption of amendments to Chapters 4, 7, 8 and 10. A resolution was passed to support the efforts of Waterloo Greyhound Park (WGP) with the Iowa Legislature aimed at reducing the pari-mutuel tax to the extent that such a reduction does not reduce taxes for Iowa's other greyhound tracks at their current level of wagering. Executive Session was held.

March 9, 1989 — Iowa bred purse supplement program, racing officials, performance bond, minimum purse, multiple wagering format and the grading system for Dubuque Greyhound Park (DGP) were approved. A recap of PM's opening week was given by Stan Bowker. Amendments to Chapters 9 and 10 were final adopted. Executive Session was held.

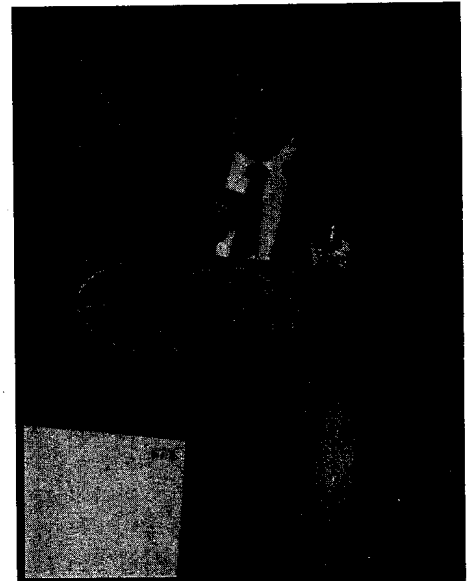
April 20, 1989 — The Racing Commission met in Dubuque, Iowa. Update reports were given by Bruce Seymour, PM; Roy Berger, DGP; and Jim Heywang, BR. Pic-six, daily triple and trifecta wagering was approved for PM. New Commission member Lorraine May was introduced. Approved \$5,000 in surplus funds for the Quality Assurance Program for greyhound research. Executive Session was held.

May 12, 1989 — Approved Pic-six wagering at DGP. Stan Bowker, PM, recapped their spring meet. Approved harness racing officials. Hearings were held on the appeals of Wayne Schilling and Luann Hosford. Executive Session was held.

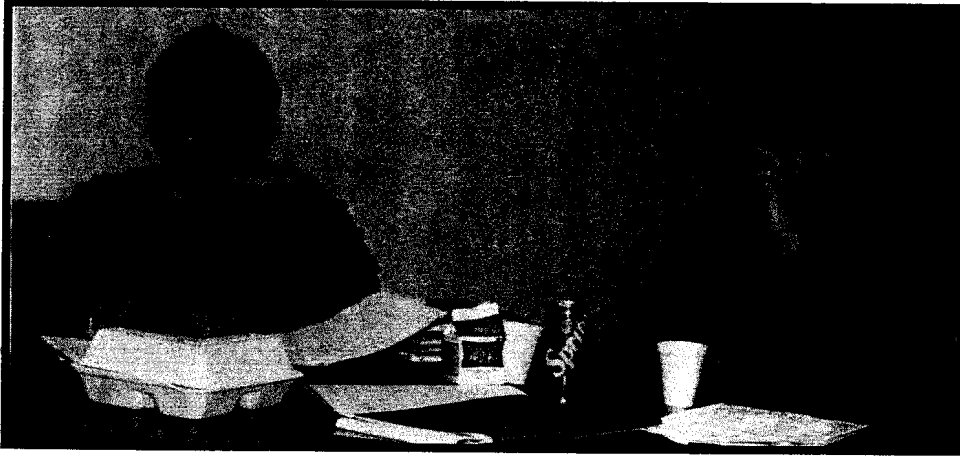
June 1, 1989 — Telephonic meeting was held. Approval was given for PM to simulcast the Belmont Stakes and for DGP and BR to simulcast the Greyhound Race of Champions.

June 15, 1989 — Additional racing dates were granted to PM and WGP. Racing dates of March 24 through November 4, 1990 were granted to DGP; January 5 through December 31, 1990 were granted to BR; October 11, 1990, through April 14, 1991, were granted to WGP; and February 28 through November 19, 1990 were granted to PM. Augie Masciotra, WGP, recapped their 1988-89 season. Approval of Quinella wagering at PM. Hearings on the appeals of David Lucky and Sharon Burchett. Approval of riverboat gambling timetable. Executive Session was held.

June 22, 1989 — Telephonic meeting was held. Date adjustment for PM was approved to allow them to race whatever breed of horse they chose from July 9 to August 17. Amendments to Chapters 9 and 10 were Emergency adopted.



Chairman L.C. "Bud" Pike addresses audience during commission meeting



Commissioners Sealock (left) and May (right)

July 20, 1989 — Iowa bred purse supplement, racing officials, department heads, minimum purse, multiple wagering format, amendments to By-laws and amendments to the Operating Agreement with Polk County were approved for PM. Granted PM approval to simulcast the Budweiser Race and the Super Derby. Hearing was held on the appeal of Steven Boyd. Executive Session was held. Reports were given by the New Jersey Division of Gaming Enforcement, Alter Barge Company, Delta Queen Steamboat Co., Frank Fried and Associates and Robert's River Rides.

September 21, 1989 — Iowa bred purse supplement program, racing officials, performance bond, minimum purse, multiple wagering format and grading system were approved for WGP. Carole Baumgarten, PM gave a financial and operating report. Approval granted for PM to simulcast the Breeder's Cup. Final adopted amendments to Chapters 9 and 10. The resignation of Lavonne Mydland was announced. Executive Session was held.

October 19, 1989 — The Racing and Gaming Commission met in Waterloo. Hearings were held on the appeals of Marvin Anderson and Earl Casey. Executive Session was held. Minimum purse was raised from 3% to 3.25% effective July 1, 1990.

November 28, 1989 — Final adopted Riverboat application rules. Bruce Wentworth, DGP and Tom Timmons, PM gave season recaps. Approval of Iowa Quarterhorse Agreement with PM. Hearings were held on the appeals of Robert Trow and Theroy Hovick. Executive Session was held. Approval of state veterinary contracts.

December 14, 1989 — The Racing and Gaming Commission met in Council Bluffs. Hearings were held on the appeals of Steven Boyd. Iowa bred purse supplement program, racing officials, performance bond, minimum purse, multiple wagering format, takeout and grading system for BR were approved. Dr. Sally Prickett gave a report on the Quality Assurance Program. Executive Session was held.



Commissioners Canella (left) and Monaghan (right)

IOWA'S RACE TRACKS ALL BREEDS

THE 1989 SEASON SUMMARY IS AS FOLLOWS:

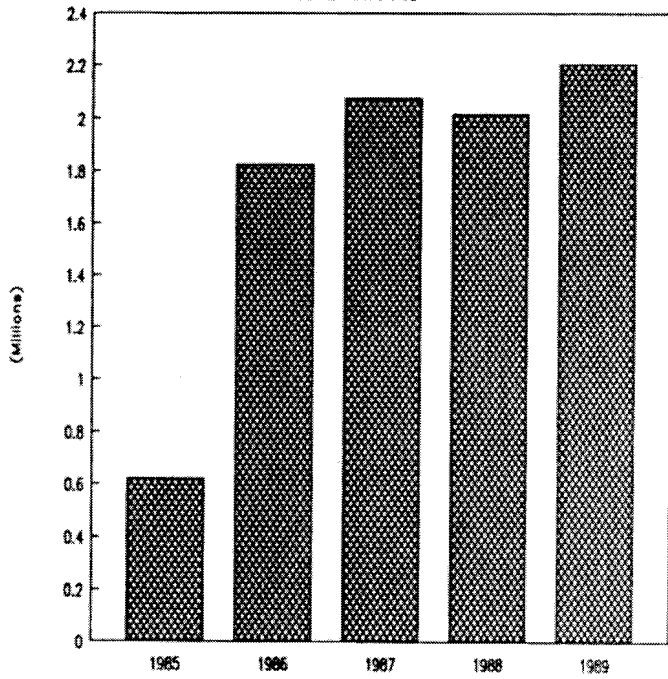
Number of Performances	1,092
Average Attendance Per Performance	2,018
Total Taxable Attendance	2,203,366
Daily Average Handle Per Performance	\$ 217,569
Total Mutuel Handle	\$237,585,822
Exotic Wagering	\$185,432,737
Track Commission	\$ 25,722,563
Breakage	\$ 1,045,577
State Tax	\$ 9,401,992
City/County Tax	\$ 1,996,373
Credit for New Tax Const	\$ 2,276,905
Returned to Public	\$194,444,180
Purses	\$ 9,732,839
Additional Monies for Purses	\$ 117,000
Unclaimed Winnings	\$ 926,496
Simulcast Handle	\$ 440,229

ALL TRACK — ALL BREEDS COMPARISON

	1985	1986	1987	1988
Number of Performances	229	644.5	886	954
Average Attendance Per Performance	2,703	2,832	2,343	2,113
Total Taxable Attendance	619,041	1,825,211	2,075,879	2,015,601
Daily Average Handle Per Performance	\$191,015	\$291,973	\$248,717	\$245,007
Total Mutuel Handle	\$43,742,584	\$188,176,735	\$220,361,867	\$233,736,562
Breakage	\$262,048	\$717,830	802,508	\$803,372
Unclaimed Winnings	\$70,051	\$682,608	\$869,884	\$999,407

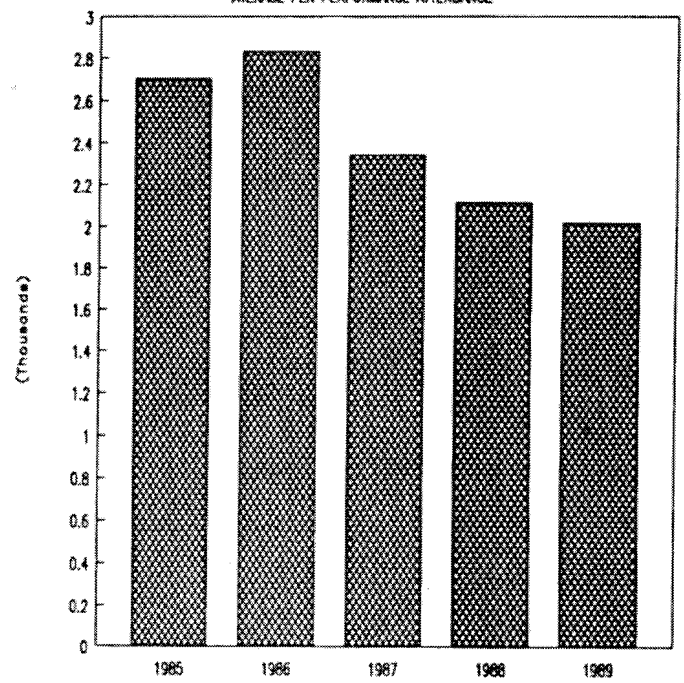
ALL BREEDS

TOTAL ATTENDANCE



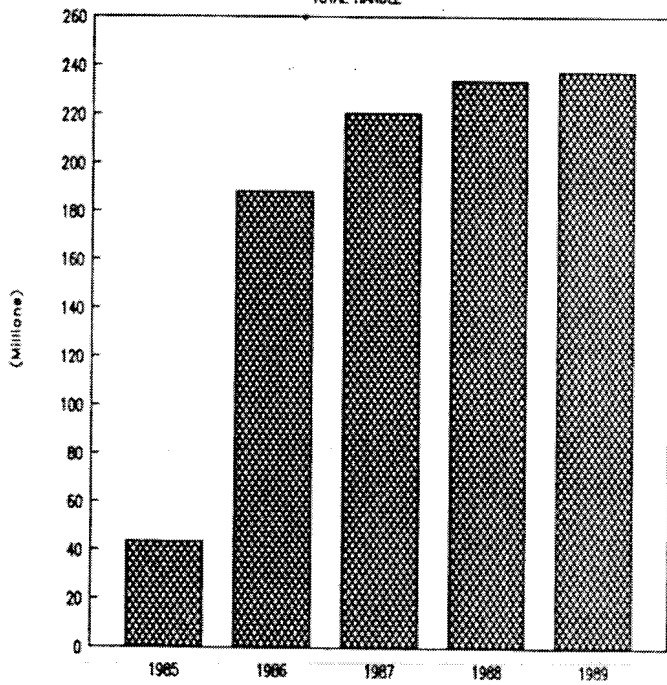
ALL BREEDS

AVERAGE PER PERFORMANCE ATTENDANCE



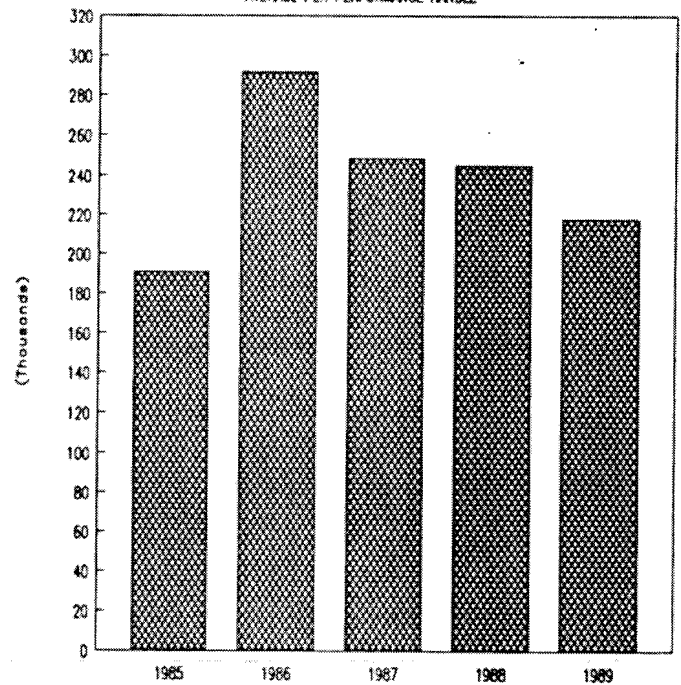
ALL BREEDS

TOTAL HANDLE



ALL BREEDS

AVERAGE PER PERFORMANCE HANDLE



IOWA'S RACE TRACKS

DUBUQUE GREYHOUND PARK

Dubuque Greyhound Park located in Dubuque, raced 238 performances in 1989 beginning March 29 and ending November 5. The average handle was \$273,805 with an average daily attendance of 2,274 patrons wagering on the greyhounds.

THE SEASON SUMMARY IS AS FOLLOWS:

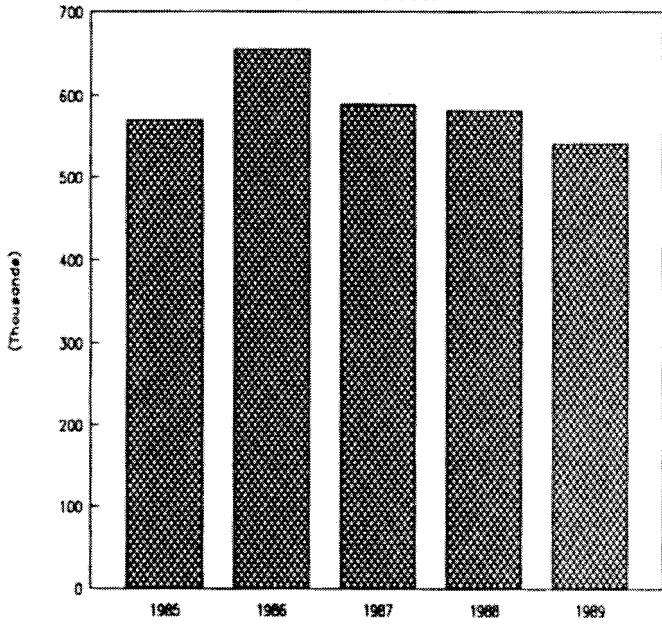
Racing Dates	3-29 - 11-5
Number of Performances	238
Average Attendance Per Performance	2,274
Total Taxable Attendance	541,115
Daily Average Handle Per Performance	\$ 273,805
Total Mutuel Handle	\$65,165,531
Exotic Wagering	\$54,811,692
Track Commission	\$ 7,612,787
Breakage	\$ 205,202
State Tax	\$ 3,258,277
City/County Tax	\$ 651,655
Returned to Public	\$53,437,610
Purses	\$ 1,954,966
Additional Monies for Purses	\$ 93,600
Unclaimed Winnings	\$ 301,996
Simulcast Handle	\$ 29,790

DUBUQUE GREYHOUND PARK COMPARISON

	1985	1986	1987	1988
Racing Dates	6-1/11-17	4-1/11-2	4-1/11-1	4-6/11-13
Number of Performances	198	236	232	240
Average Attendance Per Performance	2,856	2,734	2,540	2,424
Total Taxable Attendance	569,407	654,212	589,317	581,865
Daily Average Handle Per Performance	\$218,273	\$269,279	\$283,504	278,719
Total Mutuel Handle	\$41,690,178	\$63,644,286	\$65,773,036	\$66,892,630
Breakage	\$237,970	\$237,721	\$228,620	\$232,631
Unclaimed Winnings	\$58,400	\$239,943	\$296,965	\$290,015

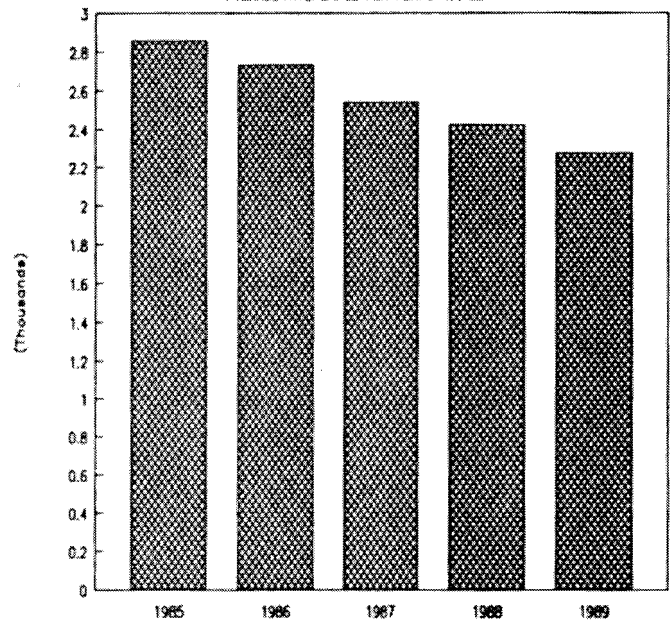
DUBUQUE GREYHOUND PARK

TOTAL TAXABLE ATTENDANCE



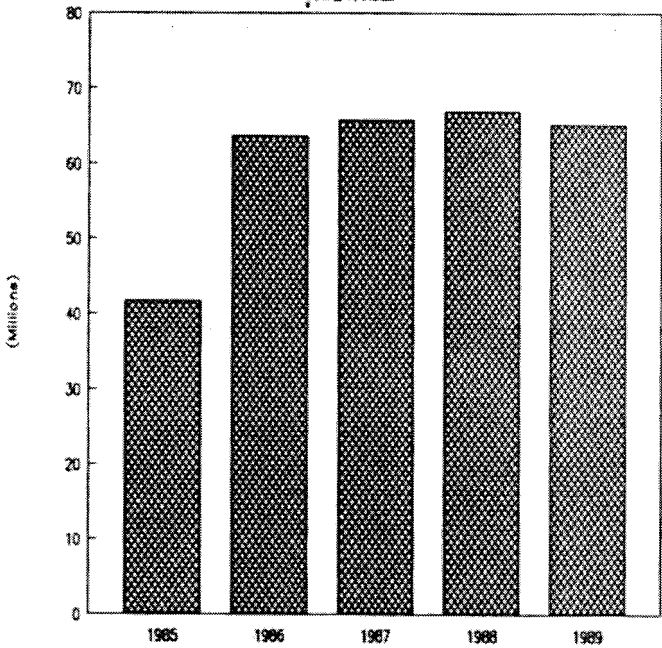
DUBUQUE GREYHOUND PARK

AVERAGE ATTENDANCE PER PERFORMANCE



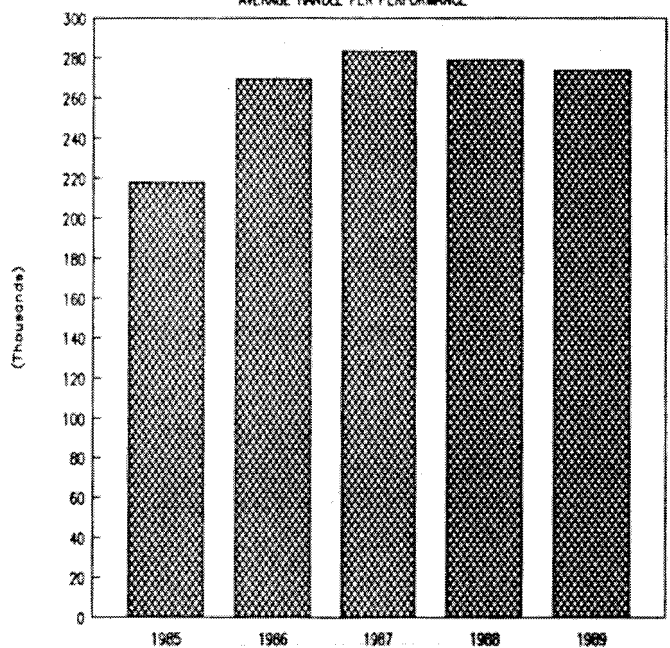
DUBUQUE GREYHOUND PARK

TOTAL HANDLE



DUBUQUE GREYHOUND PARK

AVERAGE HANDLE PER PERFORMANCE



IOWA'S RACE TRACKS

BLUFFS RUN

Bluffs Run located in Council Bluffs, conducted greyhound racing on an almost year round basis in 1989. Their season began January 6 and ended December 31 racing 462 performances. The average handle was \$228,307 with a daily average attendance of 2,100 patrons wagering on the greyhounds.

THE SEASON SUMMARY IS AS FOLLOWS:

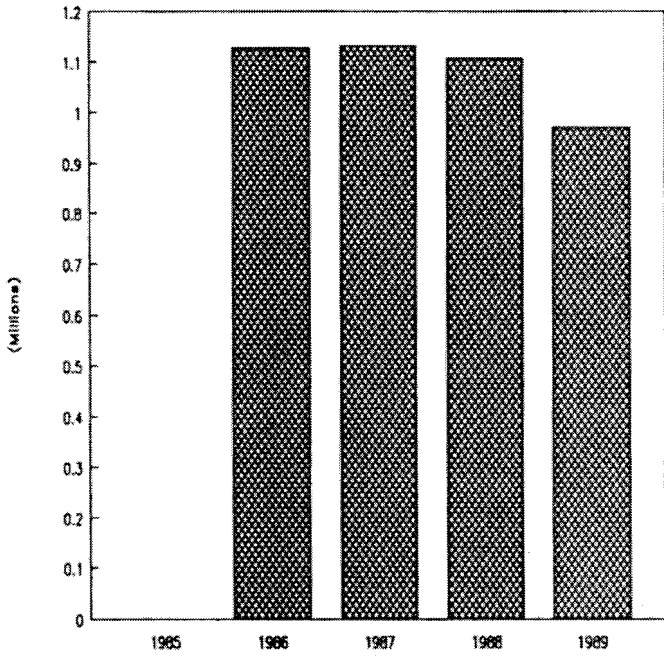
Racing Dates	1-6 - 12-31
Number of Performances	462
Average Attendance Per Performance	2,100
Total Taxable Attendance	970,150
Daily Average Handle Per Performance	\$ 228,307
Total Mutuel Handle	\$105,477,937
Exotic Wagering	\$ 86,955,122
Track Commission	\$ 12,286,881
Breakage	\$ 379,565
State Tax	\$ 5,273,897
City/County Tax	\$ 1,054,779
Returned to Public	\$ 86,482,815
Purses	\$ 3,164,338
Additional Monies for Purses	\$ 6,700
Unclaimed Winnings	\$ 356,195
Simulcast Handle	\$ 26,401

BLUFFS RUN COMPARISON

	1985	1986	1987	1988
Racing Dates		2-27/12-15	1-31/12-14	1-8/12-31
Number of Performances		378	415	458
Average Attendance Per Performance		2,985	2,747	2,417
Total Taxable Attendance		1,128,203	1,131,725	1,107,106
Daily Average Handle Per Performance		\$324,010	\$299,164	\$266,736
Total Mutuel Handle		\$122,475,778	\$123,255,538	\$122,165,062
Breakage		\$455,565	\$445,223	\$443,282
Unclaimed Winnings		\$432,748	\$428,968	\$463,478

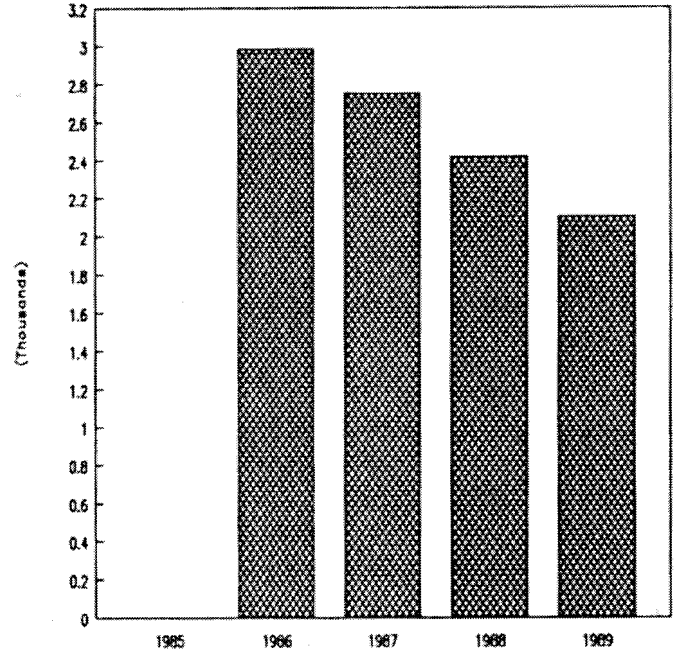
BLUFFS RUN

TOTAL TAXABLE ATTENDANCE



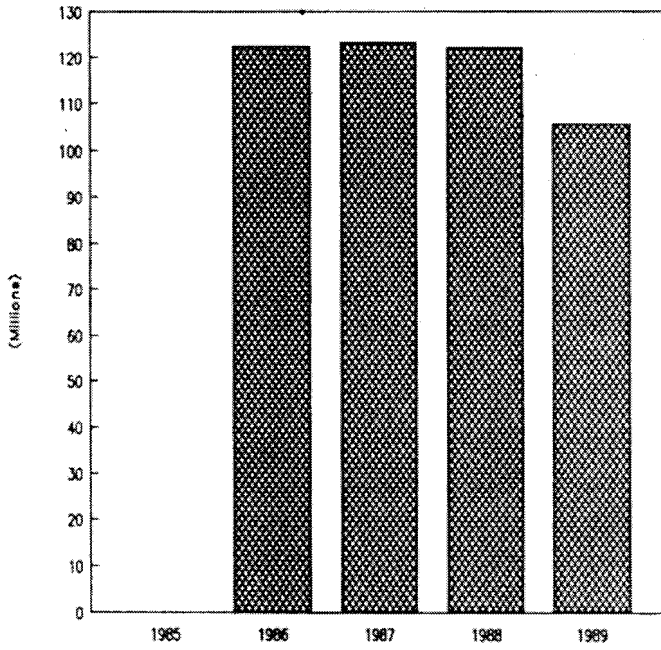
BLUFFS RUN

AVERAGE ATTENDANCE PER PERFORMANCE



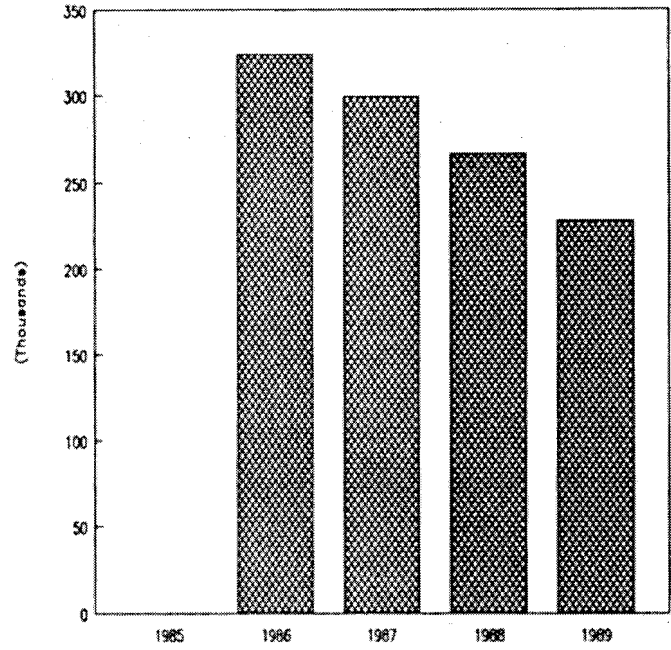
BLUFFS RUN

TOTAL HANDLE



BLUFFS RUN

AVERAGE HANDLE PER PERFORMANCE



IOWA'S RACE TRACK

WATERLOO GREYHOUND PARK

The following are the totals for Waterloo Greyhound Park's 1988-89 season.

THE SEASON SUMMARY IS AS FOLLOWS:

Racing Dates	9-6-88 - 3-12-89
Number of Performances	222
Average Attendance Per Performance	1,076
Total Taxable Attendance	238,814
Daily Average Handle Per Performance	\$ 130,603
Total Mutuel Handle	\$28,993,917
Exotic Wagering	\$24,981,257
Track Commission	\$ 3,399,017
Breakage	\$ 73,834
State Tax	\$ 869,818
City/County Tax	\$ 289,939
Returned to Public	\$23,781,432
Purses	\$ 876,851
Additional Monies for Purses	\$ 16,700
Unclaimed Winnings	\$ 147,619

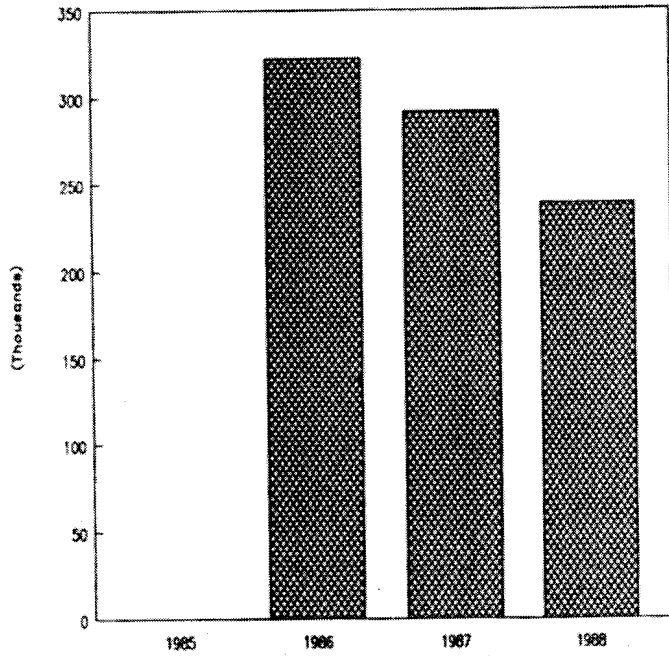
Waterloo Greyhound Park, located in Waterloo is midway through their fourth winter season. They opened September 28, 1989, and as of December 31, 1989, have completed 112 performances with a daily average attendance of 1,028 and an average handle of \$117,281. The year-to-date handle is \$13,252,701 and the attendance stands at a total of 116,145 patrons. The complete 89-90 season figures will be reported in the 1990 annual report.

WATERLOO GREYHOUND PARK COMPARISON

	1985	1986	1987
Racing Dates	10-15-86/04-15-87	10-16-87/4-17-88	
Number of Performances	213	234	
Average Attendance Per Performance	1,513	1,247	
Total Taxable Attendance	322,272	291,733	
Daily Average Handle Per Performance	\$137,778	\$138,579	
Total Mutuel Handle	\$29,346,834	\$32,427,585	
Breakage	\$109,291	\$106,299	
Unclaimed Winnings	\$134,418	\$235,944	

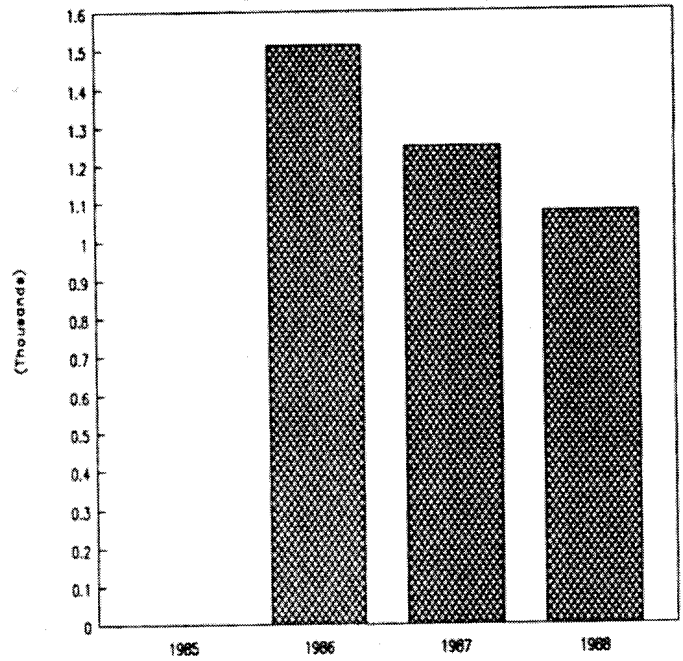
WATERLOO GREYHOUND PARK

TOTAL TAXABLE ATTENDANCE



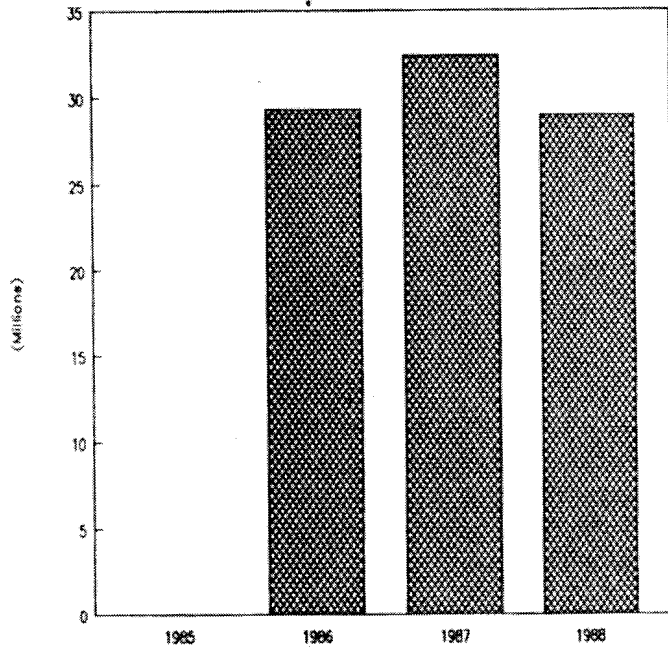
WATERLOO GREYHOUND PARK

AVERAGE ATTENDANCE PER PERFORMANCE



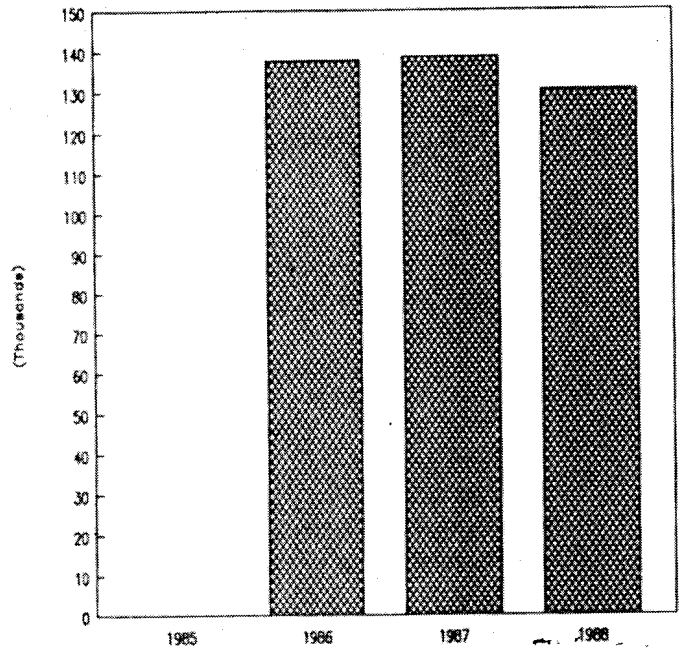
WATERLOO GREYHOUND PARK

TOTAL HANDLE



WATERLOO GREYHOUND PARK

AVERAGE HANDLE PER PERFORMANCE



IOWA'S RACE TRACKS

PRAIRIE MEADOWS

Prairie Meadows located in Altoona, conducted its inaugural season of horse racing in 1989. Their season began March 1 and ended November 13 racing 170 performances, incorporated in three separate race meets, spring and fall being thoroughbred/quarterhorse and the summer being harness.

THE SEASON SUMMARY IS AS FOLLOWS:

	Thoroughbred/Quarterhorse	Harness
Racing Dates	3-1/5-15 and 7-26/11-13	5-25/7-9
Number of Performances	136	34
Attendance	390,580	62,707
Total Mutuel Handle	\$33,397,995	\$4,550,442
Total Exotic	\$16,285,845	\$2,398,821
Track Commission	\$ 1,872,881	\$ 550,997
Breakage	\$ 342,191	\$ 44,785
State Tax	\$ 1,669,899	\$ 227,522
City/County Tax	\$ 333,980	\$ 45,504
Return to Public	\$27,060,690	\$3,681,633
Purse	\$ 3,119,434	\$ 617,250
Simulcast Handle	\$ 342,355	\$ 41,683
TOTAL MEETS	3	
TOTAL NUMBER OF RACE PERFORMANCES	170	
AVERAGE ATTENDANCE PER PERFORMANCE	2,666	
TOTAL TAXABLE ATTENDANCE	453,287	
AVERAGE DAILY HANDLE PER PERFORMANCE	\$ 223,226	
TOTAL MUTUEL HANDLE	\$37,948,437	
TOTAL EXOTIC	\$18,684,666	
TOTAL TRACK COMMISSION	\$ 2,423,878	
TOTAL BREAKAGE	\$ 386,976	
TOTAL STATE TAX	-0-*	
TOTAL CITY/COUNTY TAX	-0-*	
TOTAL CREDIT FOR NEW CONSTRUCTION OF FACILITIES	\$ 2,276,905	
TOTAL RETURNED TO PUBLIC	\$30,742,323	
TOTAL PURSE	\$ 3,736,684	
UNCLAIMED WINNINGS	\$ 120,686	
SIMULCAST HANDLE	\$ 384,038	

*99D.15(8)2 Legislation provides a tax credit in the amount of 6%, if the gross sum wagered (handle) is under \$90,000,000 at horse racing facilities, to be applied against their debt retirement. Therefore, no state or city/county taxes were paid by Prairie Meadows.

LABORATORY TESTING

The Iowa Racing and Gaming Commission strives to protect the integrity of the sport of racing in Iowa. Iowa's blood/urine testing program is the backbone of the agency's policing functions. The program was conducted by Iowa State University Diagnostic Laboratory, of Ames, Iowa.

It is the duty of the Iowa Racing and Gaming Commission, and its racing chemist, through chemical analysis of blood and urine samples collected from racing animals at the tracks, to insure that foreign substances are not being administered to racing animals pursuant to Iowa Code Chapter 99D.25 of the Iowa Pari-Mutuel Wagering Act. This section prohibits the administration of any foreign substance prior to a race. The Commission will continue to justify intense regulation to guarantee the racing industry in Iowa is above reproach.

The following is a summary of chemical tests conducted by the Iowa State Veterinary Diagnostic Lab in 1989 for the Iowa Racing and Gaming Commission.

	URINE	BLOOD
Horse	3,774	6,982
Greyhound		
Bluffs Run	13,167	
Dubuque Greyhound Park	6,653	
Waterloo Greyhound Park	5,695	
		POSITIVE TESTS
	Horse	Greyhound
Procaine		44
Trimethoprim	2	60
DMSO2	3	9
Sulfamethoxazole	1	18
Sulfadimethoxine		15
Sulfamethazine		28
Phenylbutazone	13	1
Nicotinamide	2	15
Hydroxphenbutazon		1
Oxyphenbutazone	6	2
Hydrocortison	2	
Polysorbate	1	
Acepromazine Met	2	
Lasix	1	
Hordenine	2	
	<hr/>	<hr/>
TOTAL POSITIVES	35	193

IOWA BREEDER'S FUND

IOWA SUPPLEMENTS

The Department of Agriculture maintains a data base of thoroughbred, standardbred and quarterhorses who have qualified to be Iowa-foaled horses, as well as greyhounds that have qualified as Iowa-whelped dogs according to Iowa Code Chapter 99D.22 and Administrative Rules of the Department of Agriculture.

An amount equal to 12% of the winner's share of any purse won by an Iowa-foaled horse or Iowa-whelped dog is withheld by the licensee from the breakage and paid at the end of the race meeting to the Department of Agriculture. The Department of Agriculture in turn pays the breeder of the winning Iowa-foaled horse or breeder of the Iowa-whelped dog on December 31 of each year. The amounts created from the total breakage were paid out as follows in 1989:

THOROUGHBRED/QUARTERHORSE

Breeder's Awards\$ 32,320.31
Supplements\$249,511.92

STANDARDBREDS

Breeder's Awards\$ 1,491.00
Supplements\$ 19,062.50

GREYHOUNDS

Bluffs Run

Breeder's Awards\$ 57,711.21
Supplements\$237,559.55
Iowa Stakes\$ 80,463.47
Carry-over\$ 91.83
Dog Racing Promotion Fund\$ 3,830.95

Dubuque Greyhound Park

Breeder's Awards\$ 33,794.61
Supplements\$168,599.77
Iowa Stakes\$ 44,153.28
Carryover\$ -0-
Dog Racing Promotion Fund\$ 4,117.85

Waterloo Greyhound Park

1988-1989 Season

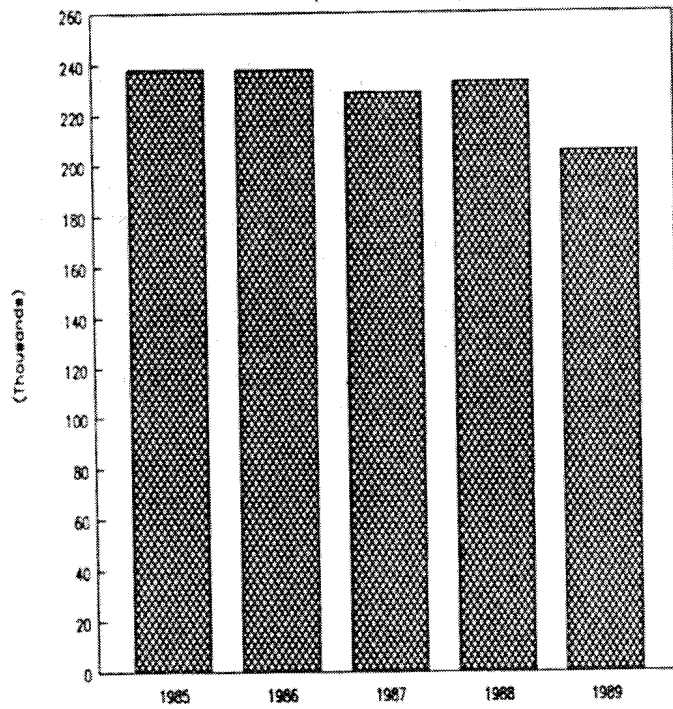
Breeder's Awards\$ 14,216.00
Supplements\$ 54,600.00
Iowa Stakes\$ 19,234.00
Carry-over\$ 10.09

The remainder of the breakage at horse tracks is distributed as purse supplements to the owners of winning Iowa-bred horses.

The remainder of the breakage at greyhound tracks is divided, with 25%, funding a stakes race restricted to registered Iowa-whelped greyhounds, 2% Dog Promotion Fund and 73% distributed as purse supplements to the owners of winning Iowa-whelped greyhounds. The owners of winning Iowa-whelped greyhounds have earned purses equal to those offered anywhere in the United States.

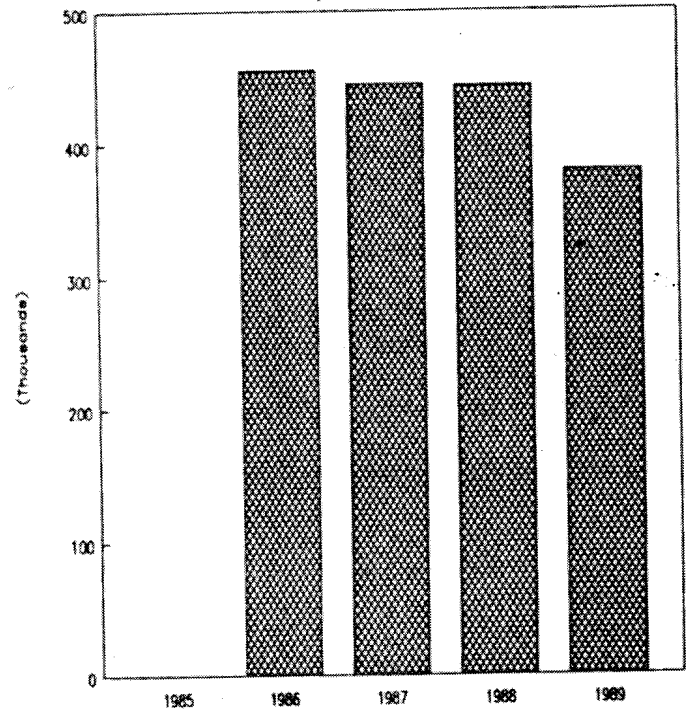
DUBUQUE GREYHOUND PARK

BREAKAGE (IOWA BREEDERS FUND)



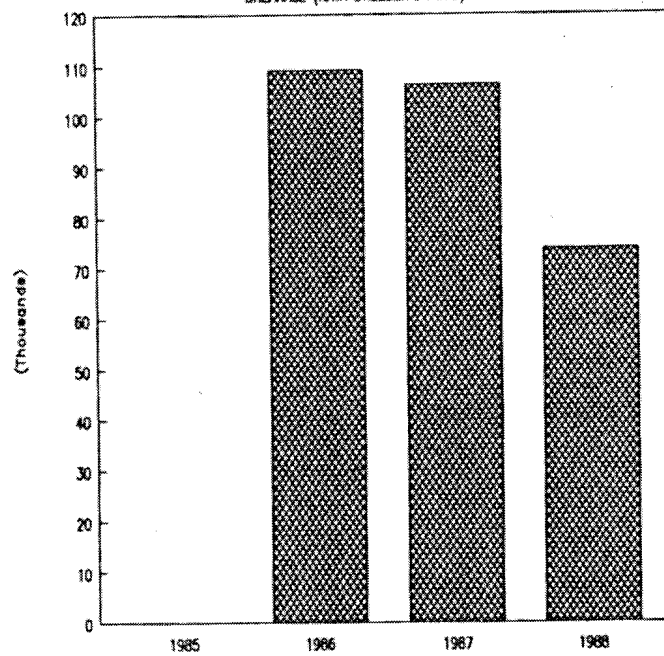
BLUFFS RUN

BREAKAGE (IOWA BREEDERS FUND)



WATERLOO GREYHOUND PARK

BREAKAGE (IOWA BREEDERS FUND)



FINANCIAL POSITION FOR PARI-MUTUEL

SOURCE OF REVENUE

During the reporting period, the Iowa Racing and Gaming Commission operated as a self-funded unit. In Iowa, monies are collected from the racing industry to pay for its own regulation. This money is deposited into a revolving fund controlled by the Racing and Gaming Commission and expenditures are made from that fund to regulate all aspects of the pari-mutuel racing industry in Iowa. During 1989, \$1,727,188 was received into the Iowa Racing and Gaming Commission's revolving fund, with anticipated revenues from unclaimed winnings in the amount of \$205,996. During this same period, the Racing and Gaming Commission expended \$1,890,184 for regulation of the industry and for research projects to enhance and improve the pari-mutuel industry in the state of Iowa.

Chapter 99D of the Code of Iowa provides several sources of revenue for the Iowa Racing and Gaming Commission revolving fund. The racing licensees are taxed at \$200 per day of operation; there is a \$.50 per patron tax imposed; licensees reimburse the Commission for lab fees; fees set by the Commission are charged for occupational licenses; and disciplinary fines set by the Commission are imposed upon those licensees as warranted.

Racing and Gaming Commission Operating Fund

Occupational License Fees	\$ 73,635
Track Daily License Fees	\$ 167,800
Admission Tax	\$ 1,121,995
Fines	\$ 27,945
Statutory Reimbursements	\$ 335,813
Estimated Accounts Receivable	\$ 205,996
 Total Revenues to Commission	 \$ 1,933,184
 BEGINNING BALANCE	 \$ 181,638
 TOTAL REVENUES	 \$ 2,114,822
 TOTAL EXPENDITURES BY COMMISSION	 \$ 1,890,184
DCI Appropriation	\$ 114,041
 Carryover for Future Expenses/Industry Research	 \$ 110,597
 Receipts to State and Local Governments	
State pari-mutuel tax	\$10,347,943
Uncashed Pari-Mutuel tickets to state	\$ 899,936
 TOTAL REVENUE TO STATE	 \$11,247,879
TOTAL REVENUE TO LOCAL GOVERNMENT	\$ 2,180,519

STATEMENT OF EXPENDITURES FOR PARI-MUTUEL

January 1 to December 31, 1989

Payroll	\$ 785,943
Professional Services	
Veterinarian	\$ 169,740
Laboratory	\$ 394,783
Criminal History Checks	\$ 31,098
Consultants	\$ 8,633
Travel	\$ 61,837
TOTAL SERVICE EXPENDITURES	\$1,452,034
Office Supplies	\$ 70,796
Printing	\$ 35,827
Communications	\$ 11,861
Rentals	\$ 605
Outside Services (General)	\$ 15,706
Equipment Repairs	\$ 13,513
Data Processing	\$ 28,572
Equipment	\$ 16,210
Public Relations	\$ 14,650
Reimbursements to Other State Agencies	\$ 22,959
TOTAL OFFICE EXPENSES	\$ 230,699
RESEARCH FUNDS	
Iowa State University College of Vet Medicine	\$ 207,451
Equine/Canine	\$ 102,337
Drug Research	\$ 105,114
TOTAL RESEARCH FUNDS	\$ 207,451
TOTAL EXPENDITURES	\$1,890,184

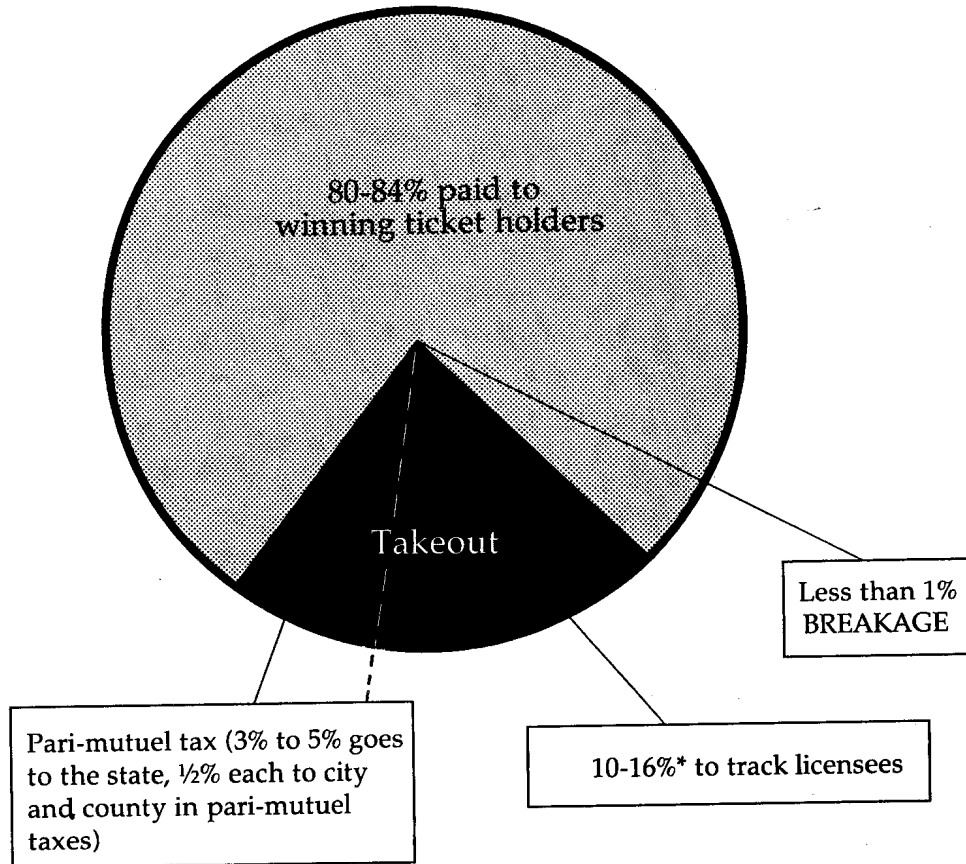
STATEMENT OF OCCUPATIONAL GREYHOUND LICENSE FEES

Concession	748	@	5.00	3740.00
Mutuels	426	@	5.00	2130.00
Security	120	@	5.00	600.00
Parking/Admissions	142	@	5.00	710.00
Maintenance	127	@	5.00	635.00
Totalizator	23	@	5.00	115.00
Kennel Helper	132	@	5.00	660.00
Lead Out	226	@	5.00	1130.00
Administration	64	@	5.00	320.00
Miscellaneous	4	@	5.00	20.00
Announcer	10	@	10.00	100.00
Veterinarian	4	@	10.00	40.00
Owners	1027	@	10.00	10,270.00
Officials	37	@	10.00	370.00
Trainers	80	@	10.00	800.00
Asst. Trainers	84	@	10.00	840.00
Board Members	35	@	10.00	350.00
Asst. Racing Secretary	6	@	10.00	60.00
Chart Writer	4	@	10.00	40.00
Track Superintendent	2	@	10.00	20.00
Partnerships	125	@	10.00	1250.00
Authorized Agent	2	@	10.00	20.00
Miscellaneous	1	@	10.00	10.00
Trainer/Owner	2	@	20.00	40.00
Mutuel Manager	3	@	20.00	60.00
Asst. Manager	2	@	20.00	40.00
Racing Secretary	4	@	20.00	80.00
Concession Operator	5	@	20.00	100.00
Manager	3	@	20.00	60.00
Kennel Owner	52	@	20.00	1040.00
Corporations	34	@	20.00	680.00
TOTAL LICENSED	3534			26,330.00
Duplicate Licenses	90	@	5.00	450.00
TOTAL OCCUPATIONAL LICENSES	3624			26,780.00

STATEMENT OF OCCUPATIONAL HORSE LICENSE FEES

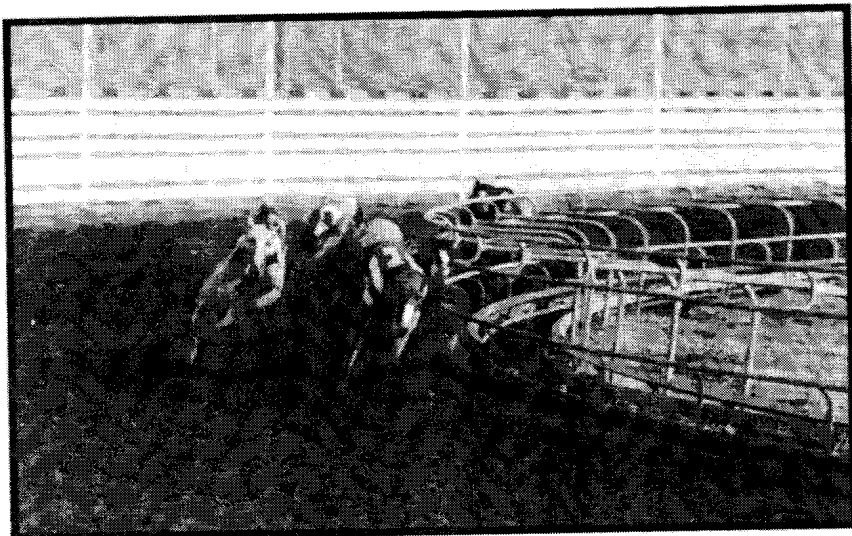
Concession	424	@	5.00	2120.00
Groom	427	@	5.00	2135.00
Mutuels	176	@	5.00	880.00
Security	69	@	5.00	345.00
Administration	84	@	5.00	420.00
Maintenance	136	@	5.00	680.00
Parking/Admissions	62	@	5.00	310.00
Totalizator	6	@	5.00	30.00
Valet	17	@	5.00	85.00
HPBA ADHOC	5	@	5.00	25.00
Exercise Rider	91	@	5.00	455.00
Pony Rider	45	@	5.00	225.00
Farrier	34	@	5.00	170.00
Hot Walker	4	@	5.00	20.00
Technical	5	@	5.00	25.00
Miscellaneous	19	@	5.00	95.00
Announcer	2	@	10.00	20.00
Owners	1826	@	10.00	18,260.00
Officials	20	@	10.00	200.00
Trainers	120	@	10.00	1200.00
Driver/Jockey	106	@	10.00	1060.00
Outrider	3	@	10.00	30.00
Partnerships	319	@	10.00	3190.00
Corp. Director/Officer	30	@	10.00	300.00
Asst. Racing Secretary	3	@	10.00	30.00
Veterinarian	14	@	10.00	140.00
Assistant Trainer	31	@	10.00	310.00
Apprentice Jockey	12	@	10.00	120.00
Jockey Agent	18	@	10.00	180.00
Stable Name	50	@	10.00	500.00
Authorized Agent	66	@	10.00	660.00
Assistant Starters	12	@	10.00	120.00
Miscellaneous	13	@	10.00	130.00
Department Directors	3	@	15.00	45.00
Owner/Trainer/Driver	363	@	20.00	7260.00
Mutuel Manager	1	@	20.00	20.00
Racing Secretary	2	@	20.00	40.00
Concession Operator	53	@	20.00	1060.00
Managers	2	@	20.00	40.00
Asst. Managers	2	@	20.00	40.00
Corporations	47	@	20.00	940.00
Ltd. Partners	9	@	20.00	180.00
Owner/Trainer	76	@	20.00	1520.00
Driver/Trainer	26	@	20.00	520.00
Owner/Driver	9	@	20.00	180.00
Miscellaneous	2	@	20.00	40.00
TOTAL LICENSED	4844			46,355.00
Duplicate Licenses	100	@	5.00	500.00
TOTAL OCCUPATIONAL LICENSES	4944			46,855.00

IOWA'S WAGERING DOLLAR



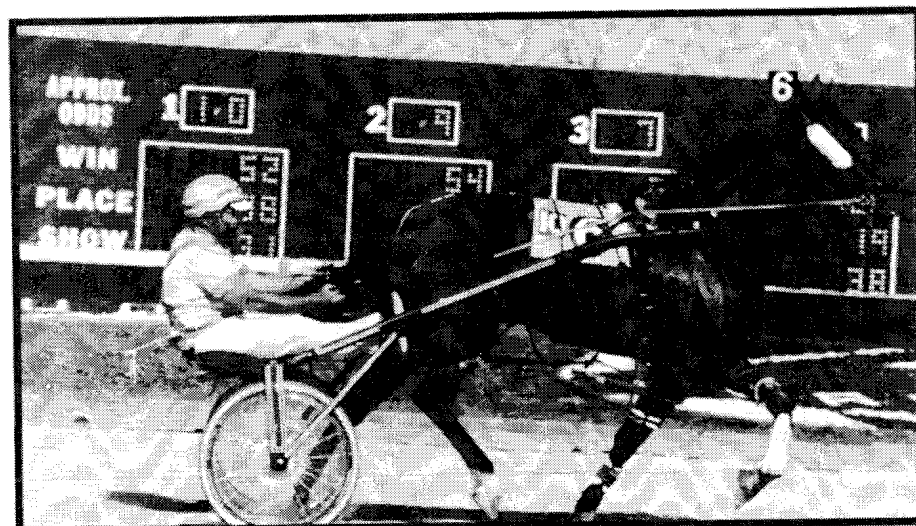
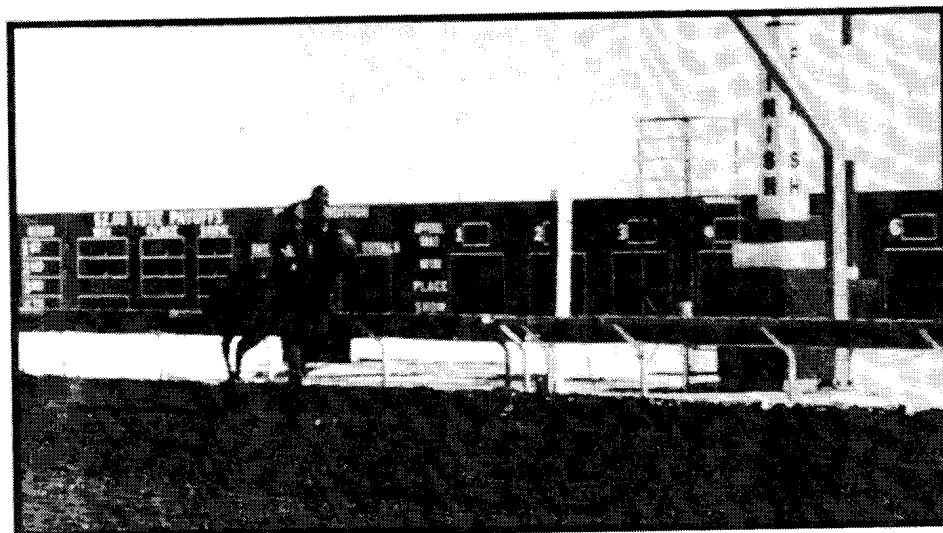
*Actual percentage depends on type of wager. The takeout is 16% on win, place and show wagers. The Racing and Gaming Commission may authorize the licensee to take out 16-20% on other wagers. Four to six percent is paid out in pari-mutuel taxes, as shown. The remaining 10-16% goes to the track licensee for purses, operating expenses, debt retirement and distribution to local charities, community betterment projects, scholarships, etc.

The Breakage (the odd cents by which the amount payable on each dollar wagered in a pari-mutuel pool exceeds a multiple of ten cents) is distributed to the breeders of Iowa-foaled horses and Iowa whelped dogs.



Greyhound racing at:
 Dubuque Greyhound Park — Dubuque
 Bluffs Run — Council Bluffs
 Waterloo Greyhound Park — Waterloo

Thoroughbred/Quarterhorse
 racing at Prairie Meadows
 in Altoona



Harness Racing at Prairie Meadows
 in Altoona

FINANCIAL POSITION FOR RIVERBOAT GAMBLING

July 1 to December 31, 1989

REVENUES

General Fund	\$100,000.00
Special Treasury Fund	\$100,000.00
TOTAL REVENUES	\$200,000.00

EXPENDITURES

Payroll	\$ 59,280.00
Travel	\$ 12,244.00
TOTAL SERVICE EXPENDITURES	\$ 71,524.00

Office Supplies	\$ 104.00
Printing	\$ 224.00
Communications	\$ 20.00
Outside Services (General)	\$ 40.00
Equipment	\$ 5,291.00

TOTAL OFFICE EXPENSES	\$ 5,679.00
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TOTAL EXPENDITURES	\$ 77,203.00
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**IOWA STATE
RACING AND GAMING COMMISSION
Lucas Building
Des Moines, Iowa 50319
515-281-7352**