



THE NEW YORK RACING ASSOCIATION, INC.

Board of Directors Meeting

August 12, 2015

**The New York Racing Association, Inc.
Meeting of the Board of Directors**

Wednesday, August 12, 2015
11:00 a.m.

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**The New York Racing Association, Inc.
Meeting of the Board of Directors**

Wednesday, August 12, 2015
11:00 AM

AGENDA

1. Approval of June 24, 2015 Minutes (Resolution)
2. Report of the Vice Chairman
3. Report of the CEO and President
 - a. Presentation by Robert Camoin of Camoin Associates
4. Report of the CFO
 - a. Review of Financials for Fiscal Quarter Ended June 30, 2015
5. Committee Reports
 - a. Joint Finance Committee and Audit & Compliance Committee
 - b. Nominations and Governance Committee
 - c. Compensation Committee
6. New Business

Adjournment

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DRAFT UNAPPROVED MINUTES OF THE MEETING
of
THE BOARD OF DIRECTORS
of
THE NEW YORK RACING ASSOCIATION, INC.

June 24, 2015 at 3:00 p.m.

A regular meeting of the Board of Directors (the “Board”) of The New York Racing Association, Inc. (“NYRA”) was conducted on June 24, 2015, at 3:00 p.m. in the 37th Floor Conference Room of the Office of the NYS Empire State Development Corporation, located in New York, New York pursuant to notice duly given.

The following Directors and Special Advisors were present (either in person or via teleconference):

Michael J. Del Giudice, *Vice Chairman*
Michael Dubb
Robert Flay
Stuart S. Janney, III
Robert Megna
Stuart Subotnick
Vincent Tese

Chester Broman, *ex officio*
Richard A. Violette, Jr., *ex officio*

John Hendrickson, *Special Advisor on Saratoga*

The following Directors were not present:

C. Steven Duncker
Marc Holliday
Earle Mack
Leonard Riggio
Joseph Spinelli

Michael Kotlikoff, *Special Advisor on Equine Health and Safety*

Also present were Christopher Kay, CEO and President; Joseph J. Lambert, Senior Vice President, Chief Administrative Officer, General Counsel, and Corporate Secretary; Susanne Stover, Senior Vice President and Chief Financial Officer; Lynn LaRocca, Senior Vice President and Chief Experience Officer; George C. Venizelos, Vice President of Security; John Durso, Jr., Director of Communications and Media Relations; and Virginia Kellner, Assistant Director of Communications.

Mr. Del Giudice called the meeting to order. Mr. Lambert recorded the minutes. A roll call of the Directors and Special Advisors was conducted.

Report of the Vice Chairman

Mr. Del Giudice informed the Board that the Class A Members selected Andrew Rosen to the NYRA Board of Directors, filling the vacancy left by the resignation of Charles Wait, and expressed his support for the selection of Mr. Rosen. At the request of Mr. Del Giudice, Mr. Janney provided a summary of Mr. Rosen's background, including his extensive experience in racing and breeding.

Mr. Del Giudice next outlined key issues of focus for the NYRA Board and NYRA Management over the coming months, including improving race quality, ensuring equine safety, renovating and developing new facilities for backstretch workers, enhancing the integrity of the sport through enforcement of drug and medication policies, moving forward on NYRA's capital program, and NYRA's overall financial performance and use of VLT funds for its capital program and purses.

Report of the Chief Executive Officer and President

Mr. Kay then presented his report to the Board in which he discussed the 2015 Belmont Stakes Racing Festival, NYRA's future "must see" events, including the July 4 Stars and Strips event and the Saratoga Meet, and NYRA's ongoing efforts to build and renovate dormitories for backstretch workers. Mr. Kay discussed NYRA's first ever three-day Belmont Stakes Racing Festival and described successful operational improvements with respect to transportation to and from Belmont Park and the food and beverage service. Mr. Kay next discussed developments at Saratoga Race Course, including renovations to the lower Carousel to create a state-of-the-art sports bar, unveiling the Tom Durkin Replay Center, and the Saratoga Race Course Walk of Fame. In conclusion, Mr. Kay discussed recent improvements made in housing for the backstretch workers and NYRA's continuing efforts in that regard.

Mr. Dubb expressed his support for NYRA's efforts to improve conditions for backstretch workers and urged the NYRA Board and NYRA Management to ensure that such efforts be continued in an expedient manner. Mr. Del Giudice recognized Mr. Dubb's encouragements and stated that he considered the issue to be a priority for the NYRA Board. Mr. Del Giudice further stated that the Long Term Planning Committee should monitor NYRA's progress on the issue and up-date the Board as necessary.

Approval of April 22, 2015 Minutes

The Board discussed the minutes of the April 22, 2015 meeting of the NYRA Board of Directors. Upon motion, duly made and seconded, the Board unanimously approved the minutes of the April 22, 2014 meeting, without dissent or abstentions, and directed that the minutes be added to the permanent records of the corporation. A copy of the resolution is attached hereto as *Exhibit 1*.

Election/Reelection of NYRA Corporate Officers

Mr. Lambert advised the Board of its annual obligation to elect or reelect, as applicable, NYRA's corporate officers, as listed in the proposed resolution, included in the advance meeting materials, to serve in the corresponding positions at the pleasure of the NYRA Board. Upon motion, duly made and seconded, the Board unanimously approved the resolution to elect or reelect, as applicable, the NYRA corporate officers. A copy of the resolution is attached hereto as *Exhibit 2*.

Approval of NYRA Peace Officers

Mr. Lambert next advised the Board of its annual obligation to approve the appointment of the NYRA Peace Officers, as listed in the 2015 Peace Officer Registry included in the advance meeting materials, to serve at the pleasure of the NYRA Board and Officers. A copy of the 2015 Peace Officer Registry is attached hereto as *Exhibit 3*. Upon motion, duly made and seconded, the Board unanimously approved the resolution to appoint those individuals included in the 2015 Peace Officer Registry as NYRA Peace Officers. A copy of the resolution is attached hereto as *Exhibit 4*.

New Business

Mr. Del Giudice recognized that the current meeting schedule for the NYRA Board no longer coincides with the racing schedule. Further, Mr. Del Giudice suggested that the schedule be adapted to correspond with the racing schedule for the convenience of the Board Members.

Adjournment

The Chairman called for additional business. There being no further business to come before the Board, the meeting was concluded at 3:50 p.m.

Joseph J. Lambert

APRIL 22, 2015 BOARD OF DIRECTORS MINUTES RESOLUTION

IT IS HEREBY RESOLVED, that the NYRA Board of Directors, having had full opportunity to inquire, consider, and understand, does hereby approve the minutes of the regular April 22, 2015 Board meeting and the minutes are hereby ordered to be added to the permanent records of the corporation.

ELECTION OF NYRA CORPORATE OFFICERS RESOLUTION

IT IS HEREBY RESOLVED, that the NYRA Board of Directors, having had full opportunity to inquire, consider, and understand, does hereby elect (or re-elect, as applicable) the individuals whose names are set forth below, to serve in the corresponding positions at the pleasure of the NYRA Directors.

1. Christopher K. Kay, CEO & President
2. Joseph Lambert, Senior Vice President, Chief Administrative Officer, General Counsel & Corporate Secretary
3. Lynn LaRocca, Senior Vice President & Chief Experience Officer
4. Susanne Stover, Senior Vice President & Chief Financial Officer
5. Patrick Mahony, Senior Vice President of Pari-Mutuel Operations
6. Martin Panza, Senior Vice President of Racing Operations
7. David O'Rourke, Vice President & Chief Revenue Officer
8. Thomas Thill, Vice President & Chief Information Officer
9. Glen Kozak, Vice President of Facilities & Racing Surfaces
10. George C. Venizelos, Vice President of Security
11. James Ranton, Chief Human Resources Officer
12. Pasquale Viscusi, Records Access Appeals Officer
13. Jelena Alonso, Corporate Controller
14. Ross Didia, Corporate Treasurer
15. Iris Roberts, Records Access Officer

THE NEW YORK RACING ASSOCIATION, INC.
2015 PEACE OFFICER REGISTRY

Employee Name	Sex	Title	Work Status	Date Appointed	Weapon
Abdul-Shaqur, Tariq H	M	Special Policeman	Full Time	10/17/2012	No Weapons
Absolu, Billy P	M	Special Policeman	Part Time	4/26/2013	No Weapons
Accardi, Brian	M	Special Policeman	Full Time	9/30/2001	Firearm
Accerra, Joseph	M	Special Policeman	Full Time	4/10/1996	No Weapons
Acevedo, Alexandro A	M	Special Policeman	Full Time	9/10/2014	No Weapons
Acevedo, Mario	M	Special Policeman	Full Time	9/28/1990	No Weapons
Adams, Samuel	M	Special Policeman	Full Time	4/1/2015	No Weapons
Alli, Phillip A	M	Special Policeman	Full Time	5/13/2010	No Weapons
Alois, Alfred J	M	Special Policeman	Part Time	9/25/2007	No Weapons
Alto, Jon	M	Special Policeman	Full Time	8/1/1983	Firearm
Alvarez-Aponte, John	M	Special Policeman	Full Time	12/22/2008	No Weapons
Anderson, Keith E	M	Special Policeman	Full Time	5/23/2007	No Weapons
Angrand, Noel O	M	Special Policeman	Part Time	5/9/2014	No Weapons
Armstrong, Brian M	M	Special Policeman	Full Time	2/1/2013	No Weapons
Austin, Victor	M	Special Policeman	Full Time	9/21/1986	No Weapons
Baffa, Rudolph D	M	Special Policeman	Full Time	4/9/1971	No Weapons
Barnes, Corey	M	Special Policeman	Full Time	7/13/2013	No Weapons
Barr, Trudy A	F	Special Policeman	Part Time	10/1/2007	No Weapons
Batine, Malik R	M	Special Policeman	Full Time	5/29/2014	No Weapons
Bender, Steven D	M	Special Policeman	Full Time	12/27/2012	Firearm
Benedetti, John	M	Special Policeman	Full Time	2/7/2013	No Weapons
Benedetto, Daniel	M	Special Policeman	Full Time	4/28/2011	No Weapons
Bennett, Leroy	M	Special Policeman	Part Time	10/1/2004	No Weapons
Benscoter, Phillip C	M	Special Policeman	Part Time	5/12/2010	No Weapons
Berrios, Peter P	M	Special Policeman	Part Time	6/22/2010	No Weapons
Blake, Brice M	M	Special Policeman	Full Time	10/9/2010	No Weapons
Board, Renalda	F	Special Policeman	Part Time	8/1/2010	No Weapons
Bonilla, Luis E	M	Special Policeman	Full Time	5/23/2007	No Weapons
Bonnell, Chynia R	F	Special Policeman	Full Time	3/9/2014	No Weapons
Borbolla, Frank R	M	Special Policeman	Full Time	6/14/2013	Firearm
Bourgeois, Christine	F	Special Policeman	Part Time	6/2/2008	No Weapons
Braboy, Sandra E	F	Special Policeman	Full Time	6/24/2004	Firearm
Bracey, Larry D	M	Special Policeman	Part Time	7/13/2007	No Weapons
Brandenberg, Leonard	M	Special Policeman	Full Time	3/18/1991	Firearm
Brown, Derell A	M	Special Policeman	Full Time	4/20/2012	No Weapons
Brown, Philip P	M	Special Policeman	Full Time	5/1/2010	No Weapons
Brown, Thomas M	M	Special Policeman	Part Time	6/23/2009	No Weapons

THE NEW YORK RACING ASSOCIATION, INC.
2015 PEACE OFFICER REGISTRY

Employee Name	Sex	Title	Work Status	Date Appointed	Weapon
Buffolino, Anthony	M	Special Policeman	Full Time	3/25/1991	No Weapons
Bydairk, Stephanie L	F	Special Policeman	Part Time	5/7/2007	No Weapons
Byrd, Kenneth	M	Special Policeman	Full Time	3/23/1989	Firearm
Campo, Arthur J	M	Special Policeman	Full Time	5/8/1971	No Weapons
Capece, Olivia	F	Special Policeman	Full Time	4/20/2011	No Weapons
Carbellano, Thomas	M	Special Policeman	Full time	3/14/2015	No Weapons
Carr, Carol A	F	Special Policeman	Part Time	6/11/2005	No Weapons
Carter, James	M	Special Policeman	Full Time	6/23/2004	No Weapons
Carter, Jr., James A	M	Special Policeman	Part Time	7/18/2014	No Weapons
Carter, Myrna P	F	Special Policeman	Full Time	5/26/2004	No Weapons
Cepin-Dewar, Carol R	F	Special Policeman	Full Time	2/28/1979	Firearm
Cesarski, Ellen	F	Special Policeman	Full Time	5/1/2010	No Weapons
Chirico, Emanuele	M	Special Policeman	Full Time	6/1/1982	Firearm
Cirolli, Peter L	M	Special Policeman	Full Time	5/22/1983	Firearm
Clement, Leroy	M	Special Policeman	Full Time	5/21/2004	No Weapons
Clement, Marcus M	M	Special Policeman	Full Time	2/9/2012	No Weapons
Clothier, Gary R	M	Special Policeman	Part Time	6/22/2010	No Weapons
Clute, Donald J	M	Special Policeman	Full Time	7/17/2010	No Weapons
Clyne, John C	M	Special Policeman	Full Time	10/17/2007	Firearm
Coffey, Michael K	M	Special Policeman	Full Time	9/25/2007	Firearm
Colon, Wilfred	M	Special Policeman	Full Time	5/7/2015	No Weapons
Combe, Roberto E	M	Special Policeman	Full Time	9/19/2012	No Weapons
Conti, Paul E	M	Special Policeman	Part Time	5/13/2008	No Weapons
Conti, Wade M	M	Special Policeman	Part Time	6/6/2012	No Weapons
Corredera, Agustin	M	Special Policeman	Full Time	5/2/1989	No Weapons
Cox, Thomas	M	Special Policeman	Part Time	10/14/2006	No Weapons
Crawford, Ahsaan T	M	Special Policeman	Part Time	4/30/2010	No Weapons
Crino, James	M	Special Policeman	Full Time	6/18/1998	No Weapons
Croon, Keith	M	Special Policeman	Full Time	5/2/1997	No Weapons
Crosier, Bryan H	M	Special Policeman	Part Time	8/8/2013	No Weapons
Cruz, Florence B	F	Special Policeman	Part Time	4/18/2006	No Weapons
Davis-Flynn, Christopher	M	Special Policeman	Part Time	8/14/2013	No Weapons
Delacruz, Jesse	M	Special Policeman	Part Time	7/18/2010	No Weapons
Demaio, Alesandro	M	Special Policeman	Full Time	4/1/1991	No Weapons
Deveaux, Derrick A	M	Special Policeman	Full Time	9/16/2009	No Weapons
Diaz, George	M	Special Policeman	Full Time	5/10/1996	No Weapons
Dickerson, Keith	M	Special Policeman	Full Time	4/20/2012	No Weapons

THE NEW YORK RACING ASSOCIATION, INC.
2015 PEACE OFFICER REGISTRY

Employee Name	Sex	Title	Work Status	Date Appointed	Weapon
Diggs, Warren K	M	Special Policeman	Full Time	10/25/2004	No Weapons
Drayton Jr., Roy	M	Special Policeman	Full Time	5/23/2015	No Weapons
Drummond, Charles O	M	Special Policeman	Full Time	5/7/2010	No Weapons
Dupper, Mark A	M	Special Policeman	Full Time	4/26/2004	Firearm
Dwarka, Rajbindra	M	Special Policeman	Full Time	10/14/2006	No Weapons
Dyer, David M.	M	Special Policeman	Part Time	7/30/2012	No Weapons
Erbe, Kevin W	M	Special Policeman	Full Time	7/9/2011	No Weapons
Erigo, Pasquale J	M	Special Policeman	Full Time	9/24/2001	No Weapons
Espinosa, Hector A	M	Special Policeman	Full Time	10/30/1986	No Weapons
Evans, Keith	M	Special Policeman	Full Time	5/18/1986	Firearm
Falacara, Linda	F	Special Policeman	Full Time	1/17/2004	Firearm
Fazio, Stephen	M	Special Policeman	Full Time	11/30/1997	No Weapons
Feliciano, Jr., Antonio	M	Special Policeman	Full Time	5/5/2010	No Weapons
Foster, Michael J	M	Special Policeman	Part Time	8/30/2008	No Weapons
Fresenius, Thomas M.	M	Special Policeman	Full Time	5/6/2015	No Weapons
Funnye, David A	M	Special Policeman	Part Time	7/24/2013	No Weapons
Garcia, Rudy	M	Special Policeman	Full Time	4/29/2010	No Weapons
Gates, John A	M	Special Policeman	Part Time	4/30/2014	Firearm
George, Terrence C	M	Special Policeman	Full Time	4/11/2013	No Weapons
Ghanny, Inzan	M	Special Policeman	Full Time	10/14/2006	No Weapons
Giardino, Joseph P	M	Special Policeman	Part Time	4/18/2006	No Weapons
Gilliam, Barry S	M	Special Policeman	Full Time	2/27/2015	No Weapons
Giuffrida, Cynthia	F	Special Policeman	Full Time	4/30/2009	No Weapons
Giuliano, Anthony J	M	Special Policeman	Full Time	9/21/1986	Firearm
Goettisheim, Thomas E	M	Special Policeman	Full Time	9/15/2003	Firearm
Gonzalez, Alexis C	M	Special Policeman	Full Time	10/14/2006	No Weapons
Gonzalez, Grace I.	F	Special Policeman	Part Time	4/16/2015	No Weapons
Gonzalez, Terrance F	M	Special Policeman	Full Time	1/13/2006	No Weapons
Gonzalez, Victor T	M	Special Policeman	Full Time	2/1/2004	Firearm
Grant, John C	M	Special Policeman	Full Time	3/18/2009	No Weapons
Grayson, Christopher	M	Special Policeman	Full Time	11/7/2003	No Weapons
Gutfleisch, Kevin M	M	Special Policeman	Full Time	3/26/2009	No Weapons
Hamilton-Johnson, Marsha	F	Special Policeman	Full Time	11/16/2011	No Weapons
Hansen, Chritopher	M	Special Policeman	Full Time	4/2/2015	No Weapons
Hargett, Reginald L	M	Special Policeman	Full Time	2/21/2008	No Weapons
Harris, Jason P.	M	Special Policeman	Full Time	4/23/2015	No Weapons
Haughton, Shanna M	F	Special Policeman	Full Time	5/29/2014	No Weapons

THE NEW YORK RACING ASSOCIATION, INC.
2015 PEACE OFFICER REGISTRY

Employee Name	Sex	Title	Work Status	Date Appointed	Weapon
Haverlin, Lisa M	F	Special Policeman	Full Time	5/9/1985	No Weapons
Hawkins, Mark	M	Special Policeman	Full Time	2/24/1992	Firearm
Hendrickson, Kenneth	M	Special Policeman	Full Time	4/20/1986	Firearm
Henel, Gerald J	M	Special Policeman	Part Time	6/25/2012	No Weapons
Hensleigh, Katherine I	F	Special Policeman	Part Time	6/26/2008	No Weapons
Hoffmann, Donald G	M	Special Policeman	Part Time	8/30/2008	No Weapons
Hogan, Patrick J	M	Special Policeman	Part Time	5/8/2007	No Weapons
Honikel, Adele V	F	Special Policeman	Part Time	9/7/2007	No Weapons
Honikel, Lawrence A	M	Special Policeman	Part Time	5/29/2010	No Weapons
Hueter, Kenneth L	M	Special Policeman	Full Time	4/9/1964	No Weapons
Husband, Daniel A	M	Special Policeman	Full Time	5/22/2014	No Weapons
Jack, Sylvannos	M	Special Policeman	Full Time	6/22/1970	Firearm
James, Karla J	F	Special Policeman	Part Time	5/8/2010	No Weapons
Jaramillo, Jean Claude	M	Special Policeman	Full Time	11/23/2011	No Weapons
Jimenez, Jose	M	Special Policeman	Full Time	8/4/1994	No Weapons
Jones-King, Joseph T	M	Special Policeman	Full Time	5/14/2010	No Weapons
Karcher, Leslie	M	Special Policeman	Full Time	11/18/2002	No Weapons
Kaslow, Dennis	M	Special Policeman	Full Time	4/2/1991	Firearm
Kennedy, Joseph A	M	Special Policeman	Full Time	5/31/2014	No Weapons
Kennedy, Tracy M	F	Special Policeman	Part Time	4/18/2006	No Weapons
Kenneth, Rahat	M	Special Policeman	Full Time	5/5/2012	No Weapons
Kenyon, Howard	M	Special Policeman	Part Time	9/6/2010	No Weapons
Kinney, Robert J	M	Special Policeman	Part Time	4/22/2008	No Weapons
Kornegay, Keith	M	Special Policeman	Full Time	3/2/2007	No Weapons
Laluz, Dioslinda	F	Special Policeman	Full Time	9/19/2007	Firearm
Lampropoulos, Mark A	M	Special Policeman	Full Time	5/8/2011	No Weapons
Lanz, Frederick W	M	Special Policeman	Part Time	7/1/2009	No Weapons
LeClair, Michael L	M	Special Policeman	Part Time	5/20/2010	No Weapons
Leombruno, Michael A	M	Special Policeman	Part Time	7/6/2010	No Weapons
Leu, Mary E	F	Special Policeman	Part Time	4/5/2013	No Weapons
Levy, August P	F	Special Policeman	Full Time	5/21/2008	No Weapons
Levy, Jonathan V	M	Special Policeman	Full Time	5/2/2008	No Weapons
Lindo, David A	M	Special Policeman	Full Time	6/18/2008	No Weapons
Litzman, Stephen	M	Special Policeman	Full Time	11/17/1985	No Weapons
Lloyd, Frederick A	M	Special Policeman	Full Time	4/20/2012	No Weapons
Lohman, Joseph T	M	Special Policeman	Part Time	6/22/2010	No Weapons
Lucarne, Chrystopher	M	Special Policeman	Full Time	4/28/2007	No Weapons

THE NEW YORK RACING ASSOCIATION, INC.
2015 PEACE OFFICER REGISTRY

Employee Name	Sex	Title	Work Status	Date Appointed	Weapon
Mack, Calvin R	M	Special Policeman	Full Time	1/5/1979	Firearm
Mack, Donald R	M	Special Policeman	Full Time	1/7/1979	No Weapons
Madison, Jeremy	M	Special Policeman	Full Time	11/30/1998	No Weapons
Magner, Richard	M	Special Policeman	Full Time	10/24/1990	Firearm
Malchan, Valentine	M	Special Policeman	Full Time	1/20/2003	Firearm
Mallanda, Heather W	F	Special Policeman	Full Time	7/21/2012	No Weapons
Marceda, Thomas C	M	Special Policeman	Full Time	4/27/2012	No Weapons
Marinero, Michael J	M	Special Policeman	Full Time	11/26/2011	No Weapons
Marra, Gary J	M	Special Policeman	Full Time	9/10/1975	Firearm
Mattison, Stefanie A	F	Special Policeman	Part Time	4/27/2014	No Weapons
Maynard, Donn A	M	Special Policeman	Part Time	7/8/2014	No Weapons
Mayorga, Paula A	F	Special Policeman	Full Time	4/24/2009	No Weapons
McCray, Byron	M	Special Policeman	Full Time	3/4/2015	No Weapons
McDonnell, John P	M	Special Policeman	Full Time	10/27/2004	Firearm
McDowell, William	M	M Special Policeman	Part Time	7/18/2014	No Weapons
McIntosh, Sharon E	F	Special Policeman	Full Time	10/6/2010	No Weapons
McRae, Gary J	M	Special Policeman	Full Time	2/29/2012	No Weapons
Mells, Arthur L	M	Special Policeman	Full Time	4/29/2012	No Weapons
Merritt, Leonard	M	Special Policeman	Full Time	6/17/2015	No Weapons
Miller, Susan J	F	Special Policeman	Part Time	7/5/2014	No Weapons
Mills, Yarell T	M	Special Policeman	Full Time	4/17/2013	No Weapons
Minnitti, Thomas J	M	Special Policeman	Part Time	7/10/2007	No Weapons
Montuori, Angelo C	M	Special Policeman	Full Time	10/9/1976	Firearm
Moore, Eskey J	M	Special Policeman	Part Time	4/28/2005	No Weapons
Moore, James W	M	Special Policeman	Full Time	9/16/2001	Firearm
Moore, Mitchell	M	Special Policeman	Part Time	2/24/2012	No Weapons
Moore, Victor E	M	Special Policeman	Full Time	4/22/2009	No Weapons
Moran, Rocky	M	Special Policeman	Part Time	4/18/2006	No Weapons
Moreno, John	M	Special Policeman	Full Time	11/21/1986	No Weapons
Moseman, Edward G	M	Special Policeman	Part Time	6/26/2007	No Weapons
Murphy, Guy C	M	Special Policeman	Part Time	7/7/2011	No Weapons
Murrain, Steven A	M	Special Policeman	Full Time	5/14/2008	No Weapons
Myers, Janet M	F	Special Policeman	Part Time	5/16/2005	No Weapons
Nadeau, Paul J	M	Special Policeman	Part Time	4/26/2004	Firearm
Nagapen, Lionel R	M	Special Policeman	Full Time	5/7/2011	No Weapons
Nantel, Carl	M	Special Policeman	Full Time	9/13/1976	Firearm
Napolitano, William J	M	Special Policeman	Full Time	4/2/2013	Firearm

THE NEW YORK RACING ASSOCIATION, INC.
2015 PEACE OFFICER REGISTRY

Employee Name	Sex	Title	Work Status	Date Appointed	Weapon
Nichol, John R	M	Special Policeman	Part Time	8/30/2008	No Weapons
Nicol, John Dennis	M	Special Policeman	Part Time	6/26/2010	No Weapons
Nocera, Jonathan P	M	Special Policeman	Part Time	8/2/2014	No Weapons
Nowkin, Patricia	F	Special Policeman	Part Time	4/26/2004	No Weapons
O'Donnell, Kevin	M	Special Policeman	Full Time	5/9/1991	Firearm
O'Neill, Timothy C	M	Special Policeman	Full Time	9/22/2012	No Weapons
Opitz, John	M	Special Policeman	Full Time	4/15/1989	No Weapons
Oropallo, Jack T	M	Special Policeman	Full Time	9/9/1986	Firearm
Ortiz, Jose A	M	Special Policeman	Full Time	3/16/2014	No Weapons
Orton, John E	M	Special Policeman	Part Time	6/25/2014	No Weapons
Otero, William J	M	Special Policeman	Full Time	1/1/1986	Firearm
Pagan, Louis A	M	Special Policeman	Full Time	1/11/2012	No Weapons
Pagillo, Christopher M	M	Special Policeman	Full Time	4/11/2007	No Weapons
Palazzola, Dennis E	M	Special Policeman	Full Time	4/1/201	No Weapons
Pazmino, Harry J	M	Special Policeman	Full Time	4/11/2011	No Weapons
Pelissier, Garry J	M	Special Policeman	Full Time	2/4/2011	No Weapons
Perez, Valerie T	F	Special Policeman	Part Time	5/19/2009	No Weapons
Perry, Loriann	F	Special Policeman	Full Time	5/22/2013	No Weapons
Pettit, Michael A	M	Special Policeman	Part Time	4/5/2009	No Weapons
Phelan, Michael R	M	Special Policeman	Full Time	1/1/1978	No Weapons
Pomar, Marco	M	Special Policeman	Full Time	7/8/1998	No Weapons
Pouliott, Jerry F	M	Special Policeman	Part Time	7/18/2009	No Weapons
Promin, William A	M	Special Policeman	Full Time	5/3/2014	No Weapons
Prott, Michael	M	Special Policeman	Full Time	5/4/2012	No Weapons
Provancher, Lydia P	F	Special Policeman	Part Time	7/23/2010	No Weapons
Quick, Diandra L	F	Special Policeman	Full Time	4/29/2012	No Weapons
Ralbovsky, Matthew J	M	Special Policeman	Part Time	5/28/2010	No Weapons
Ralbovsky, Robert S	M	Special Policeman	Part Time	7/12/2012	No Weapons
Rallo, William	M	Special Policeman	Full Time	5/4/1994	Firearm
Ralph, Stanley L	M	Special Policeman	Part Time	7/18/2009	No Weapons
Reardon, Kenneth G	M	Special Policeman	Full Time	3/22/2013	No Weapons
Reed, Kevin J	M	Special Policeman	Part Time	4/18/2006	No Weapons
Reed, William A	M	Special Policeman	Part Time	5/30/2009	No Weapons
Rice, Doreen T	F	Special Policeman	Full Time	2/16/2011	Firearm
Riley, Curtis	M	Special Policeman	Full Time	4/10/2013	No Weapons
Rivera, Jorge	M	Special Policeman	Full Time	4/26/2007	No Weapons
Rivera, Lucy	F	Special Policeman	Full Time	9/15/1998	No Weapons

THE NEW YORK RACING ASSOCIATION, INC.
2015 PEACE OFFICER REGISTRY

Employee Name	Sex	Title	Work Status	Date Appointed	Weapon
Rivera, Orlando	M	Special Policeman	Full Time	4/5/1986	No Weapons
Robinson, Ralph D	M	Special Policeman	Full Time	6/4/2008	No Weapons
Rodreguez, Jomaly M.	F	Special Policeman	Full Time	5/2/2015	No Weapons
Roe, Akeisha T	F	Special Policeman	Full Time	1/13/2006	No Weapons
Rogers, Daniel C	M	Special Policeman	Part Time	5/25/2010	No Weapons
Rosa, Efrian	M	Special Policeman	Full Time	4/17/1992	No Weapons
Rosa-Jimenez, Miguel	M	Special Policeman	Full Time	3/20/2004	No Weapons
Rosenberger, Michael	M	Special Policeman	Full Time	5/21/1978	No Weapons
Ruisi, Louis	M	Special Policeman	Full Time	9/19/1990	Firearm
Ruscio, Timothy M	M	Special Policeman	Part Time	6/8/2011	No Weapons
Russell, Christopher S	M	Special Policeman	Full Time	9/24/2001	No Weapons
Ryan, Kenneth J	M	Special Policeman	Full Time	6/22/1975	No Weapons
Sadousky, Jr., Jack P	M	Special Policeman	Part Time	7/14/2012	No Weapons
Sanchez, Faustino	M	Special Policeman	Full Time	10/9/1987	No Weapons
Sangiorgi, Michael S	M	Special Policeman	Part Time	6/30/2010	No Weapons
Santerre, Richard J	M	Special Policeman	Part Time	7/9/2010	No Weapons
Santorelli, Anthony F	M	Special Policeman	Part Time	8/31/2008	No Weapons
Scheer, Laura M	F	Special Policeman	Full Time	10/9/2010	No Weapons
Schermerhorn, David T	M	Special Policeman	Part Time	5/21/2010	No Weapons
Scheurer, Robert	M	Special Policeman	Full Time	6/5/1989	Firearm
Schieren, Christopher	M	Special Policeman	Full Time	3/10/2003	Firearm
Schieren, Howard R	M	Special Policeman	Full Time	9/21/1986	Firearm
Schnefel, William R	M	Special Policeman	Full Time	4/20/2010	No Weapons
Schneider, John P	M	Special Policeman	Part Time	7/20/2010	No Weapons
Scofield, Sareena M	F	Special Policeman	Full Time	4/2/2005	No Weapons
Scott, Lareese	F	Special Policeman	Full Time	10/14/2006	No Weapons
Scoville, Betty M	F	Special Policeman	Part Time	4/26/2004	No Weapons
Segars, Michael D	M	Special Policeman	Full Time	1/13/2006	No Weapons
Seiler, Jerome K	M	Special Policeman	Full Time	10/30/2000	No Weapons
Shepherd, Sandra L	F	Special Policeman	Part Time	5/20/2008	No Weapons
Sinocchi, Victor J	M	Special Policeman	Full Time	4/3/2014	No Weapons
Smith, Marcus	M	Special Policeman	Full Time	3/10/2002	No Weapons
Smith, Melik	M	Special Policeman	Full Time	6/17/2015	No Weapons
Smith, Michael J	M	Special Policeman	Full Time	3/16/2005	No Weapons
Smith, Paula R	F	Special Policeman	Full Time	3/22/2014	No Weapons
Soriano, Leonard	M	Special Policeman	Full Time	6/18/1970	No Weapons
Soto, Raul	M	Special Policeman	Full Time	2/2/1991	No Weapons

**THE NEW YORK RACING ASSOCIATION, INC.
2015 PEACE OFFICER REGISTRY**

Employee Name	Sex	Title	Work Status	Date Appointed	Weapon
Spann, Curtis	M	Special Policeman	Full Time	1/22/2015	No Weapons
Stattel, Thomas A	M	Special Policeman	Full Time	10/9/1987	No Weapons
Stewart, Joseph R.	M	Special Policeman	Full Time	5/8/2015	No Weapons
Sugrim, Naraine	M	Special Policeman	Full Time	1/23/1987	No Weapons
Talarico, Craig	M	Special Policeman	Part Time	7/10/2007	No Weapons
Terracciano, John J	M	Special Policeman	Full Time	5/18/2011	No Weapons
Tetro, John	M	Special Policeman	Full Time	9/14/1992	No Weapons
Thew, Rose A	F	Special Policeman	Part Time	5/26/2009	No Weapons
Thomas, Tiffany L	F	Special Policeman	Full Time	8/5/2009	No Weapons
Torres, Jesus M	M	Special Policeman	Full Time	5/6/2009	No Weapons
Toth, Jeffrey P	M	Special Policeman	Part Time	10/1/2004	No Weapons
Trackey, Lawrence P	M	Special Policeman	Full Time	6/15/2010	No Weapons
Tracy, Thomas	M	Special Policeman	Full Time	9/15/1997	No Weapons
Treshock, John F	M	Special Policeman	Part Time	4/17/2012	No Weapons
Tricarico, Orazio J	M	Special Policeman	Full Time	4/30/2010	No Weapons
Triolo, Joseph C	M	Special Policeman	Full Time	12/30/1978	Firearm
Turbides, Fabiola	F	Special Policeman	Full Time	11/4/2000	No Weapons
Valera, Enrique H	M	Special Policeman	Full Time	10/30/2000	No Weapons
Vanschoick, Barbara H	F	Special Policeman	Part Time	9/7/2007	No Weapons
Vasquez, Jose	M	Special Policeman	Full Time	5/30/2013	No Weapons
Vazquez, Alberto L	M	Special Policeman	Full Time	10/21/2007	No Weapons
Velasquez, Juan D	M	Special Policeman	Full Time	5/31/2013	No Weapons
Villani, Ciro	M	Special Policeman	Full Time	8/27/2009	Firearm
Wallock, Vinette M	F	Special Policeman	Full Time	10/14/2006	No Weapons
Wanko, Wayne A	M	Special Policeman	Full Time	4/26/2004	No Weapons
Weaver, Bernard J	M	Special Policeman	Full Time	5/10/1985	Firearm
Weaver-Inniss, Bnai	F	Special Policeman	Full Time	5/18/1989	Firearm
Wilson, William	M	Special Policeman	Full Time	12/6/2006	No Weapons
Witt, Robert S	M	Special Policeman	Full Time	5/1/1985	No Weapons
Young, Cheryl L	F	Special Policeman	Part Time	8/31/2008	No Weapons
Young, Christopher	M	Special Policeman	Full Time	3/4/2015	No Weapons

NYRA PEACE OFFICERS RESOLUTION

IT IS HEREBY RESOLVED, that the NYRA Board of Directors, having had full opportunity to inquire, consider, and understand, does hereby appoint those persons whose names have been provided to the Directors as Special Policemen, pursuant to Section 223 of the New York State Racing, Pari-Mutuel Wagering, and Breeding Law, to serve at the pleasure of the NYRA Directors and Officers.

JUNE 24, 2015 BOARD OF DIRECTORS MINUTES RESOLUTION

IT IS HEREBY RESOLVED, that the NYRA Board of Directors, having had full opportunity to inquire, consider, and understand, does hereby approve the minutes of the regular June 24, 2015 Board meeting and the minutes are hereby ordered to be added to the permanent records of the corporation.

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The New York Racing Association, Inc.

Financial Condition and Unaudited Results of Operations For the Three Months Ended June 30, 2015 Compared to Budget and the Three Months Ended June 30, 2014



Proforma, Unaudited, Non-GAAP Income Statement for the Three Months Ended June 30, 2015 Compared to Budget and Prior Year

(in thousands)	For the Three Months Ending June 30th						
	2015	Budget	Change		2014	Change	
			\$	%		\$	%
HANDLE & ATTENDANCE							
Race Days	63	63	-	0.0%	62	1	1.6%
Attendance (Live Track)	297,673	296,880	793	0.3%	328,061	(30,388)	-9.3%
Total Handle (in thousands)	\$691,118	\$680,018	\$11,100	1.6%	\$698,838	(\$7,720)	-1.1%
RACING RELATED REVENUE							
On-Track	\$28,632	\$29,095	(\$463)	(1.6%)	\$28,509	\$122	0.4%
Export revenue	33,211	30,967	2,244	7.3%	31,816	1,394	4.4%
New York OTB	6,486	6,566	(80)	(1.2%)	6,769	(283)	(4.2%)
Gross pari-mutuel revenue	68,328	66,628	1,700	2.6%	67,094	1,234	1.8%
Less: Statutory and other							
Rewards Rebate	1,092	1,282	(190)	(14.8%)	1,130	(39)	(3.4%)
Stakes and Purses	29,896	28,956	940	3.3%	29,128	768	2.6%
Other Statutory payments	4,131	4,287	(156)	(3.7%)	4,175	(44)	(1.1%)
Total Statutory and other	35,119	34,525	593	1.7%	34,433	685	2.0%
Net wagering revenue	33,209	32,102	1,107	3.5%	32,661	549	1.7%
Other revenue	6,803	6,913	(110)	(1.6%)	6,457	346	5.4%
On track racing related revenue, net	5,279	5,263	16	0.3%	4,922	357	7.3%
Net Revenue from Racing Operations	45,291	44,278	1,013	2.3%	44,039	1,252	2.8%
OPERATING EXPENSES							
Labor Expense	22,588	22,344	244	1.1%	22,123	465	2.1%
Operating Supplies	812	853	(40)	(4.7%)	870	(58)	(6.7%)
Utilities	1,623	1,571	52	3.3%	1,721	(98)	(5.7%)
Temporary Help and Outside Services	2,575	2,243	332	14.8%	2,450	125	5.1%
Cable contract/Video Streaming	125	125	0	0.0%	639	(514)	(80.4%)
Telephone & Communications	1,882	1,878	5	0.3%	1,479	403	27.3%
Professional fees:							
Legal	418	418	0	0.0%	392	25	6.4%
Consulting	330	725	(395)	(54.5%)	549	(219)	(39.9%)
TOTE Expense	544	544	0	0.1%	534	11	2.0%
Rentals & Leases	854	768	86	11.2%	829	25	3.1%
Repairs & Maintenance	2,379	2,090	289	13.8%	2,463	(84)	(3.4%)
Insurance	1,969	2,021	(52)	(2.6%)	1,806	163	9.0%
Marketing & Advertising	1,742	2,144	(402)	(18.8%)	1,255	487	38.8%
Other expenses	2,370	2,053	317	15.5%	1,583	787	49.7%
Total Operating Expenses	40,211	39,775	435	1.1%	38,693	1,517	3.9%
Operating Income/(Loss) from Racing	5,081	4,503	577	12.8%	5,346	(266)	(5.0%)
Plus: Net VLT Revenue (net of Purses)*	14,701	14,329	372	2.6%	14,330	371	2.6%
Total Operating Income/(Loss)	19,781	18,832	949	5.0%	19,677	105	0.5%
Less: Non-Operating Expenses	9,160	8,922	238	2.7%	9,952	(792)	(8.0%)
NET INCOME/(LOSS)	\$10,622	\$9,911	\$711	7.2%	\$9,724	\$897	9.2%

*2nd Qtr Gross VLT Revenue totaled \$30.3 million for 2015, compared to \$29.5 million budgeted and \$29.5 million for 2014.

*2nd Qtr VLT Purses (not included in Net VLT Revenue) totaled \$15.4 million for 2015, compared to \$15.0 million budgeted and \$15.0 million for 2014.

*2nd Qtr VLT Funded Jockey Health Insurance (not included in Net VLT Revenue) totaled \$234K for 2015, compared to \$228K budgeted and \$228K for 2014.

Note: VLT jockey health insurance was statutorily implemented April 1, 2014.

EXECUTIVE SUMMARY

NYRA earned \$5.1 million of operating income from racing operations before VLT funds, \$577K more than budgeted and a decrease of \$266K compared to last year. The favorable results from budget were due to \$1.0 million higher net revenue driven by a historic Belmont Stakes Day which featured American Pharoah becoming the first Triple Crown winner in 37 years, offset by \$435K unfavorable operating expenses. The unfavorable results compared to prior year were due to a \$1.5 million increase in operating expenses offset by a \$1.3 million increase in net revenues.

NYRA earned \$45.3 million of net revenue from racing operations, \$1.0 million more than budgeted and \$1.3 million more than last year primarily due to increases in export host fee rates for interstate wagering outlets and increases in other and on-track racing related revenue due to greater sponsorships and price increases implemented for Belmont Stakes Day 2015.

Operating expenses of \$40.2 million were \$435K unfavorable to budget primarily due to: \$693K of unbudgeted Belmont Stakes Day expenses, \$477K of costs associated with not closing the Aqueduct Training Center (budgeted to be closed in May), and a \$200K reserve required for losses associated with Old NYRA workers compensation, offset by lower consulting fees, deferred marketing & advertising expenses and lower non-union labor expense associated with delays in filling open positions.

Operating expenses increased \$1.5 million compared to prior year primarily due to higher sales tax expense (favorable sales tax audit in 2014), higher marketing & advertising expenses (NYRA Rewards advertising, events, online advertising and ad agency fees), higher labor expense due to filling of open positions and severance payments, higher telephone & communications expense with the implementation of GBE in Q3 of 2014, and Old NYRA workers compensation expense. These increases were partially offset by a decrease in NYRA's cable contract expense.

NYRA earned \$30.3 million of VLT revenue of which \$15.6 million was available for stakes and purses, \$8.4 million for capital expenditures and \$6.3 million for NYRA operations. Gross VLT revenue increased 2.6% over budget and last year due to a \$12 or 2.7% increase in win per machine (WPM) at Resorts World.

Non-operating expenses (consisting of retiree benefits, pension, interest expense, income taxes and depreciation) totaling \$9.2 million were \$238K unfavorable to budget primarily due to higher income tax expense partially offset by decreased retiree benefits. Non-operating expenses were \$792K favorable to prior year primarily due to decreases in pension and retiree benefits offset by higher income tax and depreciation expense.

NYRA earned net income of \$10.6 million, \$711K favorable to budget and an increase of \$897K compared to last year.

Belmont Stakes Day

NYRA earned \$11.2 million of operating income from racing operations for Belmont Stakes Day, \$2.3 million favorable to budget and \$1.4 million favorable to last year. Revenue was \$3.0 million favorable to budget due to the Triple Crown potential as well as increased host fee rates, partially offset by \$693K unfavorable operating expenses. Compared to last year, net revenue from racing operations was \$1.7 million higher (due to an increase in interstate host fee rates for the day, price increases for parking, admissions, reserved seats and hospitality as well as increased sponsorship revenue from the DraftKings partnership), partially offset by \$296K higher operating expenses. NYRA generated total handle of \$138.4 million on Belmont Stakes Day, \$33.4 million or 31.7% favorable to budget and \$15.5 million or 10.1% lower compared to last year. Estimated on-track attendance at Belmont on Belmont Stakes Day was 90,960. This was an increase of 30,960 or 51.6% compared to budget and a decline of 11,239 or 11.0% compared to the prior year. Attendance results were impacted by an attendance cap of 90,000 implemented in 2015 to better service guests at the track.

Capital Projects

During the quarter, NYRA spent \$8.5 million on capital improvements including \$2.9 million on capital projects budgeted in the prior year. Barn area improvements included the expansion of multiple barns and the construction of new dormitories at Belmont and dormitory renovations in Saratoga. Guest area improvements included the pedestrian walkway to the LIRR at Belmont, construction of the NYRA Walk of Fame and Tom Durkin Replay Center at Saratoga and security cameras at Aqueduct.

Industry Update

Based on information provided by Equibase (compared to prior year), for the three months ended June 30, 2015, wagering on U.S. races increased 3.5% compared to a 2.4% decrease in wagering on NYRA races. NYRA contributed 4.6% of total industry race days, offered 14.6% of purses and generated 19.6% of thoroughbred handle across the United States. Every dollar invested in purses at NYRA during the three months ended June 30, 2015 yielded \$14.04 in handle compared to \$10.47 industry-wide.

HANDLE STATISTICS

	For the Three Months				For the Three Months			
	Ending June 30th		Change		Ending June 30th		Change	
	2015	BUDGET	\$	%	2014	\$	%	
RACING DAYS	63	63	0	0.0%	62	1	1.6%	
ATTENDANCE - Live Race Days, Live Track	297,673	296,880	793	0.3%	328,061	-30,388	-9.3%	
ATTENDANCE - Live Race Days, Non-Live Track	107,985	118,270	-10,285	-8.7%	116,351	-8,366	-7.2%	
DAILY AVERAGE ATTENDANCE at Live Track	4,725	4,712	13	0.3%	5,291	-566	-10.7%	
PER-CAPITA BET ON LIVE DAYS AT LIVE TRACK	\$258	\$261	(\$3)	-1.1%	\$240	\$18	7.5%	
ON-TRACK HANDLE COMPONENTS								
ACCOUNT WAGERING: PHONE	\$12,235,526	\$12,967,425	-\$731,899	-5.6%	\$13,063,912	-\$828,386	-6.3%	
INTERNET	37,944,513	40,681,903	-2,737,390	-6.7%	36,114,950	1,829,564	5.1%	
BELMONT	12,561,487	16,191,039	-3,629,552	-22.4%	13,673,823	-1,112,336	-8.1%	
AQUEDUCT	10,342,133	14,224,695	-3,882,562	-27.3%	10,894,968	-552,835	-5.1%	
ADW (PHONE, INTERNET & ON-TRACK)	\$73,083,660	\$84,065,062	-\$10,981,402	-13.1%	\$73,747,652	-\$663,993	-0.9%	
BELMONT	47,042,322	41,490,487	5,551,835	13.4%	49,023,241	-1,980,918	-4.0%	
AQUEDUCT	45,660,544	43,809,190	1,851,353	4.2%	42,437,661	3,222,883	7.6%	
TOTAL NYRA ON-TRACK HANDLE	\$165,786,526	\$169,364,740	-\$3,578,214	-2.1%	\$165,208,554	\$577,972	0.3%	
DAILY AVERAGE ON-TRACK HANDLE	\$2,631,532	\$2,688,329	-\$56,797	-2.1%	\$2,664,654	-\$33,122	-1.2%	
OFF-TRACK HANDLE (EXPORT)								
NYOTB DOWNSTATE	\$31,733,755	\$31,789,727	-\$55,973	-0.2%	\$34,734,595	-\$3,000,841	-8.6%	
NYOTB UPSTATE	17,473,366	17,893,080	-419,714	-2.3%	18,265,056	-791,690	-4.3%	
NY INTER-TRACK WAGERING	12,448,571	12,420,731	27,840	0.2%	12,294,990	153,581	1.2%	
OUT-OF-STATE	452,926,134	440,862,715	12,063,420	2.7%	460,839,217	-7,913,082	-1.7%	
INTERNATIONAL SEPARATE POOL	10,749,375	7,686,616	3,062,760	39.8%	7,495,589	3,253,786	43.4%	
TOTAL OFF-TRACK (EXPORT)	\$525,331,201	\$510,652,869	\$14,678,332	2.9%	\$533,629,447	-\$8,298,246	-1.6%	
DAILY AVERAGE OFF-TRACK HANDLE	\$8,338,590	\$8,105,601	\$232,989	2.9%	\$8,606,927	-\$268,336	-3.1%	
TOTAL HANDLE	\$691,117,727	\$680,017,609	\$11,100,118	1.6%	\$698,838,001	-\$7,720,274	-1.1%	
DAILY AVERAGE TOTAL HANDLE	\$10,970,123	\$10,793,930	\$176,192	1.6%	\$11,271,581	-\$301,458	-2.7%	

There were sixty-three race days during the quarter, the same number of race days as budgeted and one more race day compared to the same period last year.

Estimated cumulative on-track attendance at the track conducting live racing was 297,673, an increase of 0.3% compared to budget and a decrease of 9.3% compared to the same period last year. The decrease in attendance from last year was primarily due to the capping of Belmont Stakes attendance at 90,000 in 2015. Excluding Belmont Stakes Day, the quarter had a decrease in attendance of 12.7% compared to budget and a decrease of 8.5% compared to last year.

During the quarter, 4,336 horses entered 583 races at NYRA tracks for an average field size of 7.4. The budget assumed 4,319 horses entering 591 races for an average field size of 7.3. During the same period last year, 4,226 horses entered 581 races for an average field size of 7.3.

NYRA generated \$691.1 million in total handle for the second quarter, \$11.1 million or 1.6% favorable to budget driven by a 2.9% increase in export handle offset by a 2.1% decrease in on-track handle. The increase in handle was driven by the Triple Crown potential on Belmont Stakes Day which is not contemplated in the budget. Total handle decreased \$7.7 million or 1.1% compared to the same period last year. Export handle decreased 1.6% and on-track handle increased 0.3%.

The New York Racing Association, Inc.

Financial Condition and Results of Operations For the Six Months Ended June 30, 2015 Compared to Budget and the Six Months Ended June 30, 2014



Proforma, Non-GAAP Income Statement

Six Months Ended June 30, 2015 Compared to Budget and Prior Year

(in thousands)	For the Six Months Ending						
	2015	Budget	Change		2014	Change	
			\$	%		\$	%
HANDLE & ATTENDANCE							
Race Days	105	111	(6)	-5.4%	117	(12)	-10.3%
Attendance (Live Track)	418,899	454,360	(35,461)	-7.8%	505,750	(86,851)	-17.2%
Total Handle (in thousands)	\$1,013,682	\$1,045,281	(\$31,599)	-3.0%	\$1,111,182	(\$97,500)	-8.8%
RACING RELATED REVENUE							
On-Track	\$46,307	\$47,618	(\$1,311)	(2.8%)	\$48,876	(\$2,569)	(5.3%)
Export revenue	45,759	45,912	(153)	(0.3%)	48,589	(2,830)	(5.8%)
New York OTB	11,709	11,424	286	2.5%	12,860	(1,150)	(8.9%)
Gross pari-mutuel revenue	103,776	104,954	(1,178)	(1.1%)	110,324	(6,549)	(5.9%)
Less: Statutory and other							
Rewards Rebate	1,635	2,013	(378)	(18.8%)	1,853	(218)	(11.8%)
Stakes and Purses	45,153	45,944	(791)	(1.7%)	48,006	(2,853)	(5.9%)
Other Statutory payments	6,506	6,860	(354)	(5.2%)	6,973	(467)	(6.7%)
Total Statutory and other	53,293	54,817	(1,524)	(2.8%)	56,832	(3,539)	(6.2%)
Net wagering revenue	50,483	50,137	345	0.7%	53,493	(3,010)	(5.6%)
Other revenue	8,561	8,508	53	0.6%	7,805	756	9.7%
On track racing related revenue, net	5,738	5,791	(53)	(0.9%)	5,233	505	9.7%
Net Revenue from Racing Operations	64,782	64,436	345	0.5%	66,531	(1,749)	(2.6%)
OPERATING EXPENSES							
Labor Expense	41,430	42,117	(687)	(1.6%)	41,328	102	0.3%
Operating Supplies	1,275	1,443	(168)	(11.6%)	1,499	(224)	(14.9%)
Utilities	3,707	3,582	125	3.5%	3,896	(189)	(4.9%)
Temporary Help and Outside Services	3,624	3,320	304	9.2%	3,624	0	(0.0%)
Cable contract	250	250	0	0.0%	1,285	(1,035)	(80.5%)
Telephone & Communications	3,422	3,477	(56)	(1.6%)	2,881	541	18.8%
Professional fees:							
Legal	835	835	0	0.0%	785	50	6.4%
Consulting	874	1,363	(489)	(35.9%)	1,811	(937)	(51.8%)
TOTE Expense	1,067	1,068	(1)	(0.1%)	1,059	7	0.7%
Rentals & Leases	1,222	1,084	139	12.8%	1,218	5	0.4%
Repairs & Maintenance	3,854	3,439	415	12.1%	4,014	(159)	(4.0%)
Insurance	3,928	4,047	(119)	(2.9%)	3,688	240	6.5%
Marketing & Advertising	1,996	2,454	(458)	(18.7%)	1,560	436	28.0%
Other expenses	3,407	3,129	277	8.9%	2,752	655	23.8%
Total Operating Expenses	70,890	71,608	(717)	(1.0%)	71,399	(508)	(0.7%)
Operating Income/ (Loss) from Racing	(6,109)	(7,171)	1,062	14.8%	(4,868)	(1,241)	(25.5%)
Plus: Net VLT Revenue (net of Purses)*	28,905	27,970	935	3.3%	27,971	933	3.3%
Total Operating Income/ (Loss)	22,796	20,799	1,997	9.6%	23,104	(308)	(1.3%)
Less: Non-Operating Expenses	12,354	12,797	(443)	(3.5%)	14,153	(1,799)	(12.7%)
NET INCOME/ (LOSS)	\$10,442	\$8,002	\$2,440	30.5%	\$8,950	\$1,491	16.7%

*YTD Gross VLT Revenue totaled \$59.6 million for 2015, compared to \$57.6 million budgeted and \$57.6 million for 2014.

*YTD VLT Purses (not included in Net VLT Revenue) totaled \$30.2 million for 2015, compared to \$29.2 million budgeted and \$29.4 million for 2014.

*YTD VLT Funded Jockey Health Insurance (not included in Net VLT Revenue) totaled \$460K for 2015, compared to \$445K budgeted and \$228K for 2014.

Note: VLT jockey health insurance was statutorily implemented April 1, 2014.

EXECUTIVE SUMMARY

For the six months ended June 2015, NYRA incurred an operating loss from racing operations of \$6.1 million before VLT funds, \$1.1 million favorable to budget and a \$1.2 million greater loss than last year. The favorable results from budget are due to higher net wagering revenues and lower than anticipated operating expenses. The unfavorable results compared to prior year are due to lower net revenue from racing operations offset by lower operating expenses.

NYRA earned \$64.8 million of net revenue from racing operations, \$345K favorable to budget and \$1.7 million less than last year. The favorable variance from budget is due to \$3.0 million higher net revenue from racing operations on Belmont Stakes Day offset by \$2.0 million lower than expected revenue in Q2 without Belmont Stakes Day, and \$667K unfavorability in the first quarter due to the impact of extreme weather conditions. The \$1.7 million decrease in revenue from the prior year is primarily due to \$3.0 million unfavorability in the first quarter due to extreme weather conditions, \$0.4 million unfavorability in Q2 driven by other and on-track racing related revenues excluding Belmont Stakes Day, offset by a \$1.7 million increase on Belmont Stakes Day due to increased interstate host fee rates, price increases on parking, admissions, reserved seats and hospitality areas and increased sponsorship revenue from DraftKings.

Operating expenses of \$70.9 million were \$717K favorable to budget primarily due to lower than expected labor expense attributable to delays in hiring, savings resulting from weather cancellations in the first quarter and increased capitalized labor, offset by increases associated with not closing the Aqueduct Training Center in May as budgeted. Other favorable variances included lower consulting fees, lower marketing & advertising expense due to delayed spending, lower operating supplies (lower gasoline/oil prices), and lower workers compensation expense. These decreases were partially offset by higher repairs & maintenance expense related to winter track maintenance, manure removal, and the delay in the closing of the Aqueduct Training Center, higher temporary help & outside services for Belmont Stakes Day, higher other expenses (Old NYRA workers compensation costs), higher rentals and leases for Belmont Stakes Day and higher utilities related to cold weather in the first quarter and delay in closing the Aqueduct training center.

Operating expenses decreased \$508K compared to prior year primarily due to decreases in NYRA's cable contract expense and consulting fees, offset by increases in other expenses (favorable sales tax audit in 2014 and old workers compensation expense), telephone & communications expense with GBE implemented in the third quarter of 2014, and marketing & advertising expense.

NYRA earned \$59.6 million in VLT revenue of which \$30.7 million was available for stakes and purses, \$16.5 million for capital expenditures and \$12.4 million for NYRA operations. Gross VLT revenue increased \$1.9 million (3.3%) over budget and last year due to a \$15 (3.4%) increase in WPM results at Resorts World. WPM averaged \$456 compared to an average of \$441 during the same period last year. VLT revenue was budgeted in line with 2014 results.

Non-operating expenses were \$443K favorable to budget due to \$1.0 million lower retiree benefits due to a revised 2015 actuarial estimate received in Q1 2015 offset by higher income tax expense. Non-operating expenses decreased \$1.8 million compared to prior year due to a \$2.7 million decrease in pension expense based on actuarial estimates partially offset by increased income tax expense.

NYRA earned net income of \$10.4 million, \$2.4 million favorable to budget and \$1.5 million higher compared to last year.

Belmont Stakes Day

NYRA earned \$11.2 million of operating income from racing operations for Belmont Stakes Day, \$2.3 million favorable to budget and \$1.4 million favorable to last year. Revenue was \$3.0 million favorable to budget due to the Triple Crown potential as well as increased host fee rates, partially offset by \$693K unfavorable operating expenses. Compared to last year, net revenue from racing operations was \$1.7 million higher (due to an increase in interstate host fee rates for the day, price increases for parking, admissions, reserved seats and hospitality as well as increased sponsorship revenue from the DraftKings partnership), partially offset by \$296K higher operating expenses. NYRA generated total handle of \$138.4 million on Belmont Stakes Day, \$33.4 million or 31.7% favorable to budget and a decrease of \$15.5 million or 10.1% compared to last year. Estimated on-track attendance at Belmont on Belmont Stakes Day was 90,960. This was an increase of 30,960 or 51.6% compared to budget and a decline of 11,239 or 11.0% compared to the prior year. Attendance results were impacted by an attendance cap of 90,000 implemented in 2015 to better service guests at the track.

Capital Projects

For the six months ended June 2015, NYRA spent \$14.4 million on capital improvements including \$4.5 million related to prior year projects. Major expenditures included barn area improvements and guest area upgrades at all three tracks as well as irrigation in Saratoga and equipment for NYRA TV and information technology.

Industry Update

Based on information provided by Equibase, for the six months ended June 30, 2015, wagering on U.S. races decreased 0.5% compared to a 10.9% decrease in wagering on NYRA races. U.S. race days decreased 4.3% compared to a 10.3% decrease in NYRA race days. NYRA contributed 4.6% of total industry race days, offered 12.1% of purses and generated 15.3% of thoroughbred handle across the United States. Every dollar invested in purses at NYRA yielded \$14.01 in handle compared to \$11.08 industry-wide.

HANDLE STATISTICS

	For the Six Months Ending June 30th		Change		Change		
	2015	BUDGET	\$	%	2014	\$	%
RACING DAYS	104	111	-7	-6.3%	116	-12	-10.3%
PARTIAL RACE DAYS	1	0	1	100.0%	1	0	0.0%
TOTAL RACE DAYS	105	111	-6	-5.4%	117	-12	-10.3%
ATTENDANCE - Live Race Days, Live Track	418,899	454,360	-35,461	-7.8%	505,750	-86,851	-17.2%
ATTENDANCE - Live Race Days, Non-Live Track	130,140	151,411	-21,271	-14.0%	154,105	-23,965	-15.6%
DAILY AVERAGE ATTENDANCE at Live Track	4,028	4,093	-65	-1.6%	4,360	-332	-7.6%
PER-CAPITA BET ON LIVE DAYS AT LIVE TRACK	\$292	\$275	\$17	6.2%	\$267	\$25	9.4%
ON-TRACK HANDLE COMPONENTS							
ACCOUNT WAGERING: PHONE	\$22,746,840	\$24,211,524	-\$1,464,684	-6.0%	\$25,705,596	-\$2,958,756	-11.5%
INTERNET	66,576,177	73,110,984	-6,534,806	-8.9%	66,212,399	363,778	0.5%
BELMONT	14,648,884	18,316,076	-3,667,192	-20.0%	16,871,259	-2,222,375	-13.2%
AQUEDUCT	22,233,118	27,892,965	-5,659,847	-20.3%	23,182,707	-949,589	-4.1%
ADW (PHONE, INTERNET & ON-TRACK)	\$126,205,020	\$143,531,548	-\$17,326,529	-12.1%	\$131,971,961	-\$5,766,942	-4.4%
BELMONT	56,931,988	52,515,041	4,416,947	8.4%	62,080,453	-5,148,465	-8.3%
AQUEDUCT	91,686,692	87,208,606	4,478,086	5.1%	94,462,902	-2,776,210	-2.9%
TOTAL NYRA ON-TRACK HANDLE	\$274,823,700	\$283,255,195	-\$8,431,496	-3.0%	\$288,515,316	-\$13,691,617	-4.7%
DAILY AVERAGE ON-TRACK HANDLE	\$2,642,536	\$2,551,849	\$90,687	3.6%	\$2,487,201	\$155,335	6.2%
OFF-TRACK HANDLE (EXPORT)							
NYOTB DOWNSTATE	\$46,046,509	\$48,269,287	-\$2,222,778	-4.6%	\$56,123,529	-\$10,077,020	-18.0%
NYOTB UPSTATE	25,074,626	26,714,534	-1,639,908	-6.1%	29,067,133	-3,992,506	-13.7%
NY INTER-TRACK WAGERING	17,814,394	18,435,105	-620,710	-3.4%	19,598,419	-1,784,025	-9.1%
OUT-OF-STATE	632,592,416	654,747,920	-22,155,504	-3.4%	703,205,926	-70,613,510	-10.0%
INTERNATIONAL SEPARATE POOL	17,330,789	13,859,106	3,471,683	25.0%	14,671,619	2,659,170	18.1%
TOTAL OFF-TRACK (EXPORT)	\$738,858,735	\$762,025,952	-\$23,167,217	-3.0%	\$822,666,625	-\$83,807,890	-10.2%
DAILY AVERAGE OFF-TRACK HANDLE	\$7,104,411	\$6,865,099	\$239,312	3.5%	\$7,091,954	\$12,457	0.2%
TOTAL HANDLE	\$1,013,682,435	\$1,045,281,147	-\$31,598,712	-3.0%	\$1,111,181,941	-\$97,499,507	-8.8%
DAILY AVERAGE TOTAL HANDLE	\$9,746,946	\$9,416,947	\$329,999	3.5%	\$9,579,155	\$167,792	1.8%

***Daily Averages based on FULL Racing Days*

There were one hundred and five total race days during the six months ended June 30, 2015, six less race days than budgeted and twelve less race days compared to last year. In the first quarter there were sixteen weather related cancellations, nine more cancelled race days than budget and ten more than last year. Six additional race days were also severely impacted by weather. To compensate for the first quarter cancellations, three additional (unbudgeted) race days were added to the Aqueduct Winter Meet in March 2015.

Estimated cumulative on-track attendance at the track conducting live racing was 418,899, a decrease of 7.8% compared to budget and 17.2% lower compared to the same period last year. Excluding Belmont Stakes Day, attendance decreased 16.8% compared to budget and 18.7% compared to last year.

During the six months ended June 30, 2015, 7,080 horses entered 946 races at NYRA tracks for an average field size of 7.5. The budget assumed 7,286 horses entering 1,021 races for an average field size of 7.1. During the same period last year, 7,747 horses entered 1,072 races for an average field size of 7.2.

NYRA generated \$1.0 billion in total handle, 3.0% unfavorable to budget and 8.8% lower than the prior year. Export handle was 3.0% unfavorable to budget due to a 3.4% lower out-of-state handle resulting from the poor weather conditions in Q1 and the effects of an industry wide downturn in wagering on US races offset by 31.7% higher handle on Belmont Stakes Day. On-track handle was 3.0% below budget due to decreased ADW (phone, internet and on-track) handle offset favorable on-track handle at Aqueduct and Belmont. Compared to prior year export handle decreased 10.2% and on-track handle decreased 4.7% primarily due to decrease in handle on Belmont Stakes Day.