

April 16, 2013

Mr. Steve Lehman
Executive Director and CEO
Ontario Racing Commission
Suite 400, 10 Carlson Court
Toronto ON M9W 6L2

Re: 2013 Race Dates and Purse Funding

In November 2012, the chart below was presented as part of the rationale for the Raceway at Western Fair Association (WFA) reducing its race days to three per week in the first quarter of 2013. The thought behind the request was preserving an adequate balance in the Horsepeople's purse account.

	Add	Deduct	Balance
Purse Account, Dec. 31 (Est.)			\$2.289M
Jan. – Mar. [Slots & 50% Commissions]	\$2.802M	(\$2.774M) [38 days]	\$2.317M
Apr. – Jun. [100% Commissions]	\$0.705M	(\$1.387M) [19 days]	\$1.635M
Jul. – Sep. [100% Commissions]	\$0.354M	\$0.0 [0 days]	\$1.989M
Oct. – Dec. [100% Commissions]	\$0.747M	(\$2.701M) [37 days]	\$0.035M

During the five month period of November – March 2012, slot net win and wagering commissions have underperformed last year, and our estimates by a combined (\$223K). Compounding that shortfall with the 13 day variance not granted, the purse account at WFA is well under the predicted balance of \$2.317M at the end of March 2013. The balance of the purse account at the end of March 31, 2013 was \$1.161M.

WFA is scheduled to race 18 days in April, and 18 days in May 2013 putting further strain on an already stressed purse account. In order to fund the 36 dates in April and May, the WFA Horsepeople's purse account will require funding from alternative sources in the amount of nine hundred and fifty thousand dollars (\$950K). This funding will allow WFA to maintain an average daily purse of approximately \$65K for the 36 days, as well as a \$200K purse for the Molson Pace on May 31, and will provide a small balance to account for unexpected drops in wagering commissions. The chart below illustrates WFA's purse account estimates for the next two months.

	Add	Deduct	Balance
Purse Account, Mar. 31			\$1.161M
Apr. – May [100% Commissions]	\$0.570M	(\$2.576M) [36 days]	(\$0.845M)

This alternate funding will not be adequate to allow WFA to finish the balance of the dates assigned for the last quarter of 2013 (Oct. – Dec.). Assuming similar wagering results over the balance of the year, adjusting for the decreased race dates in Oct. – Dec., the WFA Horsepeople’s purse account will have a funding shortfall by year’s end of approximately \$1.5 million dollars as illustrated below. WFA will request \$1.75M with a \$250K supplement to ensure there is a balance in the purse account to pay for the first week of racing in January 2014.

	Add	Deduct	Balance
Purse Account, May 31			\$0.105M
June [100% Commissions]	\$0.135M	\$0 [no days]	\$0.240M
Jul. – Sep. [100% Commissions]	\$0.354M	\$0 [no days]	\$0.594M
Oct. – Dec. [100% Commissions]	\$0.560M	(\$2.600M) [40 days]	(\$1.446M)

Further to the issues around purse funding, it is WFA’s intention to appeal the specific dates assigned, not the quantum of dates, in October, November and December 2013. It is WFA’s opinion that adjusting the dates to Mondays, Wednesdays, and Saturdays will maximize wagering on its races, and therefore increase the amount of purse money available.

Sincerely,

Mike Woods,
Chief Operating Officer

Cc: Brian Tropea, Ken Hardy - OHHA
Reg Ash – WFA
John Snobelen, John Wilkinson, Elmer Buchanan – OMAFRA Panel