

STATE RACE TRACK LEASING COMMISSION (RTLCL)

AGENDA

March 30, 2022

11:30 A.M.

Del Mar Fairgrounds, Boardroom via ZOOM
2260 Jimmy Durante Boulevard
Del Mar, California 92014

As permitted by AB 361 (signed into law by Governor Newsom on September 16, 2021), the Del Mar Fairgrounds (DMF) will conduct the March 30, 2022 Board Meeting by video/teleconference via ZOOM. Please check the DMF website www.delmarfairgrounds.com for the ZOOM link and/or ZOOM dial-in instructions on how to participate and/or view this meeting.

Items listed on this Agenda may be considered in any order, at the discretion of the chairperson. To view this agenda on the Internet, visit the 22nd DAA website: www.delmarfairgrounds.com

1. **Roll Call**

2. **Approval of Minutes**

3-5

- March 30, 2021 (Action)

3. **Reports**

- 22nd DAA Update (Informational) Verbal
- Del Mar Capital Improvement Account (Informational) 6
- DMTC Operating Results for 2021 (Informational) 7-27
- Racing Industry Update (Informational) Verbal
- 2022 Summer Race Meet Dates – July 22 thru September 11 (Informational) 28-29
- 2022 Fall Race Meet Dates – November 11 thru December 4 (Informational) 30-31

4. **Public Comment on Matters Not Appearing on the Agenda**

Public comments on agenda items will be accepted during the meeting as items are addressed. This item is for Public comment on issues **NOT** on the current Agenda. However, no debate by the Board shall be permitted on such public comments and no action will be taken on such public comment items at this time, as law requires formal public notice prior to any action on a docket item. Speaker's time is limited to **two** minutes and may be modified based on the number of public speakers. No speaker may cede their time to another speaker.

5. **Recess to convene and hold the Del Mar Race Track Authority meeting**

6. **New Business**

- Consideration and vote on whether to delegate authority to the Chief Executive Officer of the 22nd District Agricultural Association and to the Director of Finance of the 22nd District Agricultural Association to perform those functions that are necessary to manage the State Race Track Leasing Commission bank accounts, including ensuring that all funds received are deposited and maintained in accordance with California law. (Action item)

7. **Adjournment**

STATE RACE TRACK LEASING COMMISSION ROLL CALL

Department of Finance (DOF) - Keely Bosler, Director and RTA Vice President

Gayle Miller, Chief Deputy Director, Policy, Delegate

Department of General Services (DGS) VACANT, Director; RTA Member

Jennifer Osborn, Acting Director for the Department of General Services, Delegate

Department of Food and Agriculture (CDFA) – Karen Ross, Secretary; RTA Member

Kevin Masuhara, Deputy Secretary Administration and Finance, Delegate

22nd District Agricultural Association (22nd DAA)

Richard Valdez, SRTLCL Commissioner

Lisa Barkett, SRTLCL Commissioner

Kathlyn Mead, SRTLCL Commissioner

Carlene Moore, 22nd DAA CEO

Office of the Attorney General California

Josh Caplan, Deputy Attorney General

Del Mar Thoroughbred Club

Josh Rubinstein, President

Joe Harper, CEO

Mike Ernst, Executive VP, CFO

OTHERS PRESENT

Donna O’Leary, 22nd DAA Executive Assistant

STATE RACE TRACK LEASING COMMISSION MEETING

Minutes – Tuesday, March 30, 2021

The State Race Track Leasing Commission (RTLCL) met on Tuesday, March 30, 2021 via ZOOM/teleconference hosted by the 22nd District Agricultural Association (22nd DAA) Mission Tower, 2260 Jimmy Durante Blvd., Del Mar, CA.

1. ROLL CALL

RTLCL Delegate Chair Gayle Miller called the meeting to order at 11:08 a.m. with a quorum present.

Department of Finance (DOF) - Keely Bosler, Director; RTLCL Chair

Gayle Miller, Chief Deputy Director, Policy; Delegate Chair

Department of General Services (DGS) Vacant, Director; RTLCL Commissioner

Jennifer Osborn, Acting Director for the Department of General Services, Delegate

Department of Food and Agriculture (CDFA) – Karen Ross, Secretary; RTLCL Commissioner

Kevin Masuhara, Deputy Secretary Administration and Finance, Delegate

22nd District Agricultural Association (22nd DAA)

Richard Valdez, RTLCL Commissioner

Lisa Barkett, RTLCL Commissioner

Kathlyn Mead, RTLCL Commissioner

Carlene Moore, 22nd DAA CEO

Office of the Attorney General California

Josh Caplan, Deputy Attorney General

OTHERS PRESENT

Del Mar Thoroughbred Club

Josh Rubinstein, President & COO

Joe Harper, CEO

Mike Ernst, Executive VP, CFO

2. PUBLIC COMMENT

- Martha Sullivan
- Jane Cartmill
- Jim Coleman
- Oscar de la Torre

3. APPROVAL OF MINUTES – March 30, 2020

Commissioner Barkett moved to approve the March 30, 2020 Board meeting minutes. Commissioner Mead seconded. RTLDC Delegate Chair Miller, Commissioners Osborn, Masuhara, Valdez, Barkett, and Mead, were in favor and the motion carried.

4. REPORTS

a. Del Mar Capital Improvement Account

22nd DAA CEO Carlene Moore gave an update on the Del Mar Capital improvement account as of December 31, 2020, included in the Board packet on page 5. CEO Moore explained that the account is a pass through account used when DMTC makes their payment to the RTLDC. Funds deposited are then transferred to the bond trustee.

b. DMTC Operating Results for 2020

President and COO Josh Rubinstein referred to their report included on pages 8-23 of the Board packet. The 2020 racing season was a challenging year due to the pandemic. The primary goals in 2020 were first, a response to COVID to ensure the safety of everyone involved with horse racing at Del Mar and the surrounding community; and second was the continuation of DMTC's industry-leading equine safety record where Del Mar is ranked the safest racetrack in North America in 2018 and 2019. Mr. Rubinstein said that both goals were accomplished. Wagering was up by 15 percent even though no fans were allowed on-site and combined with their cost-containment efforts the 2020 season was a profitable year, generating \$1.9 million in net revenues. DMTC was also able to fully satisfy the RTA's debt service of a \$3.3 million bond payment.

Public Comment on DMTC Operating Results, page 28

Martha Sullivan

c. Racing Industry Update

Mr. Rubinstein gave an overview of the 2021 season. The revised guidance provided by the governor's office says that fans can return in a limited capacity to outdoor sporting events; so DMTC is anticipating having fans attend in whatever capacity levels are permitted and will provide maximum safety for everyone involved.

Public Comment on Racing Industry Update, page 29

Martha Sullivan

Jane Cartmill

d. 2021 Summer Race Dates - July 16 through September 6

The summer meet will be 31 days.

Public Comment on 2021 Summer Race Meet Dates, page 31

Martha Sullivan

Jane Cartmill

- e. 2021 Fall Race Dates – November 3 through November 28
The fall meet will be 15 days.

Public Comment on 2021 Fall Race Meet Dates, page 34

Martha Sullivan

Jane Cartmill

- f. 2021 Breeders' Cup Dates – November 5-6
Hosted by Del Mar.

Public comment on 2021 Breeders Cup Meet Dates, page 38

Marth Sullivan

Jane Cartmill

Oscar de la Torre

Commissioner Richard Valdez informed the RTLC Board that as President of the Board of Directors for the 22nd DAA and as Chair of the DMTC Liaison Committee meetings are held monthly and as needed to discuss a variety of topics relating to horse racing.

5. RECESS TO CONVENE AND HOLD THE RACE TRACK AUTHORITY MEETING

The Commission recessed to the RTA meeting at 12:04.

The Commission resumed at 1:47 p.m.

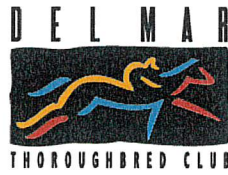
OTHER BUSINESS – NONE

ADJOURNMENT

Commissioner Barkett moved to adjourn. Commissioner Mead seconded. The meeting adjourned at 1:48 p.m.

22nd DAA
Consolidated Balance Sheet (DAA, RTA, RTLC)
As of December 31, 2021

	2021	2020	2019
Assets			
Cash	\$ 21,644,299	\$ 923,761	\$ 10,400,456
Restricted Cash - JLA	23,264	-	-
Restricted Cash - F&B Equipment Fund	338,980	422,632	292,575
Restricted Cash - RTA	11,320,043	3,244,617	11,699,085
Restricted Cash in Trust - WQI	421,064	490,065	4,137,650
Restricted Cash in Trust - The Center	1,983,024	8,842,133	12,580,716
Total Cash and Cash Equivalents	35,730,676	13,923,208	39,110,482
Accounts Receivable	5,475,109	2,008,470	2,638,671
Prepaid Expenses	462,174	389,192	1,100,910
Deferred Outflows Pension	5,422,668	5,193,040	6,683,938
Total Current Assets	11,359,951	7,590,702	10,423,519
Land	35,011,899	-	-
Building and Improvements	189,021,781	-	-
Equipment	37,989,227	-	-
Capital Projects in Process	37,060,154	-	-
Accumulated Depreciation	(173,822,663)	-	-
Total Capital	125,260,398	124,623,903	119,810,432
Total Assets	\$ 172,351,025	\$ 146,137,813	\$ 169,344,433
Liabilities			
Accounts Payable	5,641,706	1,282,558	1,464,322
Payroll Liabilities	196,003	-	-
Accrued Liabilities	1,884,427	6,513,793	2,770,886
Other Current Liabilities	970,944	1,815,939	1,309,158
Deferred Revenue	11,318,254	1,747,716	249,949
Current Long Term Debt	3,827,327	1,544,021	2,161,815
Accrued Employee Liabilities	1,012,136	2,519,123	3,222,729
Long Term Debt	64,405,737	64,203,634	64,582,444
Reserve - F&B Equipment Fund	344,475	-	-
Reserve - JLA	20,838	-	-
Pension Liability	35,184,870	37,706,271	37,870,393
Deferred Inflows - Pension	1,961,567	1,283,146	319,777
Total Liabilities	126,768,284	118,616,201	113,951,473
Net Resources			
Contributed Capital	82,170,171	44,637,405	44,637,405
Less Contributed Capital to RTA	(37,644,384)	302,100	424,135
Net Resources - Unrestricted	(8,225,351)	(7,007,956)	5,958,785
Investment in Capital Assets	(3,891,786)	-	-
	32,408,650	37,931,549	51,020,325
Net Proceeds from Operations	13,174,092	(10,409,937)	4,372,635
Total Net Resources	45,582,741	27,521,612	55,392,960
Total Liabilities and Net Resources	\$ 172,351,025	\$ 146,137,813	\$ 169,344,433



Michael R. Ernst
Executive Vice President
Chief Financial Officer

January 31, 2022

Carlene Moore
Chief Executive Officer
22nd District Agricultural Association
2260 Jimmy Durante Boulevard
Del Mar, CA 92014

***Re: Del Mar Thoroughbred Club's Budget Report for the Period Ending
December 31, 2021***

Dear Carlene:

Enclosed is Del Mar Thoroughbred Club's budget report for the twelve-month period ending December 31, 2021. Also enclosed is our Management's Discussion and Analysis of DMTC's operations, revenues and expenses for the year ending December 31, 2021. This analysis was prepared based on our unaudited financial statements. An Additional Payment, currently projected to be \$1,550,000 will be finalized and paid following the completion of our 2021 financial statement audit in late April 2022.

Very Truly Yours,

DEL MAR THOROUGHBRED CLUB

A handwritten signature in blue ink, appearing to read "Michael R. Ernst".

Michael R. Ernst

Enclosures

DEL MAR THOROUGHBRED CLUB

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATING RESULTS

FOR THE TWELVE-MONTH PERIODS ENDING DECEMBER 31, 2021 and 2020

The management of Del Mar Thoroughbred Club ("DMTC") provides the following discussion and analysis of our operating results through the period ending December 31, 2021. In the following analysis we review industry and economic events that factored into our operating results and our discussion includes comparisons to our budgeted projections and prior-year operating results. The following discussion reflects the results of our 31-day summer race meet, 13-day fall race meet as well as the Breeders' Cup World Championships that Del Mar hosted for the second time on November 5 and 6.

The 2021 summer and fall meets, together with the Breeders' Cup event, are projected to generate a combined return from racing (i.e., DMTC net revenues and race meet-related food and beverage (F&B) net income as defined in the Del Mar Race Track Operating Agreement) of \$15.41 million for the year. This amount is \$6.20 million above the budgeted combined return from racing and \$13.43 million higher than what was generated during 2020 when our operations were heavily impacted by the COVID-19 pandemic. DMTC net revenues are projected to total \$10.47 million in 2021, consisting of \$1.625 million of Direct Payments (\$825,000 for the summer meet, \$400,000 for the fall meet and the \$400,000 Breeders' Cup facility Direct Payment), as well as \$8.85 million in payments to the Race Track Authority ("RTA"). The \$8.85 million RTA payments consist of: (1) \$2.6 million pre-paid in February of 2021 to ensure full funding of the 2021 debt service under the 2015 RTA bonds; (2) \$4.7 million paid on November 15, 2021; and (3) an expected additional payment to the RTA of approximately \$1.55 million. This additional payment, which will include the results of our fall race meet and the Breeders' Cup event, will be paid in late April following the completion of our 2021 audited financial statements. Together, the \$4.7 million paid on November 15, 2021 and the expected additional \$1.55 million to be paid in April 2022 total \$6.25 million and will fully fund the 2022 debt service of the 2015 RTA bonds. As contemplated in our budget, our current-year racing net revenues includes the \$2.84 million benefit derived from the Payroll Protection Loan ("PPP loan") forgiveness.

Race meet related F&B net revenues totaled \$4.93 million, which consists of \$3.51 million of summer race meet F&B net revenues, \$590,000 of fall race meet F&B net revenues and \$840,000 of Breeders' Cup F&B net revenues. The 2021 F&B net revenues are \$1.73 million above the 2021 budgeted amount and \$3.45 million above 2020 F&B net revenues as the 2020 race meets were operated without fans and F&B sales were limited to only a limited number of licensed horse owners, DMTC staff and backside personnel.

Overview

Del Mar enjoys an unparalleled position in the racing industry. Not only is Del Mar viewed as a world-class venue for Thoroughbred racing, but DMTC is considered to be among the very best operators in the industry, both in terms of our ability to attract the highest quality Thoroughbred racing and our success in generating a highly diversified revenue stream. DMTC is consistently viewed as an industry leader in developing innovative programs, adopting new technologies and creating dynamic marketing campaigns designed to attract top Thoroughbred racing to Del Mar and new fans to horse racing. Also, DMTC is at the forefront of developing practices and procedures to protect and enhance equine and rider safety, which has led to Del Mar consistently ranking among the safest racing venues in the country.

The outbreak of the COVID-19 pandemic and resulting governmental orders in 2020 required DMTC to significantly adjust our operations and implement new safety practices and procedures to address the unprecedented challenges of operating our race meet without fans. Our aggressive cost containment efforts, the adjustments we made to our operations and the restructuring and condensing of our racing calendar, along with the new safety practices and procedures we implemented to address the challenges of the novel coronavirus, proved successful. The 2020 summer and fall race meets both enjoyed large fields, world-class racing, increased wagering and, most importantly, they were safe for our equine athletes and our racing community and staff. While we did not host fans at the track and most brick-and-mortar wagering locations in California and the nation did not operate in 2020, DMTC net revenues totaled \$1.925 million for the year. These net revenues enabled us to assist the 22nd District Agricultural District (“District”) with COVID-related cash flow issues by making an advance payment of our \$1.225 million Direct Payment.

Our 2021 budget addressed the evolving conditions as the world began its recovery from the pandemic. We had to make various assumptions in our budget and operating plan as it was prepared before we understood the timing, distribution and effectiveness of the COVID vaccines, as well as when the general public and our patrons would be confident it was safe to engage in a broad range of activities, including attending the races at Del Mar. Accordingly, we prepared our budget and operating plan contemplating State mandated reduced seating capacity restrictions, the closure of portions of the grandstand and that we would host a significantly lower number of fans than we traditionally accommodate.

As we approached the summer race meet, however, it became evident that the outlook for hosting fans at Del Mar was more favorable than reflected in our budget submission. Indeed, Governor Newsom’s June 15, 2021 announcement allowed us to open our summer race meet at 100% seating capacity. After consultation with county public health officials and our medical advisors at Scripps Health, our summer race meet opened on Friday, July 16 and during the first weekend of racing we allowed only patrons who had purchased seating in advance while not

offering walk-up or general admission sales. As we became comfortable with our reopening procedures and ability to safely host our fans, we offered limited general admissions and walk-up sales starting the second week of our race meet.

The reopening of the grandstand, the increased capacity levels and strong support from our core Del Mar race fans contributed to an average daily attendance for the summer race meet 30% over our projections. The 2021 race meets enjoyed large fields, world-class racing and record wagering. Total wagering in 2021 was \$944.37 million, 21.3% higher than the previous record in 2017 when we last hosted the Breeders' Cup.

DMTC has long been at the forefront of enacting industry-leading safety protocols and procedures and, thanks to such efforts, Del Mar consistently ranks among the safest racing venues in the country. DMTC has implemented extensive safety measures, including adopting new medication rules to enhance safety, increasing veterinary supervision and testing of horses, boosting stable security and establishing a safety advisory committee consisting of trainers, veterinarians, jockeys, racing maintenance personnel and management which met regularly to review safety practices, operations and track surfaces.

Overall horse population and the inventory of race horses available to run in Southern California are key factors impacting our industry. As we previously have noted, the number of horses that run in each race (known as field size) directly correlates to the amount wagered on a race, or the wagering handle. The more horses that run in a race, the larger the wagering pool and a larger wagering pool means greater wagering commissions are paid to track operators along with higher purses paid to the horsemen and women. While other racetracks across California and the entire nation have struggled to maintain field sizes, DMTC is considered an industry leader in developing innovative programs to address the challenges of horse population in Southern California and bolster field sizes.

The Ship & Win program is one of our innovative programs. The program provides an incentive for owners of out-of-state horses to ship them into California and race at Del Mar. DMTC and the Thoroughbred Owners of California ("TOC") jointly funded the program and provided record incentive payments for the 2021 program. Since we introduced the Ship & Win program in 2011, 1,884 horses have come to race at Del Mar and many remained and continue to race at other California racetracks.

Another horse recruitment program designed to attract horses from Northern California and out-of-state horses that do not qualify for Ship & Win incentives is the Co-Op marketing program. The Co-Op marketing program is funded through a deduction from advanced deposit wagering (ADW) and this program is discussed in greater detail later in this report.

Our horse recruitment efforts, including the Ship & Win and Co-Op marketing programs, again will be a key focus of our 2022 operations. In 2021, these recruitment programs, together

with the 30% increase in purses over 2020 purse levels, attracted a record 362 horses that made 549 starts during the recent summer and fall race meets. The 2021 recruitment programs attracted 198 more horses that made 235 more starts than the 2020 horse recruitment programs. The additional horses recruited to race this summer helped Del Mar's average field size grow to 8.45 horses per race in 2021, which is an increase from 8.36 horses in 2020 and 8.0 horses in 2019. Field sizes and the horses available to participate at the summer race meet also benefited by our hosting the Breeders' Cup World Championships in the fall. Certain out-of-state trainers who planned to compete in the Breeders' Cup brought several of their horses to train and race at the summer meet. The summer race meet's field sizes were the highest in California again this year and were higher than this summer's popular Saratoga race meet in upstate New York, which had an average field size of 7.82 horses per race. Our large fields and quality racing contributed to record summer race average daily wagering of \$18.4 million, which was 6.3% above the previous record established during the condensed 2020 summer race meet and 53.3% higher than 2019 average daily wagering. The record wagering also produced significant growth in both wagering revenues and purses paid to our horsemen for the 2021 summer meet.

The Ship & Win program, along with our other horse recruitment efforts, not only helped Del Mar's average field size levels at our summer and fall meets but also contributed to increased field sizes at the other tracks in California. For example, following our two race meets this year through the date of this report, horses from our Ship & Win program made 187 starts at the racing meets at Los Alamitos and Santa Anita.

2021 RESULTS

The eight-week, 31-day 2021 summer race meet enjoyed large fields, world-class racing and, most importantly, one of the safest race meets in Del Mar's history. The racing quality was on display at the recently concluded Breeders' Cup World Championships held on November 5 and 6 as two Del Mar horses won championship races and five others finished second. These seven local horses took home \$3.6 million in Breeders' Cup purse winnings. A record 11 horses that won stakes races during our 2021 summer race meet competed in the Breeders' Cup World Championships. Our strong racing program, large field sizes and the return of fans to Del Mar all led to a total wagering increase of \$103.1 million, or 22.0%, above 2020 wagering and 32% above 2019 pre-pandemic wagering. The higher wagering drove strong growth in wagering revenues as well as purses generated for the summer race meet. Admissions revenues for the summer were \$3.09 million, or 90.5%, over budget. These revenue gains were due to summer attendance exceeding projections by nearly 30% as well as strong demand for high-end and premium seating areas. Sales of season boxes, Turf Club memberships and trackside restaurants were close to 100% of our normal capacity, while the summer race meet budget anticipated capacity levels for these high-margin premium areas would be limited to 60% of normal capacity levels. In addition to reopening for fans in 2021, DMTC welcomed back its prominent roster of corporate partners. As

a result, sponsorship revenues totaled \$3.14 million in 2021 and were \$2.08 million, or 194.9%, higher than 2020 revenues.

The four-week, 13 day fall race meet was the eighth fall session that now complements the historic Del Mar summer race meet. The Del Mar fall meet is North America's most heavily wagered race meet in the month of November, with many industry stakeholders viewing Del Mar as offering the nation's premier autumn racing. The fall race meet's quality racing product – with its emphasis on turf racing – was highlighted with seven stakes races contested on the meet's closing Thanksgiving weekend. The quality racing attracted 12 out-of-state horses along with several of the nation's leading trainers competing in weekend stakes races.

The 2021 fall meet saw the return of the Breeders' Cup World Championships to Del Mar for the second time in its history. The Breeders' Cup attracts the world's best Thoroughbreds and this year's Championship saw winners bred, raised or raced on three different continents. The two-day event generated a record \$201.97 million in wagers, which represents a 4.7% increase over the prior record when the event was held at Santa Anita in 2019 and a 18.0% increase from the \$170.18 million of total handle at the 2017 event when it was held at Del Mar for the first time.

Total wagering during the summer and fall meets and Breeders' Cup Championships totaled a record \$944.37 million in 2021, which is \$166.09 million, or 21.3%, higher than the previous wagering record established in 2017 when we last hosted the Breeders' Cup.

Revenues

Revenues for the year ending December 31, 2021 totaled \$60.13 million and were \$6.08 million, or 11.3% over budget.

Summer race meet revenues totaled \$34.1 million and were \$7.8 million, or 29.7% over budget. Wagering revenues for the race meet were \$4.02 million over budget as the summer race meet enjoyed large race fields, quality racing and the return of fans to Del Mar, all of which led to a total wagering increase of \$103.1 million, or 22.0%, above 2020 summer wagering. Summer race meet non-wagering revenues were \$3.79 million over budget due to increased attendance-related revenues and gains in sponsorship revenues.

Fall race meet revenues totaled \$7.35 million and were \$1.31 million over budget as fall race meet wagering revenues exceeded budget by \$940,000 due to strong on-track, ADW and out-of-state wagering. Fall race meet non-wagering revenues were \$370,000 over budget due to gains in attendance-related revenues.

Breeders' Cup revenues totaled \$18.67 million and were \$3.04 million, or 14.0%, under budget. Breeders' Cup attendance was capped at 25,000 patrons per day due to COVID precautions and attendance was 20.5% below projected attendance levels due to the attendance cap. As noted

previously, the total 2021 Breeders' Cup generated a record \$201.97 million in wagering, which was 18.0% higher than the \$171.18 million of total wagering when the event was held at Del Mar for the first time in 2017. Under the Breeders' Cup business model, the usual purse and wagering commissions generated from on-track and ITW Breeders' Cup wagering as well as on-track attendance-related revenues are recognized as event revenues on DMTC's financial statements. All ADW and out-of-state wagering revenues flow directly to Breeders' Cup Ltd. to fund the nearly \$30 million in purses paid over the two-day event and consequently these revenues are not reflected as revenues on our financial statements.

Wagering Revenues: DMTC receives wagering commissions and purses from wagering by patrons in California whether the wagers are made on-track at Del Mar, off-track at Southern California satellite ("ITW") locations, or from Southern California residents wagering through ADW providers licensed by the California Horse Racing Board ("CHRB"). Del Mar also receives commissions and purses when patrons who are not in California wager on Del Mar races at brick-and-mortar locations (e.g., racetracks, casinos, ITW locations and sports bars) and through ADW providers that contract with Del Mar to take wagers on our races. California patrons are able to wager on three types of races: 1) those run at Del Mar ("live races"); 2) those run in Northern California, and 3) races imported from racetracks outside California ("imported races").

Live wagering totaled \$558.90 million for the 2021 summer and fall race meets, an increase of \$103.25 million, or 22.7% above 2020 live wagering. The larger field sizes on live races drove record wagering by out-of-state patrons as they were attracted to wager on Del Mar's larger field sizes compared to the other race programs having smaller field sizes. Live wagering by out-of-state bettors rose \$44.79 million, or 13.0%, over the prior year. Additionally, on-track wagering increased \$42.66 million as we welcomed fans back to Del Mar this past summer. Wagering at California satellites increased \$17.79 million as most of the satellite network reopened in 2021.

Wagering on imported races totaled \$168.21 million during the 2021 summer and fall race meets and were \$28.19 million, or 14.4%, lower than the prior summer and fall race meets. This decline was due to fewer days allocated to Del Mar in 2021 and our prior year's import handle which benefitted from import wagering on the Kentucky Derby and the Breeders' Cup run at Keeneland. Del Mar earns simulcast wagering commissions on days when there was no live racing at Del Mar ("dark days"). There were seven fewer dark days of simulcast revenues during the 2021 fall race meet, held over four weeks, when compared to the five-week 2020 fall meet. Additionally, the 2021 summer race meet had four additional live race days which resulted in four fewer dark days of simulcast revenues. These 11 days of simulcast revenues in 2020 generated \$21.2 million of import wagering in 2020. Import wagering also benefitted during the prior year's summer race meet as the pandemic caused the 2020 Kentucky Derby to move from its traditional date of the first Saturday in May to the Saturday of Labor Day weekend, which coincided with the final weekend of our summer race meet. California ADW and satellite patrons wagered nearly \$7.46 million on the Kentucky Oaks and Kentucky Derby days which were run on the final Friday and

Saturday of the 2020 summer race meet. Additionally, import wagering during the 2020 fall race meet benefited from the \$13.09 million wagered by California ADW and satellite patrons on the Breeders' Cup run at Keeneland on November 6th and 7th.

Wagering on Northern California races increased \$3.5 million, or 29.7%, to a total of \$15.31 million during 2021. This was due to both higher on-track and California satellite wagering, along with one additional day of racing in Northern California during the 2021 summer race meet.

Wagering revenues were impacted by various changes to statutory wagering deductions and modifications to contractual ADW wagering deductions used to fund stabling and vanning, the operations of the Southern California Off Track Wagering, Inc. ("SCOTWINC") satellite network as well as deductions used to fund the CHRB's annual operations.

The TOC and the Southern California racetracks modified the funding of stabling and vanning operations by lowering the statutory deduction on Southern California satellite wagering by 1.1% and this lower deduction benefited wagering commissions by \$490,000. These organizations also raised the deduction from ADW wagering, which funds stabling and vanning operations, by 50 basis points and this higher deduction reduced ADW commissions by \$480,000.

The strong growth in Southern California ADW wagering and corresponding increase in ADW simulcast revenue generated a record \$2.81 million of SCOTWINC operating surplus revenues for 2020 summer and fall race meets. The surplus was returned to DMTC and increased our 2020 revenues. In order to reduce the SCOTWINC surplus, the TOC and Southern California tracks agreed to lower the deduction from ADW wagering in 2021 that funds California satellite operations by 50 basis points. The benefit in 2021 to wagering revenues from this lower ADW deduction was a \$480,000 increase in ADW commissions.

Racing law provides that the operations of the CHRB and California's equine drug testing program are to be funded by California racing associations and purses by a deduction from on-track, ITW, California ADW and out-of-state wagering at all California racetracks and racing fairs. The CHRB funding deduction from wagering is established annually on July 1 and is based on the projected wagering compared to the CHRB's annual operating budget for the upcoming fiscal year ending June 30. This deduction from wagering effectively reduces wagering revenues and purses equally during the fiscal year. Any surplus or deficit between the funds generated from the funding deduction and the cost of CHRB operations at the end of the fiscal year is either refunded to, or further deducted from, the following year's commissions and purses. The CHRB funding deduction rates were unchanged for the fiscal year starting July 1, 2021.

The strong growth in online and out-of-state wagering we enjoyed during Del Mar's 2020 summer and fall race meets generated a state-wide \$550,000 surplus of CHRB funding over CHRB operating costs for the fiscal year ending June 30, 2021. Del Mar's share of the CHRB funding surplus was \$130,000 and this amount was redistributed equally to benefit 2021 commissions and

purses. The pandemic resulted in the loss of on-track and substantially all ITW wagering from March to June 2020 and this loss of wagering created a \$4.19 million deficit of CHRB board support funding for the fiscal year ending June 30, 2020. Del Mar's share of this CHRB funding deficit was a combined \$970,000 and this amount was deducted equally from 2020 wagering revenues and purses.

Del Mar and the TOC extended the agreement that provides funding through a deduction from ADW wagering for the Co-Op marketing program to co-promote certain programs specific to Del Mar. These programs include horse recruitment efforts, on-track large player reward incentives and a social media program to educate the public about Del Mar's industry-leading safety record, our comprehensive safety protocols and procedures and California's aftercare program for retired racehorses. The deduction from ADW wagering generated \$650,000 in Co-Op marketing program funding in 2021, which lowered purses and commissions each by \$325,000.

On-track Wagering: Average daily attendance for the 2021 summer and fall race meets was nearly 24% above our budgeted attendance levels as we were able to operate the summer and fall race meets at 100% of seating capacity. These attendance gains and a greater number of more serious on-track racing fans this summer generated on-track wagering commissions of \$4.11 million in 2021, which were \$1.54 million, or 59.8%, over budget. On-track commissions were \$3.64 million, or 774%, higher than 2020 on-track commissions when access to the facility was strictly limited to essential personnel, including a limited number of licensed horse owners that had racehorses entered in races. As noted previously, 2021 marketing efforts did not include concerts, beer festivals and other traditional mass-gathering promotional events that drive attendance and F&B revenues, as well as large numbers of more casual fans attracted by our traditional promotions. Therefore, our 2021 patrons tended to consist of our regular and more serious racing fans compared to past summer race meets. These more serious racing fans resulted in a 45% increase in on-track per capita wagering during 2021. On-track daily per capita wagering rose to \$186 in 2021 compared to our usual race meet per capita wagering of \$127 per day when the summer race meet traditionally attracts a substantial number of casual fans. Breeders' Cup on-track wagering commissions totaled \$3.37 million and were \$810,000, or 19.4% below budget due to the decision to cap the daily attendance at 25,000 per day resulted in Breeders' Cup attendance falling 20.5% short of projections. The yield on on-track wagering increased to 7.78% in 2021 compared to 7.46% in 2020. This increase was due to the benefits of the current year CHRB board support surplus along with the modification to stabling and vaning funding for on-track wagers placed on races held in Northern California and out of state.

Satellite Wagering: ITW wagering commissions from totaled \$4.01 million for the summer and fall race meets and were \$420,000, or 11.7%, over budget. This growth resulted from strong wagering on live races and the reopening of all but one Southern California satellite location. Additionally, a new satellite facility located in Glendale opened early in 2021 and it generated strong ITW wagering. ITW commissions were \$2.53 million, or 171.1%, above 2020 commissions

when just 12 of the 22 satellites with outdoor wagering facilities were open on a relatively inconsistent basis because of guidance and orders from the satellites' respective county health departments. ITW wagering commissions on the Breeders' Cup totaled \$580,000 and were \$370,000, or 38.9%, below budget and 22.4 % below 2017 Breeders' Cup ITW commission revenues as certain ITW patrons choose to wager on the Breeders' Cup through ADW providers. ADW wagering on the 2021 Breeders' Cup by California patrons increased 65.5% compared to the 2017 Breeders' Cup. This growth was due to both new ADW patrons as well as those ITW patrons that elected to wager on the Breeders' Cup through their ADW accounts. The yield on ITW wagering rose 75 basis points to 4.70% in 2021. The sharp increase in ITW wagering yield was due to strong growth in live wagering, the most profitable ITW wager, along with the benefits of the current year CHRB board support surplus and the lower stabling and vaning funding deduction on ITW wagers.

DMTC is a partner in SCOTWINC, the entity that administers the satellite network in Southern California. SCOTWINC received simulcast revenues through a 2.5% deduction from on-track wagers on import and Northern California races and all wagers placed at satellite facilities. SCOTWINC also receives simulcast revenues from a 2.4% deduction on all wagers placed by Southern California ADW patrons. As noted above, the deduction on California ADW wagers was lowered 50 basis points this year from 2.9% in 2020. These simulcast revenues fund mutual staff costs and other SCOTWINC simulcast-related expenses. As a partner in SCOTWINC, DMTC and the horsemen annually participate in 50% of the excess, or shortfall, of SCOTWINC simulcast revenues and expenses.

The SCOTWINC operating surplus for 2021 totaled \$1.48 million, which was \$1.33 million less than the record \$2.81 million operating surplus during 2020. ADW simulcast revenues declined in 2021 due to the 50 basis point decline in the ADW funding deduction and lower ADW wagering in 2021. These lower ADW simulcast revenues were offset from increased simulcast revenues generated on higher than projected on-track import and Northern California wagering and ITW wagering this summer. The SCOTWINC operating surplus was \$110,000, or 7.6%, above budget due to the strong ITW and on-track wagering. Also, SCOTWINC qualified for and received Employee Retention Credits under the CARES ACT in 2021 and these credits offset certain SCOTWINC operating costs.

ADW Wagering: Wagering commissions from California ADW patrons totaled \$5.50 million during 2021 summer and fall race meets, and were \$1.20 million, or 27.5%, over budget. ADW wagering commissions declined \$1.35 million, or 19.5%, from the record 2020 ADW commissions. A decline in California ADW wagering commissions was expected due to: 1) increased wagering on-track as Del Mar welcomed back fans in 2021; 2) increased wagering at California satellites as the satellite network reopened in 2021; and 3) the one-time benefit Del Mar received by having simulcast rights to the 2020 Kentucky Derby.

ADW wagering saw robust growth in 2020 as the world was driven into an online and digital environment by the pandemic. ADW providers were able to attract many new patrons in 2020 as there were limited online sports wagering options. ADW providers benefited from wagering by these new patrons as well as increased wagering from existing ADW patrons and California satellite wagering customers due to horse racing in California being conducted without fans being able to attend in person. These factors resulted in ADW wagering increasing 126% in 2020 over 2019 wagering levels. While ADW wagering declined in 2021 due to the return of on-track and ITW patrons, ADW wagering commissions increased \$2.13 million, or 62.3%, in 2021 over 2019 ADW wagering commissions. The growth in ADW wagering commissions compared to pre-pandemic levels is notable when considering that ITW wagering commissions were 1.3% below 2019 levels and on-track commissions were 13.9% below 2019 commissions. ADW wagering on the 2021 Breeders' Cup by California patrons totaled \$10.74 million, which was \$4.21 million, or 64.5% higher than the 2017 Breeders' Cup event. As noted earlier, other than on-track ADW wagers, all ADW wagering revenues on the Breeders' Cup are directed to fund the Breeders' Cup purses and are therefore not reflected in revenues on our financial statements.

The yield on California ADW wagering increased 24 basis points to 3.76% due to the growth in live wagering, the most profitable wager, and the benefits of the current year CHRB board support surplus and the aforementioned modifications to stabling and vanning and SCOTWINC funding on ADW wagers.

Out-of-state Wagering: The export of Del Mar's live racing product leads to significant non-California wagering revenues as Del Mar races are distributed through numerous Internet wagering platforms and broadcast to over 1,100 brick-and-mortar wagering locations throughout North, Central and South America, Europe and South Africa. Wagering revenues from these out-of-state patrons totaled a record \$11.2 million in 2021 and these revenues were \$1.66 million, or 17.4%, over budget and \$1.23 million, or 12.4%, above prior year revenues. Out-of-state patrons tend to be serious and more experienced bettors and were attracted to wager on Del Mar's larger field sizes compared to the other race programs having smaller field sizes. As noted above, Del Mar's field sizes increased to 8.45 horses for our summer race meet, which compares favorably to Saratoga, the other major summer race meet offered to out-of-state bettors, which had a field size of 7.8 horses this past summer. Out-of-state wagering rose \$44.9 million, or 13.1%, and also benefited as the 2021 summer race meet offered 293 live races run over the 31-day meet compared to 282 races run over the 27-day pandemic-shortened 2020 summer meet. These additional live summer race days offset the one less live race day during the 2021 fall race meet. Wagering by out-of-state players who employ sophisticated computer algorithms to handicap races increased \$36.8 million, or 33.9%, this year due to our large field sizes and the liquidity of our large pari-mutuel wagering pools. Our large wagering pools allow these players to place significant bets without substantially impacting the pari-mutuel odds on their wagers. Out-of-state wagering also benefitted in 2021 from the reopening of out-of-state satellite locations, casinos, sports bars and racetracks which were closed or operated at reduced capacity in 2020 due to the pandemic. The

yield on out-of-state wagering declined 5 basis points for the 2021 summer race meet. This modest decline in yield was primarily due to flat out-of-state ADW wagering, the highest yielding of all out-of-state wagering. Out-of-state wagering on the 2021 Breeders' Cup totaled \$161.0 million, which was \$33.4 million, or 26.2%, higher than out-of-state wagering on the 2017 Breeders' Cup. As noted earlier, all out-of-state wagering revenues on the Breeders' Cup are directed to fund the Breeders' Cup purses and are therefore not reflected in revenues on our financial statements.

Breakage revenue is generated because California law requires that posted mutuel payoffs must be rounded down from calculated payoffs, and the rounding difference (i.e., "breakage") is divided between the horsemen, the State of California and the track operator. For example, a calculated payoff of \$2.19 is paid at a rate of \$2.10 and the additional \$.09 per winning ticket creates breakage revenue. Minus pools occur when the track must contribute funds to a mutuel pool when a prohibitive betting favorite wins and the required minimum mutuel payments exceed the gross mutuel pool less the statutory takeout. Minus pools almost always occur with show, or third-place, bets. Minus pool contributions are netted against breakage revenue. DMTC carefully reviews live-race programs and those races imported from Northern California to identify when a prohibitive favorite is scheduled to run in a race with a small field such that a minus pool is likely to occur. For any races conducted in California that are not of national significance, DMTC often petitions the CHRB for its approval to eliminate show wagering. DMTC and other California racetracks do not have the ability to eliminate show wagering on races imported from out-of-state racetracks. Net breakage revenue in 2021 totaled \$290,000 and were \$10,000, or 3.8%, over budget.

Non-wagering Revenues: Non-wagering revenues consist of admission and seat revenues, program sales, parking receipts, advertising and sponsorship revenues, management services and interest income. Total non-wagering revenues for the 2021 summer and fall race meets totaled \$12.1 million and were \$4.13 million, or 52.0%, over budget. Non-wagering revenues increased \$10.67 million over 2020 as we operated last year's race meets without fans in attendance thereby resulting in the loss of substantially all on-track revenues, including admissions-related revenues and a significant portion of sponsorship fees. Non-wagering revenues were \$2.06 million, or 15.8%, below 2019 revenues when we last hosted fans without restrictions.

Breeders' Cup non-wagering revenues totaled \$14.65 million and were \$1.8 million, or 11.0%, under budget. As noted, Breeders' Cup attendance was capped at 25,000 patrons per day due to COVID precautions resulting in attendance falling 20.5% short of projections. The non-wagering revenue budget deficit of 11.0% was less than the attendance shortfall of 20.5% because the attendance cap primarily impacted the sale of general admissions, infield and other lower priced admissions packages.

Admissions revenues for the summer totaled \$6.49 million and were \$3.09 million, or 90.5%, over budget. These revenue gains were due to summer attendance exceeding projections by nearly

30% along with strong demand for high-end and premium seated areas. Sales of season boxes, Turf Club memberships and trackside restaurants were close to 100% of our normal capacity while the summer race meet budget had anticipated capacity levels for these high-margin premium areas would be limited to 60% of normal capacity levels. The demand for our high-end Groups Sales, celebrity suites, sky rooms and trackside restaurants also was strong and Groups Sales revenues were 74.5% above budget projections. Certain groups that booked celebrity suites and sky rooms canceled events due to COVID-related concerns but the strong demand for these premium Group areas resulted in the re-sale of substantially all these high-end areas. Demand was much softer, however, for non-premium Group areas during the summer race meet. Pricing for admissions, seating, boxes, Turf Club memberships and Groups areas was generally unchanged for the 2021 summer race meet. Fall race meet admissions revenues also exceeded projections due to strong sales of daily Turf Club luxury suites, trackside restaurant tables and daily Turf Club guest admissions. Additionally, the Taste of the Turf Club Sunday brunch package was popular and sold out each week of the fall race meet.

The strong demand for our trackside restaurants, Turf Club tables and high-end Groups areas contributed to a 5.5% increase in race meet F&B per capita revenues. The attendance gains in 2021 together with the increased F&B per capita revenue resulted in F&B sales exceeding projections by \$4.1 million, or 57%. F&B net revenues that flowed to the District totaled \$4.93 million and these net F&B revenues were \$1.73 million over budget.

Parking and program revenues for the 2021 summer and fall race meets totaled \$930,000, and these revenues were \$210,000, or 29.0%, over budget. The budget gains for parking and programs were below our attendance revenue gains as our summer re-opening plan allowed only advanced purchase and seated packages, which included discounted pre-paid parking. We did allow the purchase of day-of parking starting the second week of the race meet but many patrons continued to use the advance purchase seated and discounted parking packages during the summer race meet. Merchandise and gift shop sales totaled \$400,000 and were \$150,000, or 59%, above budget due to the attendance gains and because of strong sales of Del Mar merchandise during the fall race meet by out-of-town patrons attending the Breeders' Cup. Under the terms of our agreement with the Breeders' Cup, sales of Breeders' Cup merchandise flows directly to Breeders' Cup Ltd and therefore are not reflected as revenues on our financial statements.

In addition to reopening for fans in 2021, DMTC welcomed back its prominent roster of corporate partners. Sponsorship revenues for the summer and fall race meets totaled \$3.14 million in 2021 and were \$2.08 million, or 194.9%, higher than 2020 revenues and were \$330,000, or 11.9%, over budget. Over the past several years DMTC has been successful at creating corporate partnerships that target young adults through promotional events such as our concert series and F&B festivals. While our summer marketing efforts did not provide for these traditional promotional events, DMTC was able to provide substantial value to our corporate sponsorship partners through online and social media platforms. These digital assets, combined with traditional

on-site engagement, offered exposure to Del Mar's robust fan base, which is rich with the much sought-after Millennial and Gen Z demographics. DMTC continues to work in tandem with District staff on facility-wide corporate partnerships that maximize year-long sponsorship revenues for the Fairgrounds. Examples include beer, spirits and vacation-ownership partners. Moving forward to 2022, DMTC will focus sponsorship efforts on its long-term relationships in the corporate community as well as growth categories such as sports wagering, wellness and financial services and the likely return of music, beer and food festival promotional events. Breeders' Cup sponsorship revenues totaled \$90,000 and were \$270,000 under budget as certain Breeders' Cup sponsors of the 2017 event elected not to renew their agreements due to the event's attendance cap and other COVID precautions.

PPP Loan: DMTC applied for and received a \$2.814 million loan under the Small Business Administration ("SBA") Payroll Protection Program ("PPP") on May 1, 2020 to assist with our workforce during the COVID-19 pandemic. All of the PPP loan proceeds were used during the allowable period to cover qualified payroll expenses. We submitted an application for forgiveness of our PPP loan in the fourth quarter of 2020 and, based on the SBA guidance, approval of the amount of forgiveness was expected to occur within 90 days or late in the first quarter of 2021. The SBA performed an audit during the second quarter and subsequently awarded DMTC full forgiveness of the PPP loan in the third quarter. The gain on the extinguishment of the PPP loan totaled \$2.84 million and this amount was \$30,000 over budget due the forgiveness of the additional interest expense as the loan was forgiven later in 2021 than anticipated.

Expenses

Total expenses before the Direct Payment to the District for the year ending December 31, 2021 totaled \$49.48 million and were \$1.52 million, or 3.17%, over budget. The higher costs are primarily due to staff and other costs related to hosting a greater number of fans than was anticipated during the summer race meet as well as higher horse recruitment and grandstand maintenance and cleaning costs. Breeders' Cup event costs were lower than expected primarily due to the lower attendance as well as smaller projected net event revenue payment to the Breeders' Cup Ltd.

Staff Costs: Staff costs consist of salaries and wages, benefits, workers' compensation insurance and payroll taxes and collectively comprise the largest single expense category accounting for more than 39.9% of 2021 pre-rent expenses. Staff costs were 59.0% of summer race meet pre-rent expenses, 53.0% of fall race meet pre-rent expenses and 10.8% of Breeders' Cup expenses. The Breeders' Cup event has a lower percentage of staff to total costs because existing year-round staff costs are allocated entirely to the summer and fall race meets. Employment peaked at 911 staff members during the summer race meet with nearly 65% of the work force covered under eight collective bargaining agreements. Staff costs for 2021, totaled

\$19.75 million, and were \$1.71 million, or 9.5%, over budget. Seasonal salaries and payroll taxes were a combined \$1.30 million, or 15.6%, over budget due to higher patron-services staffing levels as we operated the summer race meet at 100% of capacity compared to the expected 60% restricted capacity limit. We struggled to hire seasonal staff due to the tight labor market, which required that we increase wages for new and returning non-union seasonal staff. Our shortage of seasonal staff also required us to increase the use of outside contracted labor for security and cleaning services and these increased costs are reflected in higher season services expenses. Year-round administrative and maintenance salaries were \$420,000, or 9.2% over budget, primarily due to severance and other costs related to the restructuring and elimination of several positions, including a senior year-round position. This restructuring will result in lower year-round staff costs in 2022. Benefit costs were \$200,000, or 5.9%, under budget primarily due to lower health and welfare costs negotiated in various union contracts renewed in 2021. Non-union health insurance costs also were under budget as premium renewal rates were lower than expected and because certain seasonal positions, which were provided health insurance, were eliminated. Workers' Compensation costs were \$260,000 over budget due to increased premiums primarily related to higher loss claims paid for the pari-mutuel union staff.

Advertising and Public Relations Expenses: Traditionally, DMTC's marketing plan focuses on a promotions-driven calendar with events such as concerts and craft beer festivals as well as other programs designed to drive on-track attendance and F&B revenues. Consequently, approximately two-thirds of summer race meet marketing expenditures typically have been allocated for programs and events that drive attendance and F&B revenues. As we approached the 2021 summer race meet, it became evident that the outlook for our ability to host fans at Del Mar was more favorable compared to the budget submission. However, because uncertainties remained regarding the impact of the Delta variant, the State guidelines for large public events and the willingness of our patrons to attend mass gathering events this summer, we did not significantly alter our budgeted marketing efforts, which, as noted, did not include the traditional events that drive attendance and F&B revenues.

Marketing and advertising expenses through October 31, 2021 totaled \$880,000 and these expenses were \$3.2 million, or 78.5%, lower than our 2019 pre-pandemic marketing costs when we last offered our full slate of promotions and festivals. Marketing costs this summer were \$80,000, or 6.8%, above budget as we expanded certain on-track marketing efforts related to the lifting of on-track capacity limits.

Our 2021 marketing plan focused on cost-effective and targeted advertising to on-track race fans via a limited print, digital and radio awareness campaign as well as an aggressive social media effort. Additionally, our campaign also highlighted our high-quality racing product and was designed to drive online simulcast wagering, including several promotions with the nation's leading Internet wagering entity, TVG/FanDuel. Our Diamond Club fan loyalty program, which now has more than 400,000 members, spearheaded our on-track marketing campaign. Examples

of our targeted on-track offers included packaged-pricing of table/box seating with food and beverage items. Our communications efforts continued to focus on DMTC's industry leading equine safety and welfare initiatives as we utilized social and digital media platforms to educate the public about our safety protocols and injury prevention efforts as well as our racehorse aftercare resources.

Breeders' Cup marketing and other promotional costs totaled \$4.02 million and were \$1.35 million, or 25.1%, under budget. Marketing efforts directed toward general admission, infield and other general public admission packages were curtailed as event attendance was capped at 25,000 patrons per day

Seasonal Services: Seasonal services and contract costs for the summer and fall race meets totaled \$6.26 million and were \$2.23 million, or 55.5%, over budget due to higher horse recruitment costs and increased costs related to the reopening and cleaning of the grandstand and other costs related to hosting a greater number of fans than anticipated in the budget. Breeders' Cup seasonal services expenses were \$2.29 million under budget due to a lower projected payment to Breeders' Cup Ltd. As event net revenues were less than projected due to lower on-track attendance and wagering revenues.

Ship & Win program and horse recruitment costs were \$620,000 above budget because we increased the 2021 program incentive payments and recruited a record number of out-of-state horses to race at Del Mar this summer. The shipping payment for the 2021 summer race meet was doubled to \$4,000 for all qualifying horses that raced at Del Mar and the purse bonus for the Ship & Win horses was increased from 20% in 2020 to 40% for turf races and 50% for dirt races run at Del Mar. These higher Ship & Win incentives together with the 30% increase in purses over 2020 purse levels drew a record 289 out-of-state horses that entered 444 races at Del Mar during the summer and fall race meets. An analysis of the 2021 Ship & Win program shows an incremental Ship & Win cost per start of \$4,327, while each additional start generated an estimated \$7,093 of combined commissions and purses.

Grandstand cleaning, power washing and contracted cleaning services were \$180,000 over budget as the grandstand required extensive cleaning given that the facility was last cleaned and occupied during the November 2019 fall race meet. Additionally, contracted cleaning costs increased due to the challenges in hiring seasonal janitorial staff. Temporary seating costs were \$140,000 over budget due to higher rental seating costs and we also erected a temporary restaurant structure used by our Groups Sales department that was not expected to be needed this year due to capacity limitations. Law enforcement reimbursement costs were \$250,000 over budget due to higher sheriff staffing levels and a 30% increase in the Sheriff Department's daily reimbursement rate. Additionally, we received and paid a prior year Sheriff Department invoice in 2021. British Bus transportation costs were \$110,000 over budget as we had not contemplated offering this service due to expected capacity restrictions.

Various other expense categories: Insurance expense was \$270,000 under budget due to lower general liability premiums resulting from favorable claims experience the past two policy terms. Additionally, because we operated the 2020 race meets without fans, we received a partial rebate on prior year general liability premiums early in the second quarter.

Program printing costs, gift shop cost-of-goods sold and supplies were all over budget due to higher on-track attendance than had been forecasted. DMTC installed a new ticketing and admissions system in March of this year at essentially the same annual cost as the previous ticketing system. The new ticketing system is provided under an annual software license fee and the cost of the ticketing system is reflected in data processing expense. The cost of the previous ticketing system was reflected in depreciation expense as the capitalized cost of this system was depreciated over the useful life of the system. Accordingly, depreciation expense was \$60,000 under budget while data processing expense was a corresponding \$60,000 over budget.

Professional services were \$170,000 over budget due to increased legal costs related to certain contractual and litigation matters. Additionally, bank service charges and fees included in the professional services costs were higher than expected as the near-zero, short-term interest rates essentially eliminated the earning credits on our compensating bank balances which offset bank service charges and fees.

Repairs and maintenance expenses were \$210,000 over budget because a number of non-critical maintenance projects that were deferred in 2020 due to impact of the pandemic and were completed in 2021. DMTC also funded certain racing-related health and safety projects in 2021 that in past years were funded by the RTA.

The foregoing represents our Management's Discussion and Analysis of DMTC's operations, revenues and expenses for the year ending December 31, 2021. This analysis was prepared based on our unaudited financial statements and it accompanies our fourth quarter financial report filed at the end of January 2022. The Additional Payment, currently projected to be \$1.55 million, will be finalized and paid following the completion of our 2021 audited financial statements in April 2022.

DEL MAR THOROUGHBRED CLUB
CALENDAR YEAR 2021 OPERATING BUDGET REPORT
December 31, 2021

	2021 Actual YTD Summer / Fall	2021 Actual YTD BC	2021 Actual YTD Combined	2021 Budget YTD Summer / Fall	2021 Budget YTD BC	2021 Budget YTD Combined	2021 Budget Variance Summer / Fall	2021 Budget Variance Breeders' Cup	2021 Budget Variance Combined	2020 Actual YTD Combined	2021 Summer & Fall / 2020 Variance Combined				
Revenues:															
Total wagering revenues	\$ 26,539,127	4,054,789	30,593,916	21,580,362	5,260,916	26,841,278	4,958,765	22.98%	(1,206,127)	-22.93%	3,752,638	13.98%	21,685,353	4,853,774	22.38%
Admissions and reserved seats	7,280,838	14,294,415	21,575,252	3,957,421	15,795,689	19,753,109	3,323,417	83.98%	(1,501,274)	-9.50%	1,822,143	9.22%	68,469	7,212,369	10533.74%
Program sales and parking receipts	933,394	267,083	1,200,478	723,703	321,000	1,044,703	209,692	28.97%	(53,917)	-16.80%	155,775	14.91%	43,121	890,273	2064.60%
Merchandise concession revenues	396,038	0	396,038	249,179	0	249,179	146,859	58.94%	0	0.00%	146,859	58.94%	60,710	335,328	552.35%
Other operating revenues	6,403,032	95,567	6,498,599	5,882,910	382,500	6,265,410	520,122	8.84%	(286,933)	-75.02%	233,189	3.72%	1,249,736	5,153,295	412.35%
	41,552,429	18,711,854	60,264,282	32,393,574	21,760,105	54,153,679	9,158,854	28.27%	(3,048,251)	-14.01%	6,110,603	11.28%	23,107,389	18,445,040	79.82%
Less revenue attributable to charity days	(94,472)	(38,065)	(132,536)	(57,819)	(45,326)	(103,146)	(36,652)	63.39%	7,262	-16.02%	(29,391)	28.49%	(9,157)	(85,314)	931.64%
Total Revenues	41,457,957	18,673,789	60,131,746	32,335,755	21,714,779	54,050,534	9,122,202	28.21%	(3,040,989)	-14.00%	6,081,213	11.25%	23,098,232	18,359,725	79.49%
Expenses:															
Salaries - annual administration	4,474,823	543,913	5,018,736	4,036,013	560,160	4,596,173	438,810	10.87%	(16,247)	-2.90%	422,563	9.19%	3,883,561	591,263	15.22%
Salaries - seasonal employees	8,425,940	1,188,257	9,614,197	7,367,374	951,427	8,318,802	1,058,565	14.37%	236,830	24.89%	1,295,395	15.57%	5,115,148	3,310,792	64.73%
Employee benefits/payroll taxes	4,361,008	230,416	4,591,424	4,612,444	243,569	4,856,013	(251,436)	-5.45%	(13,153)	-5.40%	(264,589)	-5.45%	3,137,617	1,223,391	38.99%
Insurance-liability and workers comp.	1,126,029	438,964	1,564,994	1,154,658	166,182	1,320,841	(28,629)	-2.48%	272,782	164.15%	244,153	18.48%	1,056,811	69,218	6.55%
Advertising and public relations	1,213,954	4,023,395	5,237,349	1,136,722	5,369,848	6,506,570	77,232	6.79%	(1,346,453)	-25.07%	(1,269,221)	-19.51%	656,973	556,981	84.78%
Professional and banking services	750,079	339,253	1,089,332	576,309	110,841	687,150	173,770	30.15%	228,412	206.07%	402,182	58.53%	558,535	191,544	34.29%
Utilities	1,167,065	88,125	1,255,190	1,119,114	35,000	1,154,114	47,951	4.28%	53,125	151.79%	101,076	8.76%	992,449	174,617	17.59%
Repairs and maintenance	1,152,519	819,732	1,972,251	938,913	756,000	1,694,913	213,606	22.75%	63,732	8.43%	277,337	16.36%	874,573	277,946	31.78%
Supplies	553,804	391,415	945,219	422,928	534,198	957,126	130,876	30.95%	(142,783)	-26.73%	(11,906)	-1.24%	319,970	233,834	73.08%
Other operating expenses	(5,423)	4,706	(716)	52,317	2,000	54,317	(57,740)	-110.36%	2,706	135.32%	(55,033)	-101.32%	118,314	(123,736)	-104.58%
Printing	410,286	521,419	931,706	286,608	327,802	614,410	123,679	43.15%	193,617	59.07%	317,295	51.64%	112,737	297,550	263.93%
Depreciation and amortization	450,790	0	450,790	516,201	0	516,201	(65,411)	-12.67%	0	0.00%	(65,411)	-12.67%	496,563	(45,773)	-9.22%
Cost of goods sold - gift shop	226,579	0	226,579	154,094	0	154,094	72,485	47.04%	0	0.00%	72,485	47.04%	34,822	191,757	550.67%
Equipment leased and rented	76,753	0	76,753	83,645	0	83,645	(6,892)	-8.24%	0	0.00%	(6,892)	-8.24%	84,737	(7,985)	-9.42%
Racing dues/assessments/support	2,463	0	2,463	56,082	0	56,082	(53,619)	-95.61%	0	0.00%	(53,619)	-95.61%	143,313	(140,850)	-98.28%
Other taxes and licenses	150,174	1,794	151,968	63,466	0	63,466	86,708	136.62%	1,794	0.00%	88,502	139.45%	415,492	(265,318)	-63.86%
Outside services	6,514,354	9,545,009	16,059,363	4,199,513	11,830,750	16,030,264	2,314,841	55.12%	(2,285,741)	-19.32%	29,099	0.18%	3,213,660	3,300,695	102.71%
Satellite program costs	57,496	7,704	65,200	54,639	0	54,639	2,857	5.23%	7,704	0.00%	10,561	19.33%	19,432	38,064	195.88%
Trophies	85,200	129,686	214,886	85,675	122,400	208,075	(475)	-0.55%	7,286	5.95%	6,811	3.27%	68,603	16,597	24.19%
Interest	13,520	0	13,520	36,025	0	36,025	(22,505)	-62.47%	0	0.00%	(22,505)	-62.47%	45,806	(32,286)	-70.49%
Charitable support	3,108	0	3,108	2,500	0	2,500	608	24.32%	0	0.00%	608	24.32%	0	3,108	0.00%
Total Expenses	31,210,521	18,273,789	49,484,311	26,955,241	21,010,178	47,965,419	4,255,280	15.79%	(2,736,389)	-13.02%	1,518,891	3.17%	21,349,114	9,861,408	46.19%
Net Income from Operations	10,247,436	400,000	10,647,436	5,380,514	704,600	6,085,114	4,866,922	90.45%	(304,600)	-43.23%	4,562,321	74.98%	1,749,118	8,498,318	485.86%
Income tax expense	(174,436)	0	(174,436)	(75,114)	(0)	(75,114)	(99,322)	132.23%	0	-100.00%	(99,321)	132.23%	175,882	(350,318)	-199.18%
Direct payment to the District	(1,225,000)	(400,000)	(1,625,000)	(1,225,000)	(400,000)	(1,625,000)	0	0.00%	0	0.00%	0	0.00%	(1,225,000)	0	0.00%
Net Income before Payment to Race Track Authority	\$ 8,848,000	0	8,848,000	4,080,400	304,600	4,385,000	4,767,600	116.84%	(304,600)	-100.00%	4,463,000	101.78%	700,000	8,148,000	1164.00%
Payment to Race Track Authority	\$ 8,848,000	0	8,848,000	4,080,400	304,600	4,385,000	4,767,600	116.84%	(304,600)	-100.00%	4,463,000	101.78%	700,000	8,148,000	1164.00%
Combined District and Race Track Authority Payment	\$ 10,073,000	400,000	10,473,000	5,305,400	704,600	6,010,000	4,767,600	89.86%	(304,600)	-43.23%	4,463,000	74.26%	1,925,000	8,148,000	423.27%

DEL MAR THOROUGHBRED CLUB
CALENDAR YEAR 2021 OPERATING BUDGET DETAIL REPORT
December 31, 2021

	2021 Actual YTD Summer / Fall	2021 Actual YTD BC	2021 Actual YTD Combined	2021 Budget YTD Summer / Fall	2021 Budget YTD BC	2021 Budget YTD Combined	2021 Budget Variance Summer / Fall	2021 Budget Variance Breeders' Cup	2021 Budget Variance Combined	2020 Actual YTD Combined	2021 Summer & Fall / 2020 Variance Combined				
Revenues:															
Pari-mutuel commissions-on track	\$ 4,110,159	3,370,634	7,480,793	2,571,535	4,180,460	6,751,995	1,538,624	59.83%	(809,825)	-19.37%	470,763	3,639,396	773.09%		
Pari-mutuel commissions-account wagering	5,550,718	0	5,550,718	4,354,270	0	4,354,270	1,196,448	27.48%	0	0.00%	1,196,448	27.48%	6,898,991	(1,348,272)	-19.54%
Pari-mutuel commissions-off track	4,007,494	581,893	4,589,387	3,589,050	952,455	4,541,505	418,444	11.66%	(370,562)	-38.91%	47,881	1.05%	1,478,596	2,528,898	171.03%
Pari-mutuel commissions-out of state	10,870,979	0	10,870,979	9,124,008	0	9,124,008	1,746,971	19.15%	0	0.00%	1,746,971	19.15%	9,626,344	1,244,635	12.93%
Simulcasting fees-uncommingled	333,004	0	333,004	416,343	0	416,343	(83,339)	-20.02%	0	0.00%	(83,339)	-20.02%	346,293	(13,289)	-3.84%
Intertrack wagering surplus fund	1,480,268	0	1,480,268	1,375,000	0	1,375,000	105,268	7.66%	0	0.00%	105,268	7.66%	2,813,463	(1,333,194)	-47.39%
Breakage, net	186,504	102,262	288,766	150,156	128,001	278,157	36,349	24.21%	(25,739)	-20.11%	10,609	3.81%	50,904	135,601	266.39%
Total wagering revenues	26,539,127	4,054,789	30,593,916	21,580,362	5,260,916	26,841,278	4,958,765	22.98%	(1,206,127)	-22.93%	3,752,638	13.98%	21,685,353	4,853,774	22.38%
Admissions and reserved seats	7,280,838	14,294,415	21,575,252	3,957,421	15,795,689	19,753,109	3,323,417	83.98%	(1,501,274)	-9.50%	1,822,143	9.22%	68,469	7,212,369	10533.74%
Program sales and parking receipts	933,394	267,083	1,200,478	723,703	321,000	1,044,703	209,692	28.97%	(53,917)	-16.80%	155,775	14.91%	43,121	890,273	2064.60%
Merchandise concession revenue:	396,038	0	396,038	249,179	0	249,179	146,859	58.94%	0	0.00%	146,859	58.94%	60,710	335,328	552.35%
Interest income	43,616	0	43,616	47,381	15,000	62,381	(3,765)	-7.95%	(15,000)	-100.00%	(18,765)	-30.08%	46,141	(2,525)	-5.47%
Sponsorship revenue:	3,142,018	86,000	3,228,018	2,807,835	360,000	3,167,835	334,183	11.90%	(274,000)	-76.11%	60,183	1.90%	1,065,335	2,076,683	194.93%
Payroll protection program loan forgiveness:	2,839,613	0	2,839,613	2,814,017	0	2,814,017	25,596	0.91%	0	0.00%	25,596	0.91%	0	2,839,613	0.00%
Other operating revenue:	377,785	9,567	387,352	213,677	7,500	221,177	164,107	76.80%	2,067	27.56%	166,174	75.13%	138,260	239,524	173.24%
Other operating revenues	6,403,032	95,567	6,498,599	5,882,910	382,500	6,265,410	520,122	8.84%	(286,933)	-75.02%	233,189	3.72%	1,249,736	5,153,295	412.35%
	41,552,429	18,711,854	60,264,282	32,393,574	21,760,105	54,153,679	9,158,854	28.27%	(3,048,251)	-14.01%	6,110,603	11.28%	23,107,389	18,446,040	79.82%
Less revenue attributable to charity day:	(94,472)	(38,065)	(132,536)	(57,819)	(45,326)	(103,146)	(36,652)	63.39%	7,262	-16.02%	(29,391)	28.49%	(9,157)	(85,314)	931.64%
Total Revenues	41,457,957	18,673,789	60,131,746	32,335,755	21,714,779	54,050,534	9,122,202	28.21%	(3,040,989)	-14.00%	6,081,213	11.25%	23,098,232	18,359,725	79.49%
Expenses:															
Salaries - annual administration	3,591,568	510,933	4,102,501	3,178,510	506,500	3,685,010	413,058	13.00%	4,433	0.88%	417,491	11.33%	3,126,401	465,167	14.88%
Salaries - annual maintenance	883,255	32,880	916,236	857,503	53,660	911,164	25,752	3.00%	(20,680)	-38.54%	5,072	0.56%	757,160	126,096	16.65%
Salaries - annual administrator	4,474,823	543,913	5,018,736	4,036,013	560,160	4,596,173	438,810	10.87%	(16,247)	-2.90%	422,563	9.19%	3,883,561	591,263	15.22%
Salaries - seasonal employees	8,425,940	1,188,257	9,614,197	7,367,374	951,427	8,318,802	1,058,565	14.37%	236,830	24.89%	1,295,395	15.57%	5,115,148	3,310,792	64.73%
Employee benefits	3,036,465	126,259	3,162,723	3,246,528	114,503	3,361,031	(210,064)	-6.47%	11,756	10.27%	(198,308)	-5.90%	2,403,907	632,558	26.31%
Payroll taxes	1,324,543	104,157	1,428,701	1,365,916	129,066	1,494,982	(41,373)	-3.03%	(24,908)	-19.30%	(66,281)	-4.43%	733,710	590,833	80.53%
Employee benefits/payroll taxes	4,361,008	230,416	4,591,424	4,612,444	243,569	4,856,013	(251,436)	-5.45%	(13,153)	-5.40%	(264,589)	-5.45%	3,137,617	1,223,391	38.99%
Workers compensation insurance	463,117	63,784	526,901	219,702	50,890	270,592	243,415	110.79%	12,894	25.34%	256,309	94.72%	155,011	308,106	198.76%
Insurance	662,913	375,180	1,038,093	934,957	115,292	1,050,249	(272,044)	-29.10%	259,888	225.42%	(12,156)	-1.16%	901,800	(238,887)	-26.49%
Insurance—liability and workers comp	1,126,029	438,964	1,564,994	1,154,658	166,182	1,320,841	(28,629)	-2.48%	272,782	164.15%	244,153	18.48%	1,056,811	69,218	6.55%
Advertising and public relations:	1,213,954	4,023,395	5,237,349	1,136,722	5,369,848	6,506,570	77,232	6.79%	(1,346,453)	-25.07%	(1,269,221)	-19.51%	656,973	556,981	84.78%
Professional and banking services	750,079	339,253	1,089,332	576,309	110,841	687,150	173,770	30.15%	228,412	206.07%	402,182	58.53%	558,535	191,544	34.29%
Utilities	1,167,065	88,125	1,255,190	1,119,114	35,000	1,154,114	47,951	4.28%	53,125	151.79%	101,076	8.76%	992,449	174,617	17.59%
Repairs and maintenance	1,152,519	819,732	1,972,251	938,913	756,000	1,694,913	213,606	22.75%	63,732	8.43%	277,337	16.36%	874,573	277,946	31.78%
Supplies	553,804	391,415	945,219	422,928	534,198	957,126	130,876	30.95%	(142,783)	-26.73%	(11,906)	-1.24%	319,970	233,834	73.08%
Other operating expenses	(5,423)	4,706	(716)	52,317	2,000	54,317	(57,740)	-110.36%	2,706	135.32%	(55,033)	-101.32%	118,314	(123,736)	-104.58%
Printing	410,286	521,419	931,706	286,508	327,082	614,410	123,679	43.15%	193,617	59.07%	317,296	51.64%	112,737	297,550	263.93%
Depreciation and amortization	450,790	0	450,790	516,201	0	516,201	(65,411)	-12.67%	0	0.00%	(65,411)	-12.67%	496,663	(45,773)	-9.22%
Cost of goods sold - gift shop	226,579	0	226,579	154,094	0	154,094	72,485	47.04%	0	0.00%	72,486	47.04%	34,822	191,757	550.67%
Equipment leased and rented	76,753	0	76,753	83,645	0	83,645	(6,892)	-8.24%	0	0.00%	(6,892)	-8.24%	84,737	(7,985)	-9.42%
TRA dues and assessments:	(50,355)	0	(50,355)	(23,772)	0	(23,772)	(26,583)	111.83%	0	0.00%	(26,583)	111.83%	(19,448)	(30,907)	158.92%
Federation racing costs	14,420	0	14,420	17,483	0	17,483	(3,064)	-17.52%	0	0.00%	(3,064)	-17.52%	20,701	(6,281)	-30.34%
Racing industry support - NTR/	38,398	0	38,398	62,370	0	62,370	(23,972)	-38.44%	0	0.00%	(23,972)	-38.44%	142,060	(103,662)	-72.97%
Racing dues/assessments/support	2,463	0	2,463	56,082	0	56,082	(53,619)	-95.61%	0	0.00%	(53,619)	-95.61%	143,313	(140,850)	-98.28%
Other taxes and licenses	150,174	1,794	151,968	63,466	0	63,466	86,708	136.62%	1,794	0.00%	88,502	139.45%	415,492	(265,318)	-63.86%
Service contracts and equipment rental:	6,260,121	9,537,809	15,797,930	4,026,349	11,830,750	15,857,099	2,233,772	55.48%	(2,292,941)	-19.38%	(59,169)	-0.37%	3,037,308	3,222,814	106.11%
Data processing	254,233	7,200	261,433	173,165	0	173,165	81,068	46.82%	7,200	0.00%	88,268	50.97%	176,352	77,881	44.16%
Outside services	6,514,354	9,545,009	16,059,363	4,199,513	11,830,750	16,030,264	2,314,841	55.12%	(2,285,741)	-19.32%	29,099	0.18%	3,213,660	3,300,695	102.71%
Satellite program costs	57,496	7,704	65,200	54,639	0	54,639	2,857	5.23%	7,704	0.00%	10,561	19.33%	19,432	38,064	195.88%
Trophies	85,200	129,686	214,886	85,675	122,400	208,075	(475)	-0.55%	7,286	5.95%	6,811	3.27%	68,603	16,597	24.19%
Interest	13,520	0	13,520	36,025	0	36,025	(22,505)	-62.47%	0	0.00%	(22,505)	-62.47%	45,806	(32,286)	-70.49%
Charitable support	3,108	0	3,108	2,500	0	2,500	608	24.32%	0	0.00%	608	24.32%	0	3,108	0.00%
Total Expenses	31,210,521	18,273,789	49,484,311	26,955,241	21,010,178	47,965,419	4,255,280	15.79%	(2,736,389)	-13.02%	1,518,891	3.17%	21,349,114	9,861,408	46.19%
Net Income from Operations	10,247,436	400,000	10,647,436	5,380,514	704,600	6,085,114	4,866,922	90.45%	(304,600)	-43.23%	4,562,321	74.98%	1,749,118	8,498,318	485.86%
Income tax expense	(174,436)	0	(174,436)	(75,114)	(0)	(75,114)	(99,322)	132.23%	0	-100.00%	(99,321)	132.23%	175,882	(350,318)	-199.18%
Direct payment to the District	(1,225,000)	(400,000)	(1,625,000)	(1,225,000)	(400,000)	(1,625,000)	0	0.00%	0	0.00%	0	0.00%	(1,225,000)	0	0.00%
Net Income before Payment to Race Track Authority	\$ 8,848,000	0	8,848,000	4,080,400	304,600	4,385,000	4,767,600	116.84%	(304,600)	-100.00%	4,463,000	101.78%	700,000	8,148,000	1164.00%
Payment to Race Track Authority	\$ 8,848														

Saturday, November 6th, 2021 (4 months ago)

Record Handle for 38th Breeders' Cup World Championships



Total all-sources common-pool handle for the two-day Breeders' Cup World Championships at Del Mar Thoroughbred Club was \$182,908,409, a new record for the two-day event.

The total represents a 4.7% increase over the prior record of \$174,628,986 set when the event was held at Santa Anita Park in 2019 and a 14.0% increase from the total handle of \$160,472,893 at the 2020 event held at Keeneland Race Course in Lexington, Ky.

Total common-pool handle on Saturday's 12-race Breeders' Cup card was a record \$121,562,392. All sources common-pool handle on Breeders' Cup's 10-race Future Stars Friday card was \$61,346,017, also a new record for a Breeders' Cup Friday. This is the fourth consecutive year that Breeders' Cup grouped all its juvenile races together on Friday.

"We had an extraordinary two days of racing showcasing the best Thoroughbreds from around the world and we want to thank our partners here at Del Mar, who did an amazing job, and the greater San Diego community, our gracious hosts this week," said Breeders' Cup President and CEO Drew Fleming. "The Breeders' Cup is a truly global event with winners this weekend bred, raised and raced on three different continents."

On-track handle for the two days was \$19,032,307. On-track attendance for the two days was 47,089. Due to precautions related to COVID-19, Breeders' Cup and Del Mar reduced ticket capacity for the 2021 event.

“Our team at Del Mar was thrilled to host this year’s renewal of the Breeders’ Cup,” said Josh Rubinstein, Del Mar’s President and Chief Operating Officer. “We want to extend our congratulations to all of this weekend’s participants. They put on an amazing display of world-class competition.”

The Breeders Cup World Championships will return to Keeneland in 2022.

Breeders' Cup Two-Day Attendance and Handle (common-pool) history:

YEAR	LOCATION	ATTENDANCE	HANDLE
2021	Del Mar	47,089	\$182,908,409
2020	Keeneland	No Attendance Reported	\$160,472,893
2019	Santa Anita	109,054	\$174,628,986
2018	Churchill Downs	112,672	\$157,445,841
2017	Del Mar	70,420	\$166,077,486
2016	Santa Anita	118,484	\$156,861,811
2015	Keeneland	94,652	\$149,869,035
2014	Santa Anita	98,319	\$151,158,813
2013	Santa Anita	94,628	\$160,704,877
2012	Santa Anita	89,742	\$144,272,332
2011	Churchill Downs	105,820	\$161,512,867
2010	Churchill Downs	114,353	\$173,857,697
2009	Santa Anita	96,496	\$153,271,176
2008	Santa Anita	86,588	\$155,740,328
2007	Monmouth Park	69,584	\$129,197,262

Monday, September 6th, 2021 (6 months ago)

Record Wagering and Quality Racing Make for a Banner Summer Season at Del Mar



Record wagering and highly-competitive quality racing highlighted Del Mar Thoroughbred Club's eight-week summer race meet which concluded its 31-day stand on Labor Day, September 6.

The 82nd summer season at the seaside oval welcomed back racing fans who participated enthusiastically to help set a Del Mar record for daily average wagering of \$18.40* million, the highest in the track's long history. Top-of-the-line racing flowed daily with a highly competitive jockey colony and a deeply experienced training corps putting on a show each afternoon that was enhanced by some of the sweetest weather Del Mar has experienced in many seasons.

"Terrific, simply terrific," said Del Mar CEO Joe Harper. "We had our fans come back this year and we put on a show of shows for them. The racing was first-rate, the wagering was over the moon and Del Mar was Del Mar again in all its glory. Special, very special."

The handle numbers raced past an impressive 2020 racing season when "stuck at home" horse players went all out and set a record for daily average handle at \$17.32 million. The total handle

for the 2021 meet was \$570.38* million for 31 days of racing. The 2020 total handle – for 27 days of racing – was \$467.60 million.

Field size, often a key driver of wagering, improved as well. In 2020, the track had an exceptional 8.36 horses per race, one of the best marks in the country. In 2021 – running four more days this year than last (31 vs. 27) – that number rose to 8.45.

“Our horsemen and horsewomen were excellent in responding to the goals we set out to bolster our Southern California horse population,” said Del Mar executive vice president of racing Tom Robbins. “We substantially increased purses and incentive bonuses and they replied in fine fashion. When you realize that other meets across the country are struggling with horse population, we feel we’re fortunate to receive the strong participation from owners and trainers coming. Our core racing product was excellent.”

The track’s popular “Ship & Win” program in its 11th season offered its highest engagement bonus at \$4,000 in addition to 50% and 40% purse supplements. It attracted 181 horses from across the country – as opposed to 104 in 2020 – with the majority of them owned and trained by Southern Californians.

Racing fans got to see some stellar performances by potential champions across the summer. Old pro United took down the Eddie Read Stakes; Shedaresthedevil sparkled in the Clement L. Hirsch; Princess Grace took the Yellow Ribbon handily; Astronaut, Mo Forza and Going Global bested their competition on the turf course. Tripoli rose to the top in the TVG Pacific Classic. Medina Spirit made his return to racing memorable. Flightline wowed the crowd on closing weekend. Grace Adler and Pinehurst proved to be juvenile stars.

“Another amazing summer in the books”, said Thoroughbred Owners of California, Gary Fenton. “A big thank you to DMTC. After months of planning and hard work they hit a grand slam for us and continue to provide our membership with an incredible racing experience.”

Del Mar will return to action on Wednesday, November 3 for the start of its 15-day Bing Crosby Season which this year will feature the 38th running of the Breeders’ Cup Championships on Friday, November 5 and Saturday, November 6.

*Updated to include final ADW Import Handle from CHRIMS.

Sunday, November 28th, 2021 (3 months ago)

Record Wagering, Safe Racing Highlight Del Mar 2021 Seasons



Del Mar brought to a close its 2021 racing calendar on Sunday with the conclusion of its eighth Bing Crosby Season adding additional luster to its robust summer stand. Between them, the pair totaled an exceptional combined final wagering mark of \$943.49 million, a record for the seaside oval.

The track could point to many other positives throughout the 2021 year – the return of racing fans, exceptional purses for its horsemen, hosting another record-setting Breeders' Cup among them. But the standard the track is proudest of is its continuing mark as America's safest major racetrack. Only one horse was injured catastrophically in the 426 races and 3,552 starters that performed during the two sessions, a mark that is unmatched in the country.

Total handle for the four-week, 13-day fall session was \$171.58 million. The fall meet average daily handle was a record \$13.19 million, which was 1.0% higher than the record average daily handle posted last year.

The Breeders' Cup – conducted at Del Mar on November 5 and 6 – had a common-pool handle of \$183,260,127, a two-day record for the championship event.

When Del Mar last hosted the Breeders' Cup in 2017, it posted a then-record handle of \$166,077,486. The new mark is 10.4% higher than that.

Del Mar's wagering in 2021 totaled \$943.49 million, 21.3% higher than the previous record of \$778.97 million set in 2017 the last time Del Mar hosted the Breeders' Cup.

Del Mar Thoroughbred Club's CEO, Joe Harper, said he was extremely pleased by events at his track over the year. "I am exceptionally proud of our team and seeing all their hard work come to such wonderful fruition over the course of the two seasons," he said. "We put on a helluva Breeders' Cup show once again; we were at our best for the best. And we're safe, very safe. That's just the best of all."

"The racing world once again got to see what we're spoiled with every year – one of the best operations in the industry," said Gary Fenton, chairman of the Thoroughbred Owners of California. "Breeders' Cup kicked off another wonderful meet and we're so grateful for the entire DMTC team. TOC couldn't ask for a better partner."

The track's Ship & Win program – where it encourages horsemen and horsewomen to bring their runners to Del Mar for both of its seasons and has proven to be one of the great thoroughbred magnets in the country – had another banner session. Sixty-seven new runners came to town this fall under the program with six of them making a second start during the Bing Crosby Season. All told, 1,885 "S&W" runners have come to California since the program was put in place 11 years ago.

Its fall Turf Festival again drew high-class runners from across the land to compete in its seven-race stand over the final weekend of the meet. More than a dozen stakes aces shipped in to take on the local runners in the rich events.

The track's fall riding king was Juan Hernandez with his 17 firsts from 79 mounts during the 15-day (counting the Breeders' Cup) session. It is his first riding title at Del Mar. The top trainer was Phil D'Amato who registered 15 firsts from 52 starters. It is his first fall riding championship, but his third at the track overall.

Racing will return to Del Mar next July 22 for the track's 83rd summer season.