CHURCHILL DOWNS INC

FORM 10-Q/A
(Amended Quarterly Report)

Filed 05/31/95 for the Period Ending 03/31/95

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10-Q/A

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OF 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 1995

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

for the transition period from _____to_____
Commission file number 0-1469

CHURCHILL DOWNS INCORPORATED

(Exact name of registrant as specified in its charter)

KENTUCKY (State or other jurisdiction of incorporation or organization)	61-0156015 (I.R.S Employer Identification No.)

700 CENTRAL AVENUE, LOUISVILLE, KY 40208
(Address of principal executive offices)

(Zip Code)

(502) 636-4400
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No_____

The number of shares outstanding of registrant's common stock at May 10, 1995 was 3,783,318 shares.

CHURCHILL DOWNS INCORPORATED

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CHURCHILL DOWNS INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

ASSETS	MARCH 31, 1995	DECEMBER 31, 1994	MARCH 31, 1994
Current assets:			
Cash and cash equivalents	$ 4,347,999	$ 2,521,033	$ 4,273,381
Refundable income taxes	1,189,992	--	1,598,260
Accounts receivable	1,014,082	2,277,218	1,188,532
Other current assets	948,899	741,560	975,054
Total current assets	7,500,972	5,539,811	8,035,227
Other assets	5,002,391	5,058,524	5,138,612
Racing plant and equipment	92,466,674	89,537,701	68,621,292
Less accumulated depreciation	(30,984,865)	(29,960,196)	(27,724,439)
	61,481,809	59,577,505	40,896,853
	$73,985,172	$70,175,840	$54,070,692
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Notes payable	$ 9,343,121	$ 722,235	$ 679,465
Accounts payable	7,202,391	4,567,292	3,421,565
Accrued expenses	1,189,927	2,347,668	1,417,278
Dividends payable	--	1,891,759	--
Deferred revenue	9,769,565	6,142,111	9,368,132
Total current liabilities	27,505,004	15,671,065	14,886,440
Notes payable	1,198,059	7,961,079	1,164,431
Outstanding mutuel tickets (payable to Common-wealth of Kentucky after one year)	1,522,658	1,523,600	939,140
Deferred compensation	1,041,929	690,178	687,444
Deferred income taxes	2,248,000	2,248,000	1,534,000
Minority interest	104,000	78,771	--
Stockholders' equity:			
Preferred stock, no par value; authorized, 250,000 shares; issued, none			
Common stock, no par value; authorized, 10MM shares, issued 3,784,605 shares, March 31, 1995 and 3,783,318 shares, December 31, 1994 and 3,773,930 shares, March 31, 1994	3,504,388	3,437,911	2,977,911
Retained earnings	37,403,350	39,175,627	32,696,242
Deferred compensation costs	(477,216)	(545,391)	(749,916)
Note receivable for common stock	(65,000)	(65,000)	(65,000)
	40,365,522	42,003,147	34,859,237
	$73,985,172	$70,175,840	$54,070,692

The accompanying notes are an integral part of the financial statements.

CHURCHILL DOWNS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
for the three months ended March 31, 1995 and 1994
(Unaudited)

	THREE MONTHS ENDED MARCH 31	
	1995	1994
Gross meeting revenue	$ 8,612,607	$ 2,426,032
Direct meeting expenses	7,391,158	2,588,415
Gross profit from meetings	1,221,449	(162,383)
Selling, general and administrative	4,084,323	3,565,437
Operating loss	(2,862,874)	(3,727,820)
Other income and expense:		
Interest income	29,976	55,426
Interest expense	(154,594)	(8,424)
Miscellaneous, net	69,215	50,027
	(55,403)	97,029
Loss before income taxes	(2,918,277)	(3,630,791)
Federal and state income taxes	1,146,000	1,426,000
Net loss	(1,772,277)	(2,204,791)
Retained earnings, beginning of period	39,175,627	34,901,033
Retained earnings, end of period	$ 37,403,350	$ 32,696,242
Net loss per share (based on weighted average shares outstanding of 3,784,832 and 3,778,691, respectively)	$ (.47)	$ (.58)

The accompanying notes are an integral part of the financial statements.

CHURCHILL DOWNS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
for the three months ended March 31, 1995 and 1994
(Unaudited)

	1995	1994
Cash flows from operating activities:		
Net loss	$(1,772,277)	$(2,204,791)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	1,100,444	902,400
Increase (decrease) in cash resulting from changes in operating assets and liabilities, net of effects from acquisitions:		
Refundable income taxes	(1,189,992)	(3,091,000)
Accounts receivable	1,263,137	2,527,670
Other current assets	(207,339)	(292,300)
Deferred revenue	3,979,205	1,233,395
Accounts payable and accrued expenses	1,476,316	279,323
Other	(238,876)	(1,068,272)
Net cash provided(used) by operating activities	4,410,618	(1,713,575)
Cash flows from investing activities:		
Acquisitions of Anderson Park, net of note payable of $1.1 MM	--	(850,000)
Additions to racing plant and equipment, net	(2,928,973)	(2,393,795)
Net cash used in investing activities	(2,928,973)	(3,243,795)
Cash flows from financing activities:		
Increase in bank note payable, net	2,236,980	--
Dividend paid	(1,891,659)	(1,886,965)
Net cash provided (used) in financing activities	345,321	(1,886,965)
Net increase (decrease) in cash and cash equivalents	1,826,966	(6,844,335)
Cash and cash equivalents, beginning of period	2,521,033	11,117,716
Cash and cash equivalents, end of period	$ 4,347,999	$ 4,273,381

Supplemental Disclosures of cash flow information:

Cash paid during the period for:		
Interest	$ 121,965	$ --
Income taxes	$ --	$ 1,550,000

The accompanying notes are an integral part of the financial statements.

CHURCHILL DOWNS INCORPORATED

CONDENSED NOTES TO FINANCIAL STATEMENTS

for the three months ended March 31, 1995 and 1994

(Unaudited)

1. Because of the seasonal nature of the Company's business, revenues and operating results for any interim quarter are not indicative of the revenues and operating results for the year and are not necessarily comparable with results for the corresponding period of the previous year.

The Company normally earns a substantial portion of its net income in the second quarter of each year during which the Kentucky Derby is run. The Kentucky Derby is run on the first Saturday in May. The Company was licensed to conduct a 50 day spring race meeting for the period April 29, 1995 through July 4, 1995. This is comparable to the 49 day race meeting for the period of April 30, 1994 through July 4, 1994. In addition, the Company is licensed to conduct a 24 day fall race meeting beginning October 29, 1995 which compares to a 24 day fall race meeting which began October 30, 1994. Accordingly, operations for the three months ended March 31, 1995 and 1994 included no live racing days.

During the three months ended March 31, 1994 the Company conducted simulcast receiving wagering for 202 days. The Company operated simulcast wagering at its Sports Spectrum site for 68 days during the quarter, compared to 53 days in 1994. Through its subsidiary, Hoosier Park L.P., which opened September 1, 1994, and an off-track wagering facility which opened January 25, 1995, the Company conducted simulcast wagering for 134 days.

On July 22, 1994 the Company commenced wagering on full race cards simulcast from tracks outside Kentucky, commonly referred to as whole card simulcasting. Previously, this activity was not allowed under Kentucky law. The company anticipates continuing whole card simulcasting in the future.

2. The accompanying financial statements are presented in accordance with the requirements of Form 10-Q and consequently do not include all of the disclosures normally required by generally accepted accounting principles or those normally made in the Company's annual report on Form 10-K. Accordingly, the reader of this Form 10-Q should refer to the Company's Form 10-K for the period ended December 31, 1994 for further information. The accompanying financial statements have been prepared in accordance with the registrant's customary accounting practices and have not been audited. In the opinion of management, all adjustments necessary for a fair presentation of this information have been made and all such adjustments are of a normal recurring nature.

3. On January 26, 1994 the Company purchased Anderson Park, Inc. (API") for approximately $1,950,000. API owned an Indiana Standardbed racing license and was in the process of constructing a racing facility in Anderson, Indiana. Subsequently, the facility was completed and, contemporaneously with the commencement of operations on September 1, 1994 the net assets of API were contributed to a newly formed partnership, Hoosier Park, L.P. in return for an 87% general partnership interest.

CHURCHILL DOWNS INCORPORATED
CONDENSED NOTES TO FINANCIAL STATEMENTS

for the three months ended March 31, 1995 and 1994 (cont'd)

(Unaudited)

4. The Company has an unsecured $20,000,000 bank line of credit with various options for the interest rate, none of which are greater than the banks prime rate. The rate in effect at March 31, 1995 was 7.3875%. Borrowings are payable on January 31, 1996. There was $9.0 million outstanding at March 31, 1995. No borrowings were outstanding at March 31, 1994.

The Company also has two non-interest bearing notes payable in the aggregate face amount of $900,000 relating to the purchase of an intertrack wagering license from the former owners of the Sports Spectrum property. Interest has been imputed at 8%. At March 31, 1995, the balance of these notes was $481,000 net of an unamortized discount of $199,000. The notes require aggregate annual payments of $110,000 from September, 1993. As described in the footnote (Note 5) any remediation costs for environmental cleanup can be offset against any amounts due under these notes payable.

5. On January 22, 1992, the Company acquired certain assets of Louisville Downs, Incorporated for $5,000,000. In conjunction with this purchase, the Company withheld $1,000,000 from the amount due to the sellers to offset certain costs related to the remediation of environmental contamination associated with underground storage tanks at the site. Substantially all of the $1,000,000 hold back has been utilized as of December 31, 1994.

It is not anticipated that the Company will have any liability as a result of compliance with environmental laws with respect to the property. Compliance with environmental laws has not otherwise affected development and operation the property and the Company is not otherwise subject to any material compliance costs in connection with federal or state environmental laws.

6. Certain balance sheet and statement of operations items have been reclassified to conform to current period presentation.

CHURCHILL DOWNS INCORPORATED

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

RESULTS OF OPERATIONS

For many years, the Company has conducted live Spring and Fall race meetings for Thoroughbred horses in Kentucky. In November 1988, the Company began to participate in intertrack simulcasting as a host track for all of its live races except those run on Kentucky Derby Day. In November 1989, the Company commenced operations as a receiving track for intertrack simulcasting. During November 1991, the Company began interstate simulcasting for all of the live races with the receiving locations participating in the company's mutuel pool. The Kentucky Derby and Kentucky Oaks, which are run on the first weekend in May of each year, continue to be the Company's outstanding attractions. In 1994, Derby weekend accounted for approximately 19% of total on-track pari-mutuel wagering and 22% of total on-track attendance. In July 1994, the Company began to participate in whole card simulcasting, whereby the Company began importing whole race cards or programs from host tracks located outside the state for pari-mutual wagering purposes. Whole card simulcasting has created a major new wagering opportunity for patrons at Churchill Downs Sports Spectrum.

The Company's principal sources of income are commissions from on-track pari-mutuel wagers, commissions from intertrack and fees from interstate simulcast wagers, admissions and seating, concession commissions (primarily for the sale of food and beverages), and license, rights, broadcast and sponsorship fees. The Company's primary source of income is pari-mutuel wagering. The Company retains the following amounts on specific revenue streams as a percentage of handle:

	KENTUCKY	INDIANA
On-track pari-mutuel wagers	15%	19%
Intertrack host	9%	--
Interstate/simulcast host	5%	--
Intertrack/simulcast receiving	7%	18%

In Kentucky, licenses to conduct Thoroughbred race meetings and to participate in intertrack simulcasting are approved annually by the Kentucky Racing Commission based upon applications submitted by the racetracks in Kentucky, including the Company. Based on gross figures for on-track pari-mutuel wagering and attendance, the company is the leading thoroughbred racetrack in Kentucky.

In Indiana, licenses to conduct live Standardbred and Thoroughbred race meeting and to participate in simulcasting are approved annually by the Indiana Horse Racing Commission based upon applications submitted by the Company. Currently, the Company is the only facility in Indiana licensed to conduct live Standardbred or Thoroughbred race meetings and to participate in simulcasting.

In Kentucky, the company has been granted a license to conduct live racing during the period from April 29, 1995, through July 4, 1995, and from October 29, 1995, through November 25, 1995, for a total of 74 racing days. In Indiana, the Company commenced live racing on September 1, 1994 and conducted live racing 54 days during the year ended December 31, 1994. For 1995, the Company has received a license to conduct live racing for a total of 146 racing days, including 104 days of Standardbred racing from April 1, 1995 through August 20, 1995, and 42 days of Thoroughbred racing thru September 1, 1995 through October 28, 1995.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The company operated as a receiving track for intertrack/simulcasting as follows:

INTERTRACK/SIMULCAST RECEIVING

	Three Months Ended March 31, 1995	Three Months Ended March 31, 1994	INCREASE
KENTUCKY	68 RACING DAYS	53 RACING DAYS	15 DAYS
Attendance	167,010	125,875	41,135
Handle	$38,371,523	$22,788,419	$15,583,104
Average daily attendance	2,456	2,375	81
Average daily handle	$564,287	$429,970	$134,317
Per capita handle	$229.76	$181.04	$48.72
INDIANA	134 RACING DAYS	-0- RACING DAYS	134 DAYS
Attendance	75,733	--	75,733
Handle	$22,059,377	--	$22,059,377
Average daily attendance	565	--	565
Average daily handle	$164,622	--	$164,622
Per capita handle	$291.28	--	$291.28

The number of receiving days is increasing because of increasing acceptance of simulcasting by the horse industry and patrons. For 1995, the Company has been granted a license as a receiving track for any and all possible dates from January 1 through December 31 and intends to receive simulcasting on all possible days except when racing live. With the advent of whole card simulcasting, the Company conducts interstate simulcasting virtually year around, except when racing live, on multiple racing programs each day from around the nation. An increase in the number of days is expected to enhance operating results. Hoosier Park will ultimately be supported by four simulcast facilities operating year around showing races originating from Hoosier Park's facility in Anderson, Indiana and conducting whole card simulcasting similar to that conducted at the Churchill Downs Sports Spectrum in Louisville.

Because the business of the Company is seasonal, the number of persons employed will vary throughout the year. Approximately 225 individuals are employed on a permanent year-round basis. During the live race meetings, as many as 2,100 persons are employed.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION (continued)

COMPARISON OF THREE MONTHS ENDED MARCH 31, 1995 TO 1994

Gross meeting revenue during the three months ended March 31, 1995 increased $5,606,449. The Company's new subsidiary Hoosier Park L.P. generated 51 percent, or $3,868,197 of the increase in pari-mutuel revenue which combined with admissions, concessions, programs, and other revenue totalled $4.1 million in revenues. This facility opened September 1, 1994 with live Standardbred racing for 54 days. Beginning January 1, 1995 at Hoosier Park and January 25th in Merrillville, Indiana whole card simulcasting was conducted for 134 days.

The advent of whole card simulcasting in the state of Kentucky helped increase intertrack/simulcast receiving revenue by 31%. Whole card simulcasting was also largely responsible for the increase in program revenue due to 2 or more programs and racing forms being sold per day, coupled with 15 additional simulcast receiving days and higher average attendance. Other income increased primarily due to income from stall rental. The backside of Churchill Downs racetrack facility was closed during the first quarter of 1994 for maintenance and repair for the first time in several years.

OPERATING REVENUE SUMMARY

	Three Months Ended March 31, 1995	% To Total Revenue	Three Months Ended March 31, 1994	% To Total Revenue	1995 VS 1994 $ Change	% Change
Pari-Mutuel Revenue:						
Intertrack/Simulcast-Receiving	$3,676,207	88%	$1,937,955	80%	$1,738,252	90%
Indiana Operations	3,868,197	45%	--	0%	3,868,197	100%
	7,544,404	88%	1,937,955	80%	5,606,449	289%
Admission & Seat Revenue	308,763	4%	221,533	9%	87,230	39%
License, Rights, Broadcast & Sponsorship Fees	106,068	1%	13,882	1%	92,186	664%
Concession Commission	128,825	1%	112,132	5%	16,693	15%
Program Revenue	368,080	4%	126,941	5%	241,139	190%
Other	156,467	2%	13,589	1%	142,878	1051%
	$8,612,607	100%	$2,426,032	100%	$6,186,575	255%

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION (continued)

Direct meeting expenses increased $5,002,743 during the quarter. This increase is primarily due to the operations of Hoosier Park and the Merrillville off-track wagering facility and due to the higher purses which are a direct result of increased handle from whole card simulcasting. In Kentucky and Indiana purse expense varies directly with pari-mutuel revenues and is calculated as a percentage of the related revenue and may change from year to year pursuant to contract or statute. Whole card simulcasting and Hoosier Park operations were also primarily responsible for increased wages, advertising and marketing, audio, video and signal distribution, program sales and other. Wages and contract labor increased due to additional days and hours of operation related to whole card simulcasting at Sports Spectrum and Hoosier Park. The simulcast host fee is the amount paid to the host track in exchange for receiving the tracks races. This new expense is based on handle, and is directly related to the $5.6 million increase in simulcasting revenue.

MEETING EXPENSE SUMMARY

	Three Months Ended March 31, 1995	% To Total Expense	Three Months Ended March 31, 1994	% To Total Expense	1995 VS. 1994 $ Change	% Change
Purses:						
Intertrack/Simulcast-Receiving	$ 1,399,511	34%	$ 867,495	34%	$ 532,016	61%
Indiana Operations	1,102,969	15%	--	--	1,102,969	100%
	2,502,480	34%	867,495	34%	1,634,985	188%
Wages and Contract Labor	2,100,447	28%	1,028,054	40%	1,072,393	104%
Advertising, Marketing & Publicity	165,467	2%	120,253	5%	45,214	38%
Racing Relations & Services	68,579	1%	35,502	1%	33,077	93%
Totalisator Expense	135,141	2%	39,190	2%	95,951	245%
Simulcast Host Fee	1,499,635	20%	--	--	1,499,635	100%
Audio/Video & Signal Distribution Expense	215,531	3%	62,374	2%	153,157	246%
Program Expense	292,244	4%	60,420	2%	231,824	384%
Derby expansion area	172,224	2%	148,460	6%	23,764	16%
Other meeting expense	239,410	3%	226,667	8%	12,743	6%
	$ 7,391,158	100%	$ 2,588,415	100%	$4,802,743	186%

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION (continued)

Selling, general and administrative expenses rose $318,886. Wages, benefits, payroll taxes and contract labor were higher primarily due to Hoosier Park, the opening of the Sports Spectrum training facility and personnel additions principally related to the growth in simulcast operations. Depreciation and insurance increases are due to the addition of the Hoosier Park facility. Taxes and license fees have increased primarily due to property taxes at Hoosier Park. Professional fees are up $126,507 of which $112,108 is attributable to legal and accounting expenses incurred at Hoosier Park. In 1994, business development expenses were principally related to the Company's was unsuccessful efforts to obtain a racing license in Virginia.

SELLING, GENERAL AND ADMINISTRATIVE

	Three Months Ended March 31, 1995	% To Total EXPENSE	Three Months Ended March 31, 1994	% To Total EXPENSE	1995 VS. 1994 $ CHANGE	% CHANGE
Wages, Benefits, Payroll, Taxes and Contract Labor	$ 1,327,550	33%	$ 1,137,160	32%	$ 190,390	17%
Depreciation and Amortization	1,100,444	27%	902,400	25%	198,044	22%
Insurance	438,279	11%	359,359	10%	78,920	22%
Maintenance	220,985	5%	325,581	9%	(104,595)	-32%
Utilities	429,614	11%	300,955	8%	128,659	43%
Marketing & Community Relations	230,874	5%	90,556	3%	140,318	155%
Taxes and License Fees	97,203	2%	8,386	--	88,817	1059%
Professional Fees	197,457	5%	70,949	2%	126,507	178%
Business Development	31,173	1%	299,769	8%	(268,596)	-90%
Other	10,744	0%	70,322	2%	(59,578)	-85%
	$ 4,084,323	100%	$ 3,565,437	100%	$ 518,886	15%

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION (continued)

Other income decreased by $6,262 due primarily to reduced income on investments resulting from lower average invested cash requirements associated with the construction of Hoosier Park and the Sports Spectrum training facility. Interest expense increased in 1995 as a result of borrowing against the Company's line of credit after normal cash reserves were used for the Hoosier Park facility and the Sports Spectrum training facility.

OTHER INCOME AND EXPENSE

	Three Months Ended March 31, 1995	% To Total EXPENSE	Three Months Ended March 31, 1994	% To Total EXPENSE	1995 VS. 1994 $ CHANGE	% CHANGE
Interest Income	$ 29,976	30%	$ 55,426	53%	$(25,450)	-46%
Miscellaneous, net	69,215	70%	50,027	47%	19,188	-36%
	$ 99,191	100%	$ 105,453	100%	$(6,262)	-6%
Interest Expense	$(154,594)	100%	$(8,424)	100%	$146,170	1735%

SIGNIFICANT CHANGES IN THE BALANCE SHEET DECEMBER 31, 1994 TO MARCH 31, 1995

The increase in cash balances reflect the collection of advance ticket sales for the Kentucky Derby and Oaks, as well as cash balances maintained for operations at the Company's Indiana locations.

Accounts receivable at December 31, 1994 were $1,263,136 higher than of March 31, 1995 due to the Fall meeting purse supplement due from the State and intertrack horse settlements which were received in early January, 1995, partially offset by collection of advance ticket sales for the Kentucky Derby.

Racing plant & equipment increased during the quarter, primarily due to continued investment at Hoosier Park in preparation for the 1995 thoroughbred meet. Hoosier Park began its 1994 harness meet on April 1, 1995 and will run Indiana's first thoroughbred meet beginning in September 1995.

Accounts payable and accrued expenses were $1,477,358 higher at March 31, 1995, due primarily to the settlement liability related to whole card simulcasting.

Deferred revenue is higher at March 31, due to the significant amount of admission and seat revenue that has been received in advance for the May 1995 Kentucky Derby and Oaks.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION (continued)

SIGNIFICANT CHANGES IN THE BALANCE SHEET MARCH 31, 1994 TO MARCH 31, 1995

Racing plant & equipment increased during the year by $20,584,956, net of depreciation. The Company's Indiana facilities accounted for more than $16 million, the majority at the Hoosier Park race track. In addition, capital improvements at the Sports Spectrum including new barns and a backside stabling and training operation were responsible for over $3.5 million.

Accounts payable and accrued expenses increased by $3,553,475 primarily due to the amount payable related to the Hoosier Park construction, and the settlement liability related to whole card simulcasting.

LIQUIDITY AND CAPITAL RESOURCES

Working capital for the three months ended March 31, 1995 and March 31, 1994 is as follows:

	MARCH 31	
	1995	1994
Working capital deficit	$(20,004,032)	$(6,851,213)

Working capital ratio .27 to 1 .54 to 1

Working capital is primarily a result of the nature and seasonality of the Company's business. Cash flows provided (used) by operations were $4,410,618 for the three months ended March 31, 1995; $11,399,973 for the twelve months ended December 31, 1994; and $(1,713,575) for the three months ended March 31, 1994. Management believes cash flows from operations during 1995 and funds available under the Company's unsecured line of credit will be sufficient to fund dividend payments and additions and improvements to the racing plant and equipment which are expected to be between $6,000,000 and $11,000,000. The primary capital improvement planned for 1995 is the addition of Thoroughbred racing facilities at Hoosier Park. Hoosier Park will host its first Thoroughbred race meet for 42 days from September 1, 1995 and October 28, 1995.

Cash flow from operations funded $850,000 of the Anderson Park, Inc. stock purchase in January 1994. Similarly, cash flow from operations and, as necessary, funds available under the unsecured line of credit were used to fund up to $14 million for construction of the Hoosier Park racing facility in Anderson, Indiana. Churchill Downs expects to fund up to an additional $6 million to construct four satellite wagering facility sites approved by the Indiana Horse Racing Commission and $3.1 million to construct improvements to allow for Thoroughbred racing at Hoosier Park.

The Company has a $20,000,000 unsecured line-of-credit available with $11 million available at March 31, 1995 to meet working capital and other short-term requirements. Management believes that the Company has the ability to obtain additional long-term financing should the need arise.

CHURCHILL DOWNS INCORPORATED

PART II. OTHER INFORMATION

Item 6. EXHIBITS AND REPORTS ON FORM 8-K.

A. Not applicable

B. During the quarter ending March 31, 1995, no Form 8-K's were filed by the Company.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 the registrant has duly caused this amendment to be signed on its behalf by the undersigned hereunto duly authorized.

May 31, 1995	*/S/Thomas H. Meeker* *----------* *Thomas H. Meeker* *President*
May 31, 1995	*/S/Vicki L. Baumgardner* *----------* *Vicki L. Baumgardner, Treasurer* *(Principal Financial and* *Accounting Officer)*

End of Filing

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