SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 29, 1999

Penn National Gaming, Inc.
(Exact name of Registrant as specified in its charter)

Pennsylvania 23-2234473
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

825 Berkshire Blvd, Suite 200
Wyomissing, PA 19610
(Address of principal executive offices) (Zip code)

610-373-2400
(Registrant's telephone number including area code)

Item 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) FINANCIAL STATEMENTS OF BUSINESS ACQUIRED. The following financial statements of The Racetrack Operations of International Thoroughbred Breeders, Inc. and Pennwood Racing Group are filed as part of this Current Report on Form 8-K:

The Racetrack Operations of
International Thoroughbred Breeders, Inc.
Contents

Report of Independent Certified Public Accountants

To the Board of Directors
International Thoroughbred Breeders, Inc.
Cherry Hill, New Jersey

We have audited the accompanying combined balance sheets of The Racetrack Operations of International Thoroughbred Breeders, Inc. (the "Company") as of June 30, 1997 and 1998, and the related combined statements of income, stockholder's equity and cash flows for the years then ended. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of The Racetrack Operations of International Thoroughbred Breeders, Inc. as of June 30, 1997 and 1998, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

As described in Note 2, on January 28, 1999 the Company completed the sale of Freehold Raceway, a ten-acre parcel of land and certain net assets of Garden State Park, and entered into a lease for its remaining Garden State Park facilities.

/s/BDo Seidman, LLP
BDO Seidman, LLP

Philadelphia, Pennsylvania
October 9, 1998

The Racetrack Operations of
International Thoroughbred Breeders, Inc.
Combined Balance Sheets

	June 30, 1997	June 30, 1998	January 27, 1999
			(Unaudited)
Assets			
Cash and cash equivalents	$ 1,991,707	$ 3,166,902	$ 2,394,420
Restricted cash and investments	3,730,323	3,453,283	1,328,965
Accounts receivable	1,491,871	1,204,177	2,499,996
Prepaid expenses and other current assets	1,218,743	844,930	363,930
Land and improvements held for sale, net	6,762,809	--	--
Total current assets	15,195,453	8,669,292	6,587,311
Land, buildings and equipment, net	69,684,771	68,339,797	67,482,610
Deposits and other assets	235,129	248,142	245,644
Goodwill, net	3,041,280	2,930,688	2,866,392
Total assets	$ 88,156,633	$ 80,187,919	$ 77,181,957

See accompanying notes to combined financial statements.

The Racetrack Operations of
International Thoroughbred Breeders, Inc.
Combined Balance Sheets

	June 30, 1997	June 30, 1998	January 27, 1999
			(Unaudited)
Liabilities and Stockholder's Equity			
Accounts payable	$ 4,271,937	$ 3,542,045	$ 3,031,270
Accrued expenses	3,324,797	3,061,384	3,668,579
Purses payable	658,835	752,011	1,235,480
Current maturities of long-term debt	7,674,343	1,201,429	1,044,132
Deferred revenue	1,750,572	1,770,159	1,030,494
Total current liabilities	17,680,484	10,327,028	10,009,955
Long-term debt, net of current maturities	13,131,002	11,998,731	11,141,077
Total liabilities	30,811,486	22,325,759	21,151,032
Commitments and contingencies			
Stockholder's equity			
Common stock	26,400	26,400	26,400
Additional paid-in capital	65,115,865	61,227,145	56,603,726
Accumulated deficit	(7,797,118)	(3,391,385)	(599,201)
Total stockholder's equity	57,345,147	57,862,160	56,030,925
Total liabilities and stockholder's equity	$ 88,156,633	$ 80,187,919	$ 77,181,957

See accompanying notes to combined financial statements.

The Racetrack Operations of
International Thoroughbred Breeders, Inc.
Combined Statements of Income

	Year ended June 30, 1997	Year ended June 30, 1998	Period July 1, 1998 to January 27, 1999
			(Unaudited)
Revenues	$ 68,431,882	$ 68,636,449	$ 38,295,517
Expenses			
Cost of revenues			
Purses	23,120,176	22,370,695	13,115,586
Operating expenses	35,531,034	31,794,410	16,525,480
Depreciation and amortization	1,579,903	1,665,206	1,078,701
General and administrative expenses	5,606,265	4,607,984	2,449,454
Interest expense	944,791	855,421	472,112
Total expenses	66,782,169	61,293,716	33,641,333
Income before taxes	1,649,713	7,342,733	4,654,184
Income tax expense	660,000	2,937,000	1,862,000
Net income	$ 989,713	$ 4,405,733	$ 2,792,184

See accompanying notes to combined financial statements.

The Racetrack Operations of
International Thoroughbred Breeders, Inc.
Combined Statements of Stockholder's Equity

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total
Balance, June 30, 1996	$ 26,400	$ 63,939,554	$ (8,786,831)	$ 55,179,123
Net income	--	--	989,713	989,713
Parent company related activity	--	1,176,311	--	1,176,311
Balance, June 30, 1997	26,400	65,115,865	(7,797,118)	57,345,147
Gain on sale of land	--	1,687,096	--	1,687,096
Net income	--	--	4,405,733	4,405,733
Parent company related activity	--	(5,575,816)	--	(5,575,816)
Balance, June 30, 1998	26,400	61,227,145	(3,391,385)	57,862,160
Net income for the period July 1, 1998 to January 27, 1999 (unaudited)	--	--	2,792,184	2,792,184
Parent company related activity (unaudited)	--	(4,623,419)	--	(4,623,419)
Balance, January 27, 1999 (unaudited)	$ 26,400	$ 56,603,726	$ (599,201)	$ 56,030,925

See accompanying notes to combined financial statements.

The Racetrack Operations of
International Thoroughbred Breeders, Inc.
Combined Statements of Cash Flows

	Year Ended June 30, 1997	Year Ended June 30, 1998	Period July 1, 1998 to January 27, 1999
			(Unaudited)
Cash flows from operating activities			
Net income	$ 989,713	$ 4,405,733	$ 2,792,184
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	1,579,903	1,665,206	1,078,701
Non-cash income tax provision	613,383	2,801,900	1,712,000
(Gain) loss on disposal of fixed assets	(783)	1,007	--
Changes in assets and liabilities			
(Increase) decrease in assets			
Restricted cash and investments	(758,785)	277,040	2,124,318
Accounts receivable	404,743	287,694	(1,295,819)
Prepaid expenses and other current assets	(113,563)	634,618	481,000
(Decrease) increase in liabilities			
Accounts and purses payable and accrued expenses	1,075,927	(900,129)	579,889
Deferred revenue	251,123	19,587	(739,665)
Net cash provided by operating activities	4,041,661	9,192,656	6,732,608
Cash flows from investing activities			
Proceeds from sale of land	--	8,449,904	--
Capital expenditures	(1,418,520)	(212,227)	(51,449)
Increase (decrease) in deposits other assets	84,037	(13,013)	(2,498)
Net cash (used in) provided by investing activities	(1,334,483)	8,224,664	(53,947)
Cash flows from financing activities			
Parent company related activity, net	(1,094,400)	(8,376,135)	(6,436,192)
Proceeds from issuance of long-term notes	827,891	--	--
Principal payments on long-term debt	(6,000,000)	(6,000,000)	--
Proceeds from long-term debt	6,000,000	--	--
Principal payments on short-term notes	(698,112)	(733,719)	(157,297)
Principal payments on long-term notes	(2,982,844)	(1,132,271)	(857,654)
Net cash (used in) financing activities	(3,947,465)	(16,242,125)	(7,451,143)

The Racetrack Operations of
International Thoroughbred Breeders, Inc.
Combined Statements of Cash Flows

	Year Ended June 30, 1997	Year Ended June 30, 1998	Period July 1, 1998 to January 27, 1999
			(Unaudited)
Net (decrease) increase in cash and cash equivalents	$ (1,240,287)	$ 1,175,195	$ (772,482)
Cash and cash equivalents at beginning of year	3,231,994	1,991,707	3,166,902
Cash and cash equivalents at end of year	$ 1,991,707	$ 3,166,902	$ 2,394,420
Supplemental disclosures of cash flow information			
Cash paid during the period for			
Interest	$ 939,000	$ 885,000	$ 703,700
Income taxes	$ 61,000	$ 200,000	$ 190,000

See accompanying notes to combined financial statements.

The Racetrack Operations of
International Thoroughbred Breeders, Inc.
Notes to Combined Financial Statements
(Information as of January 27, 1999 and for the period
July 1, 1998 to January 27, 1999 is unaudited)

1. Summary of Significant Accounting Policies

Nature of Operations

The Racetrack Operations of International ThoroughbredBreeders, Inc. (the "Company") consists of Garden State Park owned by Garden State Race Track, Inc. ("GSRT") and Freehold Raceway owned by Freehold Racing Association ("FRA"). GSRT and FRA are wholly owned subsidiaries of the Company. All material intercompany transactions and accounts are eliminated in combination.

The Company conducts live race meetings for Thoroughbred and Harness (Standardbred) horses, and participates in intrastate and interstate simulcast wagering as a host and receiving track in Cherry Hill ("Garden State Park") and Freehold ("Freehold Raceway"), New Jersey. The Company's racetrack operations are dependent upon continued governmental acceptance of racing as a form of legalized gambling. The Company competes for gaming revenue, not only with other racetracks, but also with other forms of gaming activities, such as, off-track betting parlors, telephone wagering, casino gambling in Atlantic City, New Jersey, slot machines at other racetracks, and various state lotteries, both from within the State of New Jersey and from neighboring states (Pennsylvania and Delaware in particular). From time to time, legislation has been introduced in New Jersey and neighboring states which would further expand gambling opportunities and increase competition. Severe inclement weather, which can affect the northeastern portion of the United States in the winter months, can also adversely affect operations. The Company is required to annually renew its racing permits with the New Jersey Racing Commission in order to operate.

On January 28, 1999, the Company completed the sale of Freehold Raceway, a ten-acre parcel of land and certain net assets of GSRT, and entered into a lease for its remaining Garden State Park facilities for a period of seven years (see Note 2).

Parent Company Activities

All loans and advances between the racetrack operations and their parent company and affiliates are being treated as contributions from or distributions to the parent company and are reflected as adjustments to additional paid-in capital. Expenses incurred by the parent company on behalf of the Company are not material. The expenses of the Company reflected in the financial statements are those expected to be incurred on a stand-alone basis.

Interim Financial Information

The accompanying unaudited combined financial statements as of January 27, 1999 and for the period July 1, 1998 to January 27, 1999 have been prepared in accordance with generally accepted accounting principles for interim financial information and with Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the period July 1, 1998 through January 27, 1999 are not necessarily indicative of the results that might have been expected for the fiscal year ended June 30, 1999.

Revenue Recognition

The Company recognizes the revenues associated with horse racing at Garden State Park and Freehold Raceway as they are earned. Both Garden State Park and Freehold Raceway also operate as satellite wagering sites for both thoroughbred and harness racing meets conducted at other racetracks. The tracks receive broadcasts of live racing from other racetracks under various simulcasting agreements. The tracks also provide broadcasts of live racing conducted at these facilities to other racetracks under various host simulcasting agreements. Under these contracts, the Company receives or pays pari-mutuel commissions of varying percentages of simulcast pari-mutuel wagering. Costs and expenses associated with horse racing revenues are charged against income in those periods in which the horse racing revenues are recognized. Other costs and expenses, including advertising, are recognized as they actually occur throughout the year. Deferred revenue primarily consists of prepaid purse amounts.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk are cash and cash equivalents. The Company places its cash investments with high credit quality financial institutions and currently invests primarily in U.S. government obligations that have maturities of less than three months. The amount on deposit in any one institution that exceeds federally-insured limits is subject to credit risk. The Company does not require collateral for its financial instruments. At January 27, 1999, the Company had amounts on deposit in financial institutions that were subject to such risk.

Goodwill, Depreciation and Amortization

Goodwill is the excess of the cost of acquired net assets at Freehold over their fair value and is being amortized over 30 years under the straight line method. Accumulated amortization at June 30, 1997 and 1998 and January 27, 1999 was $556,349, $666,941 and $731,237, respectively.

Management of the Company evaluates the recoverability of goodwill quarterly or more frequently whenever events and circumstances warrant revised estimates, and considers whether the goodwill should be completely or partially written-off or the amortization period accelerated.

Depreciation of property and equipment and amortization of building improvements were computed by the straight-line method at rates adequate to allocate their cost or adjusted fair value in accordance with accounting principles applicable to a quasi-reorganization over the estimated remaining useful lives of the respective assets.

The Company adopted the provisions of Statement of Financial Accounting Standards No. 121 ("SFAS 121"), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" during the year ended June 30, 1996. SFAS 121 establishes accounting standards for the impairment of long-lived assets, certain identifiable intangibles and goodwill related to those assets to be held and used and for long-lived assets and certain identifiable intangibles to be disposed of. The Company reviews the carrying values of its long-lived and identifiable intangible assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable based on undiscounted estimated future operating cash flows. As of January 27, 1999, the carrying value of these assets has been determined not to be impaired.

Income Taxes

GSRT and FRA are included as part of a consolidated federal corporate tax return with their parent company. Generally accepted accounting principles require that the consolidated amount of current and deferred tax expense for a group that files a consolidated tax return be allocated among the members of the group when those members issue separate financial statements.

Taxes are being provided at the rate of 40 percent. The liability related to the provision is being treated as an adjustment to additional paid-in capital. To the extent that the parent company has experienced losses in excess of the combined income of the racetrack operations in each of the periods presented, taxes are not expected to be paid.

Fair Value of Financial Instruments

In assessing the fair value of financial instruments, the Company has used a variety of methods and assumptions, which were based on estimates of market conditions and loan risks existing at that time. For certain instruments, including cash and cash equivalents, restricted cash and investments, non-trade accounts receivable and loans, and short-term debt, it was estimated that the carrying amount approximated fair value for these instruments because of their short-term maturity. Quoted market prices for the same instrument were used for trading securities. Estimated discounted value of future cash flows, has been used to determine fair value for long-term debt. The carrying amounts of long-term debt approximate fair value since the Company's interest rates approximate current interest rates.

Recent Accounting Pronouncements

In June 1997, the Financial Accounting Standards Board issued two new disclosure standards as described below. The Company's results of operations and financial position will be unaffected by implementation of these new standards.

Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS 130"), establishes standards for reporting and display of comprehensive income, its components and accumulated balances. Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements.

Statement of Financial Accounting Standards No. 131, "Disclosure about Segments of a Business Enterprise" ("SFAS 131"), establishes standards for the way that public enterprises report information about operating segments in annual financial statements and requires reporting of selected information about operating segments in interim financial statements issued to the public. It also establishes standards for disclosures regarding products and services, geographic areas and major customers. SFAS 131 defines operating segments as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

In February 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 132, "Employers' Disclosures about Pension and Other Postretirement Benefits" ("SFAS 132"). SFAS 132 revised employers' disclosures about pension and other post-retirement benefit plans but does not change measurement or recognition of those plans. Also, SFAS 132 requires additional information on changes in the benefit obligations and fair values of plan assets.

The Company believes that adoption of SFAS 130, 131 and 132 will have no impact on its financial statements or disclosures.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments" ("SFAS 133"). SFAS 133 establishes accounting and reporting standards for derivative instruments and for hedging activities. SFAS 133 requires that an entity recognize all derivatives as either assets or liabilities and measure those instruments at fair market value. Under certain circumstances, a portion of the derivative's gain or loss is initially reported as a component of other comprehensive income and subsequently reclassified into income when the transaction affects earnings. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change. Presently, the Company does not use derivative instruments either in hedging activities or as investments. Accordingly, the Company believes that the adoption of SFAS 133 will have no impact on its financial position or results of operations.

2. Sale and Lease of Assets

On January 28, 1999, the Company completed the sale of Freehold Raceway and a ten-acre parcel of land at Garden State Park to and entered into a seven-year lease providing for annual payments of $300,000 for its remaining Garden State Park facilities with subsidiaries of Greenwood Racing, Inc., which owns Philadelphia Park racetrack, the Turf Clubs and Phonebet (the "Greenwood Transaction"). The purchase price was $46 million ($1 million of which will be held in escrow to cover certain indemnification and other obligations of the Company), with an additional $10 million in contingent promissory notes (the "Contingent Notes") which become effective upon, among other things, the New Jersey Legislature's approval of off-track wagering facilities or telephone account pari-mutuel wagering on horse racing. Further adjustments could be made to increase the purchase price if certain additional regulatory gaming changes are approved by the New Jersey Legislature in the future. Greenwood Racing, Inc. has guaranteed the performance by the purchaser of all obligations under the Contingent Notes, and following a consummation of a joint venture between Greenwood Racing, Inc. and Penn National Gaming, Inc., both will guarantee the Contingent Notes.

The proceeds of the Greenwood transaction were principally used by the Company to pay off the first lien on the assets of Freehold Raceway, reduce the outstanding balance of other indebtedness owed by the Company and to consummate certain litigation settlements.

3. Restricted Cash and Investments

At June 30, 1997 and 1998 and January 27, 1999, the Company had approximately $3,730,000, $3,453,000 and $1,329,000, respectively, which was classified as restricted cash and investments. These funds are primarily cash received from horsemen for nomination and entry fees to be applied to upcoming racing meets, purse winnings held in trust for horsemen and amounts held for unclaimed ticket holder winnings.

Interest income for the fiscal years ended June 30, 1997 and 1998 and for the period July 1, 1998 to January 27, 1999 was $118,025, $128,159 and $95,930, respectively.

4. Land, Buildings and Equipment

Land, buildings and equipment acquired prior to June 30, 1993 are carried at their adjusted fair value in accordance with accounting principles applicable to a quasi-reorganization which was completed on that date. The property assets acquired with the acquisition of Freehold Raceway in January 1995 were recorded at their fair values as required under the purchase method of accounting. All other property assets are recorded at cost. Depreciation is being computed over the estimated remaining useful lives using the straight-line method.

Major classes of land, buildings and equipment consisted of the following:

	Estimated Useful Lives in Years	June 30, 1997	June 30, 1998	January 27, 1999
Land		$ 40,432,500	$ 40,432,500	$ 40,432,500
Building and improvements	15-40	28,609,338	28,672,328	28,684,551
Equipment	5-15	4,670,448	4,789,035	4,811,992
		73,712,286	73,893,863	73,929,043
Less accumulated depreciation and amortization		4,027,515	5,554,066	6,446,433
		$ 69,684,771	$ 68,339,797	$ 67,482,610

Pursuant to the sale referred to in Note 2, net property attributable to Freehold Raceway of approximately $22,286,000 was sold.

On October 20, 1997, the Company sold a parcel of land contiguous to Garden State Park for $9,000,000, exclusive of closing costs of approximately $545,000. The carrying value of such property was $6,767,715. The Company used $6,000,000 of such sales proceeds to pay an existing mortgage on the property. The resulting gain was recorded as an adjustment to stockholder's equity in accordance with accounting principles applicable to quasi-reorganizations.

5. Long-Term Debt

Long-term debt consisted of the following:

		June 30, 1997		June 30, 1998		January 27, 1999	
	Interest % Per Annum	Current	Long-Term	Current	Long-Term	Current	Long-Term
Freehold Raceway							
Kenneth R. Fisher (a)	80% of Prime (not to exceed 6%) (1/27/99 rate 6%)	$ 625,000	$ 10,625,000	$ 625,000	$ 10,000,000	$ 625,000	$ 9,375,000
Kenneth R. Fisher (b)	80% of Prime (1/27/99 rate 6.2%)	225,000	1,815,800	225,000	1,572,049	225,000	1,441,799
Other		42,537	--	--	--	--	--
Garden State Park							
Sun National Bank (c)		6,000,000	--	--	--	--	--
Other	Various	781,806	690,202	351,429	426,682	194,132	324,278
Totals		$ 7,674,343	$ 13,131,002	$ 1,201,429	$ 11,998,731	$ 1,044,132	$ 11,141,077

(a) On February 2, 1995, the Company entered into an agreement with the former owner of Freehold Raceway whereby the $12.5 million balance of the purchase price of the Freehold Raceway was financed by an eight (8) year promissory note at 80% of the prevailing prime rate, not to exceed 6%. Yearly principal and interest payments during the first five (5) years commencing January 1, 1996 are based upon a twenty (20) year principal amortization schedule. During each of the next three (3) years, commencing January 1, 2001, yearly principal and interest payments shall be based upon a ten (10) year amortization schedule. On January 1, 2003, the entire unpaid principal balance, together with any accrued interest becomes due and payable. The note is secured by a mortgage on the land and buildings at Freehold Raceway. This note was paid in full with the proceeds from the sale of Freehold Raceway on January 28, 1999 (see Note 2).

(b) During February 1995, the seller of Freehold Raceway advanced to Freehold Raceway $2,584,549 towards the retirement of $5.2 million of existing debt on Freehold Raceway. The seller received from Freehold Raceway in fiscal 1995, a promissory note evidencing the indebtedness secured by a mortgage on the racetrack property and other collateral. Equal monthly principal installments of $18,750 beginning on February 1, 1995 is paid to the seller together with accrued interest. Interest is calculated at 80% of the prime rate at January 1 of each year. The note is secured by a mortgage on the land and buildings at Freehold Raceway. This note was paid in full with the proceeds from the sale of Freehold Raceway on January 28, 1999 (see Note 2).

(c) In June 1997, the Company received financing of $6,000,000 from Sun National Bank (which was used to pay two $3,000,000 mortgage notes), by issuing a $6,000,000 mortgage note. On October 20, 1997, the Company retired the $6,000,000 mortgage note with proceeds from the sale of a portion of the Garden State property (see Note 4). The note was originally due in December 1998.

6. Commitments and Contingencies

The Company has entered into lease agreements for certain equipment and maintenance contracts at Garden State Park and Freehold Raceway. Two of these agreements are based upon the daily average of the total amount wagered and number of live racing days at the Company's racetracks. Minimum rental payments for the next five years are based on projected racing dates. Equipment lease expense for the years ended June 30, 1997 and 1998 and for the period July 1, 1998 to January 27, 1999 was $1,914,667, $1,584,335 and $1,282,893, respectively.

Garden State Park has granted the exclusive right to operate all food and retail services and to sell or rent all food products and merchandise sold or rented at the racetrack facility to Service America Corporation. The term of the agreement is for the 15-year period terminating during March 2000. Service America agreed to invest $7,000,000 in the concession premises at the racetrack facility. As of June 30, 1998, the Company is contingently liable for approximately $900,000, the undepreciated value of the equipment Service America installed at the track, if this agreement were to be terminated. At the end of the agreement or upon termination, Garden State Park would take title to such equipment. In connection with the sale (see Note 2), the commitment was assumed by the purchaser.

The following summarizes commitments on noncancelable equipment leases as of June 30, 1998:

Year ending June 30,	
1999	$2,199,245
2000	1,346,776
2001	446,551
2002	127,025
Total	$4,119,597

The operating leases were assumed by the buyer of Freehold Raceway and lessor of Garden State Park.

From time to time, the Company is a defendant in various lawsuits incident to the ordinary course of business. It is not possible to determine with any precision the probable outcome or the amount of liability, if any, under these lawsuits; however, in the opinion of the Company and its counsel, the disposition of these lawsuits will not have a material adverse effect on the Company's financial position, results of operations, or cash flows.

7. Retirement Plans

The Company maintains a Retirement Plan under the provisions of section 401(k) of the Internal Revenue Code (the "Code") covering all its nonunion full time employees who have completed one year of service. The Company's basic contribution under the plan is 4% of each covered employee's compensation for such calendar year. In addition, the Company contributes up to an additional 50% of the first 4% of compensation contributed by any covered employee to the plan (an employee's maximum contribution is $9,500 factored for inflation annually). The Company's expense totaled $190,882, $181,887 and $91,244 for the fiscal years ended June 30, 1997 and 1998 and for the period July 1, 1998 to January 27, 1999, respectively.

For collectively-bargained, multi-employer pension plans, contributions are made in accordance with negotiated labor contracts and generally are based on the number of hours worked. With the passage of the Multi-Employer Pension Plan Amendments Act of 1980 (the "Act"), the Company may, under certain circumstances, become subject to liabilities in excess of contributions made under collective bargaining agreements. Generally, these liabilities are contingent upon the termination, withdrawal, or partial withdrawal from the plans. Total contributions charged to expense under all collectively bargained multi-employer pension plans were $1,106,906, $1,089,020 and $444,176, in the fiscal years 1997 and 1998 and for the period July 1, 1998 to January 27, 1999, respectively.

The Company has approximately 74% of its labor force covered by collective bargaining agreements at June 30, 1998; 52% of its labor force is covered by collective bargaining agreements that will expire during fiscal 1999.

8. Common Stock

Common stock (no par value) consisted of the following for each period:

	Number of Shares		
	Authorized	Issued and Outstanding	Amount
GSRT	1,000	1,000	$ 1,000
FRA	16,000	6,600	25,400
	17,000	7,600	$ 26,400

9. Year 2000 Issues (Unaudited)

Like others, the Company could be adversely affected ifthe computer systems they, their suppliers or customers usedo not properly process and calculate date-related information and data for the period surrounding and including January 1, 2000. This is commonly known as the "Year 2000" issue. Additionally, this issue could impact noncomputer systems and devices such as production equipment, elevators, etc. At this time, because of the complexities involved in the issue, management cannot provide assurances that the Year 2000 issue will not have an impact on the Company's operations.

Pennwood Racing Group

Contents

Pennwood Racing Group
Combined Balance Sheet
(In thousands)

	July 31, 1999 (Unaudited)
Assets	
Current assets	
Cash and cash equivalents	$ 3,202
Restricted cash	2,193
Accounts receivable, trade and other	1,754
Prepaid expenses and other current assets	810
Total current assets	7,959
Property, plant and equipment	
Land, buildings and equipment	31,882
Less accumulated depreciation	632
Net property, plant and equipment	31,250
Other assets	
Excess of cost over fair market value of net assets acquired	13,322
Intangible, favorable lease	1,486
Restricted cash	3,000
Miscellaneous	21
Total other assets	17,829
Total assets	$ 57,038

See accompanying summary of significant accounting policies and notes to combined financial statements.

Pennwood Racing Group
Combined Balance Sheet
(In thousands)

	July 31, 1999 (Unaudited)
Liabilities and Partners' Capital	
Current liabilities	
Accounts payable	$ 2,630
Purses due horsemen	4,065
Uncashed pari-mutuel tickets	719
Accrued expenses and other current liabilities	1,163
Total current liabilities	8,577
Long-term liabilities	
Notes payable, bank	23,000
Notes payable, affiliates	22,500
Due to affiliates	472
Total long-term liabilities	45,972
Commitments and contingencies	
Partners' capital	2,489
Total liabilities and partners' capital	$ 57,038

See accompanying summary of significant accounting policies and notes to combined financial statements.

Pennwood Racing Group
Combined Statement of Income
(In thousands)

	For the period January 28, 1999 (inception) to July 31, 1999 (Unaudited)
Revenues	
Pari-mutuel revenues	
Live races	$ 4,221
Import simulcasting	19,677
Export simulcasting	5,813
Admissions, programs and other racing revenues	2,391
Concessions revenues	228
Total revenues	32,330
Operating expenses	
Purses, stakes and trophies	10,838
Simulcast expenses	1,450
Other direct meet expenses	10,160
Other operating expenses	3,247
Depreciation and amortization	910
Total operating expenses	26,605
Income from operations	5,725
Interest (expense)	(2,286)
Net income	$ 3,439

See accompanying summary of significant accounting policies and notes to combined financial statements.

Pennwood Racing Group
Combined Statement of Partners' Capital
(In thousands)

	(Unaudited)
Balance, January 28, 1999	$ -
Partners' contributions	500
Net income for the period January 28, 1999 (inception) to July 31, 1999	3,439
Partners' distributions	(1,450)
Balance, July 31, 1999	$ 2,489

See accompanying summary of significant accounting policies and notes to combined financial statements.

Pennwood Racing Group
Combined Statement of Cash Flows
(In thousands)

	For the period January 28, 1999 (inception) to July 31, 1999 (Unaudited)
Cash flows from operating activities	
Net income	$ 3,439
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation and amortization	910
Decrease (increase) in	
Accounts receivable	(1,754)
Cash restricted	(5,193)
Prepaid expenses and other current assets	(810)
Miscellaneous other assets	(21)
Increase (decrease) in	
Accounts payable	2,630
Purses due horsemen	4,065
Uncashed pari-mutuel tickets	719
Accrued expenses	1,163
Net cash provided by operating activities	5,148
Cash flows from investing activities	
Expenditures for property and equipment	(47)
Acquisition of business (primarily property, plant and equipment)	(45,321)
Intangible, favorable lease	(1,600)
Net cash (used in) investing activities	(46,968)
Cash flows from financing activities	
Proceeds from partners' contributions	500
Proceeds from notes payable, bank	23,000
Proceeds from notes payable, affiliates	22,500
Partners' distributions	(1,450)
Due to affiliates	472
Net cash provided by financing activities	45,022
Net increase in cash and cash equivalents and cash and cash equivalents at end of period	$ 3,202

See accompanying summary of significant accounting policies and notes to combined financial statements.

Pennwood Racing Group
Notes to Combined Financial Statements
July 31, 1999
(Unaudited)

1. Summary of Significant Accounting Policies

Nature of Business

The combined financial statements include the accounts of FR Park Racing, L.P., FR Park Services, L.P., GS Park Racing, L.P., and GS Park Services, L.P. (collectively the "Company") all related under common ownership. All significant inter-company accounts and transactions have been eliminated in combination.

On January 28, 1999, the Company purchased Freehold Raceway, a ten-acre parcel of land and certain net assets of Garden State Park, and entered into a lease for the Garden State Park facilities for a period of seven years.

In the opinion of management, all adjustments (consisting of normal recurring accruals) have been made which are necessary to present fairly the financial position of the Company as of July 31, 1999 and the results of its operations for the period then ended July 31, 1999. The results of operation experienced for the period ended July 31, 1999 are not necessarily indicative of the results to be experienced for the fiscal year ended December 31, 1999

The Company conducts live race meetings for Thoroughbred and Harness (Standardbred) horses, and participates in intrastate and interstate simulcast wagering as a host and receiving track in Cherry Hill ("Garden State Park") and Freehold ("Freehold Raceway"), New Jersey. The Company's racetrack operations are dependent upon continued governmental acceptance of racing as a form of legalized gambling. The Company competes for gaming revenue, not only with other racetracks, but also with other forms of gaming activities, such as, off-track betting parlors, telephone wagering, casino gambling in Atlantic City, New Jersey, slot machines at other racetracks, and various state lotteries, both from within the State of New Jersey and from neighboring states (Pennsylvania and Delaware in particular). From time to time, legislation has been introduced in New Jersey and neighboring states which would further expand gambling opportunities and increase competition. Severe inclement weather, which can affect the northeastern portion of the United States in the winter months, can also adversely affect operations. The Company is required to annually renew its racing permits with the New Jersey Racing Commission in order to operate.

Revenue Recognition

The Company recognizes revenue associated with horse racing at Garden State Park and Freehold Raceway as they are earned. Garden State Park and Freehold Raceway operate as satellite wagering sites for thoroughbred and harness racing meets conducted at other racetracks. The tracks receive broadcasts of live racing from other racetracks under various simulcasting agreements. The track also provides broadcast of live racing conducted at these facilities to other racetracks under various host simulcasting agreements. Under these contracts, the Company receives or pays pari-mutuel commissions of varying percentages of simulcast pari-mutuel wagering. Costs and expenses associated with horse racing revenues are charged against income in those periods in which the horse racing revenues are recognized. Other costs and expenses, including advertising, are recognized as they actually occur throughout the year.

Goodwill, Depreciation and Amortization

Goodwill is the excess of cost over fair value of net assets acquired and is being amortized on the straight-line method over a forty-year period. Amortization expense for the period ended July 31, 1999 amounted to $164,000. The Company evaluates the recoverability of the goodwill quarterly, or more frequently whenever events and circumstances warrant revised estimates and considers whether the goodwill should be completely or partially written off or the amortization period accelerated.

Property, plant and equipment related to the January 28, 1999 acquisition is recorded at fair market value. All other property, plant and equipment is recorded at cost. Depreciation of property, equipment and amortization of building improvements are computed by the straight-line method at rates adequate to allocate the cost of applicable assets over their estimated useful lives. Depreciation and amortization for the period ended July 31, 1999 amounted to $632,000.

The Company reviews the carrying values of its long-lived and identifiable intangible assets for possible impairment whenever events or changes in circumstances indicates that the carrying amount of the assets may not be recoverable based on undiscounted estimated future operating cash flows. As of July 31, 1999, the Company has determined that no impairment has occurred.

The fair value of the intangible, favorable lease is charged to operations over the life of the underlying lease at Garden State Park. Amortization of intangibles related to favorable lease for the period ended July 31, 1999 amounted to $114,000.

Cash and Cash Equivalents

The Company considers all cash balances and highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk are cash and cash equivalents. The Company places its cash investments with high credit quality financial institutions and currently invests primarily in U.S. government obligations that have maturities of less than 3 months. The amount on deposit in any one institution that exceeds federally-insured limits is subject to credit risk. The Company does not require collateral for its financial instruments. At July 31, 1999 the Company had approximately $4,995,000 on deposit in financial institutions that was subject to such risk.

Fair Value of Financial Instruments

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practical to estimate.

Cash and Cash Equivalents: The carrying amount approximates the fair value due to the short maturity of the cash equivalents.

Long-Term Debt: The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities. The carrying amount approximates fair value since the Company's interest rates approximate current interest rates.

Income Taxes

As Partnerships, taxable income is reported and the resultant tax liabilities paid by the individual partners. Consequently, no Federal or state income taxes have been provided in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses at the reporting period. Actual results could differ from those estimates.

3. Restricted Cash and Investments

At July 31, 1999, the Company had approximately $5,193,000, classified as restricted cash. These funds represent cash which was received from horsemen for nomination and entry fees to be applied to upcoming racing meets, purse winnings held in trust for horsemen and amounts held for unclaimed ticket holder winnings. ($2,193,000) and cash held in escrow on behalf of the Company's term loan lender.

4. Notes Payable, Bank

In July 1999, the Company entered into an agreement with a bank for a term loan in the mount of $23,000,000 (the "Credit Facility"). Simultaneously with the closing of the Credit Facility, the company repaid amounts outstanding to affiliates. The Credit Facility consists of a term loan of $23,000,000 which was used for the purchase of Freehold Raceway, and ten acres of land at Garden State Park.

The term loan is payable in quarterly installments of interest only, at the rate equal to prime rate plus 1 1/4% (9 1/4% at July 31, 1999), and commencing September 30, 2000 quarterly installments equal to $383,333 plus interest. The term loan is secured by substantially all of the assets of the company and $3,000,000 in cash. The Credit Facility agreement provides for certain covenants, including those of financial nature and is guaranteed by affiliates. The term loan matures on September 30, 2004.

The following is a schedule of principle payments of notes payable bank as of July 31, 1999.

July 31, (in thousands)	
2001	$ 1,533
2002	1,533
2003	1,533
2004	1,533
Thereafter	16,868
Total minimum payments	$ 23,000

5. Notes Payable, Affiliates

Notes payable bear interest at 2 1/4% over the prime rate (10 1/4% at July 31, 1999), which is paid quarterly. The notes are collateralized by a second mortgage on Freehold Raceway and are payable upon demand. Pursuant to restrictions contained in the Company's term loan agreement, such amounts have been classified as non-current. Interest on such notes from January 28, 1999 through July 31, 1999 amounted to $929,000.

6. Commitments and Contingencies

The Company has assumed lease agreements for certain equipment maintenance and contract at Garden State Park and Freehold Raceway. Two of these agreements are based upon the daily average of the total amount wagered and number of live racing days at the Company's racetracks. Minimum rental payments for the next five years are based on projected racing dates. The Company also leases Garden State Park under a seven year operating lease at an annual lease payment of $300,000. Equipment and facility lease expense for the period ended July 31, 1999 was $255,000.

The following summarizes commitments on non-cancelable equipment leases as of July 31, 1999:

Years Ending July 31,	
2000	$ 511,000
2001	511,000
2002	318,000
2003	300,000
2004	300,000
Thereafter	450,000
Total	$ 2,390,000

From time to time, the Company is a defendant in various lawsuits incident to the ordinary course of business. It is not possible to determine with any precision the probable outcome or the amount of liability, if any, under these lawsuits; however, in the opinion of the Company and its counsel, the disposition of these lawsuits will not have a material adverse effect on the Company's financial position, results of operations, or cash flows.

7. Supplemental Disclosures of Cash Flow Information

Cash paid for interest was $ 1,820,000 for the period ended July 31, 1999.

8. Retirement Plans

For collectively bargained, multi-employer pension plans, contributions are made in accordance with negotiated labor contracts and generally are based on the number of hours worked. With the passage of the Multi-Employer Pension Plan Amendments Act of 1980 (the "Act"), the Company may, under certain circumstances, become subject to liabilities in excess of contributions made under collective bargaining agreements. Generally, these liabilities are contingent upon the termination, withdrawal, or partial withdrawal from the plans. Total contributions charged to expense under all collectively bargained multi-employer pension plans were $ 254,000 for the period ended July 31, 1999.

9. Year 2000 Issues

Like others, the Company could be adversely affected if the computer systems they, their suppliers or customers use do not properly process and calculate date-related information and data from the period surrounding and including January 1, 2000. This is commonly known as the "Year 2000" issue. Additionally, this issue could impact non-computer systems and devices such as production equipment, elevators, etc. At this time, because of the complexities involved in the issue,management cannot provide assurances that the Year 2000 issue will not have an impact on the Company's operations.

(b) PRO FORMA FINANCIAL INFORMATION. The following unaudited pro forma consolidated financial information is filed as part of this Current Report on Form 8-K:

Unaudited Pro Forma Consolidated Financial Information

The unaudited pro forma consolidated financial statements present pro forma information for Penn National Gaming, Inc. (the "Company") giving effect under the equity method of accounting for the acquisition of a 50% interest in the Pennwood Racing Group joint venture (the "Joint Venture"). On January 28, 1999, the Joint Venture acquired for the purchase price of $46.0 million Freehold Raceway, a ten-acre parcel of land and certain net assets of Garden State Park, and entered into a lease for the Garden State Park facilities for a period of seven years. The Company consummated its Joint Venture agreement on July 29, 1999. These pro forma consolidated financial statements are based upon the historical financial statements of the Company as of June 30, 1999 and for the year ended December 31, 1998 and for the six months ended June 30, 1999.

The accompanying pro forma consolidated balance sheet as of June 30, 1999 has been presented as if the acquisition had occurred on June 30, 1999. The accompanying pro forma consolidated statements of income for the year ended December 31, 1998 and for the six months ended June 30, 1999 have been presented as if the acquisition had occurred on January 1, 1998.

The pro forma consolidated financial statements are unaudited and are not necessarily indicative of the results that would have been obtained if the acquisition had occurred on the dates indicated, or the results of operations that may be obtained in the future. These statements are qualified in their entirety by, and should be read in conjunction with, the historical financial statements of the Company and the Pennwood Racing Group.

Unaudited Pro Forma Consolidated Balance Sheet
June 30, 1999

	Company Historical		Pro Forma Adjustments and Eliminations	Company Pro Forma
	(In thousands)			
Assets				
Cash and cash equivalents	$ 10,484	(1)	$ (250)	$ 7,176
Other current assets	8,522	(2)	(2,618)	8,562
		(3)	(400)	
Total current assets	19,006		(3,268)	15,738
Net property, plant and equipment	119,779			119,779
Intangibles, including goodwill	21,885			21,885
Investment in and advances to unconsolidated affiliates	-	(1)	11,500	11,500
Other assets, including deferred charges	15,057	(1)	(11,250)	6,825
		(2)	2,618	
		(3)	400	
Total assets	$ 175,727		$ -	$ 175,727
Liabilities and shareholders' equity				
Current maturities of long-term debt	5,158			5,158
Other current liabilities	15,358			15,358
Total current liabilities	20,516		-	20,516
Long-term debt	81,272			81,272
Other long-term liabilities	11,917			11,917
Total long-term liabilities	93,189		-	93,189
Total shareholders' equity	62,022		-	62,022
Total liabilities and shareholders' equity	$ 175,727		$ -	$ 175,727

The accompanying notes are an integral part of these pro forma consolidated financial statements.

Unaudited Pro Forma Consolidated Statement of Income
Year Ended December 31, 1998

	Company Historical		Pro Forma Adjustments and Eliminations	Company Pro Forma
	(In thousands, except per share data)			
Total revenues	$ 154,065		$ -	$ 154,065
Total operating expenses	134,607	(5)	400	135,007
Income from operations	19,458		(400)	19,058
Total other income (expense)	(7,436)	(4)	1,660	(6,261)
		(5)	(485)	
Income before income taxes	12,022		775	12,797
Taxes on income	4,519	(6)	564	4,729
		(7)	(354)	
Net income	$ 7,503		$ 565	$ 8,068
Per Share Data:				
Basic net income per share	$ 0.50			$ 0.54
Diluted net income per share	$ 0.49			$ 0.52
Weighted Shares Outstanding:				
Basic	15,015			15,015
Diluted	15,374			15,374

The accompanying notes are an integral part of these pro forma consolidated financial statements.

Unaudited Pro Forma Consolidated Statement of Income
Six Months Ended June 30, 1999

(In thousands, except per share data)

	Company Historical		Pro Forma Adjustments and Eliminations	Company Pro Forma
Total revenues	$ 78,172		$ -	$ 78,172
Total operating expenses	70,307	(9)	200	70,507
Income from operations	7,865		(200)	7,665
Total other income (expense)	(3,735)	(8)	1,720	(2,257)
		(9)	(242)	
Income before income taxes	4,130		1,278	5,408
Taxes on income	1,568	(10)	585	1,976
		(11)	(177)	
Net income	$ 2,562		$ 870	$ 3,432
Per Share Data:				
Basic net income per share	$ 0.17			$ 0.23
Diluted net income per share	$ 0.17			$ 0.23
Weighted Shares Outstanding:				
Basic	14,784			14,784
Diluted	15,135			15,135

The accompanying notes are an integral part of these pro forma consolidated financial statements.

Notes to Unaudited Pro Forma Consolidated Financial Statements
(In thousands)

Pennwood Racing Group Investement

The pro forma adjustments are as follows:

(1) The Company loaned Pennwood Racing Group $11,250,000 on January 27, 1999 (the date of the first closing) and paid an additional $250,000 on July 29, 1999 (the date of the second closing). The investment of $250,000, after distribution of profits to such dates, will represent 50% of the then remaining capital. The following pro forma adjustment represents the reclassification of the loan and the recording of the investment as of June 30, 1999.

	Debit	Credit
Cash		250
Other assets, including deferred charges		11,250
Investment in unconsolidated affiliates	11,500	

(2) Pro forma adjustment to record the consent fees paid to the Company's Senior Note holders approving the investments in the Joint Venture as of June 30, 1999.

	Debit	Credit
Cash		2,618
Other assets	2,618	

(3) Pro forma adjustment to record the fee paid to Greenwood of New Jersey Inc. related to their Guarantee of Pennwood Racing Group's bank credit facility.

	Debit	Credit
Cash		400
Other assets	400	

(4) Pro forma adjustment to record the Company's 50% share of the Racetrack operations of International Thoroughbred Breeders, Inc. (predecessor to Pennwood Racing Group) income for the twelve months ended December 31, 1998.

	Debit	Credit
Total other income (expense)		1,660

(5) Pro forma adjustment to record the amortization of the consent and the Greenwood Racing, Inc. Guarantee fee for the twelve months ended December 31, 1998.

	Debit	Credit
Total operating expenses	400	
Total other income (expense)	485	

(6) Pro forma adjustment to record income tax effect of pro forma income statement adjustment for the twelve months ended December 31, 1998 at an estimated tax rate of 34%.

	Debit	Credit
Taxes on income	564	

(7) Pro forma adjustment to record the income tax effect relating to the amortization of the consent fees and the Greenwood Racing, Inc. Guarantee fee at the estimated tax rate of 40% for the twelve months ended December 31, 1998.

Taxes on income		354

(8) Pro forma adjustment to record the Company's 50% share of Pennwood Racing Group's income for the six months ended July 31, 1999.

Total other income (expense)		1,720

(9) Pro forma adjustment to record the amortization of the consent fees, and the Greenwood Racing, Inc. Guarantee for the six months ended June 30, 1999.

Total operating expenses	200	
Total other income (expense)	242	

(10) Pro forma adjustment to record income tax effect of pro forma income statement adjustment for the six months ended July 31, 1999 at an estimated tax rate of 34%.

Taxes on income	585	

(11) Pro forma adjustment to record the income tax effect relating to the amortization of the consent fees and other related expenses at the estimated tax rate of 40% for the six months ended June 30, 1999.

Taxes on income		177

(c) Exhibits

Exhibit No.	Description
10.91	Second Amendment to Joint Venture Agreement dated as of July 29, 1999, between the Company and Greenwood Racing, Inc. (Incorporated by reference to the Company's Form 10-Q, File # 0-24206, dated August 12, 1999.) *
10.92	Shareholder's Agreement dated July 29, 1999, between Penn National Holding Company and Greenwood Racing, Inc. (Incorporated by reference to the Company's Form 10-Q File # 0-24206, dated August 12, 1999) *
10.93	Amended and Restated Limited Partnership Agreement dated July 29, 1999, between FR Park Racing, L.P., Pennwood Racing, Inc. and Penn National GSFR, Inc. (Incorporated by reference to the Company's Form 10-Q, File # 0-24206, dated August 12, 1999.) *
10.94	Amended and Restated Limited Partnership Agreement dated July 29, 1999, between FR Park Services, L.P., Pennwood Racing, Inc. and Penn National GSFR, Inc. (Incorporated by reference to the Company's Form 10-Q, File # 0-24206, dated August 12, 1999.) *
10.95	Amended and Restated Limited Partnership Agreement dated July 29, 1999, between GS Park Racing, L.P., Pennwood Racing, Inc. and Penn National GSFR, Inc. (Incorporated by reference to the Company's Form 10-Q, File # 0-24206, dated August 12, 1999.) *
10.96	Amended and Restated Limited Partnership Agreement dated July 29, 1999, between GS Park Services, L.P., Pennwood Racing, Inc. and Penn National GSFR, Inc. (Incorporated by reference to the Company's Form 10-Q, File # 0-24206, dated August 12, 1999.) *
10.01a	Subordination and Intercreditor Agreement dated July 29, 1999, between the Company, FR Park Racing and Commerce Bank, N.A. (Incorporated by reference to the Company's Form 10-Q, File # 0-24206, dated August 12, 1999.) *
10.02a	Debt Service Maintenance Agreement dated July 29, 1999, between the Company and Commerce Bank, N.A. (Incorporated by reference to the Company's Form 10-Q, File # 0-24206, dated August 12, 1999.) *
10.03a	First Supplemental Indenture dated May 19, 1999, between the Company and State Street Bank and Trust Company, Trustee. (Incorporated by reference to the Company's Form 10-Q, File # 0-24206, dated August 12, 1999.) *

* Previously filed.

SIGNATURES

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

Penn National Gaming, Inc.

October 12, 1999	By:_/s/Robert S. Ippolito_____________________
Date	Robert S. Ippolito, Chief Financial Officer

Exhibit Index

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