

Annual Report and Simulcast Report
of the
New York State Racing and Wagering Board

A summary of
calendar year 2001

New York State Racing and Wagering Board
Michael J. Hoblock, Jr., Chairman
Cheryl Ritchko-Buley, Member
Edward J. Martin, Executive Director

The Board maintains a website at www.racing.state.ny.us. The website contains a complete version of the Racing and Wagering Board Rules and Regulations and the New York State Racing, Pari-Mutuel Wagering and Breeding Law; recent annual reports; a schedule of Board Meetings, Meeting Agendas and Past Meeting Minutes; licensing and charitable gaming forms, applications and instructions; proposed rule changes and feedback form; complete list of live race dates for New York State Racetracks; racing and off-track betting statistics; contact information and various other informational notes for regulated entities, the general public and local and state authorities.

FPO



Chairman
Michael J. Hoblock, Jr.

**STATE OF NEW YORK
RACING AND WAGERING BOARD**

Executive Director
Edward J. Martin

Members
Cheryl Ritchko-Buley

Secretary to the Board
Sheila H. Osterhout

July 1, 2002

Honorable George E. Pataki
Governor of the State of New York

Honorable Members of the Senate and Assembly
of the State of New York

Dear Governor Pataki and Honorable Members of the Legislature:

On behalf of the New York State Racing and Wagering Board, I submit to you the Board's 26th Annual Report in accordance with Chapter 346 of the Laws of 1973. As in past years, the Simulcast Report is incorporated into the Annual Report.

I am pleased to submit the 2001 annual report which provides an interesting look at the trends in wagering activities over the past five years in the State of New York. An abundance of statistical data is received by the Board throughout the year from the regulated entities and this report is a compilation of the information presented in a clear and concise format.

Our core emphasis continues to be preserving the integrity of racing and wagering activities in the State of New York. Given the ever-changing nature of this industry, it is more important than ever that we strive to maintain the highest of standards. Whether it is a bingo game in Rochester, a harness race in Monticello, a raffle in Buffalo or a thoroughbred race in Saratoga, we must ensure to the patrons that the activity is fair and honest.

In 2001, a reported total of \$3.3 billion was wagered in New York State on horse racing and charitable gaming. Ten New York racetracks presented a combined 1,233 days of live racing where over 3 million fans wagered more than \$780 million on live and simulcast racing. Over \$2 billion was wagered at the various off track betting outlets on both New York State and out-of-state horse racing. Combined, live and simulcast wagering resulted in over \$148 million in revenues to state and local government. Over \$511 million was wagered on charitable gaming activities conducted by some of the 15,765 registered charitable organizations. The charitable groups that conducted activities in 2001 earned over \$89 million for the benefit of worthy causes. With increased competition for the gaming dollar, total reported wagering in the state, excluding indian casino gaming, sustained a 1.4% increase.

The Racing and Wagering Board would like to express our appreciation for the cooperation rendered by the Governor, the State Legislature, other public officials, and various track operators and industry leaders.

Respectfully submitted,

Michael J. Hoblock, Jr.
Chairman

FPO

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A Brief History

The State Legislature established the New York State Racing and Wagering Board in 1973. The Board was created to combine the functions of the various existing racing commissions to provide a centralized authority. Pursuant to statute, the Board was given "general jurisdiction over all horse racing activities and all pari-mutuel betting activities, both on-track and off-track, in the state and over the corporations, associations, and persons engaged therein."

Prior to the 1973 enactment, the State had several Commissions that were charged with the regulation and oversight of legalized gambling that governed Thoroughbred Racing, Harness Racing, Quarter Horse Racing, Off-Track Betting and the Lottery. Under the new legislation, all these Commissions, except for the Lottery, were consolidated into the New York State Racing and Wagering Board.

Of the consolidated commissions, the State Racing Commission was the oldest, having been established in 1895. The Commission also held the prestige of being the oldest racing regulatory body in the nation. When the Racing and Wagering Board assumed the powers and duties of the Racing Commission, a reconstituted State Racing Commission was created as an advisory board.

In April 1970, New York State enacted a law permitting local communities to operate pari-mutuel off-track betting facilities. New York City OTB was the first, which started in 1971. Schenectady OTB followed in 1971, and then Western OTB commenced in 1974. Nassau OTB opened its first branch on January 31, 1975 followed by Suffolk OTB in April 1975 and Catskill OTB in 1976. At the time, simulcasting consisted of an audio signal, which was

transmitted to the betting facilities. Simulcasting a live audiovisual signal was first authorized by the State Legislature in 1984 on an experimental basis and was extended permanently in 1990.

The first permanent appointment to the Racing and Wagering Board was Joseph H. Boyd, Jr. Governor Nelson Rockefeller appointed him as a member on June 30, 1973. Emil Mosbacher, Jr., the first Chairman of the Board was appointed on August 1, 1973.

In 1977, the functions of the Bingo Control Commission were transferred to the Board. Since this transfer the Board has regulated both bingo and games of chance conducted by religious, charitable and certain non-profit organizations. Bingo was authorized pursuant to a constitutional amendment passed in 1957. Games of chance were authorized by constitutional amendment in 1975.

Finally, in 1993 the Board was given the authority to regulate Class III Indian gaming in the State pursuant to Compacts entered into between the State of New York and the Oneida Indian Nation of New York and the St. Regis Mohawk Tribe. Currently there are two Native American casinos in New York State. The Oneida Indian Nation of New York has operated the Turning Stone Casino Resort in Verona since July 20, 1993. The St. Regis Mohawk Tribe opened the Akwesasne Mohawk Casino in Hogansburg on April 10, 1999.

Both Compacts were negotiated under the auspices of the Federal Indian Gaming Regulatory Act. The United States Department of the Interior on June 4, 1993 approved the Oneida Compact. The St. Regis Compact was approved on December 4, 1993.

Members of the Racing and Wagering Board

The New York State Racing and Wagering Board consists of three members, appointed by the Governor with the consent of the New York State Senate, for six-year terms. Members are eligible for reappointment at the discretion of the Governor. Of the three, one is designated by the Governor to serve as Chairman. Longtime Board Member Joseph Neglia retired in July 2001 after 17 years of service at the Board. His departure left one vacancy on the Board which was still vacant at the time this report went to print.

The Board met 13 times during calendar year 2001. All board meetings are open to public attendance and have an agenda which is released 48 hours prior by written notice and publication on the Board's website.

Chairman Michael J. Hoblock, Jr.

was appointed Chairman of the New York State Racing and Wagering Board by Governor George Pataki and confirmed by the New York State Senate on May 6, 1997. As Chairman, Mr. Hoblock has encouraged the development and growth of the agency to meet the challenges associated with the regulation of pari-mutuel wagering, non-profit charitable gaming and casino gambling activity. Concurrently, Mr. Hoblock serves as Chairman of the Agriculture and New York State Horse Breeding and Development Fund; Vice-Chairman of the New York State Thoroughbred Breeding and Development fund; Vice-Chairman of the New York State Capital Investment Fund; and Vice Chairman of the Harry M. Zweig Memorial Fund.



Mr. Hoblock has a lengthy background in public service. Mr. Hoblock's first elective office was to the New York State Assembly in 1978 where he served three terms. Following his service in the Assembly, Mr. Hoblock was elected as a member of the Colonie Town Board, serving for six years before being elected Albany County Executive. In 1994, Mr. Hoblock was elected to the New York State Senate.

Member Cheryl Ritchko-Buley

appointed to the Racing and Wagering Board by Governor Pataki, was confirmed by the New York State Senate on June 13, 2000 and is the first woman to serve on the Board. Ms. Buley graduated summa cum laude from Boston University where she earned a masters degree in public relations in 1988. She completed an international business program at the University of Copenhagen in Denmark and holds a bachelor's degree in business and marketing from The State University of New York at Plattsburgh. Ms. Buley began her career working as a legislative aide for New York State Senator Joseph L. Bruno from 1985 to 1986.



Mr. Hoblock voluntarily served with the United States Marine Corps and is a veteran of the Vietnam War. As a Marine, Mr. Hoblock served as an Infantry Company Commander, Judge Advocate and Military Judge. Later he established a private practice where he continued to practice law for 25 years.

As co-owner of Standardbreds in the early 1970's, Mr. Hoblock had the opportunity to experience the racing industry firsthand as an active participant. While his horses raced primarily at harness tracks in New York State, Mr. Hoblock gained valuable knowledge that has served him well in his role as Chairman of the Board. In addition, as a legislator, he was instrumental in securing passage of legislation that was beneficial to the charitable gaming industry. From 1979 to 1985, he also served as Vice-Chairman of the Elks Government Relations Committee and assisted with the formation of the NYS Division of CONPOR, the Conference of Private Organizations.

Mr. Hoblock and his wife Karen reside in Loudonville, New York.

She moved into the private sector as a consultant, where she developed award winning public information campaigns for McDonald's Corporation and The Dental Society of the State of New York. Among the clients she has served is the president of the American Dental Association, McDonald's Corporation – where she managed regional chapters of Ronald McDonald House Charities, Sheraton Hotels, and Marine Midland Bank. She also worked in Oslo, Norway for Arthur Young as a market analyst in 1990.

Ms. Buley resides in Slingerlands, New York with her husband and two children.

Mission Statement of the Racing and Wagering Board:

Our Purpose is to ensure that New York State's legalized casinos, pari-mutuel, and charitable gambling activities operate with integrity and are in full compliance with New York State statutes and rules.

We safeguard the interest of the public, including the taxpayers and patrons by ensuring that the regulated entities and their employees participating in, or benefiting from legalized gambling operate with probity. We will expeditiously respond to all public concerns.

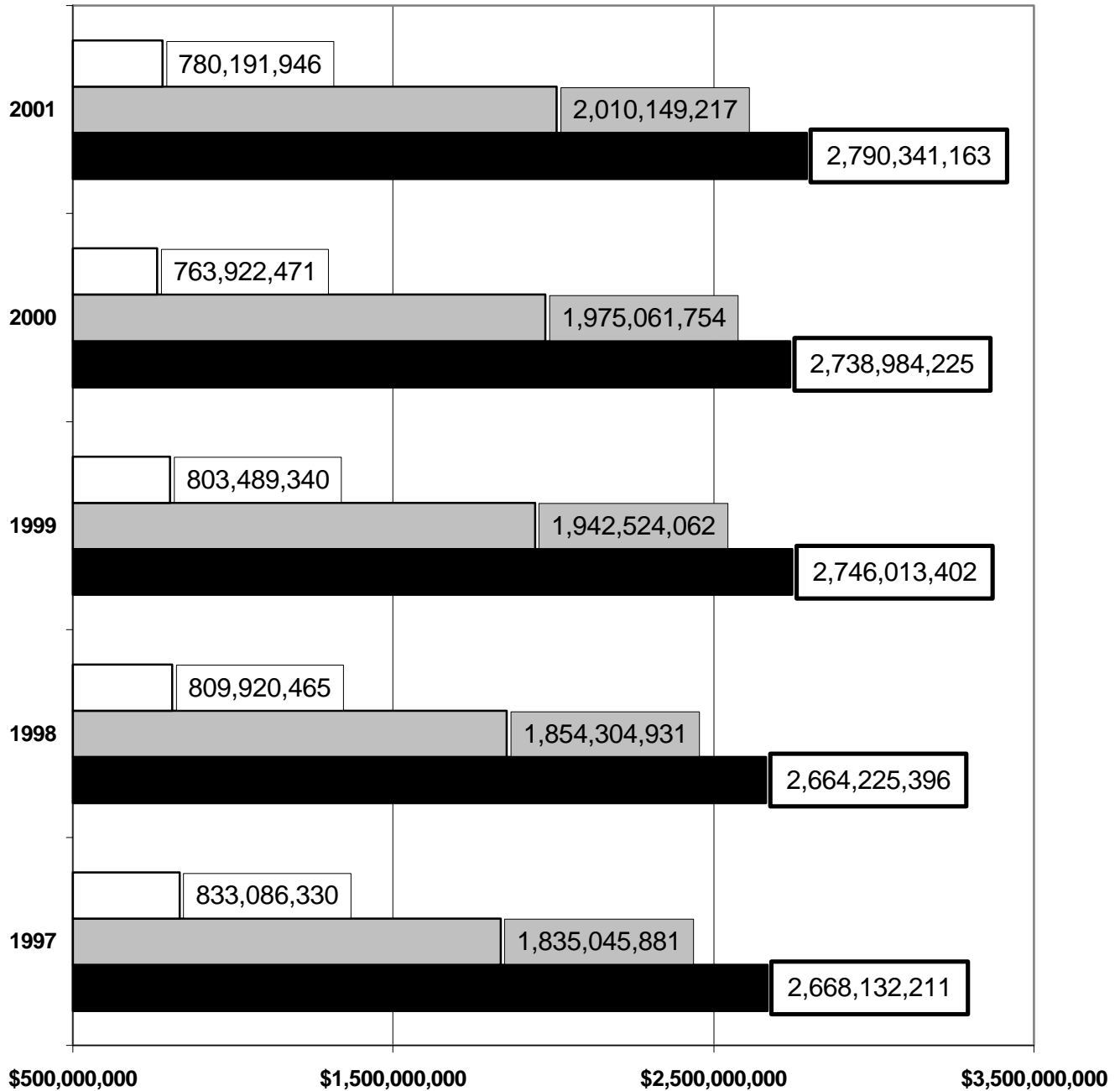
Executive Management espouses that personal integrity is paramount for all Board employees who must ensure honest and proper conduct of legalized gambling and other regulated activities. To properly serve the public, all employees must perform their duties in an ethical manner that is above reproach. To meet this goal we advocate teamwork, intra-agency communication, mutual respect, training, and advancement to reach each employee's potential.

Only through vigilance, competence and dedication can the Board and its employees be successful in performing its statutory responsibilities.

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OVERVIEW

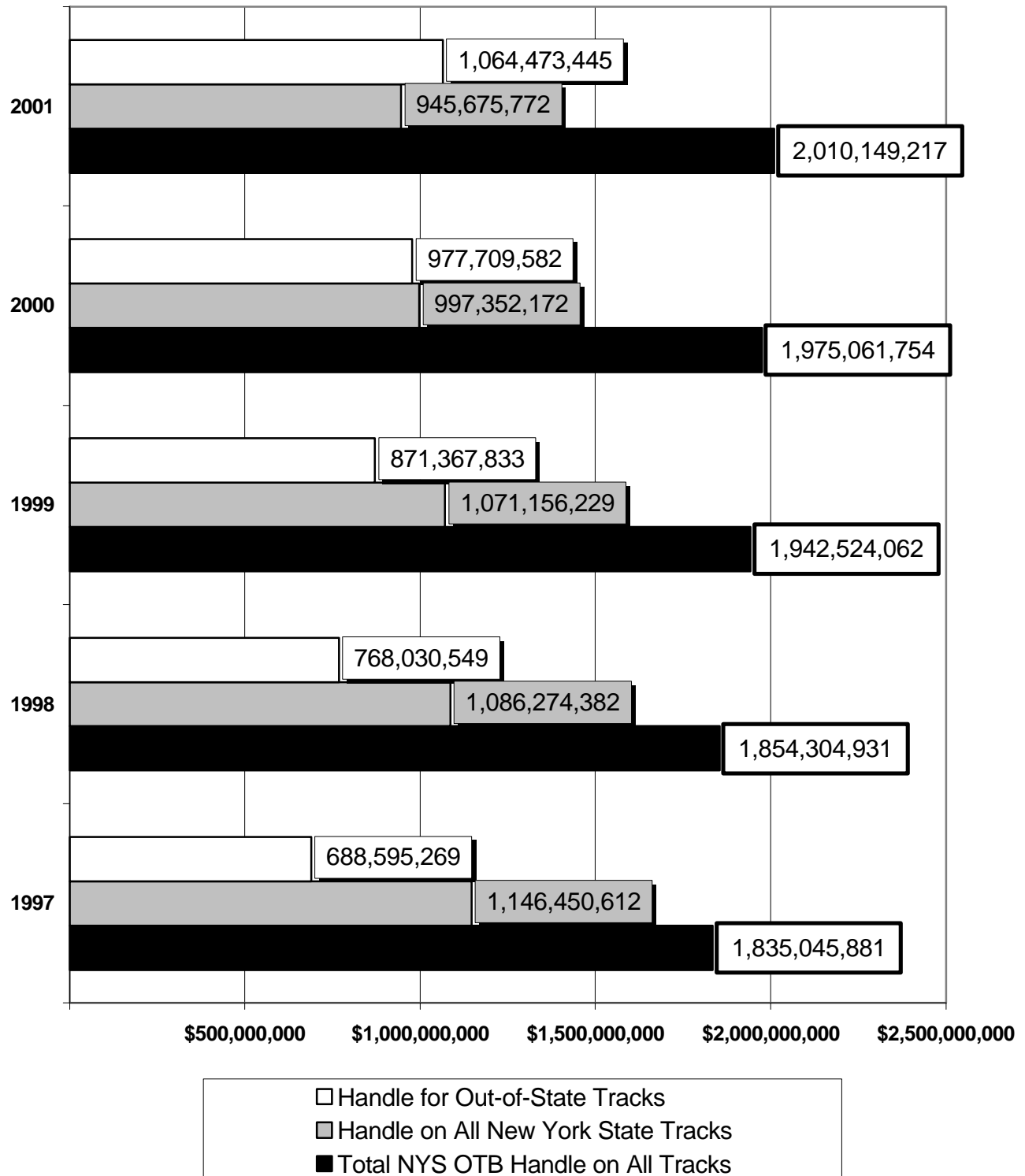
Annual Handles New York State Tracks and OTB's



- Total Handle at NYS Racetracks
- Total NYS OTB Handle on All Tracks
- Total Handle in New York State

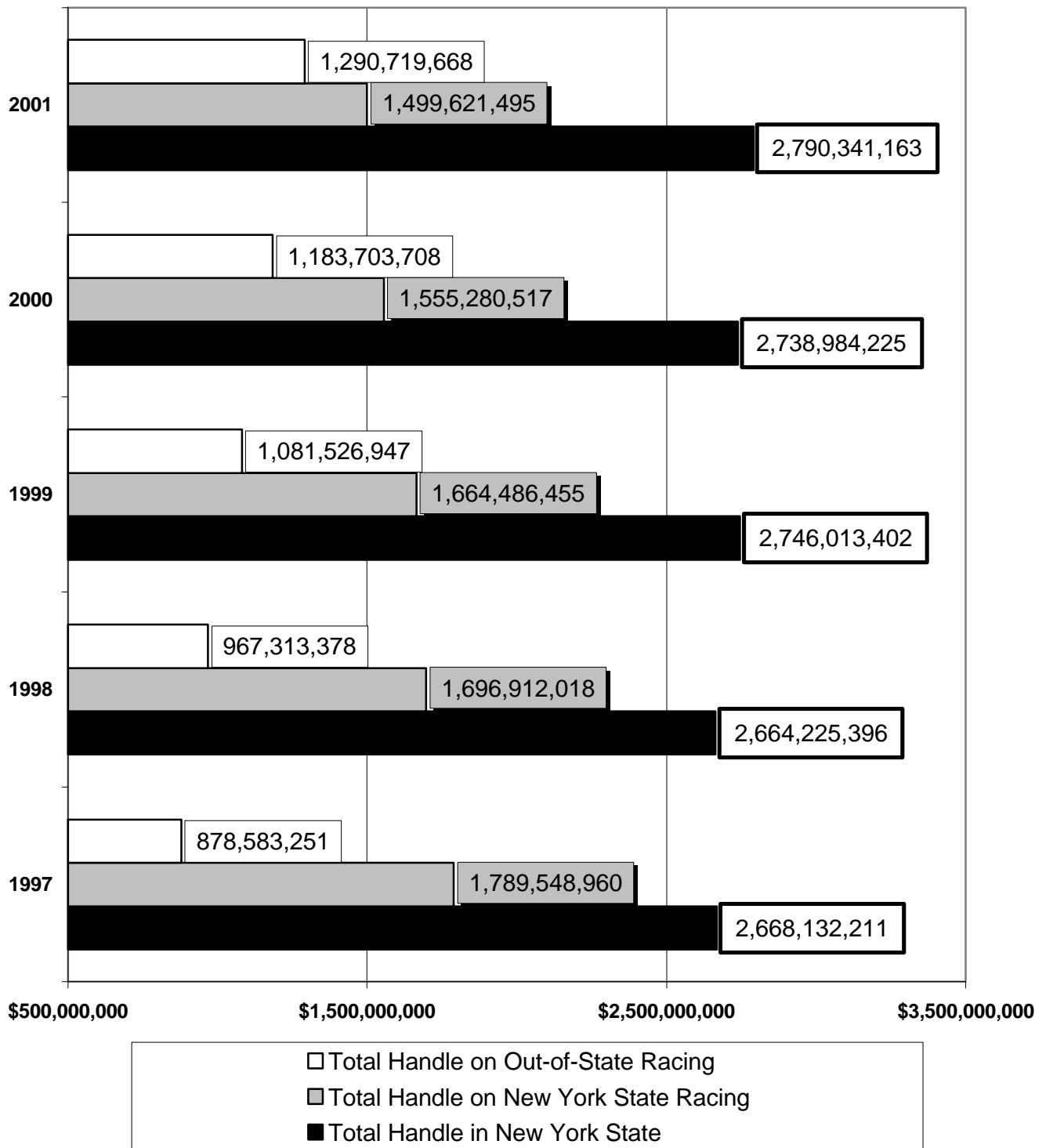
OVERVIEW

OTB Handles in New York State New York State and Out-of-State Tracks



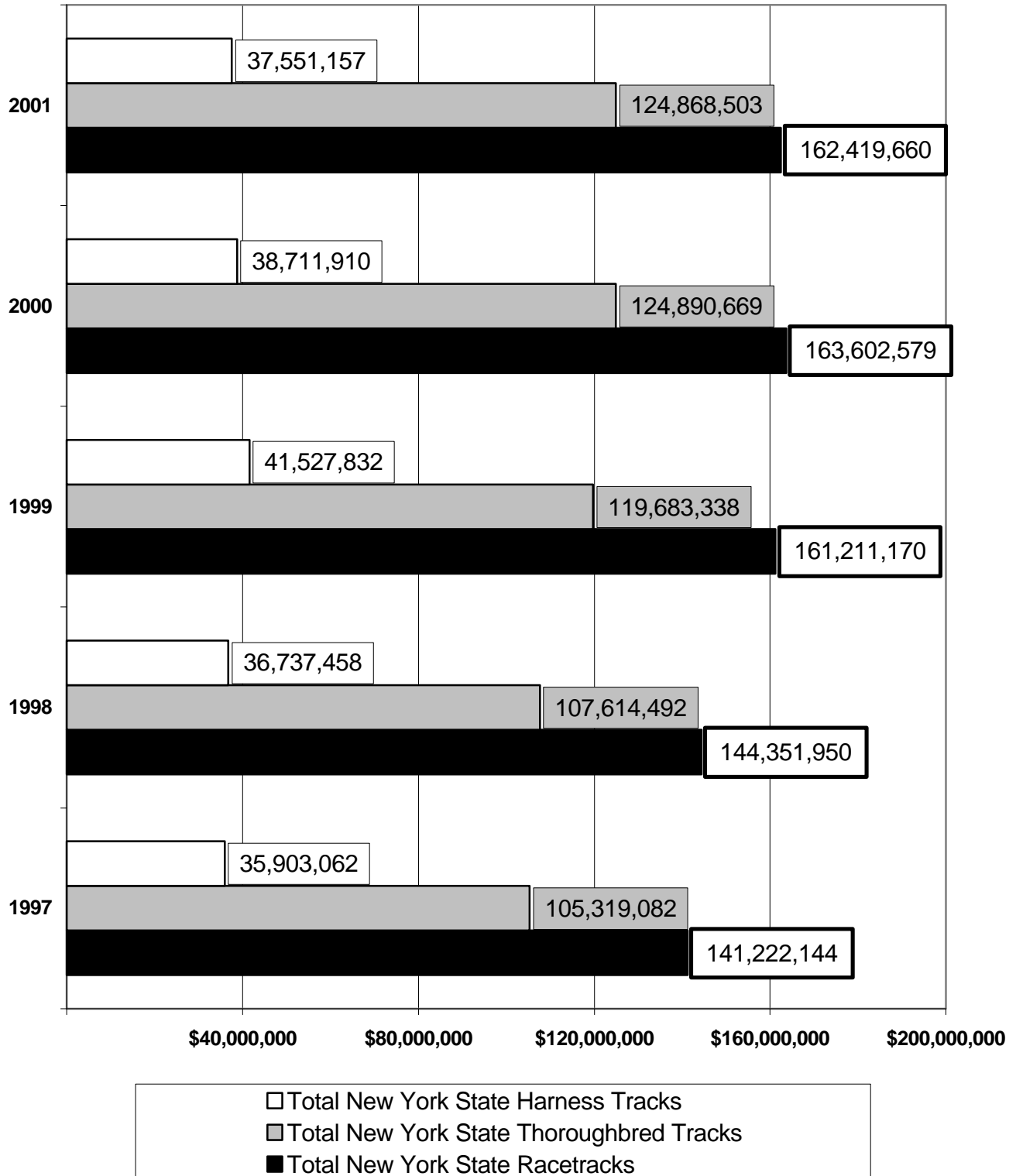
OVERVIEW

Annual Handles at New York State Tracks and OTB's In-State vs. Out-of-State Racing



OVERVIEW

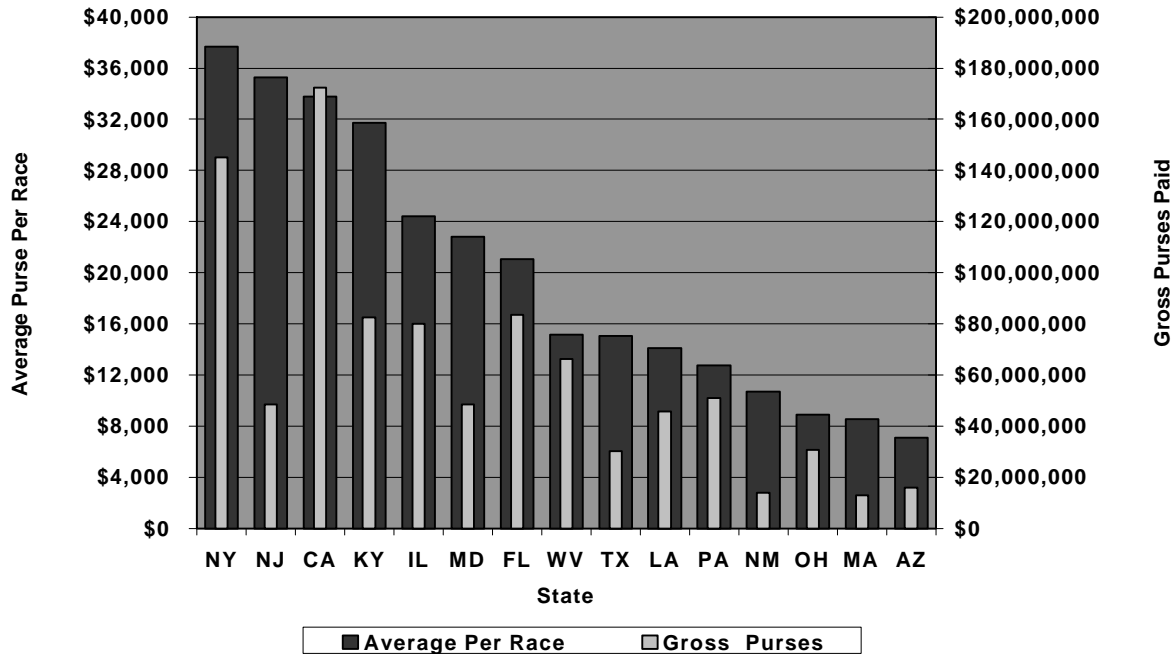
Gross Purses Paid at New York State Racetracks



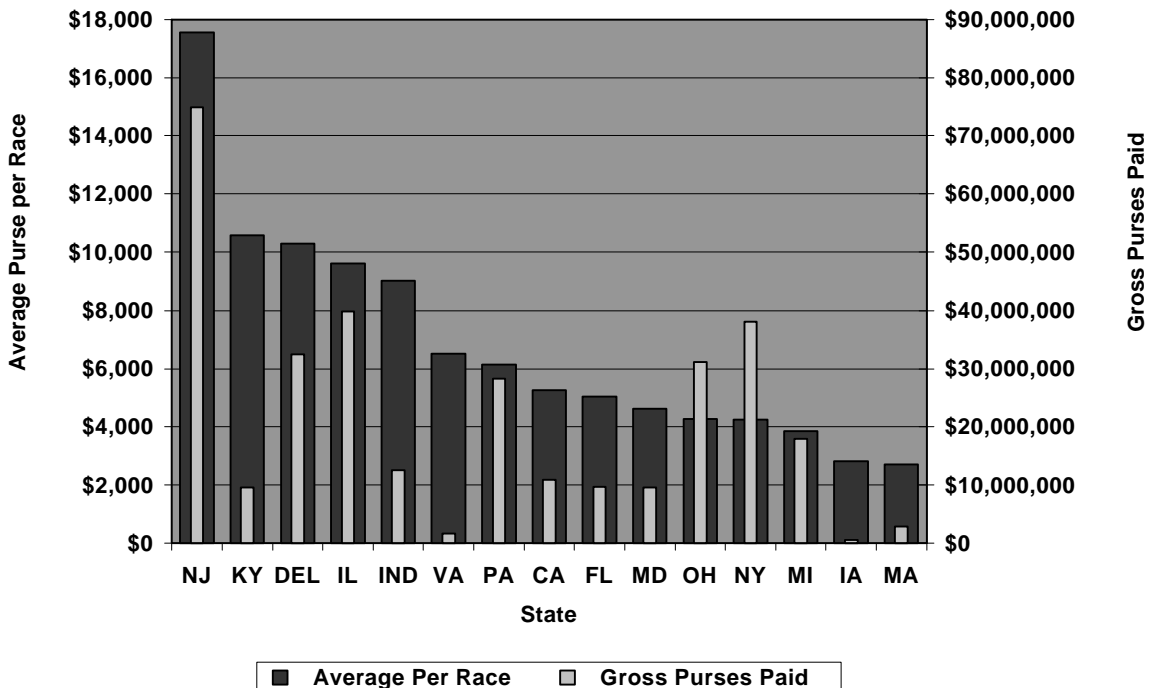
OVERVIEW

2001 PURSES PAID NEW YORK STATE VS. NATIONWIDE

2001 Purses paid at Thoroughbred Tracks in the United States:

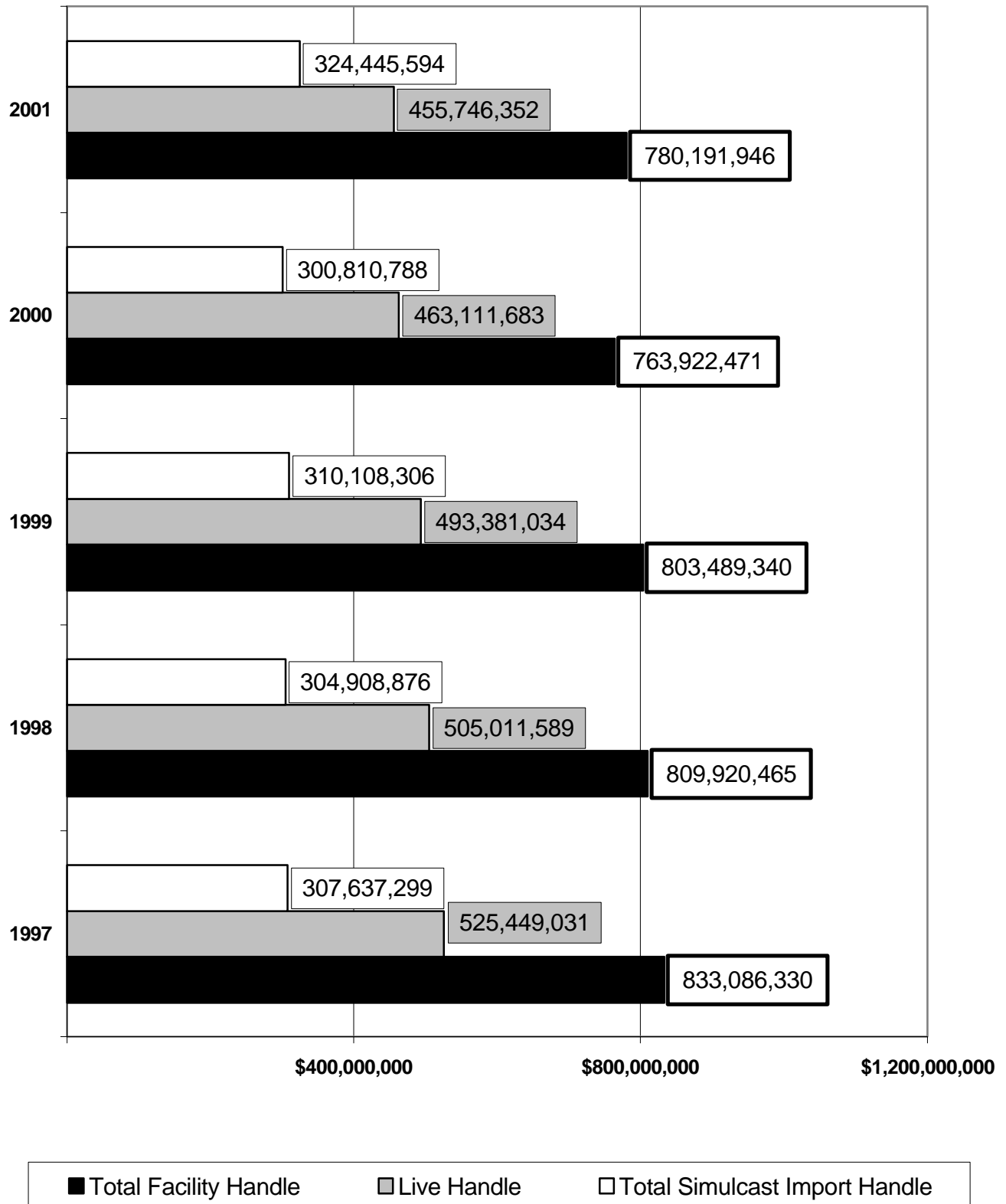


2001 Purses paid at Harness Tracks in the United States:



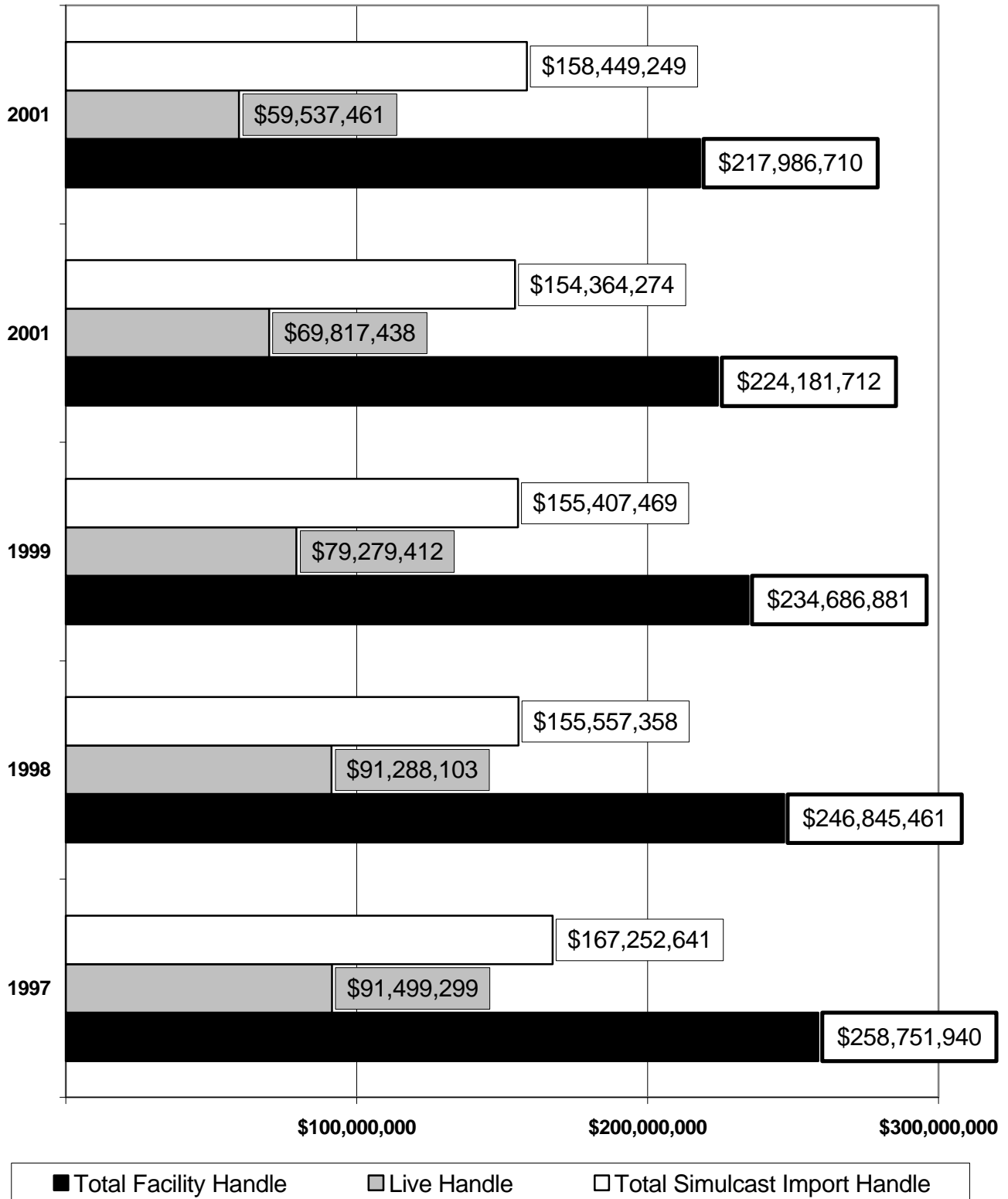
OVERVIEW

Annual Handles New York State Thoroughbred and Harness Tracks



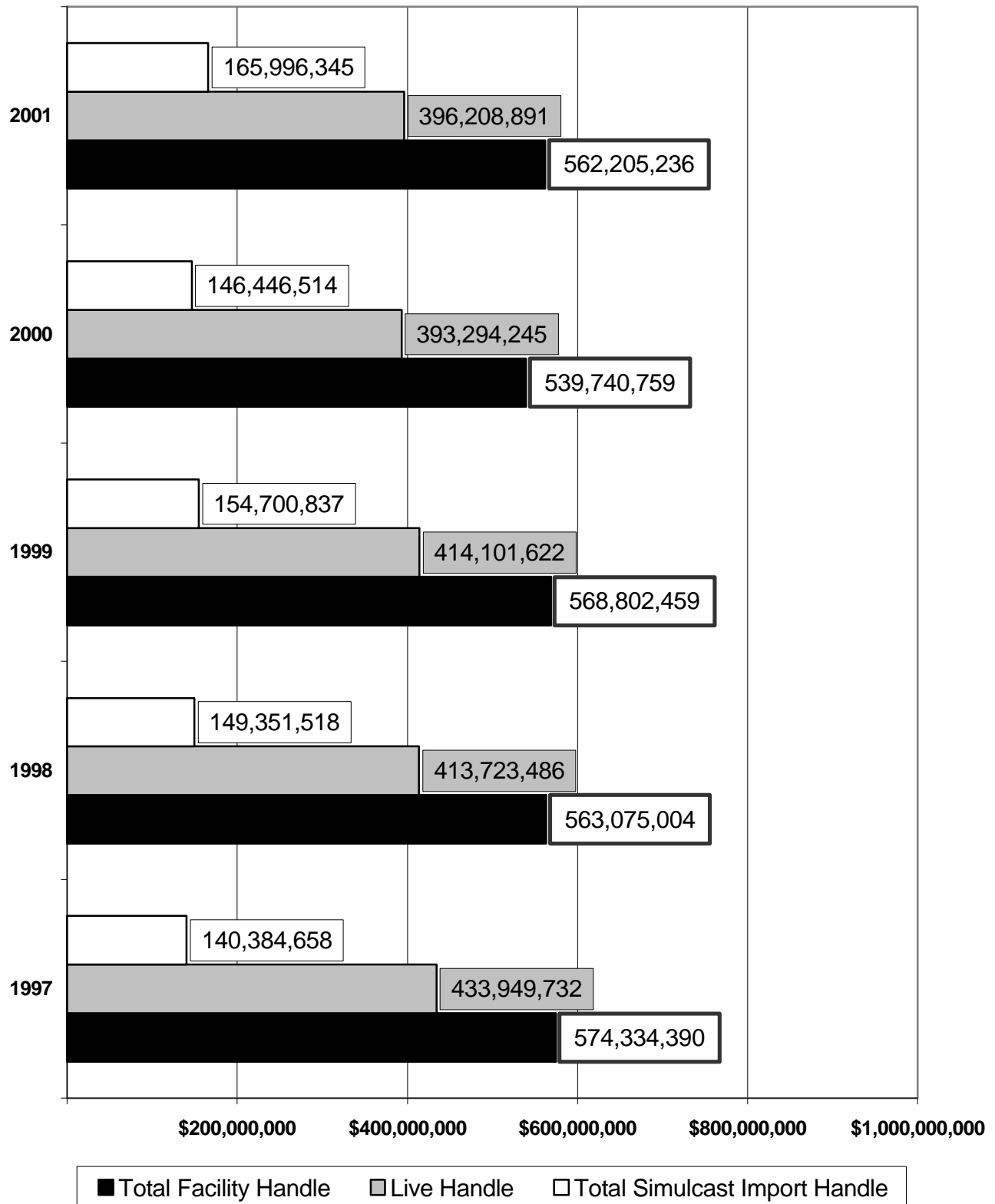
OVERVIEW

Annual Handles New York State Harness Tracks



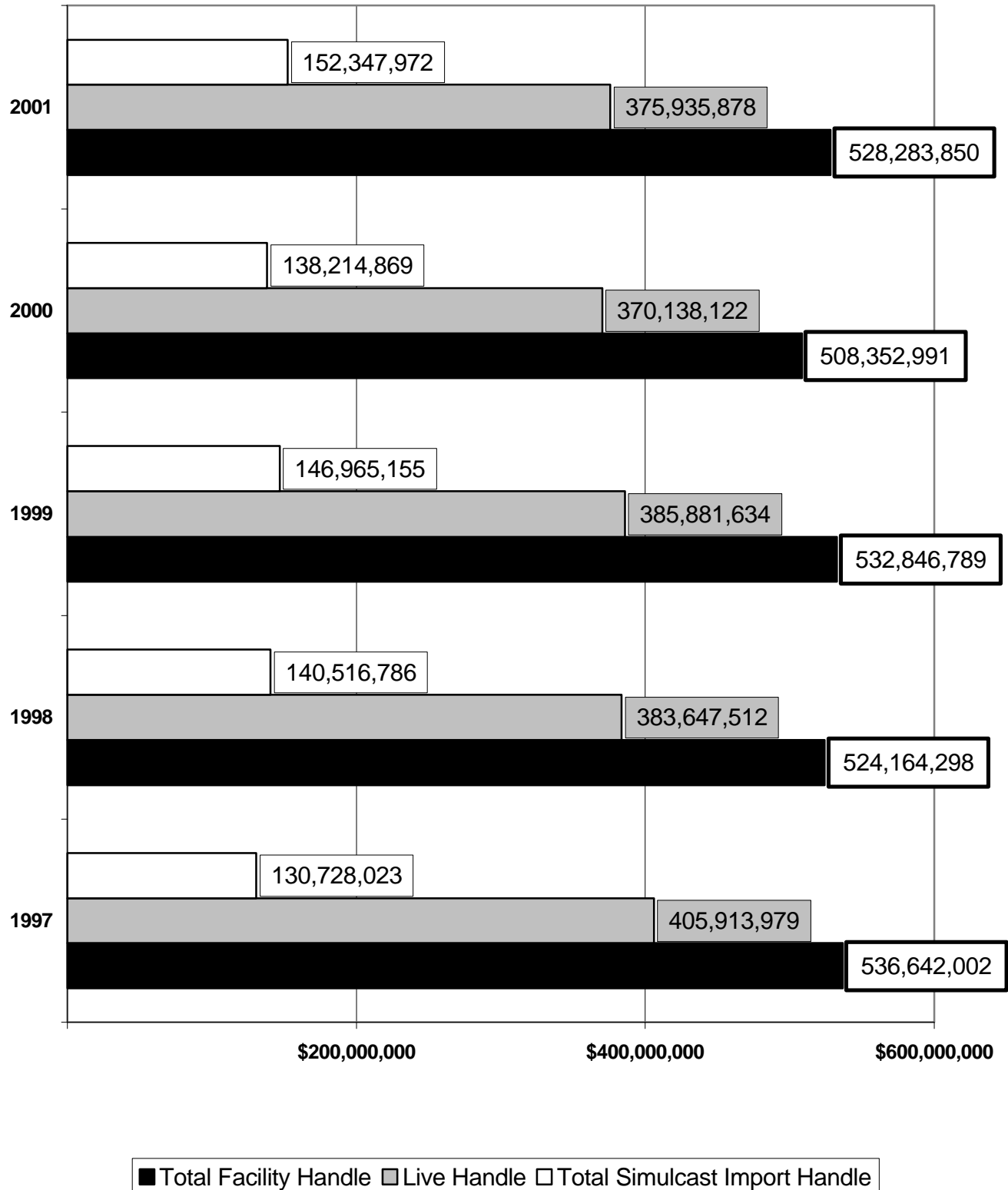
OVERVIEW

Annual Handles New York State Thoroughbred Tracks



OVERVIEW

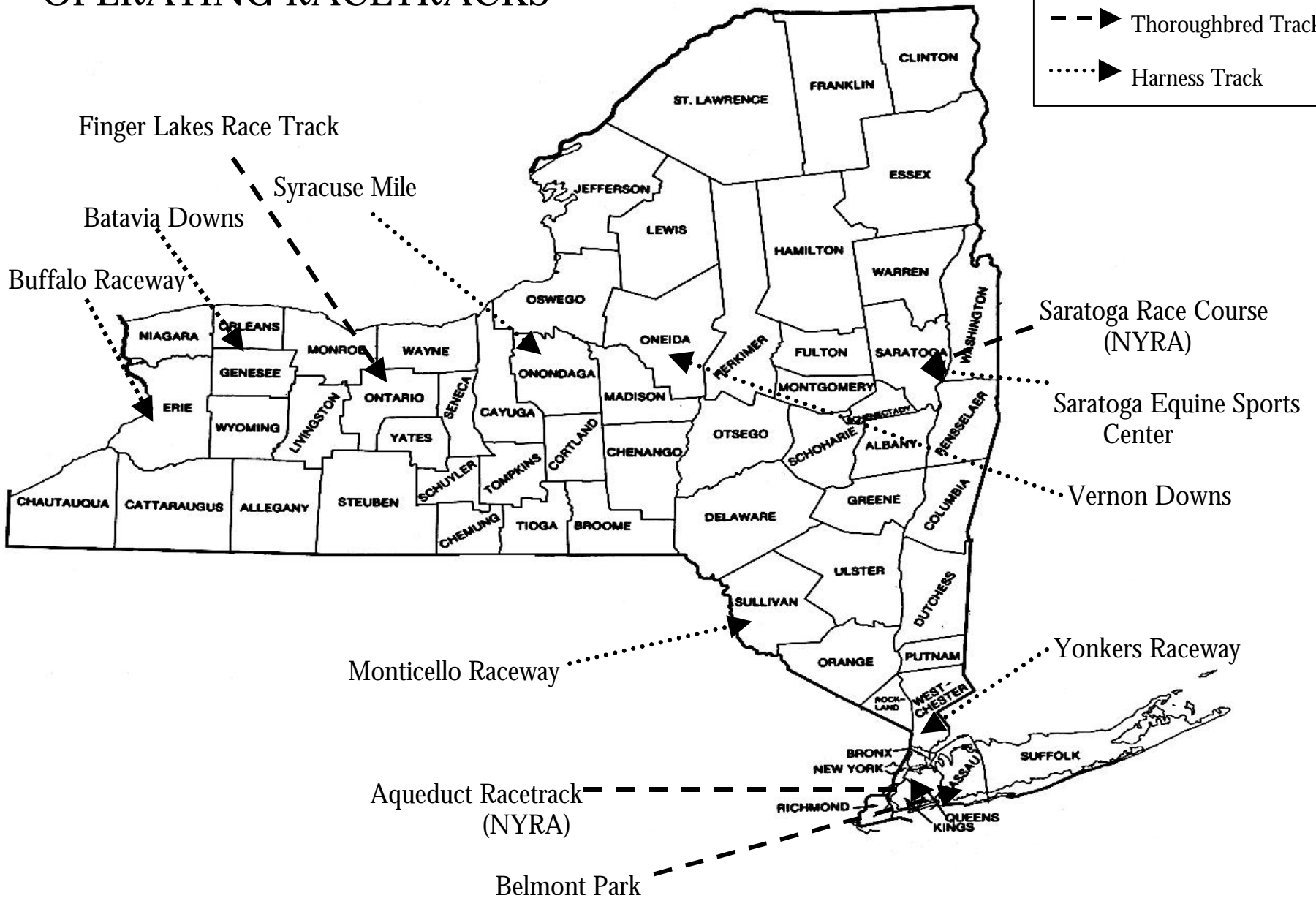
NYRA Annual Handles *Aqueduct, Belmont, Saratoga*



OPERATING RACETRACKS

Legend

- - ▶ Thoroughbred Track
- ▶ Harness Track



THOROUGHBRED

Aqueduct Racetrack

New York Racing Association
110-00 Rockaway Boulevard
Jamaica, New York 11417
Phone: (718) 641-4700

Website Address: <http://www.nyra.com/Aqueduct>

Aqueduct Racetrack opened in 1894. A new clubhouse and track offices were built in 1941 with a rebuilt Aqueduct opening in 1959. An inner track was built in 1975 which allowed for winter racing.

Size of Track: One and 1/8 mile

Capacity: Grandstand seating: 14,750
Clubhouse seating: 2,250

State Racing Official: Carmine Donofrio, State Steward

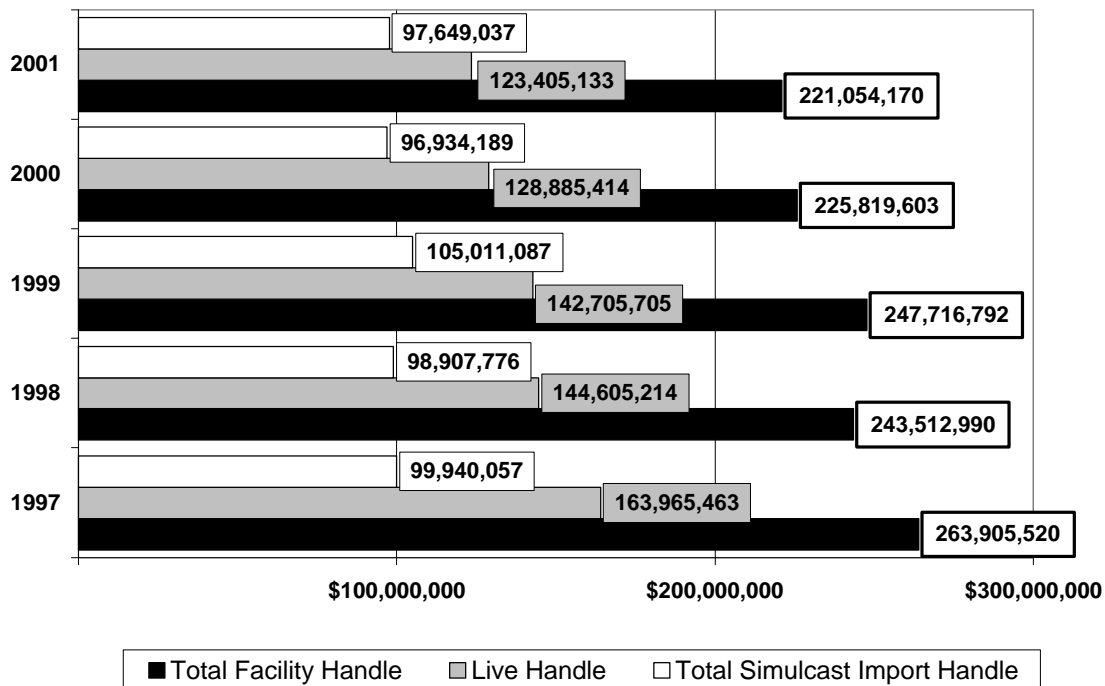
2001 Race Days: 134

2000 Race Days: 134

2001 Attendance: 638,303

2000 Attendance: 681,263

Total Annual Handles



THOROUGHBRED

Belmont Park

New York Racing Association
2150 Hempstead Turnpike
Elmont, New York
Phone: (516) 488-6000

Website Address: <http://www.nyra.com/Belmont>

Belmont Park was named for August Belmont II and is home to the third jewel of racing's Triple Crown, the Belmont Stakes. One of the oldest racetracks in the United States, racing began at Belmont Park in 1905.

Size of Track: One and 1/2 mile

Capacity: Grandstand seating: 27,041
Clubhouse seating: 5,900

State Racing Official: Carmine Donofrio, State Steward

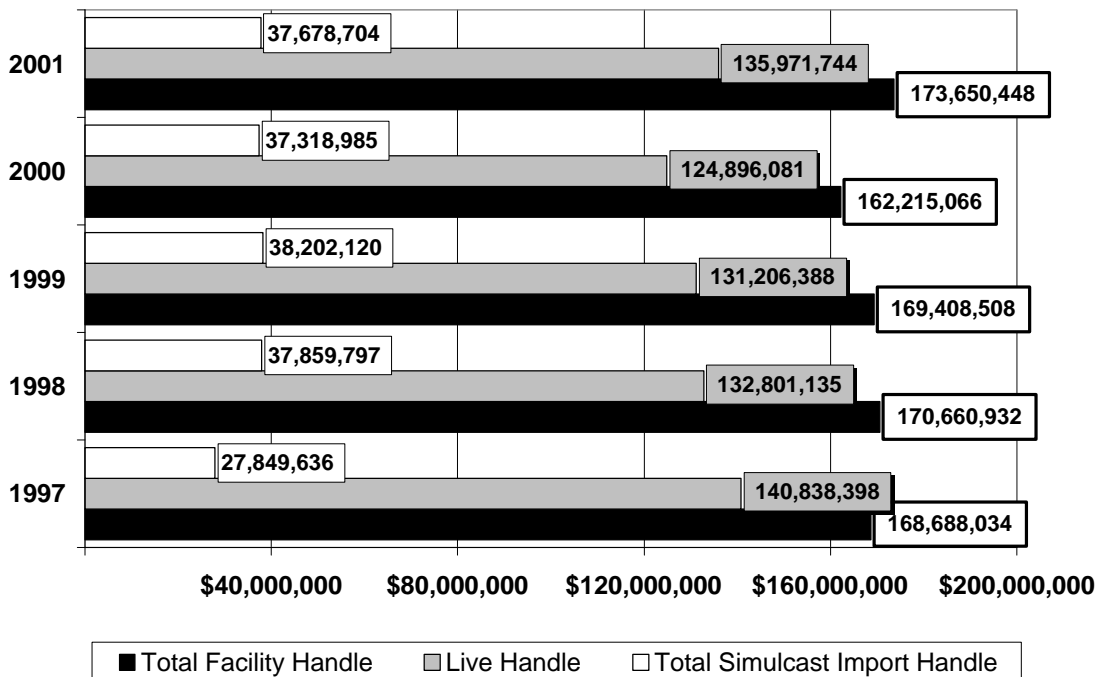
2001 Race Days: 87

2000 Race Days: 88

2001 Attendance: 684,961

2000 Attendance: 685,035

Total Annual Handles



THOROUGHBRED

Finger Lakes Racetrack

Delaware-North Incorporated

PO Box 25250

Farmington, New York 14425

Phone: (716) 924-3232

Website Address: <http://www.fingerlakesracetrack.com>

Finger Lakes Racetrack is the only thoroughbred track operated by a for-profit corporation in New York State. The track opened in 1962 and is currently owned and operated by Delaware-North Incorporated.

Size of Track: One mile

Capacity: Grandstand seating: 4,000
Clubhouse seating: 2,000

State Racing Official: Stuart Rainey, State Steward

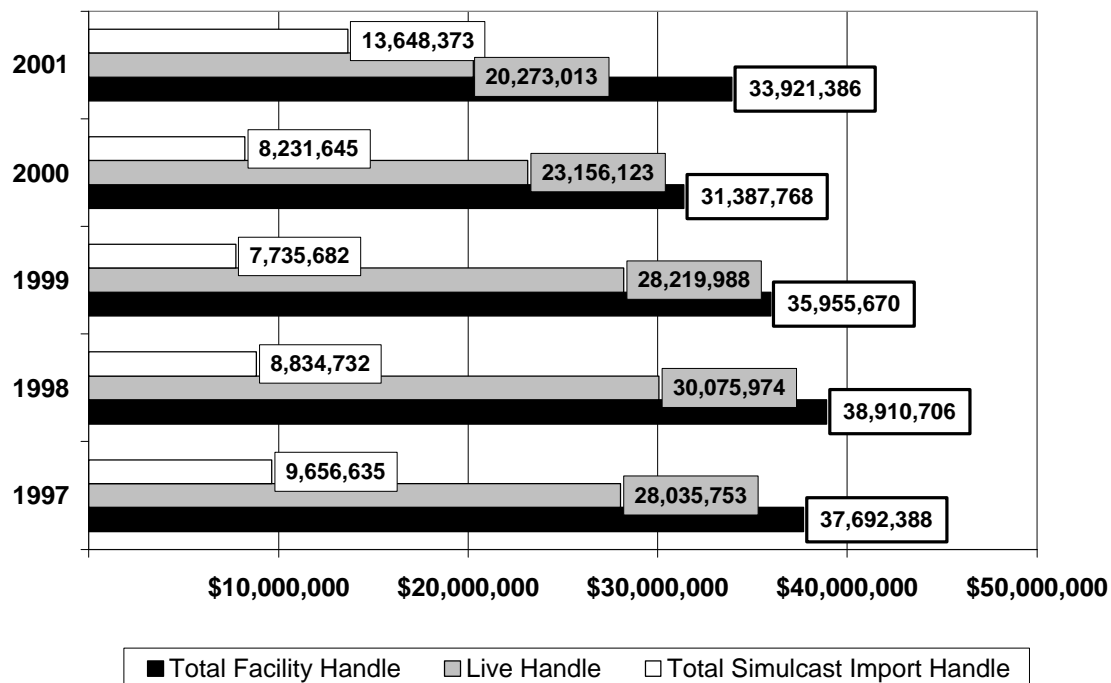
2001 Race Days: 165

2000 Race Days: 167

2001 Attendance: 207,681

2000 Attendance: 222,590

Total Annual Handles



THOROUGHBRED

Saratoga Race Course

New York Racing Association
Union Avenue
Saratoga Springs, NY 12866
Phone: (518) 584-6200

Website Address: <http://www.nyra.com/Saratoga>

Thoroughbred racing debuted in Saratoga Springs in 1863. Home of the Grade 1 Travers Stakes Saratoga Race Course is the oldest functioning racetrack in the United States.

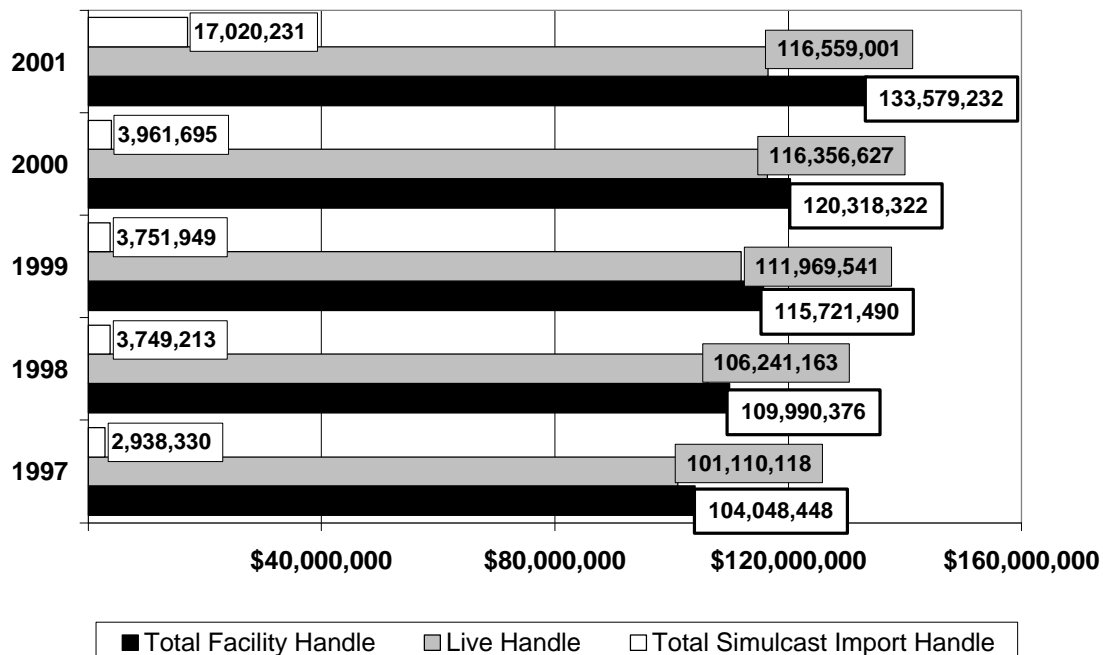
Size of Track: One and 1/8 mile **Capacity:** Grandstand seating: 15,000
Clubhouse seating: 2,250

State Racing Official: Carmine Donofrio, State Steward

2001 Race Days: 36
2001 Attendance: 1,011,669

2000 Race Days: 36
2000 Attendance: 978,296

Total Annual Handles



HARNESSES

Batavia Downs

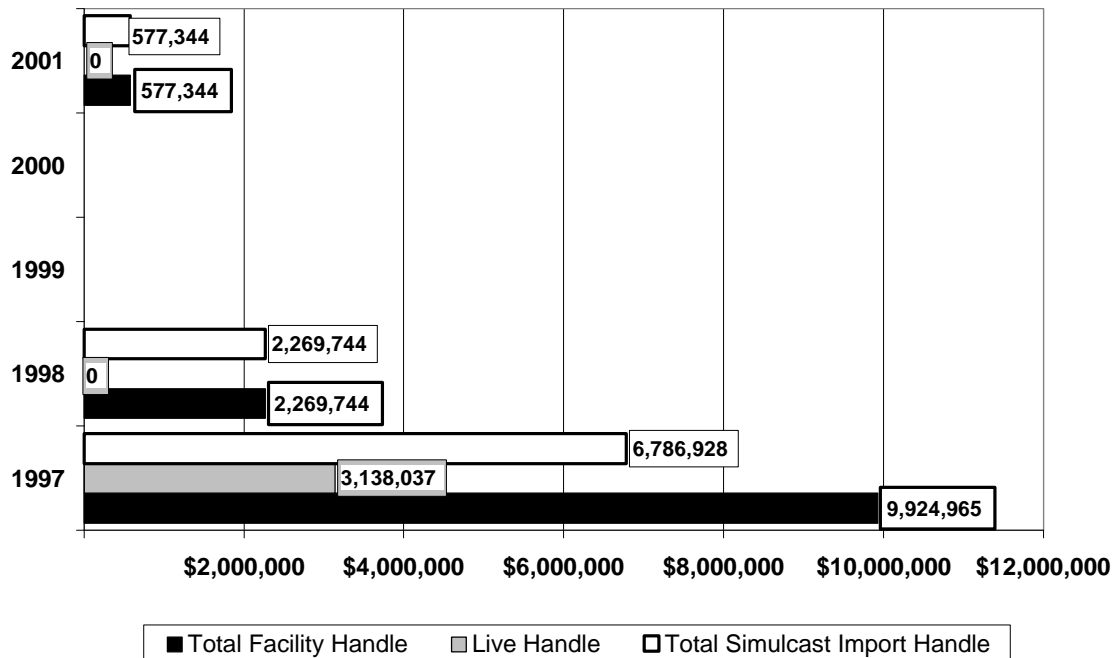
8315 Park Road
Batavia, New York 14020
Phone: (716) 343-3750

Website Address: <http://www.westernotb.com>

Batavia Downs was purchased in September 1998 by Western Regional Off Track Betting Corporation. Since the acquisition, Western OTB has operated a simulcast branch at Batavia Downs. In 2001, Western OTB was granted a license to operate a live meet at Batavia Downs. The track is scheduled to open for live racing on July 29, 2002.

The numbers reported below represent the handle on simulcast wagering which took place at Batavia Downs.

Total Annual Handles



HARNES

Buffalo Raceway

Buffalo Trotting Association, Inc.

PO Box 38

Hamburg, New York 14075

Phone: (716) 649-1280

Website Address: <http://www.buffaloraceway.com>

Buffalo Raceway opened in 1942 and has been owned by the Erie County Agricultural Society since 1990. Located in the Town of Hamburg on the McKinley Parkway, the Raceway is situated 12 miles south of the city of Buffalo.

Size of Track: One half mile **Capacity:** Grandstand seating: 5,000
Clubhouse seating: 700

State Racing Official: Duke Dranichak, Presiding Judge

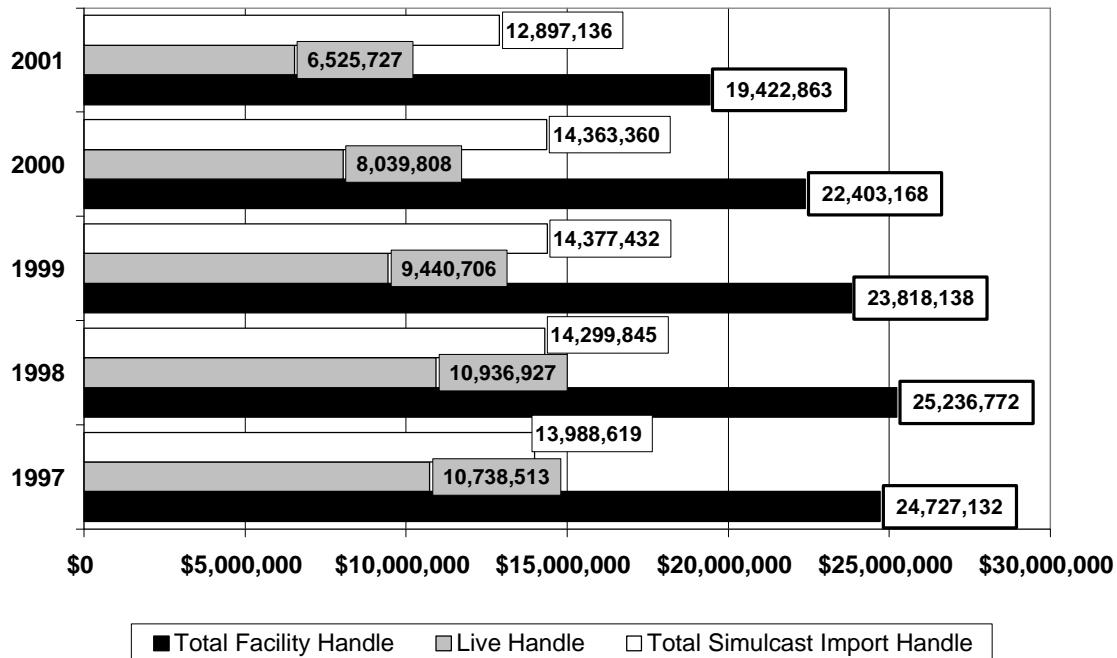
2001 Race Days: 127

2000 Race Days: 143

2001 Attendance: 87,022

2000 Attendance: 104,934

Total Annual Handles



HARNES

Monticello Raceway

Monticello Raceway Management Incorporated

Monticello, New York 12701

Phone: (845) 794-4100

Website Address: <http://www.monticelloraceway.com>

Monticello Raceway, located in Sullivan County first opened for racing in 1958. The Raceway may be reached via Routes 17 and 17-B.

Size of Track: One half mile **Capacity:** Grandstand seating: 5,000
Clubhouse seating: 600

State Racing Official: Lance Ditewig, Presiding Judge

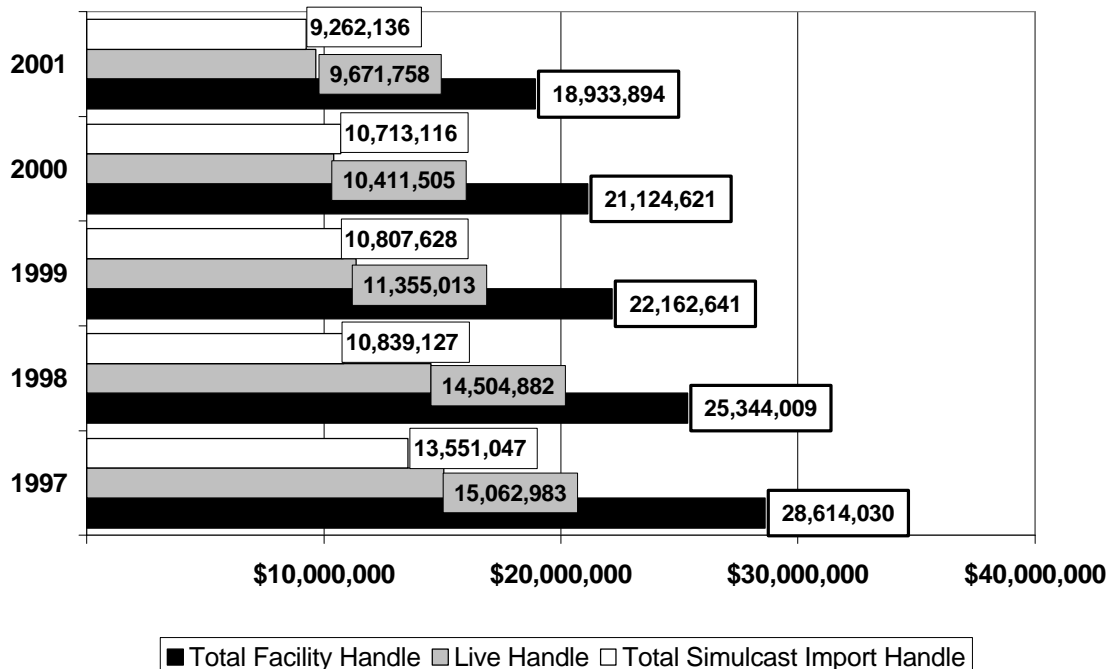
2001 Race Days: 209

2000 Race Days: 213

2001 Attendance: 60,134

2000 Attendance: 64,429

Total Annual Handles



HARNES

Saratoga Equine Sports Center

Saratoga Harness Racing, Inc.

PO Box 356

Saratoga Springs, New York 12866

Phone: (518) 584-2110

Website Address: <http://www.saratogaraceway.com>

Saratoga Equine Sports Center opened for racing in 1941 and is currently owned and operated by Saratoga Harness Racing, Inc. Located off exit 13N of Interstate 87, the track is in the city of Saratoga Springs, two miles from downtown Saratoga on Nelson Avenue.

Size of Track: One half mile **Capacity:** Grandstand seating: 2,000
Clubhouse seating: 1,700

State Racing Official: Anthony Stellone, Presiding Judge

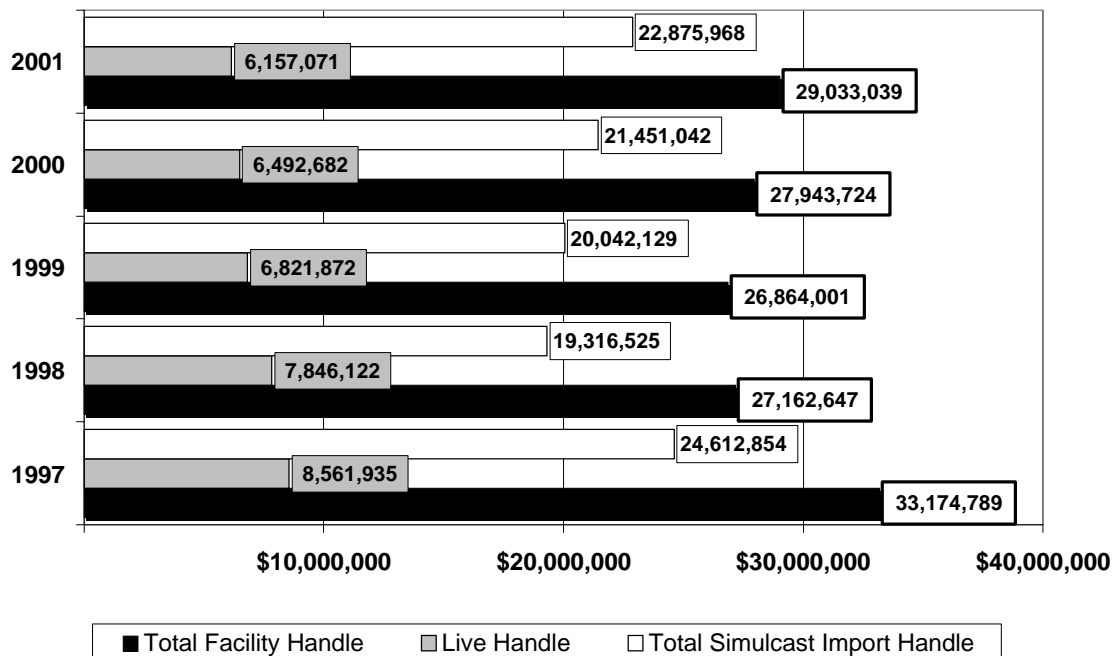
2001 Race Days: 134

2000 Race Days: 143

2001 Attendance: 95,623

2000 Attendance: 95,159

Total Annual Handles



HARNES

Syracuse Mile

New York State Fairgrounds

Syracuse, New York 13209

Phone: (315) 487-7711

This meet is conducted in cooperation with Mid-State Raceway, Inc. and Buffalo Trotting Association. The meet operates two weekends a year in August in conjunction with the New York State Fair. The racetrack is on the State Fairgrounds located off exit 36 of Interstate 90.

Size of Track: One mile

Capacity: Grandstand seating: 16,000

State Racing Official: Arthur Wenerowicz, Presiding Judge

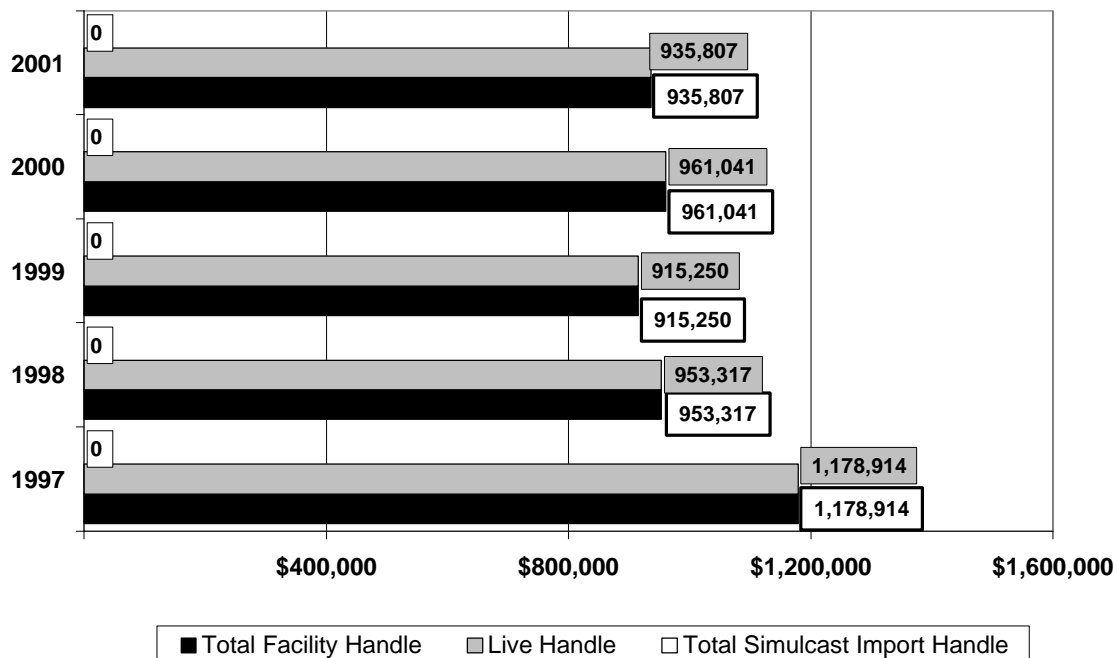
2001 Race Days: 5

2000 Race Days: 5

2001 Attendance: 6,414

2000 Attendance: 7,782

Total Annual Handles



HARNESSES

Vernon Downs

Mid-State Raceway, Inc.
PO Box 860
Vernon, New York 13476-0860
Phone: (315) 829-2201

Website Address: <http://www.vernondowns.com>

Vernon Downs is owned and operated by Mid-State Raceway, Inc. The track opened for racing in 1953 and is located in Vernon, Oneida County, just off Route 5 and the New York State Thruway at exit 33.

Size of Track: 7/8 mile

Capacity: Grandstand seating: 1,700
Clubhouse seating: 1,400

State Racing Official: Michael McCarthy, Presiding Judge

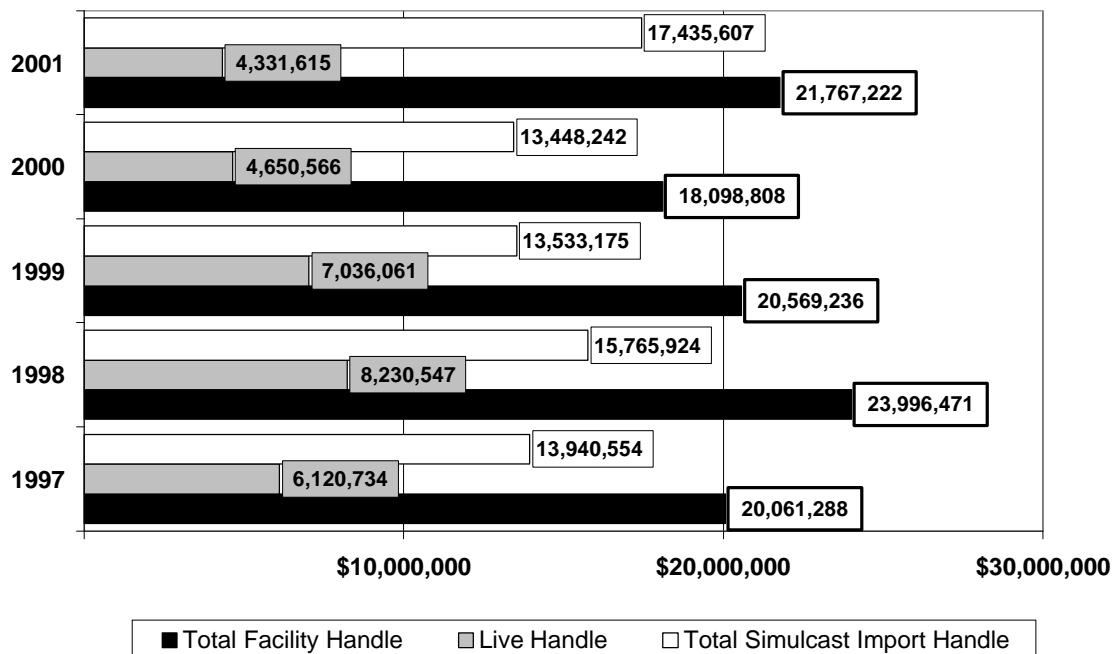
2001 Race Days: 84

2000 Race Days: 93

2001 Attendance: 71,378

2000 Attendance: 95,407

Total Annual Handles



HARNESSES

Yonkers Raceway

Yonkers Racing Corporation

Yonkers, New York 10704

Phone: (914) 968-4200

Yonkers Raceway, owned by the Rooney family of Pittsburgh, Pennsylvania, opened in 1950. The Raceway is located on Central Avenue in Yonkers.

Size of Track: One half mile **Capacity:** Grandstand seating: 6,200

State Racing Official: Frank Pellegrino, Presiding Judge

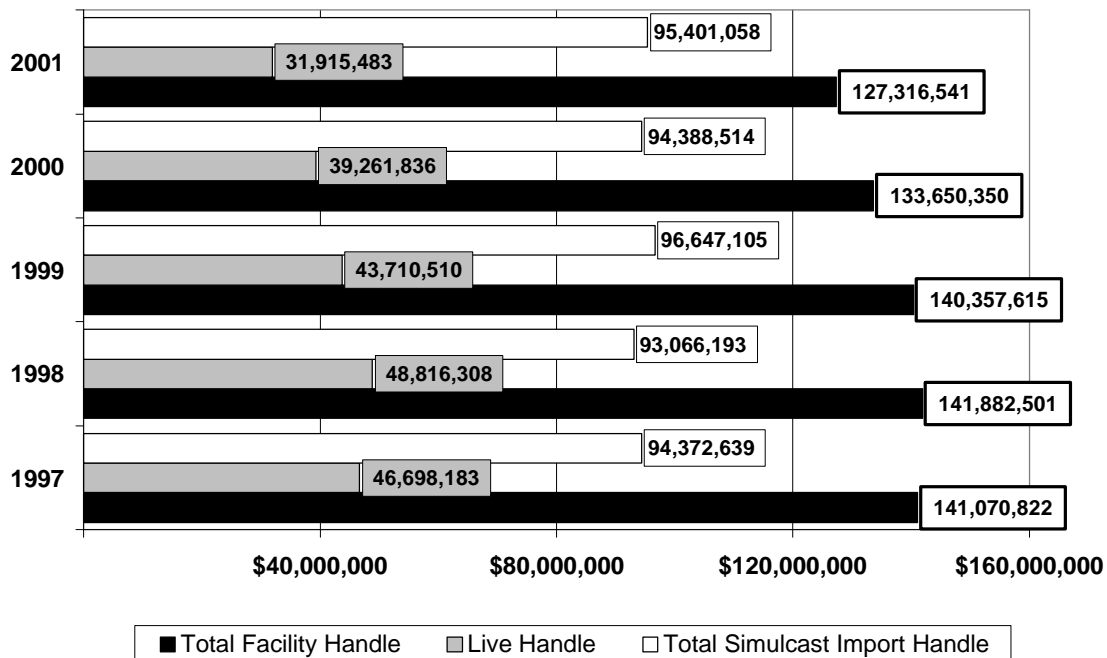
2001 Race Days: 252

2000 Race Days: 256

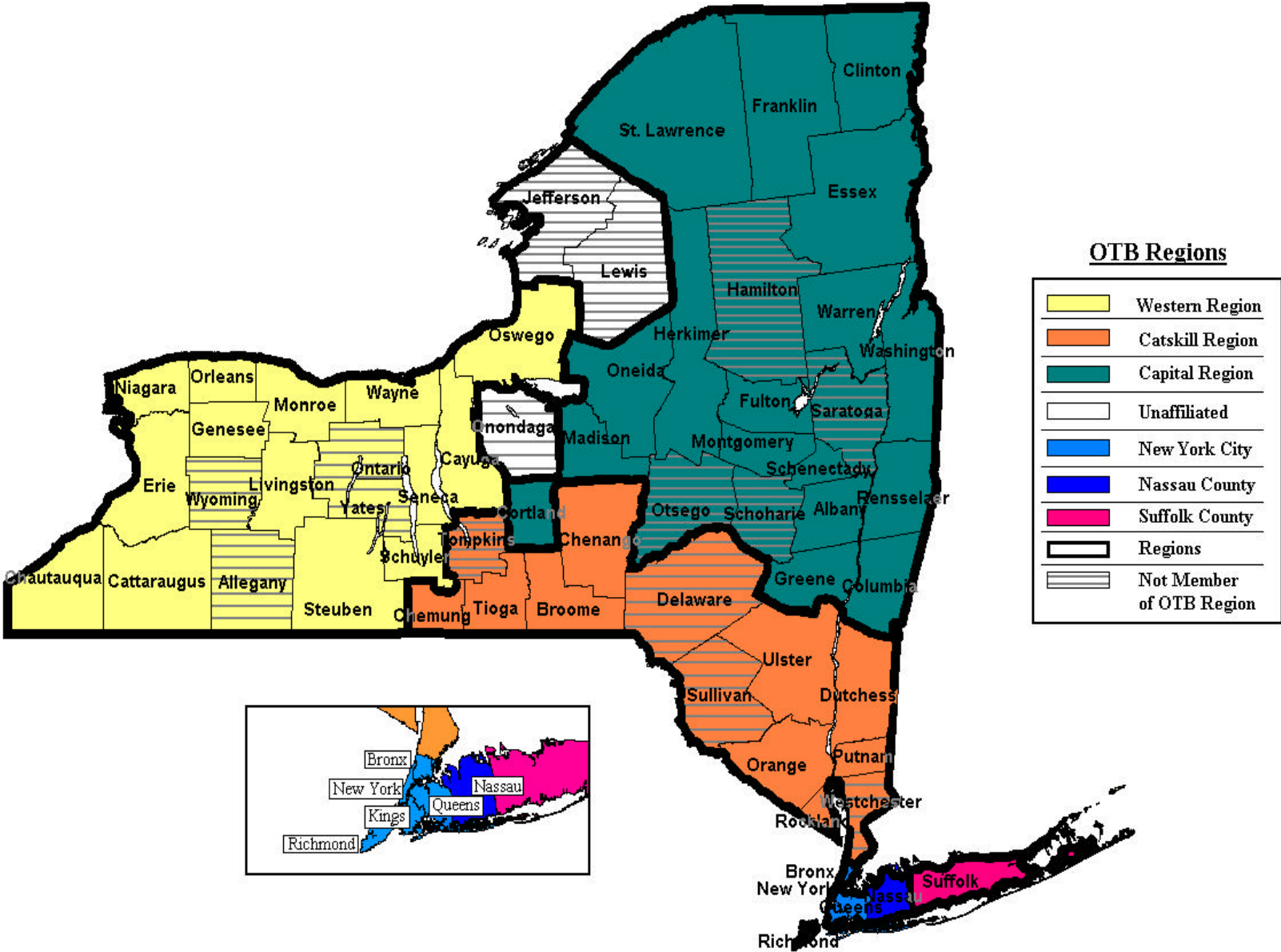
2001 Attendance: 167,277

2000 Attendance: 187,418

Total Annual Handles



Regional Off Track Betting Corporation Territories



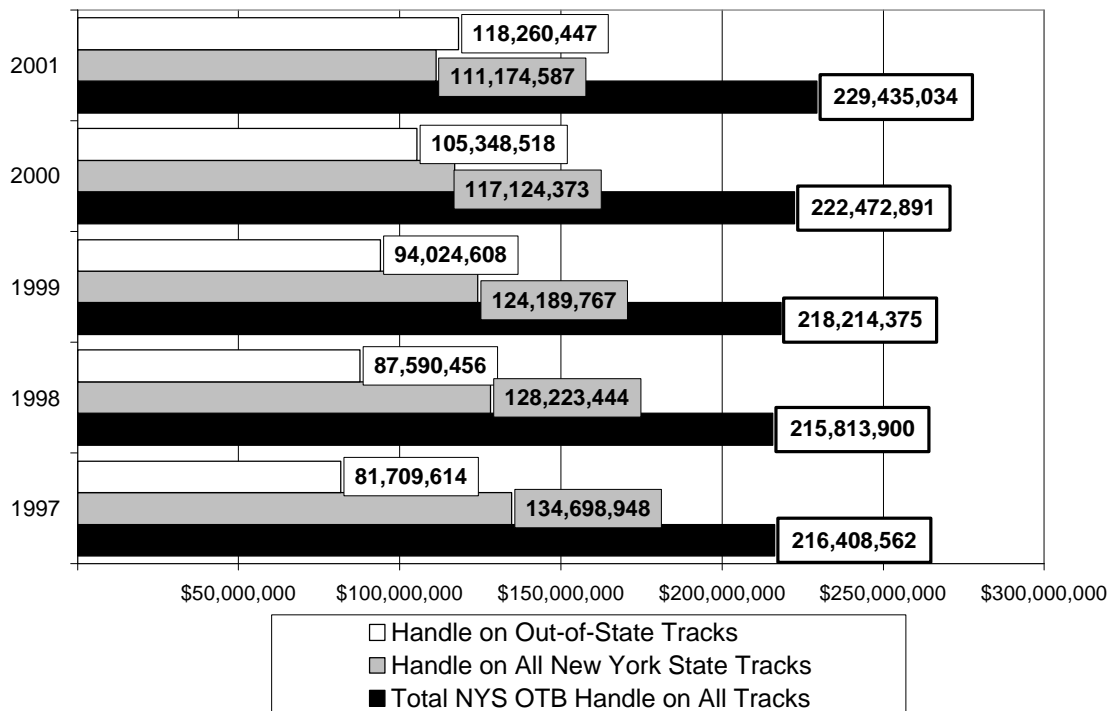
OFF TRACK BETTING

Capital District Regional Off-Track Betting Corporation

510 Smith Street
Schenectady, New York 12305
Phone: (518) 370-5151
Website address: <http://www.capitalotb.com>
President: Thomas Cholakis

Capital District Regional Off-Track Betting Corporation (Capital OTB) is comprised of twenty-one (21) counties and the City of Schenectady. Seventeen (17) of these counties participate in off-track betting. In 2001, Capital OTB operated fifty-one (51) simulcast branches and one (1) teletheater. The major cities located within the region are Albany, Schenectady, Troy and Utica. In 2001, Capital OTB had 25 operational EZ Bet locations. Pursuant to Article V-a of the NYS Racing, Pari-Mutuel Wagering and Breeding Law, the regional tracks for Capital OTB are Saratoga Race Course, Saratoga Equine Sports Center and Vernon Downs.

Handles on New York State and Out-of-State Tracks



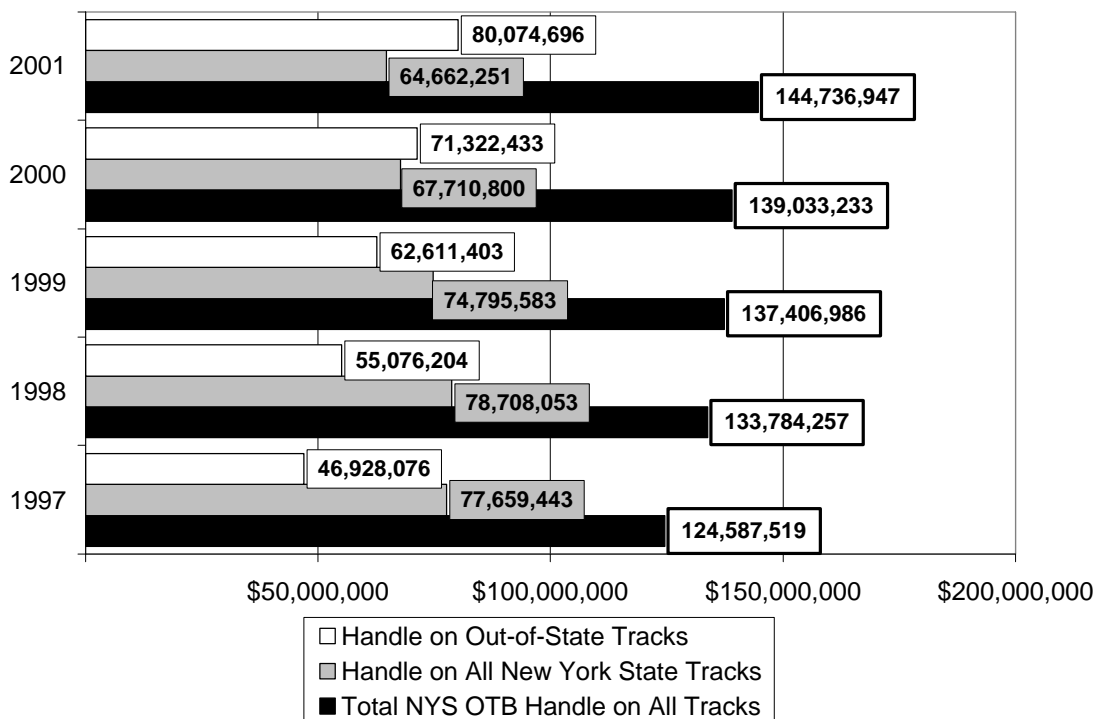
OFF TRACK BETTING

Catskill Regional Off-Track Betting Corporation

Park Place
Pomona, New York 10970
Phone: (845) 362-0400
Website address: <http://www.interbets.com>
President: Donald Groth

Catskill Regional Off-Track Betting Corporation (Catskill OTB) is comprised of thirteen (13) counties, of which nine (9) participate as members of this corporation. In 2001, Catskill OTB operated twenty-three (23) simulcast branches, one (1) teletheater, one (1) non-simulcast branch and one (1) remote location in Goshen. Some of the larger cities served by Catskill OTB are Binghamton, Elmira, Kingston, Middletown, Newburgh and Suffern. Pursuant to Article V-a of the NYS Racing, Pari-Mutuel Wagering and Breeding Law, the regional tracks for Catskill are Yonkers Raceway and Monticello Raceway.

Handles on New York State and Out-of-State Tracks



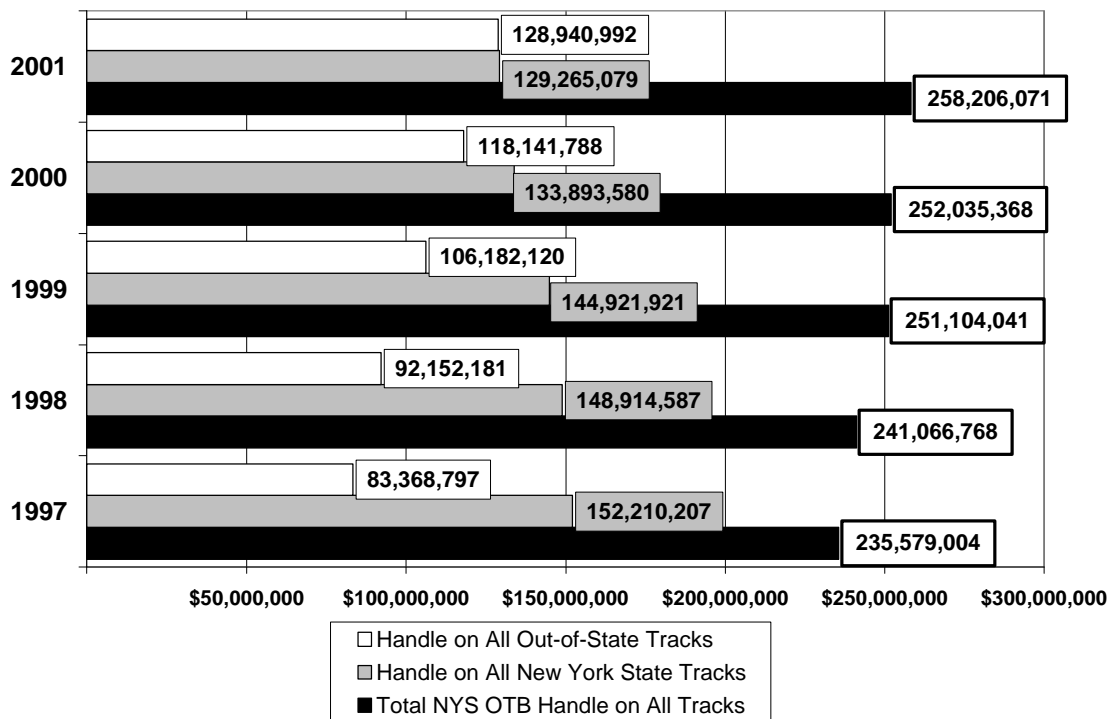
OFF TRACK BETTING

Nassau Regional Off-Track Betting Corporation

220 Fulton Avenue
Hempstead, New York 11550
Phone: (516) 572-2800
Nassau OTB does not have a website
President: Larry Aaronson

Nassau Regional Off-Track Betting Corporation (Nassau OTB) is comprised of only Nassau county. In 2001, Nassau OTB operated thirteen (13) simulcast branches and one (1) non-simulcast branch. Nassau OTB is the only one of the six regional OTB Corporations that does not operate a teletheater. Pursuant to Article V-a of the NYS Racing, Pari-Mutuel Wagering and Breeding Law, the regional tracks for Nassau OTB are Aqueduct Racetrack, Belmont Park, Saratoga Race Course, Yonkers Raceway and Monticello Raceway.

Handles on New York State and Out-of-State Tracks



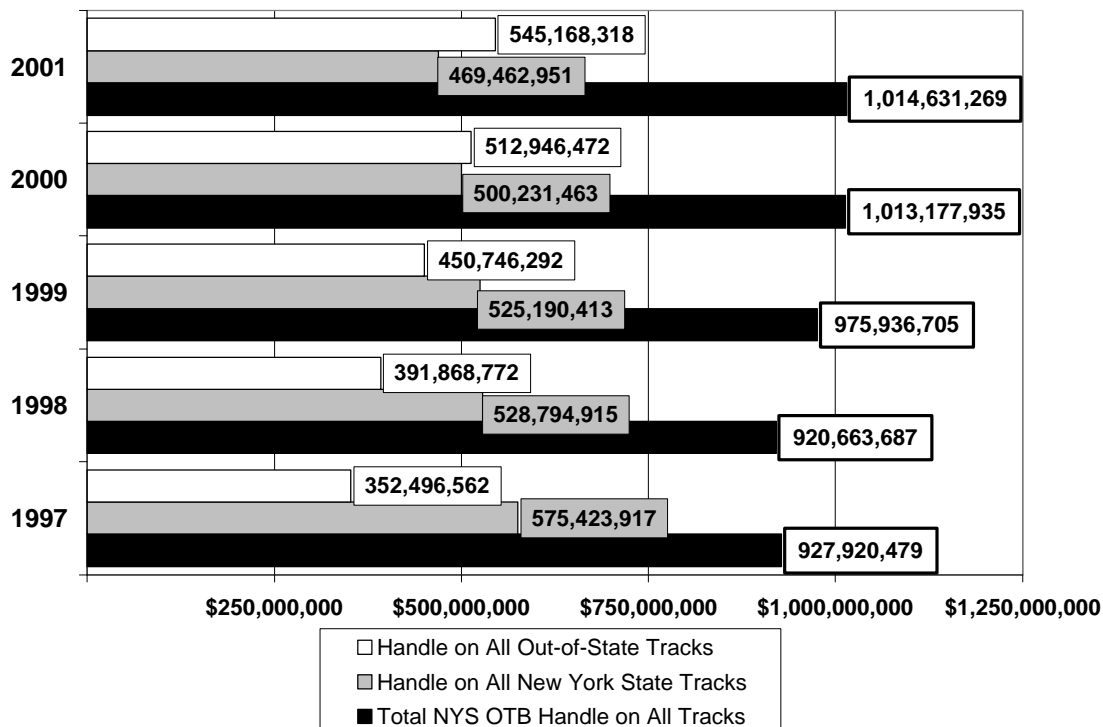
OFF TRACK BETTING

New York City Regional Off-Track Betting Corporation

1501 Broadway
 New York, New York 10036
 Phone: (212) 221-5200
 Website Address: www.nycotb.com
 President: Raymond Casey

New York City Regional Off-Track Betting Corporation, (New York City OTB) is comprised of five counties: New York, Kings, Richmond, Bronx, and Queens. In 2001, New York City OTB operated sixty-seven (67) simulcast branches and three (3) teletheaters. New York City OTB operates four "mini-branches" which are located within existing, privately owned restaurants. Pursuant to Article V-a of the NYS Racing, Pari-Mutuel Wagering and Breeding Law the regional tracks for New York City Regional Off-Track Betting Corporation are Aqueduct Racetrack, Belmont Park, Saratoga Race Course, Yonkers Raceway and Monticello Raceway.

Handles on New York State and Out-of-State Tracks



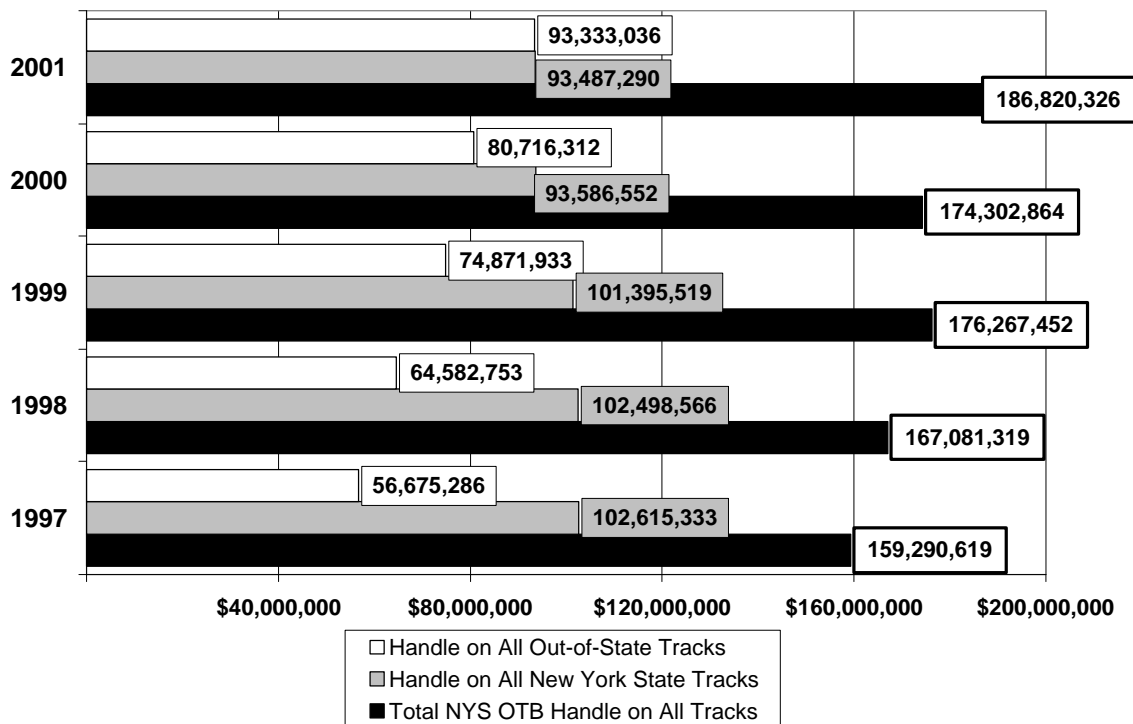
OFF TRACK BETTING

Suffolk Regional Off-Track Betting Corporation

5 Davids Drive
Hauppauge, New York 11787
Phone: (631) 853-1000
Website address: <http://www.suffolkotb.com>
President: Mea Knapp

Suffolk Regional Off-Track Betting Corporation (Suffolk OTB) is located entirely in Suffolk County. In 2001, Suffolk OTB operated twelve (12) simulcast branches and one (1) teletheater. Suffolk OTB also operates one (1) non-simulcast branch. Pursuant to Article V-a of the NYS Racing, Pari-Mutuel Wagering and Breeding Law, the regional tracks for Suffolk Regional Off-Track Betting are Aqueduct Racetrack, Belmont Park, Saratoga Race Course, Yonkers Raceway and Monticello Raceway.

Handles on New York State and Out-of-State Tracks



OFF TRACK BETTING

Western Regional Off-Track Betting Corporation

700 Ellicott Street

Batavia, New York 14020

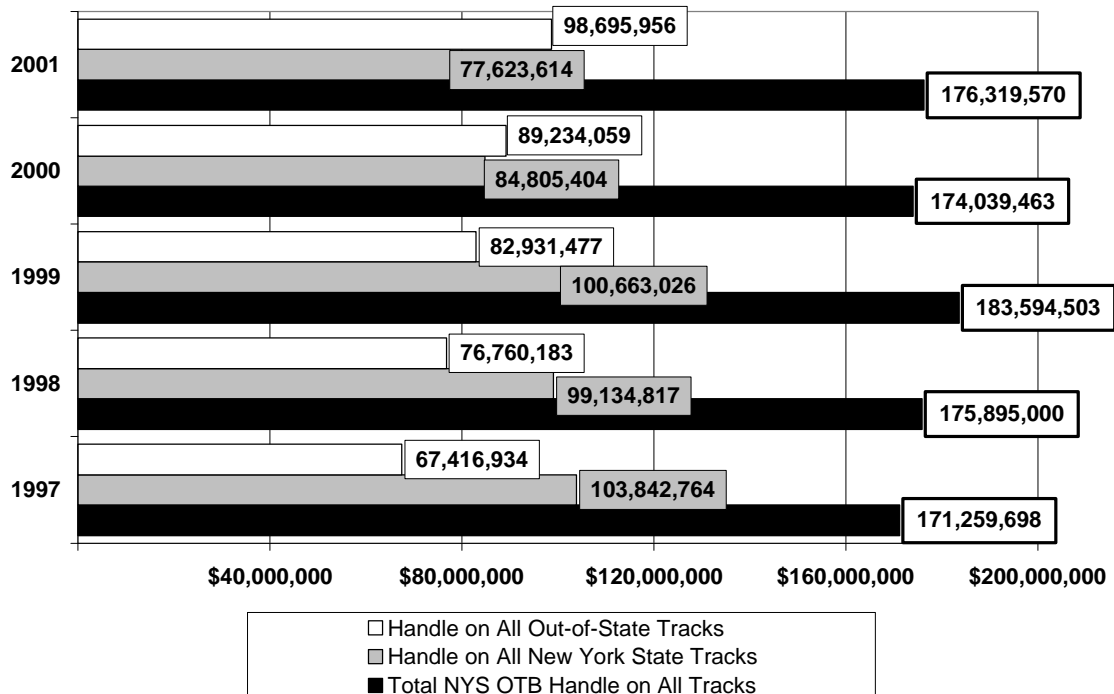
Phone: (800) 724-2000

Website Address: <http://www.westernotb.com>

President: Martin Basinait

The Western Regional Off-Track Betting Corporation (Western OTB), is comprised of 18 counties, 15 of which participate in off-track betting. The two major cities served by Western OTB are Buffalo and Rochester. In 2001, Western OTB operated forty-one (41) simulcast branches and one (1) teletheater. Pursuant to Article V-a of the NYS Racing, Pari-Mutuel Wagering and Breeding Law, the regional tracks for Western Regional Off-Track Betting are Finger Lakes Racetrack, Buffalo Raceway and Batavia Downs. In 2001, Western OTB received legislative approval to receive a racing license to operate Batavia Downs which Western OTB purchased in 1998. Western OTB plans to open Batavia Downs for live racing in July 2002.

Handles on New York State and Out-of-State Tracks



EQUINE DRUG TESTING PROGRAM

The Equine Drug Testing Program (EDTP) for all thoroughbred and harness racing in New York State is performed by the New York State College of Veterinary Medicine at Cornell University in Ithaca, New York under contract with the New York State Racing and Wagering Board. The Equine Drug Testing Program at Cornell University has the ability to test for more drugs than any other equine drug testing program in the world.

Equine drug testing is mandated by Chapter 47-A of the Consolidated Laws of the State of New York, The Racing, Pari-Mutuel Wagering and Breeding Law in Section 902.

Section 902. Equine drug testing and expenses. 1. In order to assure the public's confidence and continue the high degree of integrity in racing at the pari-mutuel betting tracks, equine drug testing at race meetings shall be conducted by a land grant university within this state with a regents approved veterinary college facility. The state racing and wagering board shall promulgate any rules and regulations necessary to implement the provisions of this section, including administrative penalties of loss of purse money, fines, or denial, suspension, or revocation of a license for racing drugged horses. 2. Notwithstanding any inconsistent provision of law, on and after April first, nineteen hundred eighty-six, all costs and expenses of the state racing and wagering board for equine drug testing and research shall be paid from an appropriation from the state treasury, on the certification of the chairman of the state racing and wagering board, upon the audit and warrant of the comptroller and pursuant to a plan developed by the state racing and wagering board as approved by the director of the budget.

In the year 2001, **60,798** samples of both urine and blood were collected and sent to be tested at the Equine Drug Testing Program at Cornell University. The director of the EDTP is Dr. George A. Maylin who began his career as a veterinarian in 1965.

Dr. Maylin has held several distinguished positions throughout his career including Director of Cornell Research and Reference Center, Director of Equine Drug Testing and Research Program and Division Chief of Toxicology Diagnostic Laboratory at New York State college of Veterinary Medicine, among others. Dr. Maylin is also responsible for the publication of numerous documents, studies and reports in the fields of pharmacology, toxicology, exercise physiology, chemistry and immunochemistry.

From the gathering of the original blood and urine samples that are collected in the presence of the owner, trainer or representative, throughout transport and subsequent testing, the chain of custody is rigidly maintained. This is necessary as blood and urine samples may be evidence in future litigation. All sample containers are identified and sealed against tampering upon collection. All samples are identified with unique numbers and the identity of the horse involved is not known by the EDTP personnel.

Under Board procedures, when the EDTP detects and confirms the presence of a prohibited substance, the laboratory immediately informs the Board's Chief of Racing Operations and its Chief Counsel. Immediately thereafter, the Chief of Racing Operations informs the steward or presiding judge at the racetrack where the horse's sample originated, along with other appropriate Board personnel. Investigation into the matter is begun after the horse and its' trainer are identified by the steward or presiding judge. The sample identifying numbers are matched by the steward or presiding judge to his previously locked documentation of collected samples. After identification, investigation into the circumstances, including interviews with all involved parties, begins. The responsible trainer is afforded the option of having a "split" sample of the original tested at an approved laboratory of his/her choice at his/her expense. After investigation is completed and all other information is gathered and studied, the licensee if necessary, is assessed a penalty from the State steward or presiding judge.

EQUINE DRUG TESTING PROGRAM

Should the licensee not agree with the penalty given, there is an appeals process that affords the licensee a full hearing before a board-appointed hearing officer. Upon receipt of the hearing officer's completed report, the three-member racing board renders a decision.

A listing of the most commonly used medicines in the equine racing world is contained within the Board's rules. Also contained is the number of hours "out" (before race day) that these listed drugs may be administered. The only allowable medication on race day is furosemide and this is allowed only to be given to horses properly enrolled in a furosemide medication program as prescribed.

Post-Race Positives by Track:

	<u>2001</u>	<u>2000</u>
Aqueduct:	7(3F) ¹	17(7F) ¹
Belmont Park:	12(3F) ¹	8(5F) ¹
Saratoga Th.:	0	1
Finger Lakes:	9	10
Buffalo Raceway:	7	11(1F) ¹
Monticello Raceway:	13(1F) ¹	21(4F) ¹
Saratoga Harness:	7	5
Vernon Downs:	5	2
Yonkers Raceway:	20(1F) ¹	23(9F) ¹

¹ The number in parentheses followed by "F" indicates the number of furosemide(lasix or salix) positives. A furosemide positive or overage is any amount over 100 nanograms.

The following list represents drugs that were newly reported in 2001 samples. These drugs were not reported in any 2000 samples collected:³

Butorphanol	Detomidine
Ephedrine	Phenylpropanolamine
Fluoxetine	Guanabenz
Indomethacin	Tramadol

The following list represents drugs that were reported in 2000 samples but not repeated in 2001 samples:

Atropine	Ergonovine
Etodolac	Etorphine
Glycopyrrolate	Ipratropium
Isoxsuprine	Ketoprofen
Pentoxifylline	Phenytoin
Sildenafil	Theobromine

³ This does not mean that these drugs had never been detected before in New York.

CHARITABLE GAMING

Historical Overview

Bingo became the first authorized charitable game to receive Legislative approval through an amendment to the New York State Constitution in 1957. This amendment permits qualified charitable, religious and non-profit organizations to utilize this valuable fundraising mechanism. The passage of this amendment resulted in the formation of the Bingo Control Commission, which regulated and enforced Bingo laws until 1977. In April 1977, all powers and responsibilities relating to the regulation of bingo were placed under the jurisdiction of the Racing and Wagering Board.

Games of Chance, which included only Las Vegas nights, were authorized by constitutional amendment in 1975 and the Board was granted regulatory authority. It was October 1988 when the Legislature permitted bell jar tickets to be used as a fundraising mechanism by qualified organizations. In April 1994, the Legislature further expanded the games falling under the realm of Games of Chance to include raffles. This Legislation became effective in January 1995.

To assist the Board in regulating Games of Chance, Governor Pataki, with the support of the Legislature, provided additional resources to the Racing and Wagering Board. In 1997, the new Division of Charitable Gaming was formed. Since the formation of this unit, the Board has significantly increased its ability to render assistance, advice and training to municipal clerks, law enforcement agencies and more than 15,000 organizations registered by the Board to conduct charitable gambling in New York State. The Board's central desire is to help qualified organizations comply with the laws that permit them to conduct profitable fund-raisers. The goal is to bring each and every organization into compliance, thereby maximizing the proceeds available for worthy causes.

Registration and Identification

Board staff is responsible for the issuance of registration and identification numbers qualifying authorized organizations for licensing at the municipal level. Registration numbers are free of charge and allow the organizations to obtain the respective license from the local licensing authority so that they may conduct licensed bell jars, raffles, Las Vegas nights or bingo. Once a registration and identification number is issued to an organization, the number remains with that organization for the duration of its' life, although the organization is responsible for obtaining local license renewals.

During the year 2001, Board staff reviewed 604 games of chance registration application forms. A total of 7,201 games of chance identification numbers have been issued. Likewise, 190 bingo registration applications were reviewed. To date, a total of 8,564 bingo identification numbers have been issued.

Bell Jar Compliance and Enforcement

The Racing and Wagering Board is responsible for all licensing and enforcement activities related to the manufacture, distribution and sale of bell jar tickets to licensed authorized organizations in the State. A primary function of the Board is to curtail the trafficking of illegal bell jar tickets into the state and eliminate those illegal activities that siphon revenues away from their intended charitable purposes. Furthermore, the Board seeks to bring all licensed organizations into compliance with the State statutes and rules and regulations governing the conduct of charitable gaming.

In 2001, Board staff reviewed a total 5,868 bell jar tickets 5,710 being approved for sale into New York State and 158 requests denied.

CHARITABLE GAMING

The Board conducts statewide investigations jointly with the Attorney General's Office, the New York State Police and the New York State Liquor Authority, as well as federal, state and local law enforcement agencies.

In calendar year 2001, Board staff conducted 1,333 charitable gaming inspections throughout New York State. From these inspections, an estimated \$178,635 worth of illegal and unauthorized bell jar tickets and/or related gambling paraphernalia was identified and surrendered. In addition, thousands of dollars in unpaid license fees were recovered and remitted to municipalities and the Board. In 2001, the total reported bell jar handle (gross sales) increased to **\$324,251,879** from the 2000 total of **\$319,871,215**.

The following illustrates the revenues generated by the bell jar ticket sales in 2001:

Bell Jar Activity Calendar Year 2001

Number of Licensed Organizations	2,152
License Fees Remitted to Clerks	\$ 53,800
Number of Bell Jar Deals Sold	192,963
Gross Ticket Sales	\$ 324,251,879
Prizes Awarded	\$ 235,475,662
5% Additional Fee	\$ 2,752,770
Net Profit to Organizations	\$ 52,380,892

Raffles

Since the legalization of raffles in 1994, there have been significant modifications to lessen the amount of paperwork involved in the licensing process. Governor Pataki and Legislators worked with local municipal clerks and non-profit organizations and passed additional raffle legislation in 1998 that lessened the amount of paperwork filed by organizations that profit under \$30,000.

In 2001, a total of \$5,666,761 was wagered on raffle. Organizations earned net profits of \$2,052,561 from the conduct of these raffles.

Casino-Type Games of Chance

Board personnel play an active role in the registration of authorized organizations conducting Las Vegas nights, bazaars, carnivals and field days, and are available to provide the assistance and training necessary to maximize profits derived from such fundraising events.

In 2001, 4,714 licensed Las Vegas nights were conducted and as a result, \$1,343,247 in net profits was raised for charitable purposes. A total of \$1,844,187 was wagered on Las Vegas Nights in 2001.

The numbers reported here are estimates based upon an approximation of results from the boroughs of Brooklyn, Bronx, Manhattan, Staten Island and Queens.

Bingo*

In 2001, 6,615,187 bingo players attended 60,192 licensed bingo occasions, generating net profits of \$35,371,050. As a result, \$1,052,833 in license fees was remitted to the State Comptroller and \$992,392 in additional license fees was paid to municipalities. Board staff takes a proactive role in bingo regulation, cooperating with municipal licensing authorities, law enforcement agencies and the State Attorney General's Office.

**The bingo numbers reported here are estimates based upon an approximation of results from the boroughs of Brooklyn, Bronx, Manhattan, Staten Island and Queens.*

Games of Chance and Bingo Manufacturers and Suppliers

The Board has many responsibilities with regards to licensing games of chance and bingo manufacturers and suppliers. In 2001, the Board 77 games of chance manufacturer and supplier licenses along with 52 bingo manufacturer and supplier licenses.

Licensed manufacturers and suppliers of both games of chance and bingo equipment are required to remit a yearly license fee of twenty-five dollars (\$25.00).

CHARITABLE GAMING

Games of chance manufacturers and suppliers are also required to remit 2% of their gross annual sales, which amounted to \$366,066 paid to the Board in the calendar year 2001. In addition, bingo manufacturer and suppliers are also required to remit an amount of their gross sales based on a schedule of gross sales established by the Legislature, which resulted in \$26,670 in license fees remitted to the Board.

Public Outreach

In 2001, the Board continued its efforts to educate regulated entities and local authorities.

Representatives of the Board conducted over 15 seminars and attended numerous statewide conferences held by charitable groups including veterans groups, volunteer firefighters and fraternal organizations. In addition, Board staff attended town clerk association meetings and spoke to town clerks about how to properly license and regulate charitable gaming activities in their municipalities.

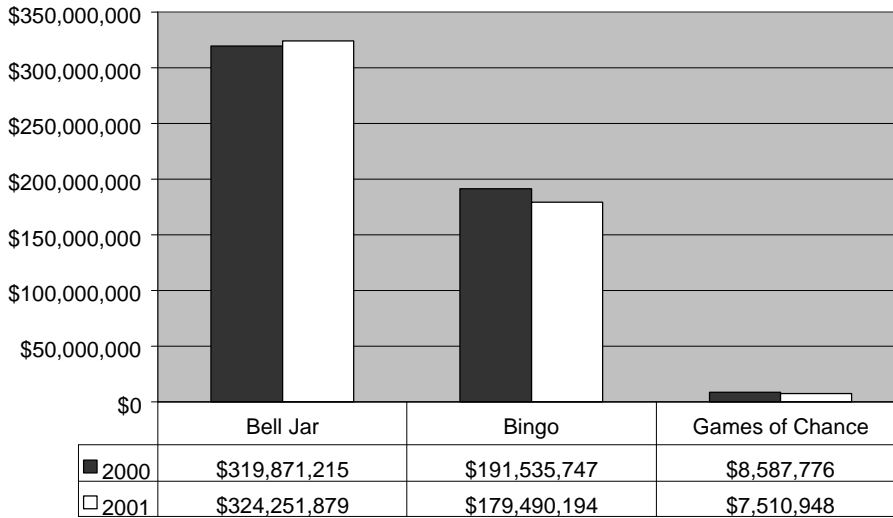
The Board's website has proved to be a valuable tool for communicating with the public, regulated entities and municipal clerks. In 2001, the Board introduced an email inquiry feature on the website. This has proved to be quite popular and has been a great success.

The website features a live database of licensed games of chance manufacturers and suppliers as well as a live database of bell jar tickets which have been approved by the Board for sale in New York State. It also contains all the forms needed to apply for a license along with instructions and frequently asked questions.

In an effort to promote communication, the Board publishes a regular column in the *Town Recorder*, statewide newsletter for municipal clerks, and the *Empire Elk*, statewide newsletter for the Elks.

CHARITABLE GAMING

Total Charitable Gaming Handle



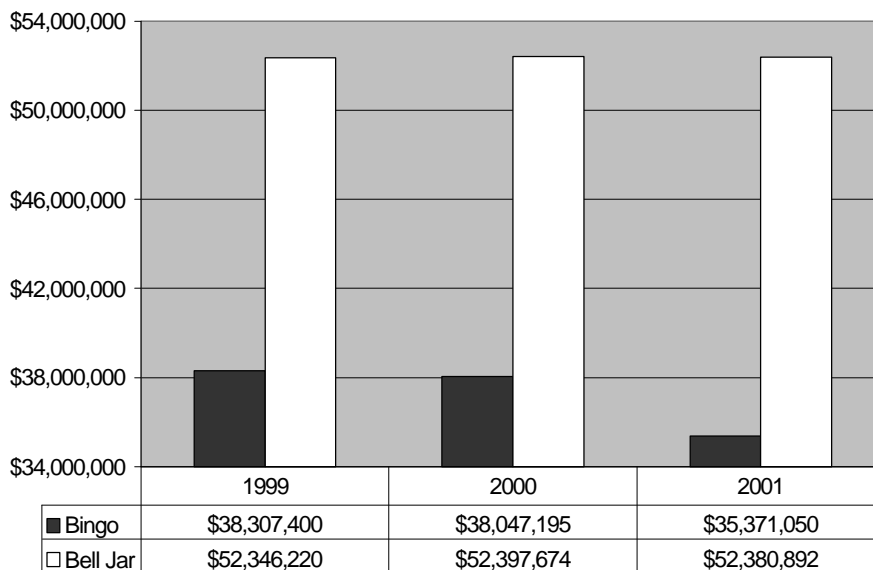
Total Charitable Gaming Handle in 2001 totaled \$511,253,021 which is a decrease of \$8,741,717 or 2% from the 2000 total of \$519,994,738.

The bingo and games of chance numbers reported here are estimates based upon an approximation of results from the boroughs of Brooklyn, Bronx, Manhattan, Staten Island and Queens.

* Please note that the Games of Chance total for 2000 has been amended since the 2000 annual report.

Total Charitable Gaming Handle = \$511,253,021

Bell Jar and Bingo Net Profit To Organizations

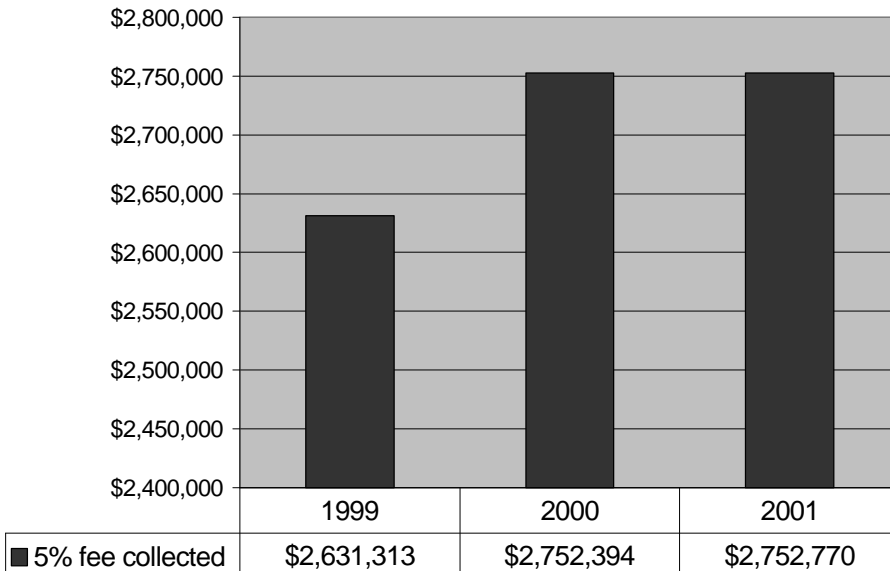


The decline in net profits from the conduct of bingo is a direct result of the decline in bingo handle in 2001. Bell jar tickets continued to be a consistent source of revenue for authorized organizations in 2001.

The bingo numbers reported here are estimates based upon an approximation of results from the boroughs of Brooklyn, Bronx, Manhattan, Staten Island and Queens.

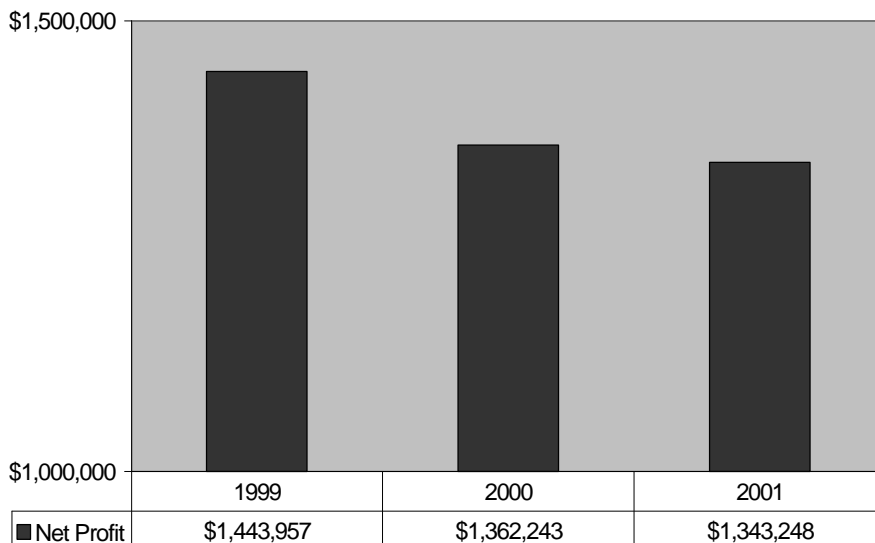
CHARITABLE GAMING

Bell Jar 5% Additional License Fees



Organizations licensed to sell bell jar tickets are required by law to submit an additional license fee of 5% of their net profits from the sale of bell jar tickets.

Bazaars, Las Vegas Nights & Festivals
Net Profit To Organizations



Due to the increase in popularity of bell jar tickets, organizations have been conducting fewer Las Vegas nights and bazaars. Organizations that conducted these events during 2001 reported receiving profits of \$1,343,248.

The numbers reported here are estimates based upon an approximation of results from the boroughs of Brooklyn, Bronx, Manhattan, Staten Island and Queens.

Bell Jar Handle and Deals Sold per County

County	2001 Handle	2001 Total Deals Sold	2000 Handle	2000 Total Deals Sold	1999 Handle	1999 Total Deals Sold
Chautauqua	\$39,977,655.00	27878	\$42,544,481.25	30360	\$40,239,020.00	30587
Monroe	\$23,174,397.90	18593	\$21,005,640.30	17262	\$14,938,512.32	8917
Erie	\$21,251,693.45	11232	\$23,661,321.50	12880	\$22,778,142.64	12957
Oneida	\$20,652,909.00	9608	\$19,329,669.75	9476	\$18,455,770.20	9736
Cattaraugus	\$15,851,906.68	14960	\$14,631,497.00	12649	\$12,278,208.00	10799
Jefferson	\$14,004,188.75	6503	\$14,698,676.25	6938	\$14,877,192.00	7203
Steuben	\$12,180,483.90	7156	\$11,569,367.65	6010	\$11,534,327.85	5637
St. Lawrence	\$11,191,055.50	5139	\$10,908,819.75	5129	\$10,558,993.50	5409
Onondaga	\$10,310,365.61	7091	\$9,849,857.97	6342	\$7,944,081.25	4554
Albany	\$8,716,878.50	4088	\$9,333,167.00	4457	\$8,763,103.15	4370
Wayne	\$7,940,296.50	4543	\$8,254,195.25	4306	\$7,634,299.75	3500
Suffolk	\$7,293,517.65	4382	\$7,762,639.75	4627	\$8,164,799.55	5025
Niagara	\$7,292,399.11	4250	\$7,581,585.63	4223	\$8,116,174.38	4853
Allegany	\$7,220,560.00	3118	\$7,154,085.25	3147	\$6,356,432.50	2779
Rensselaer	\$6,443,237.50	3068	\$5,882,570.00	2981	\$6,706,567.50	3465
Saratoga	\$6,077,481.50	2685	\$5,853,081.00	2679	\$4,986,282.75	2560
Oswego	\$5,884,778.60	3188	\$5,679,414.25	3206	\$5,112,043.55	2840
Broome	\$5,392,926.75	2852	\$5,447,025.00	3077	\$5,025,173.00	3059
Ontario	\$4,915,640.34	3478	\$4,438,059.25	2828	\$4,342,851.50	2563
Herkimer	\$4,761,355.25	1691	\$4,956,715.25	1919	\$4,991,979.50	1981
Clinton	\$4,590,391.50	2303	\$4,645,057.50	3237	\$4,840,244.75	2824
Orleans	\$4,553,365.50	2226	\$3,874,691.25	1903	\$4,149,044.00	2252
Fulton	\$4,413,133.00	1758	\$4,407,984.25	1789	\$4,404,684.50	1821
Franklin	\$4,284,128.25	2356	\$3,689,428.75	2091	\$2,987,494.75	1881
Seneca	\$4,065,682.25	2040	\$2,966,577.25	1492	\$3,311,951.50	1700
Tompkins	\$3,659,239.75	1483	\$3,528,773.75	1523	\$3,246,581.50	1612
Lewis	\$3,640,854.00	2189	\$2,722,727.25	1636	\$2,934,500.75	1810
Dutchess	\$3,625,717.50	1608	\$3,411,656.50	1610	\$3,232,727.25	1715
Chemung	\$3,562,983.25	2435	\$3,936,803.00	2565	\$4,275,112.25	2699
Schenectady	\$3,378,595.25	1711	\$3,130,321.75	1777	\$3,177,396.25	1868
Yates	\$3,305,302.00	2250	\$3,092,668.00	2241	\$3,327,241.25	2351
Genesee	\$3,087,947.75	1911	\$3,229,939.75	2023	\$3,124,856.75	1960
Warren	\$2,692,379.25	1194	\$2,520,405.00	1074	\$2,314,851.00	1109

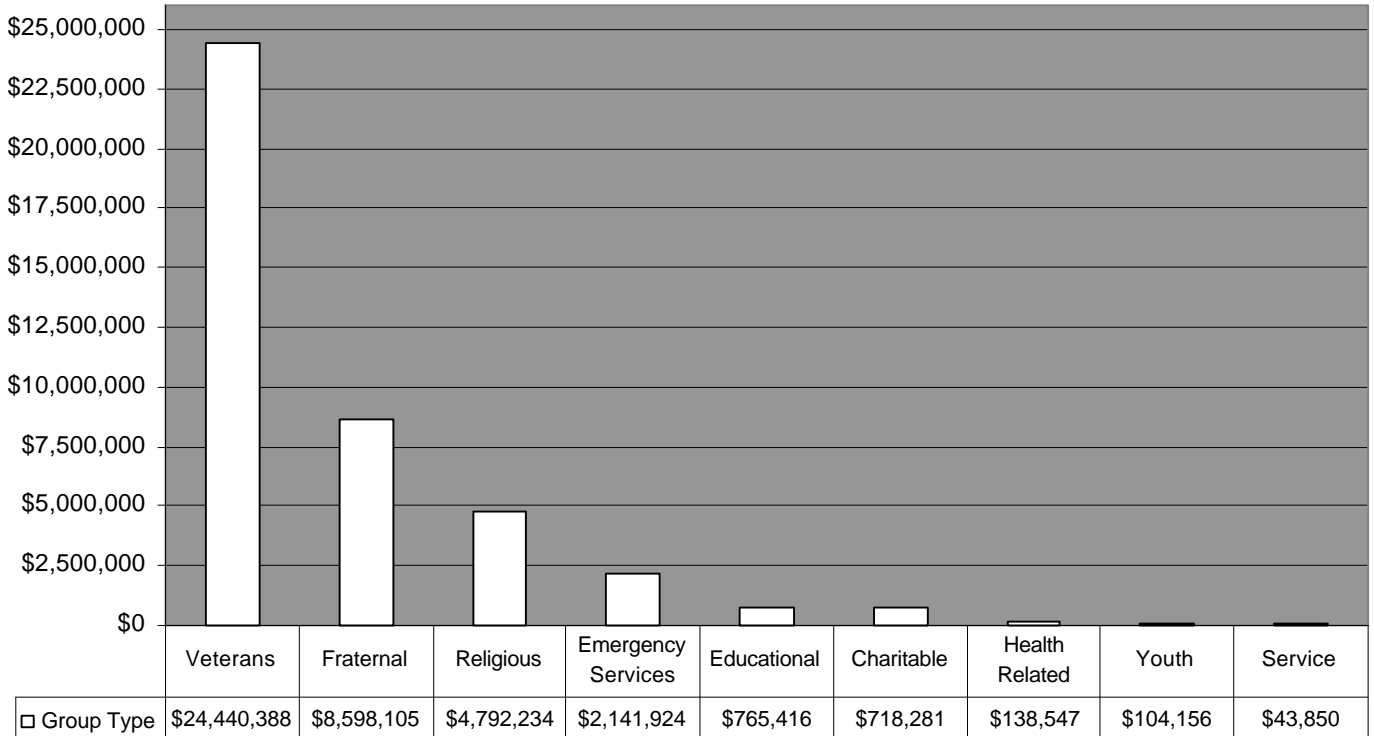
Bell Jar Handle and Deals Sold per County - continued

County	2001 Handle	2001 Total Deals Sold	2000 Handle	2000 Total Deals Sold	1999 Handle	1999 Total Deals Sold
Orange	\$2,677,558.25	1339	\$2,816,266.75	1471	\$2,890,052.50	1650
Washington	\$2,508,119.25	1394	\$2,386,084.25	1385	\$2,244,563.50	1295
Westchester	\$1,949,490.00	857	\$2,182,928.50	1009	\$2,156,643.50	975
Montgomery	\$1,809,082.50	1378	\$1,867,286.75	1390	\$1,924,894.25	1416
Livingston	\$1,746,481.65	1388	\$1,604,195.40	1154	\$1,521,064.50	945
Tioga	\$1,736,708.30	1073	\$1,970,649.25	1347	\$1,967,074.25	1333
Rockland	\$1,702,856.00	632	\$1,829,496.00	706	\$1,845,352.50	731
Ulster	\$1,609,316.25	1052	\$1,620,101.50	1078	\$1,283,456.75	945
Nassau	\$1,608,445.25	1251	\$1,443,572.00	978	\$1,607,609.25	1235
Cortland	\$1,587,480.00	945	\$1,186,563.50	755	\$895,898.00	607
Wyoming	\$1,413,228.50	946	\$1,486,815.00	946	\$1,353,466.25	873
Otsego	\$1,411,408.52	630	\$1,728,080.25	775	\$1,528,528.00	717
Chenango	\$1,408,163.50	742	\$1,286,905.00	699	\$1,434,764.75	777
Madison	\$1,389,508.55	870	\$1,202,396.25	838	\$1,148,124.50	885
Schuyler	\$1,340,602.25	595	\$1,153,031.25	560	\$1,030,659.00	518
Delaware	\$1,113,931.25	741	\$1,205,730.00	822	\$1,393,804.00	900
Essex	\$1,027,992.50	746	\$1,038,720.00	714	\$1,011,962.00	800
Sullivan	\$821,342.25	461	\$584,392.50	344	\$585,192.25	362
Greene	\$776,428.00	312	\$644,777.25	249	\$672,752.50	273
Putnam	\$655,050.00	230	\$404,755.50	156	\$383,082.50	146
Columbia	\$544,531.25	285	\$741,315.00	368	\$761,207.25	379
Queens	\$530,817.50	340	\$282,094.00	319	\$206,706.75	335
Richmond	\$374,795.25	185	\$437,622.00	210	\$603,975.50	302
Kings	\$313,952.25	190	\$258,461.00	205	\$174,350.40	184
Schoharie	\$169,370.25	152	\$236,836.25	209	\$289,112.75	251
Bronx	\$21,816.00	16	\$18,908.65	18	\$12,776.30	15
Hamilton	\$1,819.75	2	N/A	N/A	N/A	N/A
New York	N/A	N/A	\$21,273.00	30	\$20,150.00	22

** A deal is defined as a container that holds all the bell jar tickets of a game bearing the same serial number.

CHARITABLE GAMING

Bell Jar Revenue by Group Type



Veterans Organizations

American Legions	\$16,014,492
VFW	\$8,220,915
Marine Corps League	\$204,980

Religious

Roman Catholic	\$3,376,597
Jewish	\$1,265,333
Orthodox Groups	\$150,304

Service Organizations

Lions	\$37,291
Kiwanis	\$6,559

Emergency Service

Volunteer Firemen	\$2,128,483
Ambulance	\$13,441

Fraternal Organizations

Elks (BPOE)	\$3,941,196
Moose (LOOM)	\$3,223,218
Eagles (FOE)	\$1,433,691

Educational Organizations

Schools, PTA's	\$752,476
Women's ORT	\$12,940

Health Related Organizations

Handicapped	\$77,346
Health Organizations	\$30,616
Hospitals	\$30,585

Charitable Organizations

Charity Based Orgs.	\$718,281
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Youth Organizations

YMCA, Little League,	
Youth Related	\$90,143
Sports Booster Clubs	\$2,403

LICENSING

All participants in New York State racing are required to obtain an occupational license. During the 2000 legislative session, the legislature unanimously passed a bill introduced by Governor Pataki to change from a calendar year system to a date of birth licensing system. All licenses issued on or after January 1, 2001 expire on the individuals birthday rather than on December 31st. Individuals are still afforded the option of receiving a one, two or three year license. This new system has proved to be a great success and has eliminated long lines at the end of the year.

Also in 2001, the Licensing Unit introduced a Licensing Search feature on the Board's website. This feature enables the public to search for a licensee by name, license type and category. The search provides the user with the name of the licensee, license type, expiration and license status.

Good character and integrity of all participants are of basic importance to the well being of the sport. Every application is reviewed, updated and carefully processed by the Licensing unit before a license is issued. Where it is believed that an applicant's background and associates may warrant a finding that their participation in racing would be inconsistent with the public interest or the best interest of racing generally, a thorough investigation is conducted before unfavorable action is taken in the form of a denial, suspension or revocation of their license.

Regulatory Activities

During calendar year 2001, the Board issued 778 rulings for violations of racing laws, rules and regulations, at both harness and thoroughbred tracks. The Board levied fines to licensees for racing-related violations in the amount of \$101,275. The rulings include, but are not limited to driving and riding infractions, general conduct violations, human and equine drug violations, general business practice violations and several other rule and law violations. 13 violations were issued by the Main Office of the Racing and Wagering Board and are not assigned to a specific track.

Summary of Rulings by Track

Yonkers Raceway	282
Monticello Raceway	226
New York Racing Association	71
Buffalo Raceway	55
Vernon Downs	51
Finger Lakes Racetrack	40
Saratoga Harness	40
Syracuse Mile	0

LICENSING

Occupational Licenses Valid in 2001

Category	Harness	Thoroughbred	Total
Administration	4	0	4
Authorized Agent	2	52	54
Apprentice Jockey	0	24	24
Amateur Jockey	0	9	9
Assistant Trainer	1	271	272
Cleaning Service	75	315	390
Driver	831	6	837
Exercise Rider	3	549	552
Farrier	43	45	88
Food Service	261	187	448
Groom	1,316	1,374	2,690
Gap Attendant	0	8	8
General Services	494	1,190	1,684
Jockey	0	212	212
Jockey Agent	0	52	52
Matinee Driver	4	0	4
Mutuel Clerk	353	409	762
Race Official	1	3	4
Owner	4,321	4,027	8,348
Provisional Driver	101	0	101
Private Trainer	22	2	24
Qualifier Driver	51	0	51
Racing Official	0	31	31
Security	163	332	495
Stable Employee	14	942	956
Trainer	1,744	638	2,382
Track Management	120	63	183
Veterinarian	28	51	79
TOTALS	9,952	10,792	20,744

2001 LEGISLATION

Chapter 280 of the Laws of 2001 enacted Board requested legislation in relation to due dates for reports submitted by the Board. These reports concern the use by racing associations and corporations of retained percentages and breakage, as well as the impact of simulcasting. The reporting dates in Sections 228, 318 and 1002 of the Racing, Pari-Mutuel Wagering and Breeding Law ("Racing Law") were changed from March 31 to July 1 in order to facilitate presentation of a timely report after receipt of relevant information.

Chapter 327 of the Laws of 2001 amended Section 207 of the Racing Law in relation to hunt meetings without pari-mutuel racing. Existing provisions that required a license for a hunt meeting, whether or not pari-mutuel wagering was to be conducted, were modified to remove the licensing requirement for hunt meetings without pari-mutuel wagering.

Chapter 323 of the Laws of 2001 added a new Article XI to the Racing Law. This Article authorizes New York State to participate in an interstate compact for occupational horse racing licenses. Licenses will be issued by the compact entity to applicants who meet or exceed the licensing standards of each member state. Participation in the compact will simplify the licensing process for non-residents who wish to race in New York and New York residents who wish to race in other states.

Chapter 116 of the Laws of 2001 amended various sections of the Racing Law in relation to the Batavia Downs racetrack. This law empowers regional off-track betting corporations to conduct harness race meetings, if licensed under Article III of the Racing Law and empowers the Board to issue licenses to Western Regional Off-Track Betting Corporation or a subsidiary to conduct harness race meetings at Batavia Downs. Other amendments addressed technical issues concerning the future operation of Batavia Downs.

Chapter 277 of the Laws of 2001 amended Section 229 of the Racing Law in relation to the race meeting conducted at Aqueduct Race Track. This law reduces from 107 to 95 the required number of race days in order to maintain eligibility for a reduced pari-mutuel tax rate. In addition, the limitation of ten days reduction in the required number of race days based upon cause factors was removed, subject to Board approval of such cancellations.

Chapter 535 of the Laws of 2001 amended Section 513 of the Racing Law in relation to subjecting real property owned by an off-track betting corporation to real property taxes to the extent that such property is used for purposes unrelated to the corporate purpose of the off-track betting corporation.

Chapter 94 of the Laws of 2001 amended various sections of the Racing Law in relation to the disposition of pari-mutuel racing pools and the simulcasting of out-of-state thoroughbred races when a non-profit racing association is conducting a race meeting. Sections 229 and 527 were amended to lower the take-out rate and to make corresponding adjustments to purse payments. Section 1017 was amended to permit tracks and off-track betting corporations to simulcast and accept wagers on a third out-of-state contemporaneous thoroughbred signal during the winter period from January 15 through April 15. Section 1017-a was amended to authorize racetracks and off-track betting corporations to simulcast and accept wagers on one out-of-state or out-of-country "bridge" signal on days when the non-profit racing association conducts twilight racing at Belmont Park. A new Section 1017-b was added to authorize racetracks and off-track betting corporations to simulcast and accept wagers on two contemporaneous out-of-state thoroughbred signals during the Saratoga Race Course meeting.

Chapter 383 of the Laws of 2001 amended the Tax Law in relation to the operation of video lottery terminals at certain racetracks. A new Section 1617-a was added to the Tax Law to authorize the Division of the Lottery to license the operation of video lottery gaming at enumerated racetracks and at certain other racetracks where video lottery gaming has been authorized by local law. A portion of the vendor fee to be paid to the vendor track is to be dedicated to the enhancement of purses at the track.

SUMMARY OF BOARD ACTION ON RULES

The Board adopted the following:

COUPLING OF HORSES:

An amendment to thoroughbred Rule 4025.10 to allow the uncoupling for pari-mutuel wagering of thoroughbred horses with common ownership or training in races with a gross purse of one million dollars or more.

GAMES OF CHANCE:

Amendments to Parts 5600, 5602, 5606, 5608, 5611, 5620, and 5624 to make technical changes concerning applications, reporting requirements and bell jar ticket submission procedures, and to implement legislative changes affecting the conduct of games of chance.

THOROUGHBRED AND HARNESS

RULES REVIEW:

The Board continued its comprehensive review of the thoroughbred and harness racing rules.

Following the receipt of input from the thoroughbred racing industry, the Board proposed a consensus rule making to amend Parts 4000-4004, 4006, 4008-4011, 4014, 4020-4023, 4027-4030, 4032-4-33, 4038, 4040-4041, and 4070 of the thoroughbred rules. These proposals would make technical changes as well as delete unnecessary regulatory burdens while adapting the rules to the current needs of the industry, consistent with the integrity of pari-mutuel racing.

INDIAN GAMING

Class III, or casino style gaming on Native American lands, came to New York State as a result of the passage by the United States Congress of the Indian Gaming Regulatory Act (IGRA) of 1988, 25 U.S.C. §2701 *et seq.* In New York, this type of gambling is regulated jointly between the Indian nation or tribe and the Board's Bureau of Indian Gaming Regulation. The Oneida Indian Nation of New York opened their facility, the Turning Stone Casino Resort, on June 20, 1993, while the St. Regis Mohawk Tribe opened their facility, the Akwesasne Mohawk Casino, on April 10, 1999.

The Indian Gaming Regulatory Act

The Indian Gaming Regulatory Act (IGRA) contains a regulatory scheme designed to provide different levels of jurisdiction depending upon the type of gambling that is occurring on Indian lands. IGRA divides gambling into three types and establishes a regulatory scheme for each.

Class I gaming is described as "social games played solely for prizes of minimal value or traditional forms of Indian gaming engaged in as part of, or in connection with, tribal ceremonies or celebrations." Class I gaming is under the exclusive jurisdiction of Indian tribes and is not subject to the provisions of IGRA.

Class II gaming is defined as "the game of chance commonly known as bingo ... including (if played at the same location) pull-tabs, lotto, punch boards, tip jars, instant bingo and other games similar to bingo." Class II gaming is under tribal jurisdiction, subject to the provisions of IGRA and oversight of the National Indian Gaming Commission. States are not permitted to regulate any Class II gaming activity. Class II gaming is operated by the Oneida Indian Nation of New York, the St. Regis Mohawk Tribe and the Seneca Nation of Indians.

Under IGRA, Class III gaming may only be conducted pursuant to the terms of a compact between a tribe and the state in which its lands are

located. Class III gaming is defined as all other types of gambling, including "house-banked" card games (e.g., craps and blackjack), slot machines, pari-mutuel wagering and jai alai.

New York Compacts and Provisions

Class III gaming compacts exist between the State and both the Oneida Indian Nation of New York and the St. Regis Mohawk Tribe. On April 16, 1993, Governor Mario M. Cuomo signed the Oneida Indian Nation of New York's compact on behalf of the State of New York. The Bureau of Indian Affairs subsequently approved the compact on June 4, 1993. Governor Cuomo signed the St. Regis Mohawk Tribe's compact on November 22, 1994. Federal approval was granted on January 19, 1995.

Contained in each compact and appendices are standards and specifications for each game permitted to be played at an Indian casino, the rules and internal controls governing the operation of the gaming facility, procedures for certification and/or registration of gaming employees and companies transacting business with the casino and a system of mediation of disputes.

The Board maintains a constant, twenty-four hour visible presence on each casino's floor. Board Gaming Inspectors are experienced, professional investigators specially trained to monitor casino gaming activities with the respective Nation or Tribal Gaming Inspectors, security officers and surveillance departments. Board Gaming Inspectors conduct compliance examinations to ensure that gaming operations such as dealing procedures, internal accounting controls and other safeguards strictly conform to the applicable provisions of each compact and its appendices, and, when applicable, to the federal Minimum Internal Control Standards. Casino patrons regularly seek State Gaming Inspectors to clarify the rules of the games and for recourse after lodging complaints with casino personnel. Board Gaming Inspectors conduct investigations, interviews, review surveillance videotapes, and prepare detailed narrative reports as part of their normal duties.

Certification and Registration

The Board's Certification and Registration Unit is responsible for the review and subsequent approval or denial of the applications submitted by all persons involved with Class III gaming in the State. Under each compact, no person may commence or continue employment as a gaming employee unless he or she is the holder of a valid gaming employee certification and license issued by the Board and Commission respectively. The term "gaming employee" is broad, meaning any person employed in the operation or management of Class III gaming, whether employed by the Nation or Tribe or by any enterprise providing on-site services to the Nation or Tribe within a Class III gaming facility and any other person whose employment duties require or authorize access to restricted areas of the gaming facilities not otherwise opened to the public. The level of scrutiny to which employee applicants are subject depends upon the nature of their responsibilities at the casino and their degree of access and ability to influence gambling activities on the gaming floor.

At a minimum, each applicant for a gaming employee certification and license must submit a completed license application and both state and federal fingerprint cards. Provided that the application is complete and all required documentation has been submitted, the Board forwards a copy of the application to the New York State Police (State Police), which conducts a background investigation of the applicant. The Board also forwards the fingerprint cards to the Division of Criminal Justice Services (Division) and the Federal Bureau of Investigation for a fingerprint-based search of its files, who report the results. The State Police also report the results of its investigation to the Board. The Board then reviews the fingerprint returns and applicant background investigation report evaluating them using Compact enumerated criteria to determine eligibility for certification.

Pursuant to each gaming compact, enterprises or individuals wishing to conduct gaming-related business with a Class III gaming facility must first obtain a valid gaming service registration issued by the Board prior to providing gaming services, gaming supplies or gaming equipment to the casinos. As with "gaming employee," the term "enterprise" and the scope of business conducted that requires registration is quite broad: "enterprise" means any individual, trust, corporation, partnership, or other legal entity of any kind; provided, however, that with respect to any corporation, the term "enterprise" shall include each other corporation or other legal entity which directly or indirectly controls a majority of the voting interests in such corporation; and further provided, that with respect to any partnership, trust, or other form of unincorporated business organization, the term "enterprise" shall include each corporation or other legal entity which controls a majority of the voting interests in such organization. "Gaming services" means those services provided to the Nation or Tribal gaming operation in connection with the operation of Class III gaming, including maintenance or security services for the Class III gaming facility, gaming schools or training activities, promotional services, printing or manufacture of betting tickets, and manufacture, distribution, maintenance, testing or repair of gaming equipment. "Gaming supplies" means those goods or supplies which are specially designed for use in the operation of any Class III game or activity. "Gaming equipment" means any machine or device, which is specially designed or manufactured for use in the operation of any Class III game or activity.

Federal law permits, and each gaming compact dictates, that all of the State's regulatory expenses for both personnel and equipment are paid for or reimbursed by the regulated Indian Nation or Tribe.

INDIAN GAMING

The following Chart illustrates activity in the Certification and Registration Unit with respect to individual applications at the Indian gaming facilities. Since withdrawal or termination of an application may occur at any step in the certification process, the combined approval, denial and withdrawal figures exceed the total number of applications received.

Applications for Certification and Their Disposition Oneida and Mohawk Casinos, New York

Application Category	Oneida Nation		Mohawk Tribe	
	Calendar Year 2001	Total	Calendar Year 2001	Total
Applications Received	896	8,498	115	1,564
Temporary Certifications Issued	808	7,814	109	1086
Temporary Certifications Denied	30	189	9	88
Applications Withdrawn	12	269	1	182
Annual Certifications Issued	424	3,901	124	436
Applications Terminated	327	5,279	33	520

TOTAL BETTING AT NEW YORK STATE RACE TRACKS
ON-TRACK BETTING ON LIVE AND SIMULCAST IMPORT OF ALL RACES

	2001			2000			Increase (Decrease) 2001-2000
	<u>Simulcast Imports</u>	<u>Live Racing</u>	<u>On-Track Betting</u>	<u>Simulcast Imports</u>	<u>Live Racing</u>	<u>On-Track Betting</u>	
RECEIVING TRACK:							
THOROUGHBRED:							
Aqueduct	\$ 97,649,037	\$ 123,405,133	\$ 221,054,170	\$ 96,934,189	\$ 128,885,414	\$ 225,819,603	(2.1) %
Belmont	37,678,704	135,971,744	173,650,448	37,318,985	124,896,081	162,215,066	7.0 %
Saratoga	17,020,231	116,559,001	133,579,232	3,961,695	116,356,627	120,318,322	11.0 %
NYRA	152,347,972	375,935,878	528,283,850	138,214,869	370,138,122	508,352,991	3.9 %
Finger Lakes	13,648,373	20,273,013	33,921,386	8,231,645	23,156,123	31,387,768	8.1 %
THOROUGHBRED TRACKS	165,996,345	396,208,891	562,205,236	146,446,514	393,294,245	539,740,759	4.2 %
HARNESS:							
Batavia	577,344	-	577,344	-	-	-	
Buffalo	12,897,136	6,525,727	19,422,863	14,363,360	8,039,808	22,403,168	(13.3) %
Monticello	9,262,136	9,671,758	18,933,894	10,713,116	10,411,505	21,124,621	(10.4) %
Saratoga	22,875,968	6,157,071	29,033,039	21,451,042	6,492,662	27,943,704	3.9 %
Syracuse Mile	-	935,807	935,807	-	961,041	961,041	(2.6) %
Vernon	17,435,607	4,331,615	21,767,222	13,448,242	4,650,566	18,098,808	20.3 %
Yonkers	95,401,058	31,915,483	127,316,541	94,388,514	39,261,836	133,650,350	(4.7) %
HARNESS TRACKS	158,449,249	59,537,461	217,986,710	154,364,274	69,817,418	224,181,692	(2.8) %
ALL TRACKS	\$ 324,445,594	\$ 455,746,352	\$ 780,191,946	\$ 300,810,788	\$ 463,111,663	\$ 763,922,451	2.1 %

**** Simulcast Imports represents all simulcasts. This includes in-state and out-of-state simulcasts.**

**** Simulcast Imports + Live Racing = On-Track Betting**

TOTAL BETTING AT NEW YORK STATE RACE TRACKS
ON-TRACK BETTING BY BREED AND LOCATION OF RACE

2001

SUMMARY OF ON-TRACK BETTING

	Betting at NYS Thoroughbred Tracks	Percent of Total Thoroughbred	Betting at NYS Harness Tracks	Percent of Total Harness	Total	Percent of Total
LIVE RACING:						
NYRA	\$ 375,935,878	66.9%	\$ -	0.0%	\$ 375,935,878	48.2%
Finger Lakes	20,273,013	3.6%	-	0.0%	20,273,013	2.6%
NYS Harness Tracks	-	0.0%	59,537,461	27.4%	59,537,461	7.6%
All Live Racing at NYS Tracks	396,208,891	70.5%	59,537,461	27.4%	455,746,352	58.4%
IN-STATE SIMULCASTING BETWEEN NYS TRACKS:						
NYRA	29,296,935	5.2%	56,715,597	26.0%	86,012,532	11.0%
Finger Lakes	1,173,178	0.2%	3,696,293	1.7%	4,869,471	0.6%
NYS Harness Tracks	47,194	0.0%	7,270,174	3.3%	7,317,368	0.9%
All Simulcasts from NYS Tracks	30,517,307	5.4%	67,682,064	31.0%	98,199,371	12.6%
WAGERING ON NYS RACING AT NYS TRACKS	426,726,198	75.9%	127,219,525	58.4%	553,945,723	71.0%
WAGERING ON OUT OF STATE RACES AT NYS TRACKS:						
Thoroughbred Races	135,479,038	24.1%	46,929,114	21.5%	182,408,152	23.4%
Harness Races	-	0.0%	43,838,071	20.1%	43,838,071	5.6%
All Simulcasts from Out-of-State Tracks	135,479,038	24.1%	90,767,185	41.6%	226,246,223	29.0%
TOTAL BETTING AT NYS TRACKS FROM ALL SOURCES	\$ 562,205,236	100.0%	\$ 217,986,710	100.0%	\$ 780,191,946	100.0%

2001 DISTRIBUTION OF ON-TRACK BETTING

	NYRA	Finger Lakes	Batavia	Buffalo	Monticello	Saratoga	Syracuse	Vernon	Yonkers	All NYS Tracks
Regular	\$ 196,174,775	\$ 7,569,939	\$ 133,719	\$ 5,381,722	\$ 4,123,576	\$ 9,699,158	\$ 195,665	\$ 6,124,610	\$ 36,598,283	\$ 266,001,447
Multiple	192,812,527	13,369,671	233,452	6,233,456	7,696,955	10,837,715	361,921	8,062,592	47,377,388	286,985,677
Exotic	131,044,570	12,981,776	210,173	7,807,685	6,297,978	7,750,664	378,221	7,417,371	42,178,170	216,066,608
Super Exotic	8,251,978	-	-	-	815,385	745,502	-	162,649	1,162,700	11,138,214
Total Handle	\$ 528,283,850	\$ 33,921,386	\$ 577,344	\$ 19,422,863	\$ 18,933,894	\$ 29,033,039	\$ 935,807	\$ 21,767,222	\$ 127,316,541	\$ 780,191,946
Takeout	\$ 99,470,788	\$ 6,928,832	\$ 122,097	\$ 4,092,585	\$ 3,999,862	\$ 5,800,748	\$ 202,159	\$ 4,516,622	\$ 25,927,688	\$ 151,061,381
Breakage	2,453,560	126,469	2,283	89,187	73,917	142,316	3,882	96,599	548,980	3,537,193
Total Takeout and Breakage	\$ 101,924,348	\$ 7,055,301	\$ 124,380	\$ 4,181,772	\$ 4,073,779	\$ 5,943,064	\$ 206,041	\$ 4,613,221	\$ 26,476,668	\$ 154,598,574
State Tax on Handle	\$ 8,346,690	\$ 373,855	\$ 7,179	\$ 183,330	\$ 179,628	\$ 326,287	\$ 4,679	\$ 254,740	\$ 1,560,700	\$ 11,237,088
State Tax on Breakage	704,188	58,252	873	38,436	30,857	54,912	1,941	38,246	206,884	1,134,589
Total Pari Mutuel Tax	\$ 9,050,878	\$ 432,107	\$ 8,052	\$ 221,766	\$ 210,485	\$ 381,199	\$ 6,620	\$ 292,986	\$ 1,767,584	\$ 12,371,677
Racetrack Commission	\$ 87,782,216	\$ 6,385,397	\$ 110,632	\$ 3,745,606	\$ 3,657,038	\$ 5,297,065	\$ 188,122	\$ 4,073,341	\$ 23,442,534	\$ 134,681,951
Racetrack Breakage	1,749,372	68,217	1,410	50,751	43,060	87,404	1,941	58,353	342,096	2,402,604
Total to Racetrack	\$ 89,531,588	\$ 6,453,614	\$ 112,042	\$ 3,796,357	\$ 3,700,098	\$ 5,384,469	\$ 190,063	\$ 4,131,694	\$ 23,784,630	\$ 137,084,555
Horse Breeders Fund Share	\$ 3,341,882	\$ 169,580	\$ 4,286	\$ 163,649	\$ 163,196	\$ 177,396	\$ 9,358	\$ 188,541	\$ 924,454	\$ 5,142,342
Racetrack Payouts										
Paid to Simulcast Senders	\$ 3,320,588	\$ 633,751	\$ 22,874	\$ 481,127	\$ 429,570	\$ 1,204,814	\$ -	\$ 625,661	\$ 5,000,463	\$ 11,718,848
Paid to NYRA and Finger Lakes	\$ 698,434	\$ 171,000	\$ 5,575	\$ 98,394	\$ 59,845	\$ 209,996	\$ -	\$ 82,793	\$ 1,196,171	\$ 2,522,207
Gross Purses Paid	\$ 113,428,564	\$ 11,439,939	\$ -	\$ 3,732,360	\$ 5,992,068	\$ 3,608,671	\$ 1,091,835	\$ 2,393,670	\$ 20,732,553	\$ 162,419,660
Minus Pool	\$ 520,777	\$ 2,927	\$ 10	\$ 1,437	\$ 1,767	\$ 3,756	\$ 949	\$ 34,837	\$ 15,061	\$ 581,521
Uncashed Tickets	\$ 1,209,935	\$ 115,162	\$ -	\$ 65,768	\$ 64,539	\$ 93,368	\$ 1,915	\$ 63,736	\$ 274,122	\$ 1,888,545
State Admission Taxes	\$ 228,168	\$ 4,821	\$ -	\$ -	\$ 862	\$ 2,515	\$ -	\$ 1,882	\$ 7,507	\$ 245,755

**NEW YORK STATE REGIONAL OFF-TRACK BETTING CORPORATIONS
STATEMENT OF REVENUES NET OF EXPENSES
2001**

	<u>Capital</u>	<u>Catskill</u>	<u>Nassau</u>	<u>New York City</u>	<u>Suffolk</u>	<u>Western</u>	<u>All Regions</u>
Net Handle on:							
In State Thoroughbred Tracks	\$ 95,947,965	\$ 48,872,184	\$ 109,521,683	\$ 389,497,754	\$ 81,192,698	\$ 61,199,062	\$ 786,231,346
Out of State Thoroughbred Tracks	91,033,858	59,143,486	95,880,952	433,290,947	73,894,296	69,902,190	823,145,729
In State Harness Tracks	15,226,622	15,790,067	19,743,396	79,965,197	12,294,592	16,424,552	159,444,426
Out of State Harness Tracks	27,226,589	20,931,210	33,060,040	111,877,371	19,438,740	28,793,766	241,327,716
Total Net Handle	229,435,034	144,736,947	258,206,071	1,014,631,269	186,820,326	176,319,570	2,010,149,217
Less:							
Returned to Bettors	173,449,938	108,181,052	193,915,032	772,492,305	142,247,186	130,763,442	1,521,048,955
Surcharge	8,603,595	5,855,931	9,628,864	33,232,943	5,838,285	7,756,015	70,915,633
OTB Take Out and Breakage	47,381,501	30,699,964	54,662,175	208,906,021	38,734,855	37,800,113	418,184,629
Less Payments to:							
NY State (Pari-Mutuel Tax & Breakage)	2,110,561	1,405,246	2,224,839	8,883,963	1,768,658	1,797,078	18,190,345
NY State (Uncashed Tickets)	774,600	524,705	588,935	3,273,618	523,147	645,000	6,330,005
Breeders' Fund - Thoroughbred	1,113,360	632,238	1,232,691	4,892,358	916,586	754,731	9,541,964
Breeders' Fund - Harness	593,326	460,819	764,212	2,836,424	489,806	558,636	5,703,223
In State Thoroughbred Tracks	9,706,613	6,870,732	13,393,470	56,282,127	10,182,885	8,214,507	104,650,334
Out of State Thoroughbred Tracks	2,130,452	1,380,446	2,188,320	9,796,513	1,676,085	1,614,408	18,786,224
In State Harness Tracks	5,058,377	2,393,615	3,571,903	13,789,348	2,287,338	3,598,964	30,699,545
Out of State Harness Tracks	584,510	454,404	683,189	2,429,978	397,007	618,999	5,168,087
City of Albany	326,319	-	-	-	-	-	326,319
City of Niagara	-	-	-	-	-	79,779	79,779
Total Payments	22,398,118	14,122,205	24,647,559	102,184,329	18,241,512	17,882,102	199,475,825
Net Racing Revenue	24,983,383	16,577,759	30,014,616	106,721,692	20,493,343	19,918,011	218,708,804
Other Revenue:							
Admission Income	93,535	101,005	-	525,335	128,289	3,348	851,512
Lottery Income	594,350	348,254	-	-	55,679	497,337	1,495,620
Concession Income	174,365	35,949	93,755	155,365	56,623	28,564	544,621
Derived from Section 532	2,028,811	1,503,957	1,967,347	8,419,810	1,317,066	1,935,022	17,172,013
Interest Income	59,242	714,580	365,322	1,108,800	59,129	285,319	2,592,392
Other Income	141,598	185,597	602,804	874,098	1,651,114	451,456	3,906,667
Uncashed Tickets	774,600	524,705	588,935	3,273,618	523,147	645,000	6,330,005
Total Operating Revenue	28,849,884	19,991,806	33,632,779	121,078,718	24,284,390	23,764,057	251,601,634
Operating Expenses:							
Branch Expenses	15,704,359	9,837,074	14,017,064	79,344,568	13,867,148	17,032,426	149,802,639
Corporate Expenses	7,055,609	2,121,081	5,352,050	38,448,777	6,812,022	5,557,709	65,347,248
Total Operating Expenses - Including Depreciation	22,759,968	11,958,155	19,369,114	117,793,345	20,679,170	22,590,135	215,149,887
Section 516 Net Revenues from Operations	6,089,916	8,033,651	14,263,665	3,285,373	3,605,220	1,173,922	36,451,747

Continued on next page

**NEW YORK STATE REGIONAL OFF-TRACK BETTING CORPORATIONS
STATEMENT OF REVENUES NET OF EXPENSES
2001**

	<u>Capital</u>	<u>Catskill</u>	<u>Nassau</u>	<u>New York City</u>	<u>Suffolk</u>	<u>Western</u>	<u>All Regions</u>
Continued from previous page							
Section 516 Net Revenues from Operations	6,089,916	8,033,651	14,263,665	3,285,373	3,605,220	1,173,922	36,451,747
Less:							
Section 509-a Contributions to Capital Acquisition Fund	(1,060,000)	(57,037)	-	-	(400,000)	-	(1,517,037)
Section 516 Net Revenue for Distribution	5,029,916	7,976,614	14,263,665	3,285,373	3,205,220	1,173,922	34,934,710
Add:							
Section 532 Revenues to Participating Localities	3,891,616	2,562,374	4,974,296	17,704,298	2,582,523	3,553,427	35,268,534
Total Benefits to Participating Localities	8,921,532	10,538,988	19,237,961	20,989,671	5,787,743	4,727,349	70,203,244
Add:							
Section 532 Revenues to Other Localities	1,618,320	1,058,420	1,486,205	3,232,968	1,241,574	1,249,470	9,886,957
Total Benefits to all Localities	10,539,852	11,597,408	20,724,166	24,222,639	7,029,317	5,976,819	80,090,201
Add:							
Capital Acquisition Funds:							
Section 509-a Contribution from Net Revenues	1,060,000	57,037	-	-	400,000	-	1,517,037
Supplemental 1% Section 532	1,064,848	731,180	1,201,016	3,875,867	697,122	1,018,096	8,588,129
Other Fund Revenues net of Expenses	(939,121)	411,738	(554,308)	-	-	-	(1,081,691)
Total Capital Acquisition Funds	1,185,727	1,199,955	646,708	3,875,867	1,097,122	1,018,096	9,023,475
TOTAL AVAILABLE FOR DISTRIBUTION TO LOCALITIES AND FOR CAPITAL ACQUISITIONS	\$ 11,725,579	\$ 12,797,363	\$ 21,370,874	\$ 28,098,506	\$ 8,126,439	\$ 6,994,915	\$ 89,113,676

* Reference to "Section" above is related to sections within the New York State Racing, Pari-Mutuel Wagering and Breeding Law.

* Participating Localities are local governments within the Off-Track Betting Region that have elected to participate under Section 502 of the Racing, Pari-Mutuel Wagering and Breeding Law.

* Other Localities are local governments which have racetracks located within their borders and receive a portion of the surcharge.

**NEW YORK STATE REGIONAL OFF-TRACK BETTING CORPORATIONS
TOTAL HANDLE BY TRACK AND REGION
2001**

	<u>Capital</u>	<u>Catskill</u>	<u>Nassau</u>	<u>New York City</u>	<u>Suffolk</u>	<u>Western</u>	<u>All Regions</u>
<u>New York State Thoroughbred:</u>							
NYRA:							
Aqueduct	\$ 33,498,192	\$ 19,700,521	\$ 48,996,147	\$ 166,087,897	\$ 36,042,835	\$ 20,110,958	\$ 324,436,550
Belmont	26,856,893	14,529,181	34,839,658	126,799,503	26,406,814	12,219,006	241,651,055
Saratoga	23,008,861	7,254,954	16,893,382	56,751,452	12,326,734	7,261,853	123,497,236
Total NYRA	83,363,946	41,484,656	100,729,187	349,638,852	74,776,383	39,591,817	689,584,841
Finger Lakes	12,584,019	7,387,528	8,792,496	39,858,902	6,416,315	21,607,245	96,646,505
Handle on NYS Thoroughbred Tracks	95,947,965	48,872,184	109,521,683	389,497,754	81,192,698	61,199,062	786,231,346
<u>New York State Harness:</u>							
Buffalo	714,441	653,559	798,643	2,080,913	510,492	6,352,813	11,110,861
Monticello	3,359,375	6,069,265	5,390,537	21,512,632	3,475,029	3,800,611	43,607,449
Saratoga	3,944,360	1,160,617	1,365,618	5,140,264	854,483	1,222,128	13,687,470
Syracuse Mile	122,637	79,826	75,953	404,049	54,099	164,658	901,222
Vernon	1,622,054	517,954	807,526	2,240,486	572,511	1,554,928	7,315,459
Yonkers	5,463,755	7,308,846	11,305,119	48,586,853	6,827,978	3,329,414	82,821,965
Handle on NYS Harness Tracks	15,226,622	15,790,067	19,743,396	79,965,197	12,294,592	16,424,552	159,444,426
Handle on All New York State Tracks	111,174,587	64,662,251	129,265,079	469,462,951	93,487,290	77,623,614	945,675,772
Out-of-State Thoroughbred	87,244,698	56,682,062	92,747,628	421,916,476	71,313,384	67,274,468	797,178,716
Out-of-State Harness	27,226,589	20,776,353	32,422,770	111,877,371	19,438,740	28,793,766	240,535,589
Handle on Out-of-State Tracks	114,471,287	77,458,415	125,170,398	533,793,847	90,752,124	96,068,234	1,037,714,305
<u>Special Event Races:</u>							
Breeders Cup	1,350,678	652,417	1,139,686	4,257,066	916,364	753,249	9,069,460
Kentucky Derby	1,186,837	968,202	966,021	3,322,008	850,512	969,809	8,263,389
Preakness Stakes	842,889	657,716	697,604	2,438,608	588,484	629,473	5,854,774
Others - Thoroughbred	408,756	183,089	330,013	1,356,789	225,552	275,191	2,779,390
Others - Harness	-	154,857	637,270	-	-	-	792,127
Handle on Special Event Races	3,789,160	2,616,281	3,770,594	11,374,471	2,580,912	2,627,722	26,759,140
Total NYS OTB Handle on All Tracks	\$ 229,435,034	\$ 144,736,947	\$ 258,206,071	\$ 1,014,631,269	\$ 186,820,326	\$ 176,319,570	\$ 2,010,149,217

* The Breeders Cup races are held in different locations each year, usually outside New York State. In 2001, the races were held in New York State at Belmont Park, however the handle is listed as out-of-state to be consistent with prior reporting.

**NEW YORK STATE REGIONAL OFF-TRACK BETTING CORPORATIONS
SUMMARY OF DIRECT AND REGIONAL PAYMENTS TO TRACKS
2001**

	<u>Capital</u>	<u>Catskill</u>	<u>Nassau</u>	<u>New York City</u>	<u>Suffolk</u>	<u>Western</u>	<u>TOTAL</u>
<u>New York State Thoroughbred:</u>							
NYRA:							
Aqueduct	\$ 1,912,700	\$ 1,865,671	\$ 3,944,506	\$ 15,463,282	\$ 2,890,414	\$ 1,107,358	\$ 27,183,931
Belmont	1,445,591	1,012,549	2,798,201	10,947,531	2,096,919	643,760	18,944,551
Saratoga	1,055,200	471,572	1,316,671	4,654,322	931,967	378,225	8,807,957
Total NYRA Direct	4,413,491	3,349,792	8,059,378	31,065,135	5,919,300	2,129,343	54,936,439
NYRA Regional	3,815,420	2,665,879	4,057,140	19,644,843	3,307,278	2,969,262	36,459,822
Finger Lakes Direct	604,540	309,216	373,492	1,573,006	266,905	1,726,626	4,853,785
Finger Lakes Regional	873,162	545,845	903,460	3,999,143	689,402	1,389,276	8,400,288
Total New York State Thoroughbred	9,706,613	6,870,732	13,393,470	56,282,127	10,182,885	8,214,507	104,650,334
<u>New York State Harness:</u>							
Batavia Direct	-	-	-	-	-	-	-
Batavia Regional	-	-	-	-	-	8,848	8,848
Buffalo Direct	17,420	11,917	13,506	34,396	8,666	439,626	525,531
Buffalo Regional	-	-	-	-	-	2,559,003	2,559,003
Monticello Direct	89,572	337,689	295,044	1,139,473	191,973	103,816	2,157,567
Monticello Regional	-	499,465	765,480	2,959,415	478,872	-	4,703,232
Saratoga Direct	334,292	20,033	22,913	84,235	14,394	20,696	496,563
Saratoga Regional	3,522,634	-	-	-	-	-	3,522,634
Syracuse Mile Direct	4,891	1,320	1,276	6,441	906	5,562	20,396
Syracuse Mile Regional	-	-	-	-	-	-	-
Vernon Direct	92,745	10,248	13,601	37,080	9,583	54,816	218,073
Vernon Regional	865,934	10,355	-	-	-	318,122	1,194,411
Yonkers Direct	130,889	438,245	692,479	3,530,187	502,274	88,475	5,382,549
Yonkers Regional	-	1,064,343	1,767,604	5,998,121	1,080,670	-	9,910,738
Total New York State Harness	5,058,377	2,393,615	3,571,903	13,789,348	2,287,338	3,598,964	30,699,545
Total Payments to New York State Tracks	14,764,990	9,264,347	16,965,373	70,071,475	12,470,223	11,813,471	135,349,879
Out-of-State Thoroughbred	1,900,921	1,227,891	1,994,016	9,072,179	1,515,529	1,448,312	17,158,848
Out-of-State Harness	584,510	447,253	658,455	2,429,978	397,007	600,977	5,118,180
Total Payments to Out-of-State Tracks	2,485,431	1,675,144	2,652,471	11,502,157	1,912,536	2,049,289	22,277,028
Special Events:							
Breeders Cup*	86,354	41,988	73,169	298,482	58,847	49,193	608,033
Kentucky Derby	75,798	61,215	61,227	132,329	53,085	62,363	446,017
Preakness Stakes	54,294	42,330	44,679	101,117	37,766	41,255	321,441
Others - Thoroughbred	13,085	7,022	15,229	192,406	10,858	13,285	251,885
Others - Harness	-	7,151	24,734	-	-	18,022	49,907
Total Special Events	229,531	159,706	219,038	724,334	160,556	184,118	1,677,283
Total Payments to All Tracks	\$ 17,479,952	\$ 11,099,197	\$ 19,836,882	\$ 82,297,966	\$ 14,543,315	\$ 14,046,878	\$ 159,304,190

* The Breeders Cup races are held in different locations each year, usually outside New York State. In 2001, the races were held in New York State at Belmont Park, however the payments are listed as out-of-state to be consistent with prior reporting.

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