

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

A summary of
calendar year 2002

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

The Board maintains the website www.racing.state.ny.us. This 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; racing and off-track betting statistics; contact information and various other informational notes for regulated entities, the general public and local and state authorities.

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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, 2003

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 28th 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 2002 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. The events surrounding the Breeder's Cup in October 2002 highlight the importance of the Board's role in maintaining confidence in the wagering process. Whether it is a bingo game, a horse race or a charity raffle the Board must ensure to the patrons that the activity is fair and honest.

In 2002, a reported total of \$3.28 billion was wagered in New York State on horse racing and charitable gaming. Ten New York racetracks presented a combined 1,263 days of live racing where over 3 million fans wagered \$784 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 \$140 million in revenues to state and local government. Over \$460 million was wagered on charitable gaming activities conducted by some of the 16,149 registered charitable organizations. This was a slight decline from the 2001 total of \$511 million. The charitable groups that conducted activities in 2002 earned nearly \$80 million for the benefit of worthy causes. With increased competition for the gaming dollar, total reported wagering in the state, excluding Indian casino gaming remained stagnant with a small decline 0.42%.

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

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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.

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, Saint Regis Mohawk Tribe and Seneca Nation of Indians. 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 Compact was subsequently approved by the Department of the Interior, on June 4, 1993. The Oneida opened their Turning Stone Casino Resort on June 20, 1993. Governor Cuomo signed the Saint Regis Mohawk Tribe’s Compact on June 9, 1993. The Compact was subsequently approved by Interior on December 4, 1993. The Mohawk’s opened their Akwesasne Mohawk Casino on April 10, 1999. Finally, Governor George E. Pataki signed the Seneca Nation of Indians’ Compact on August 18, 2002. Approval was received from Interior on October 25, 2002. The Seneca opened their Seneca Niagara Casino on December 31, 2002.

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. There is currently one vacancy on the Board.

The Board met 14 times during calendar year 2002. 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. Mr. Hoblock was reconfirmed and appointed to a second six-year term as Chairman on June 21, 2002. 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.

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.

In 1994, Mr. Hoblock was elected to the New York State Senate.

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.



Executive Staff

Edward J. Martin, Jr., Executive Director

Ed Martin joined the New York State Racing and Wagering Board as Executive Director in April, 1997. He manages a staff of approximately 250 professionals responsible for the enforcement and adjudication of laws and regulations governing virtually all forms of legal wagering in New York State.

Prior to his appointment to this position by Governor Pataki, Martin was the Executive Deputy Commissioner of the New York State Department of Economic Development. In this capacity he was not only responsible for the State's economic development programs but also the I Love NY tourism campaign and the Governor's Motion Picture Office.

In 1995, Martin was appointed by the Governor to serve as one of seven members of the Commission on Casino Gambling and was responsible for assessing the economic impact of the legalization of casino gambling on New York State. Prior to joining the Pataki administration, Martin was a strategic consultant to various insurance, energy, telecommunications, broadcast, political, defense, and off-track wagering concerns. He worked in the State Legislature as Communications Director for the New York State Senate and in Washington as Director of External Affairs and Congressional Relations for the Federal Energy Regulatory Commission and Press Secretary to U.S. Senator Alfonse D'Amato.

Sheila H. Osterhout, Secretary to the Board

Robert Feuerstein, General Counsel

Thomas Casaregola, Director of Audits and Investigations

Stacy Clifford, Public Information Officer

Kevin Dempsey, Chief of Administration

Joseph Lynch, Chief of Racing Operations

Daryll Messner, Director of Charitable Gaming

Nicole Robilotto, Manager of Licensing

Bruce Samboy, Bureau Chief of Indian Gaming

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.

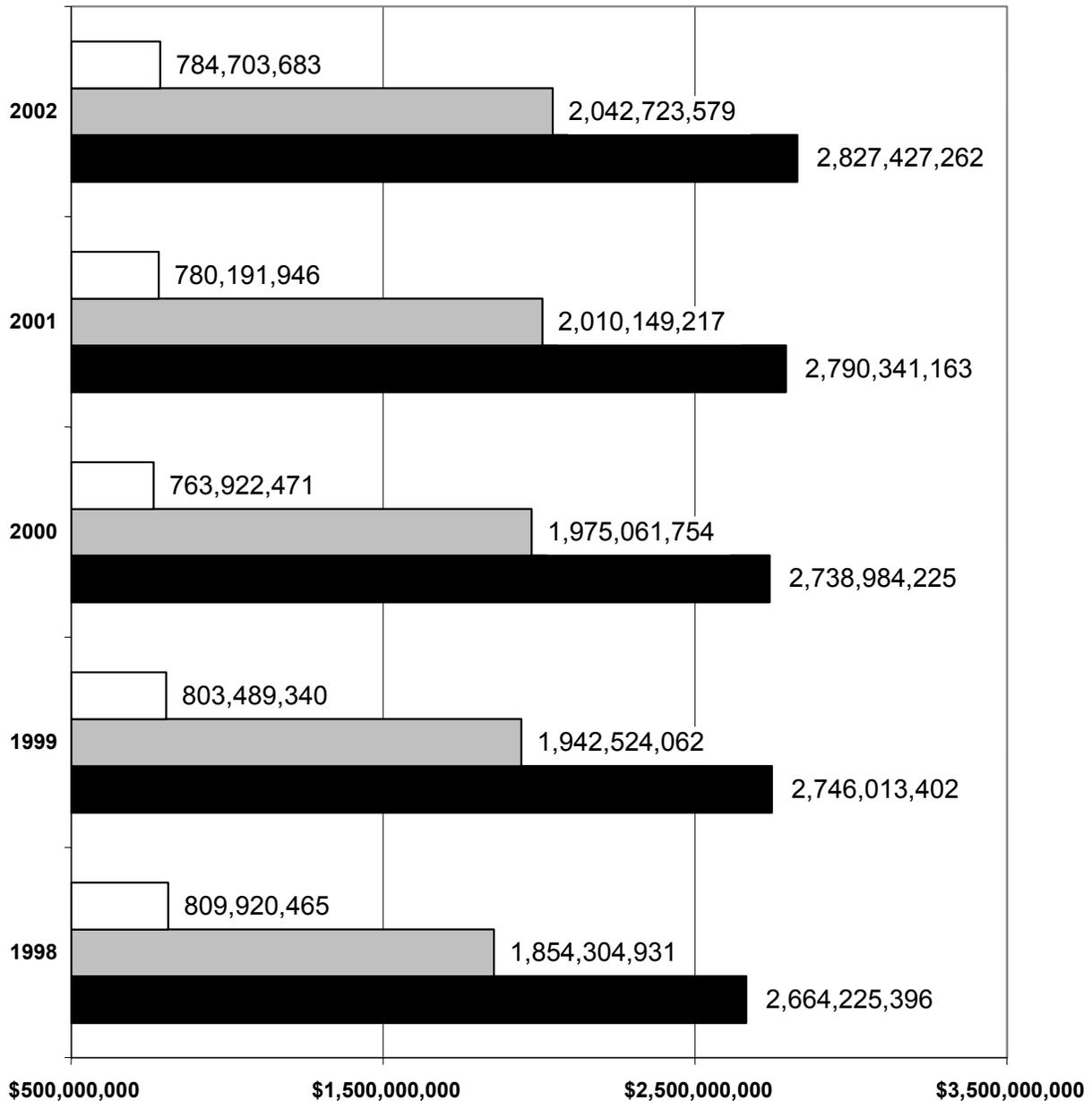
Executive Management espouses that personal integrity is paramount for all Board employees who must ensure honest and proper conduct of legalized gambling and other regulated activities. To properly serve the public, all employees must perform their duties in an ethical manner that is above reproach. 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

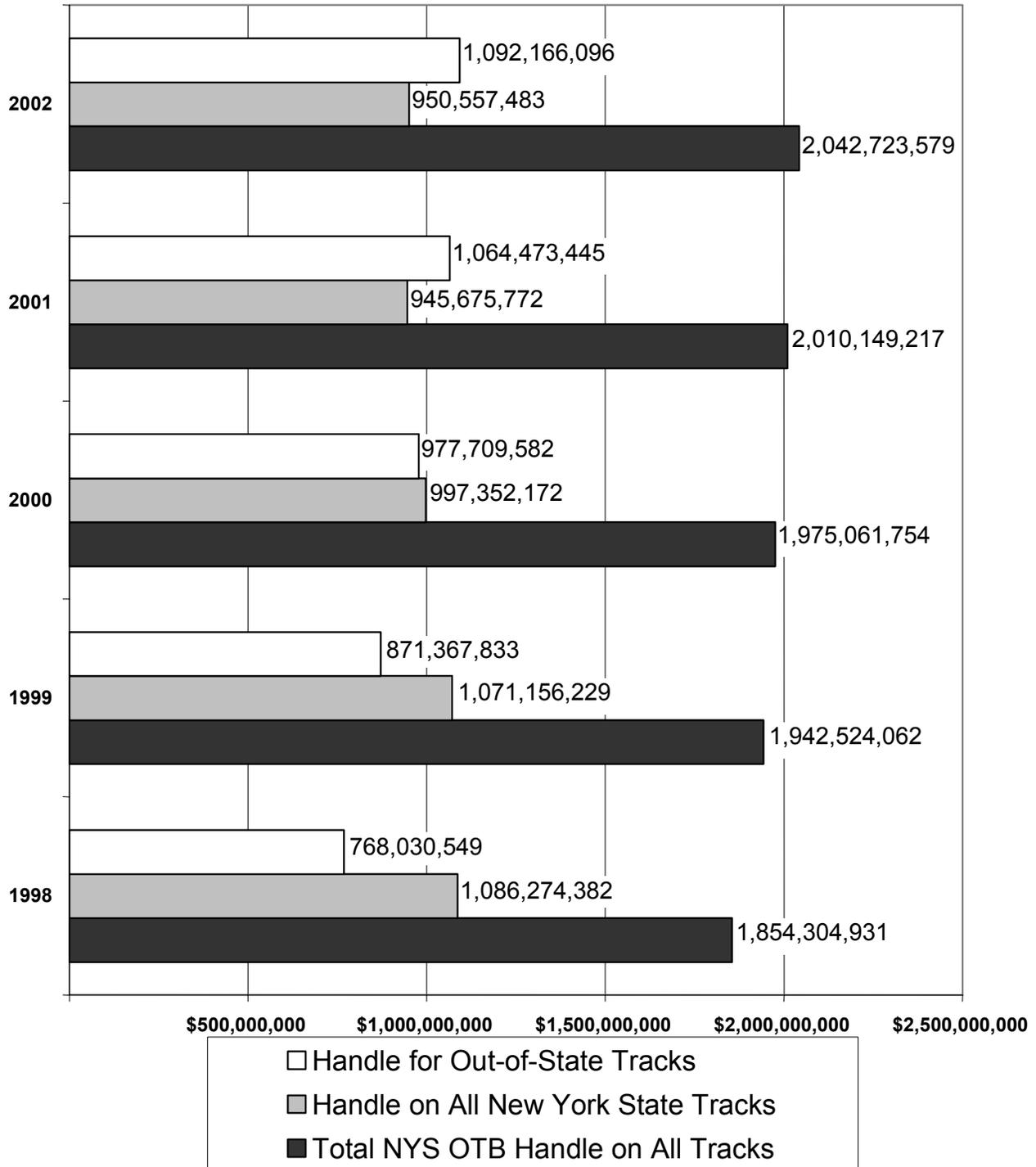
Annual Handles New York State Tracks and OTB's



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

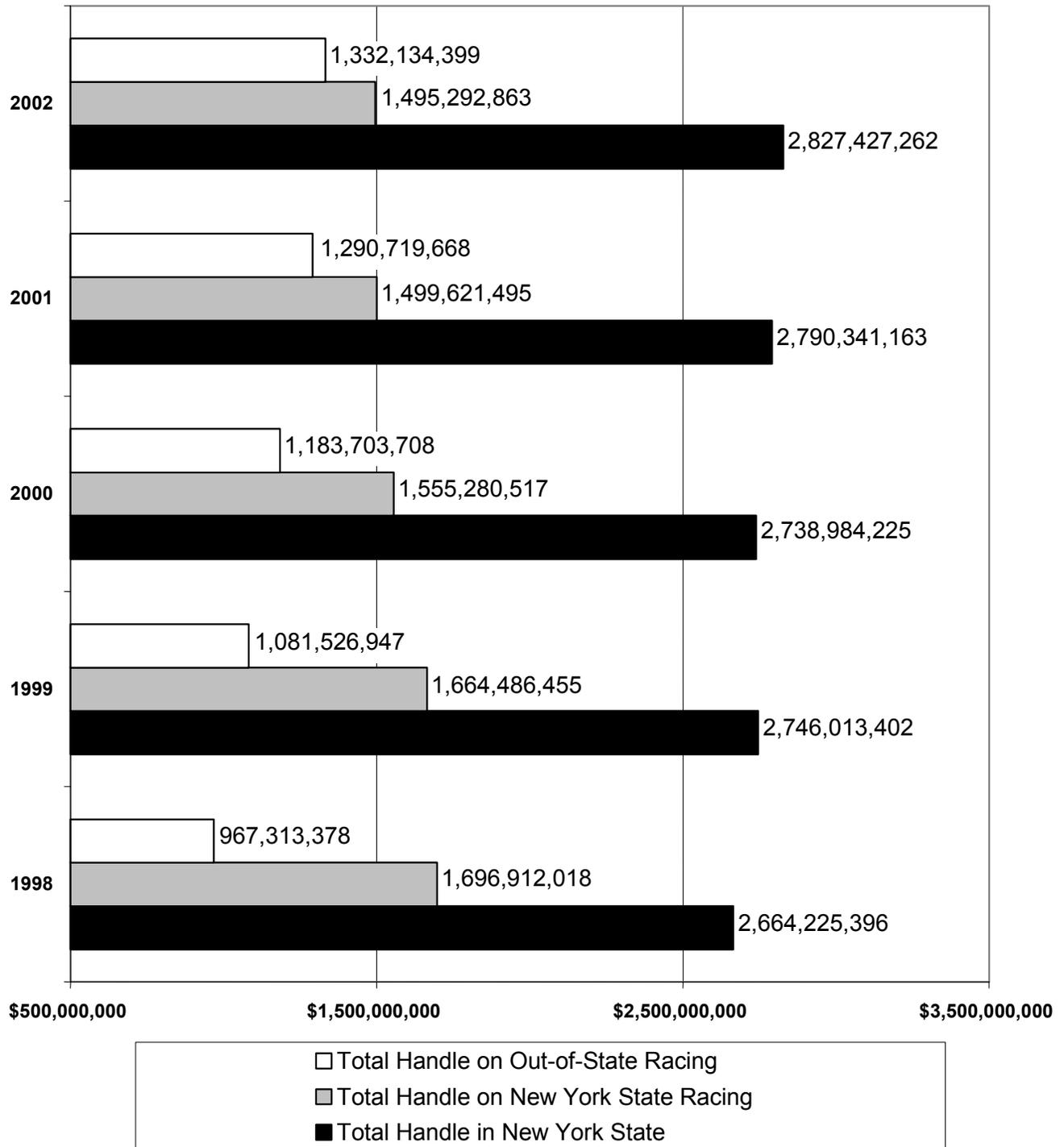
OVERVIEW

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



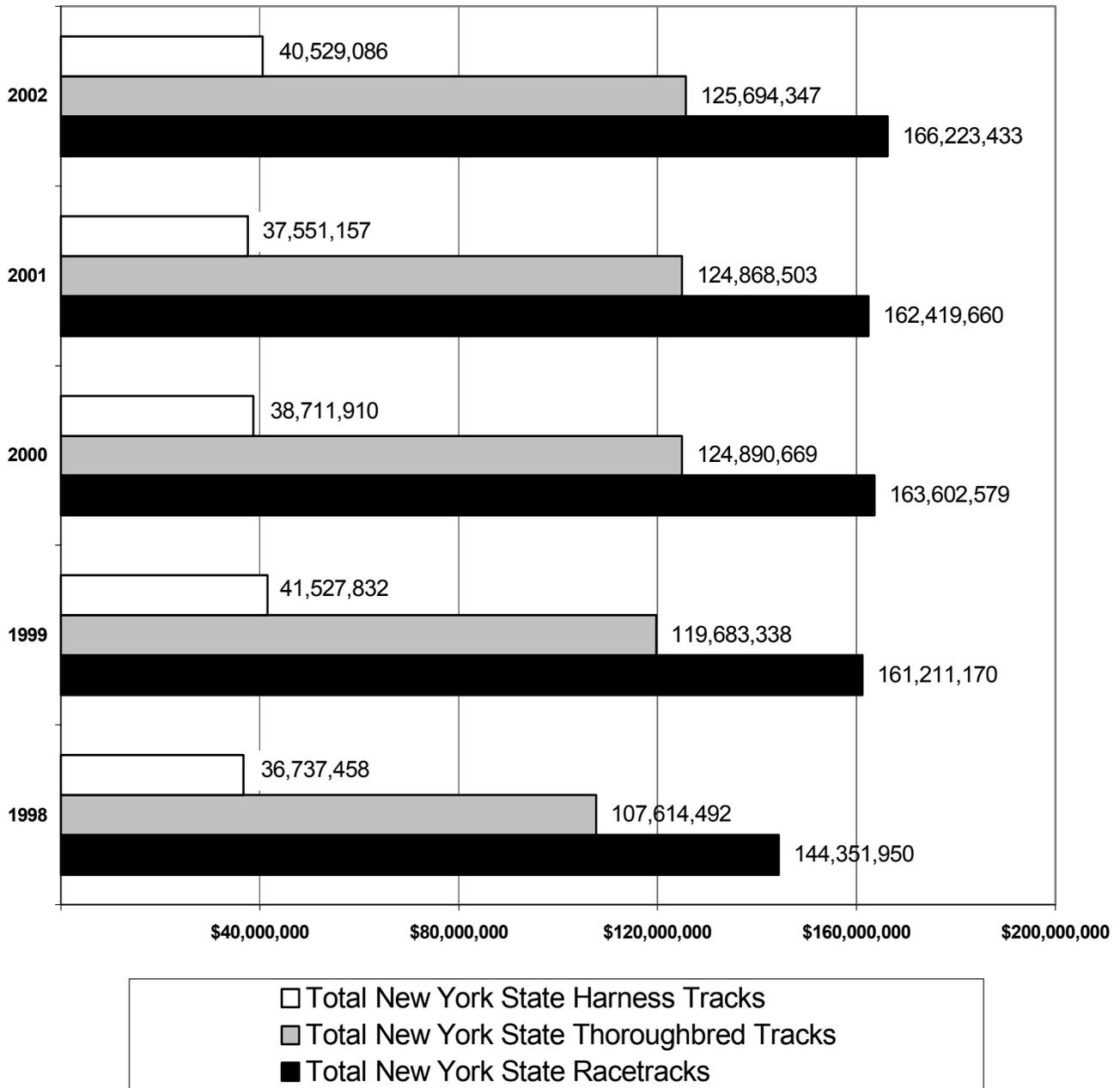
OVERVIEW

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



OVERVIEW

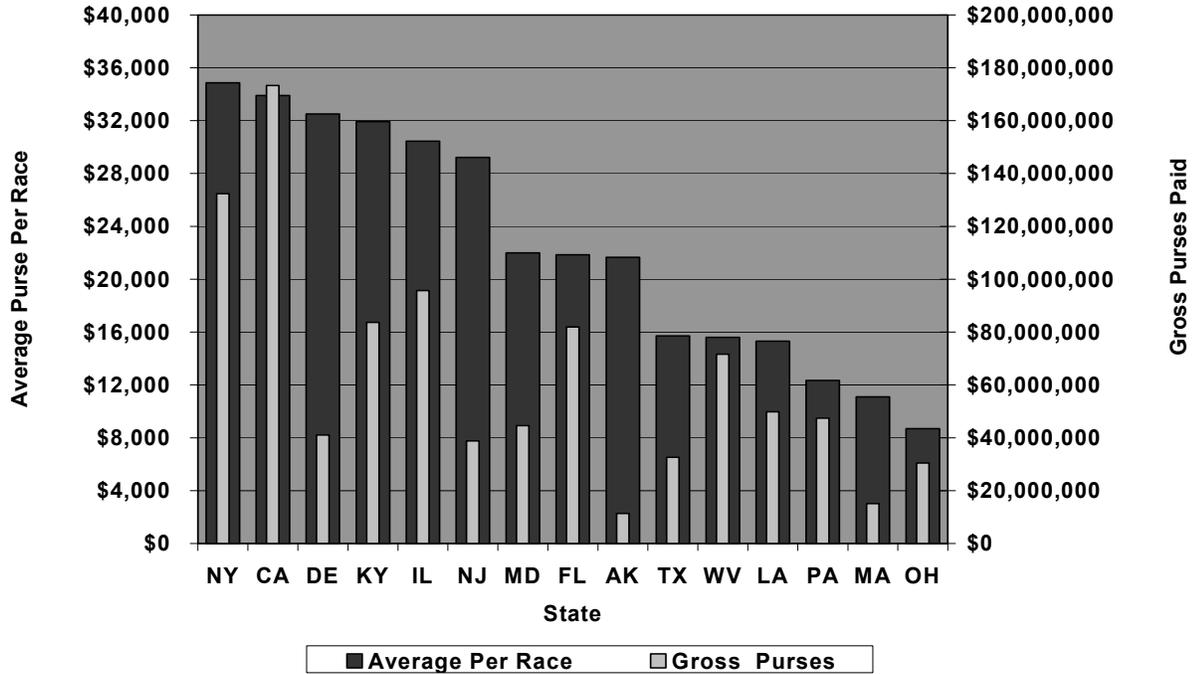
Gross Purses Paid at New York State Racetracks



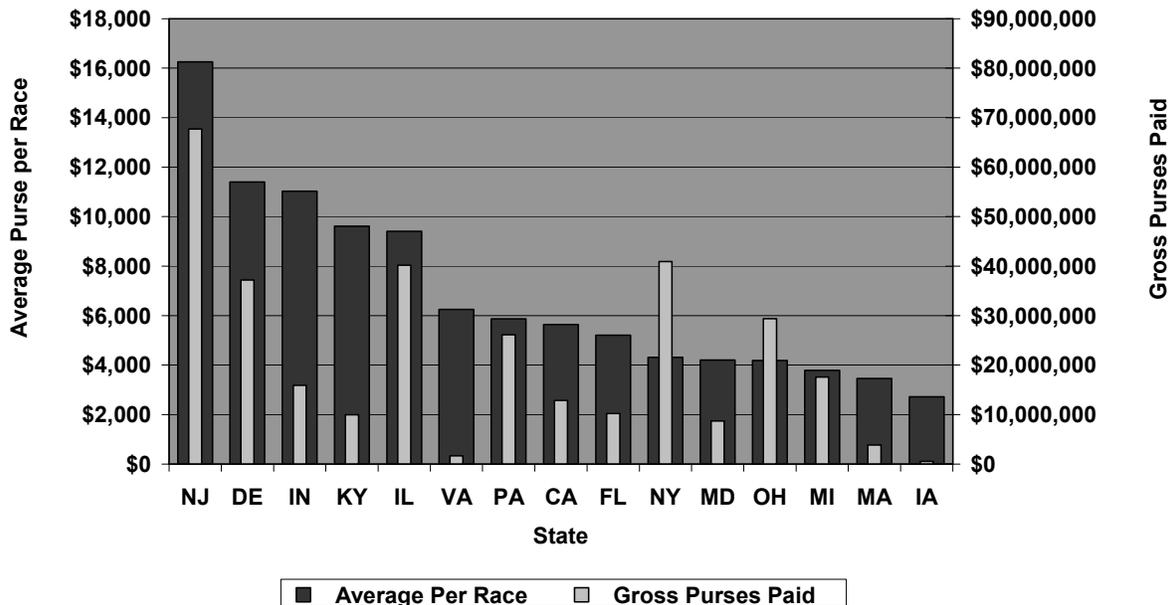
OVERVIEW

2002 PURSES PAID NEW YORK STATE VS. NATIONWIDE

2002 Purses paid at Thoroughbred Tracks in the United States:

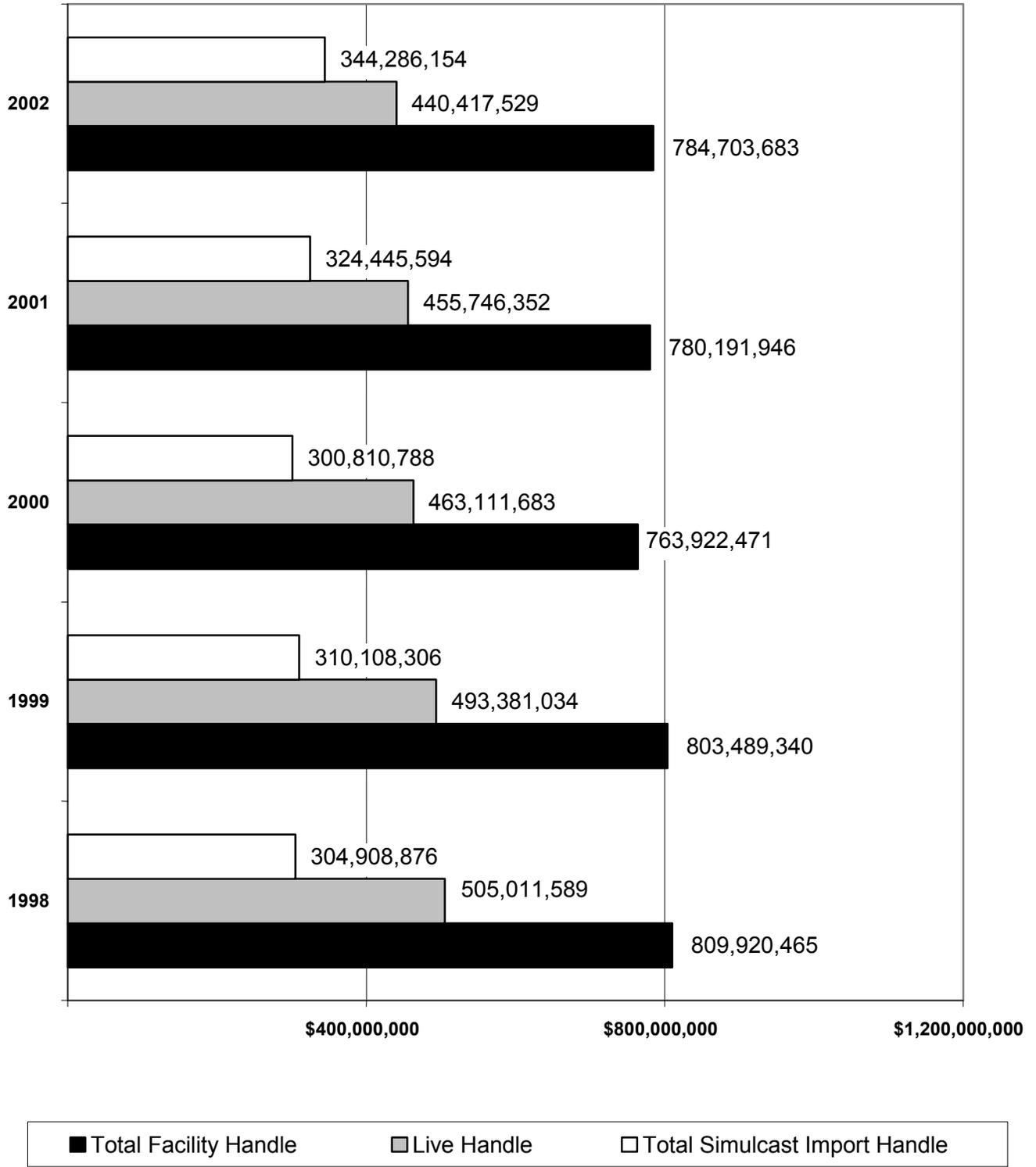


2002 Purses paid at Harness Tracks in the United States:



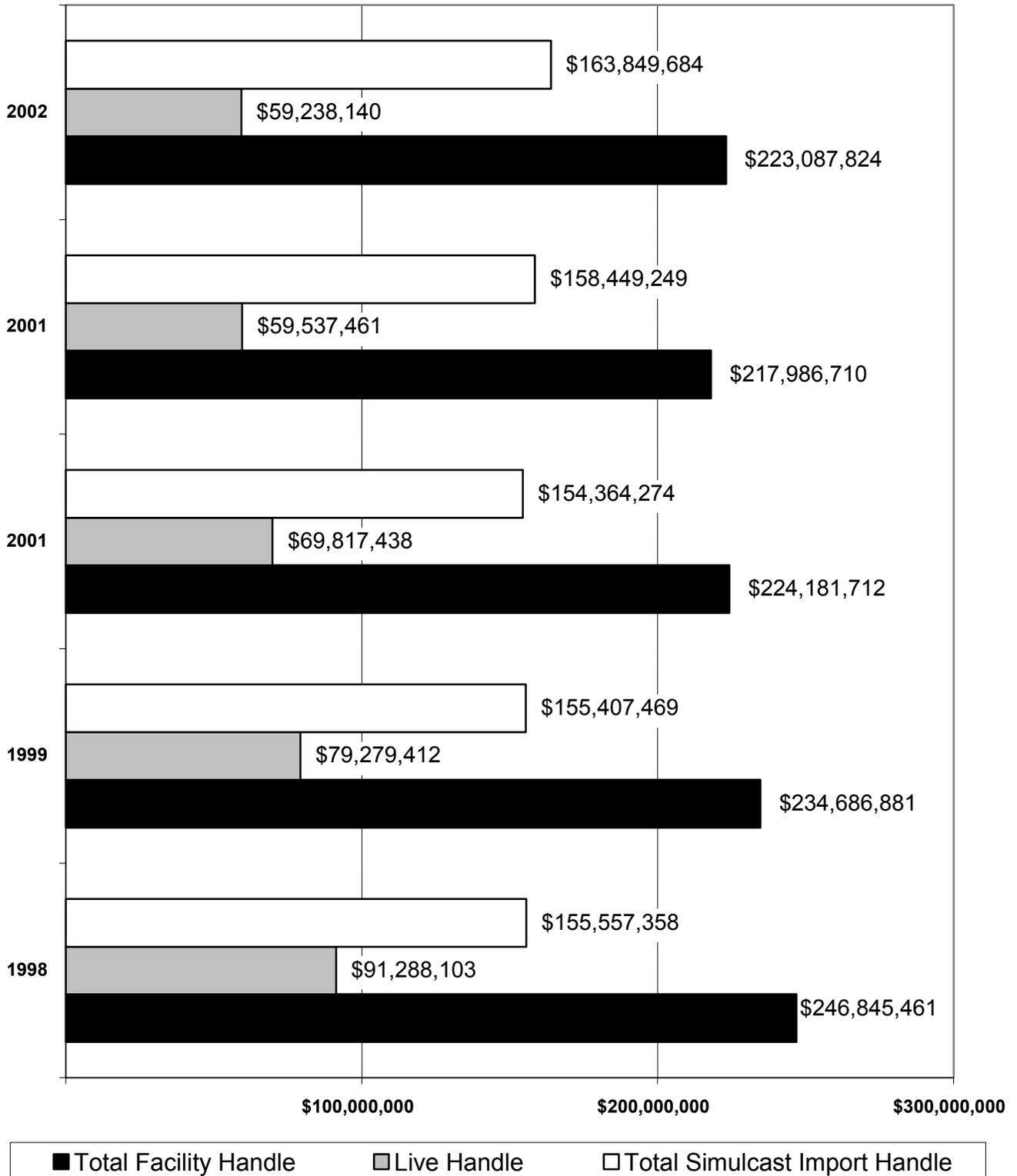
OVERVIEW

Annual Handles New York State Thoroughbred and Harness



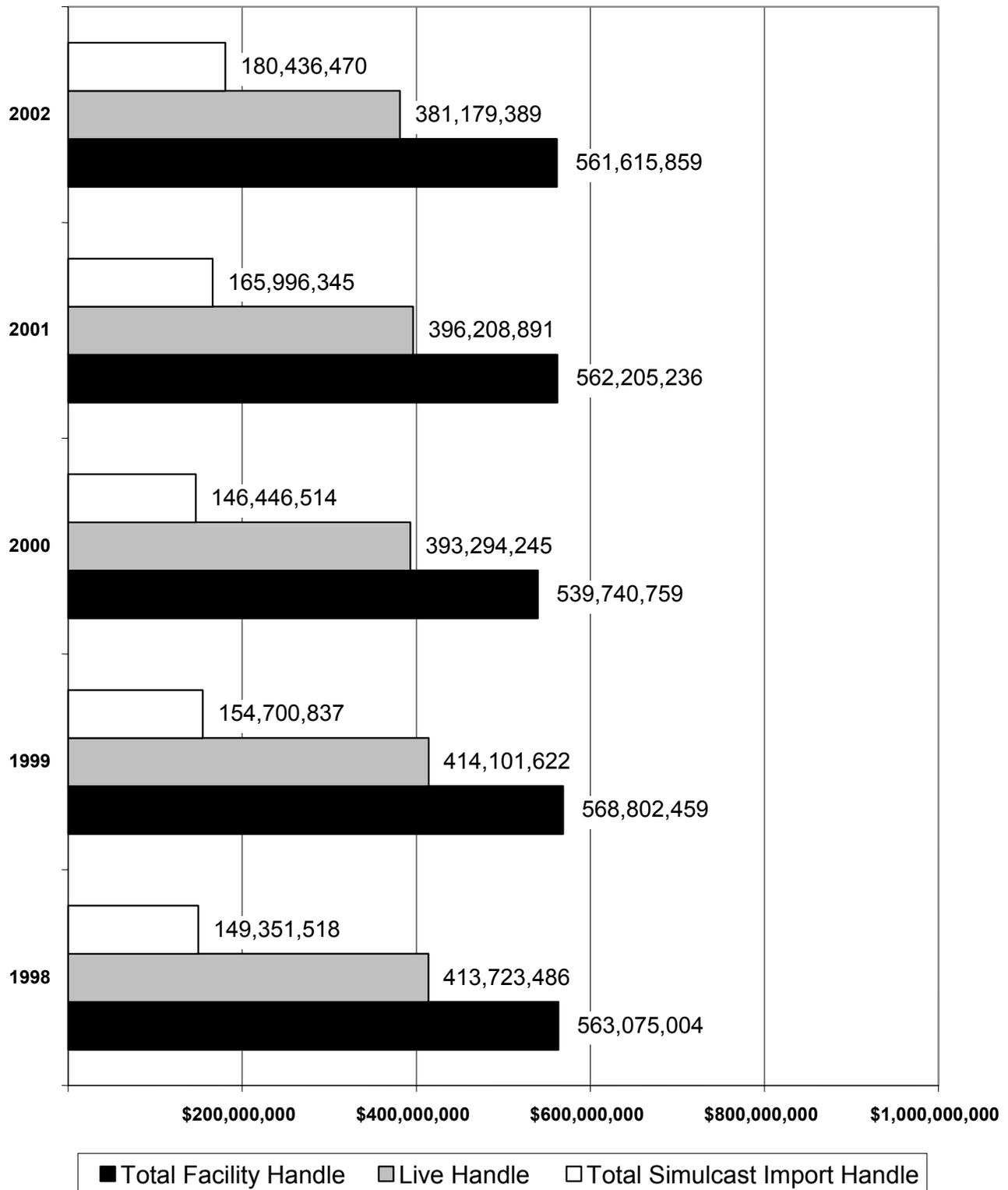
OVERVIEW

Annual Handles New York State Harness Tracks



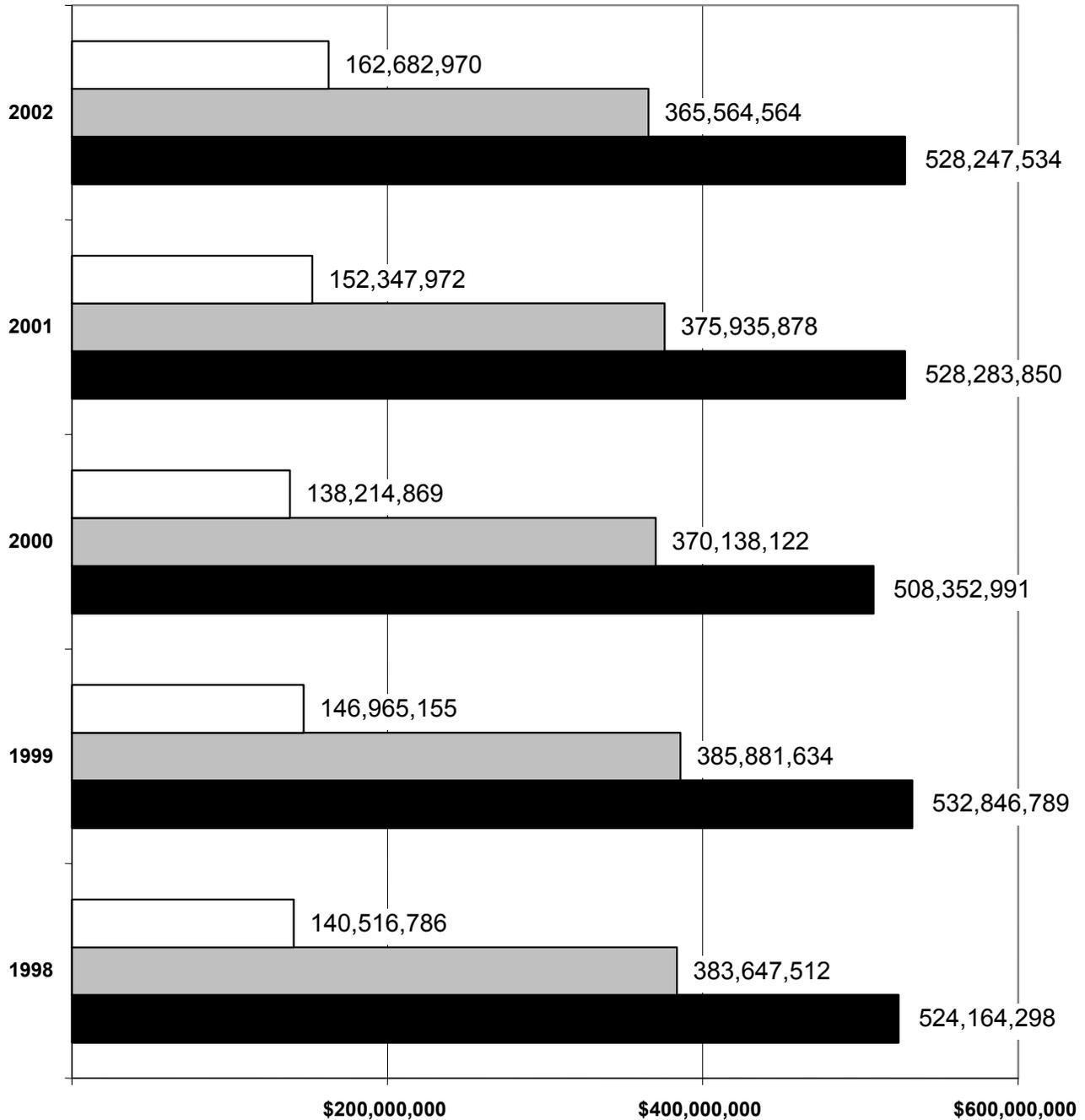
OVERVIEW

Annual Handles New York State Thoroughbred Tracks



OVERVIEW

NYRA Annual Handles *Aqueduct, Belmont, Saratoga*

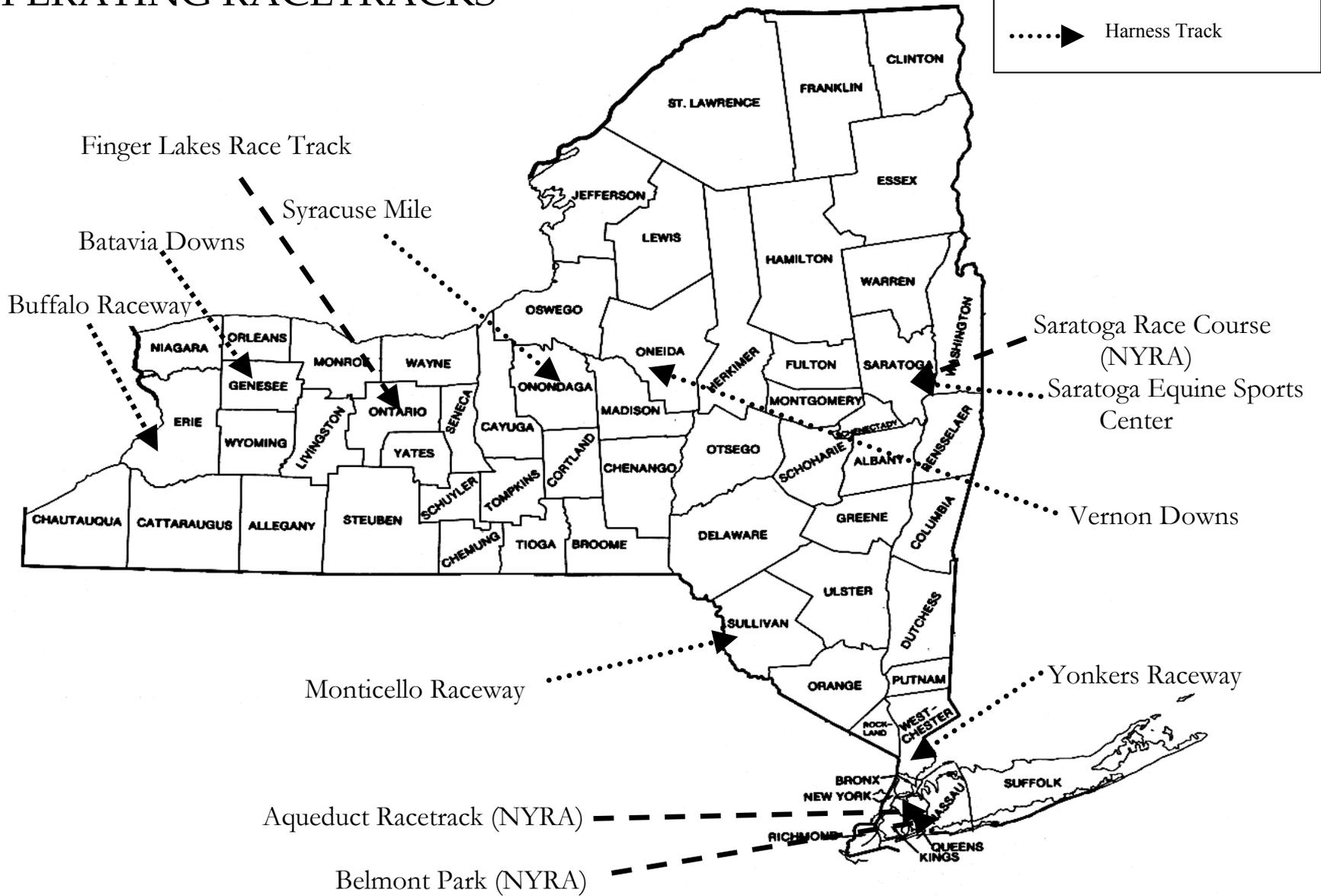


■ Total Facility Handle □ Live Handle □ Total Simulcast Import Handle

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

Racing Officials:

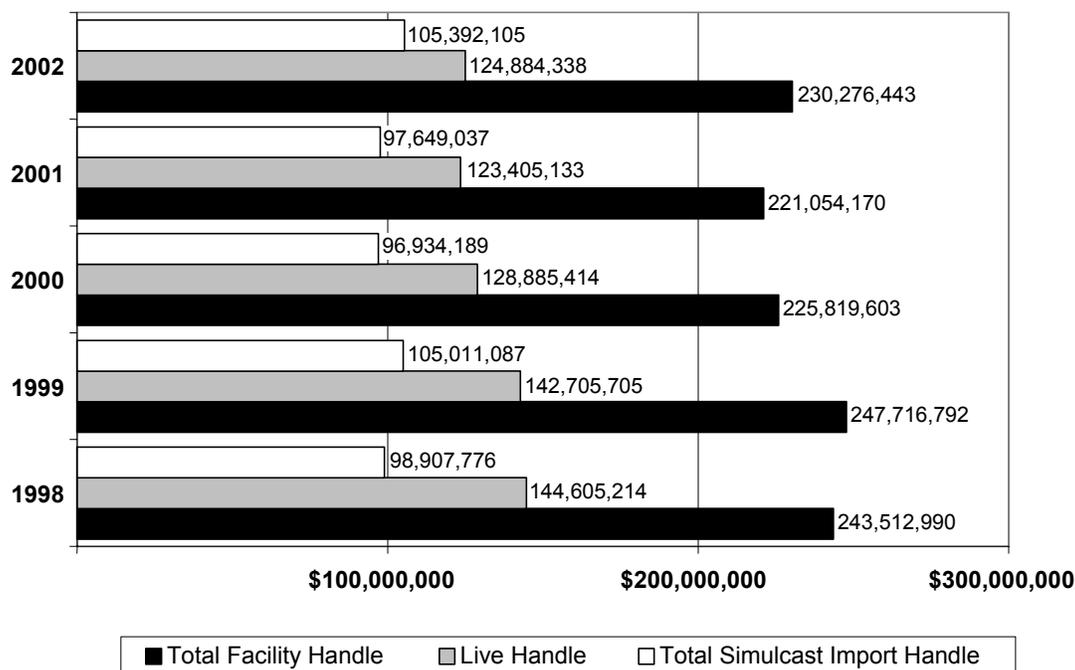
State Steward - Carmine Donofrio

NYRA Steward - David Hicks

Jockey Club Steward - Dr. Theodore Hill

	Number of Race Days	Attendance
2002	133	678,707
2001	134	638,303

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

Racing Officials:

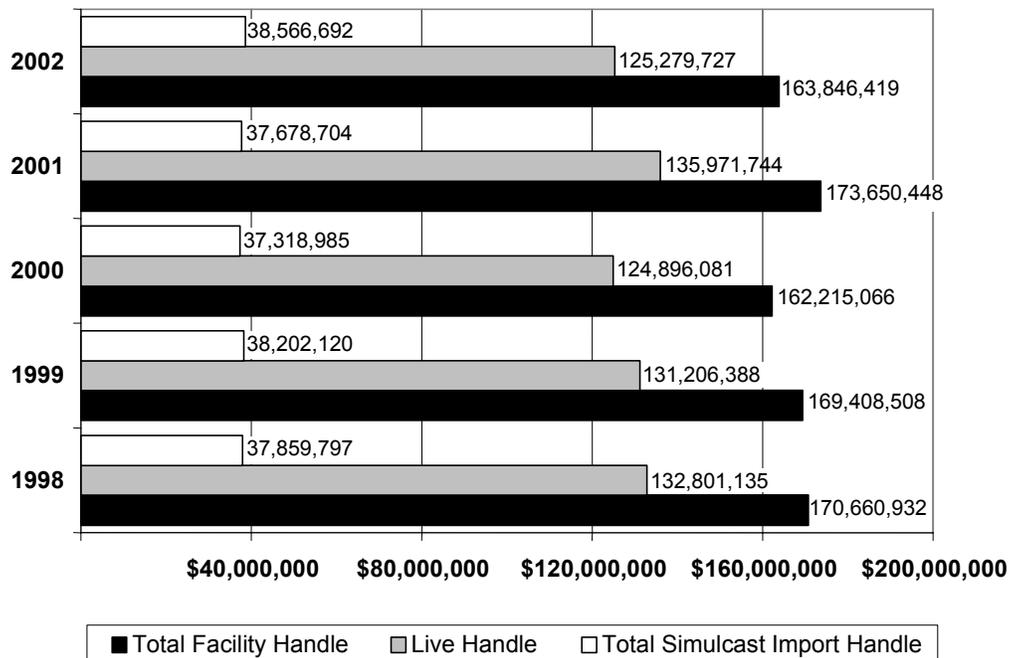
State Steward - Carmine Donofrio

NYRA Steward - David Hicks

Jockey Club Steward - Dr. Theodore Hill

	Number of Race Days	Attendance
2002	88	667,235
2001	87	684,961

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

Racing Officials:

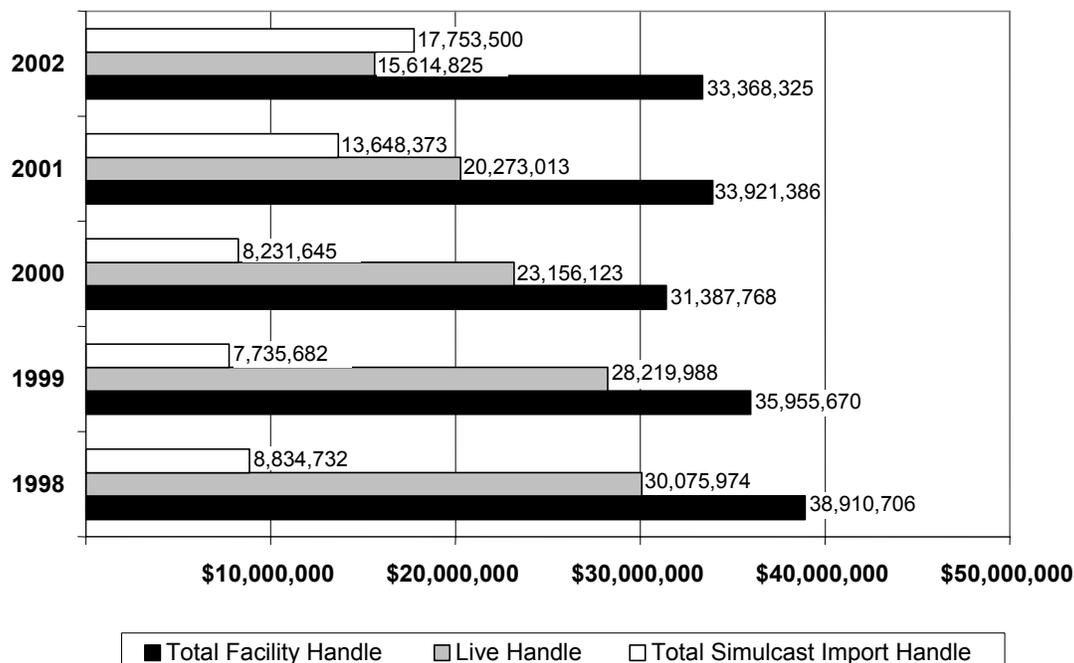
State Steward – Stuart Rainey

Finger Lakes Racetrack Steward – Richard Coyne

Jockey Club Steward – Richard Hanson

	Number of Race Days	Attendance
2002	161	197,182
2001	165	207,681

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

Racing Officials:

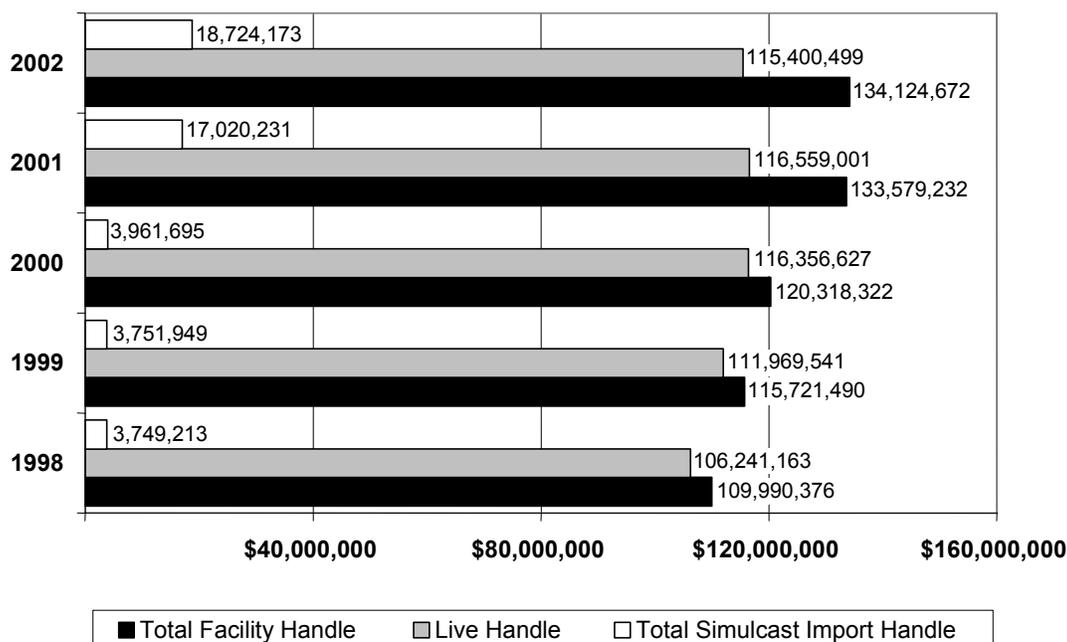
State Steward - Carmine Donofrio

NYRA Steward - David Hicks

Jockey Club Steward - Dr. Theodore Hill

	Number of Race Days	Attendance
2002	36	999,388
2001	36	1,011,669

Total Annual Handles



HARNESSES

Batavia Downs

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

Website Address: <http://www.batavia-downs.com/>

Western Regional Off Track Betting Corporation purchased Batavia Downs in September 1998. The track reopened for live racing on July 29, 2002.

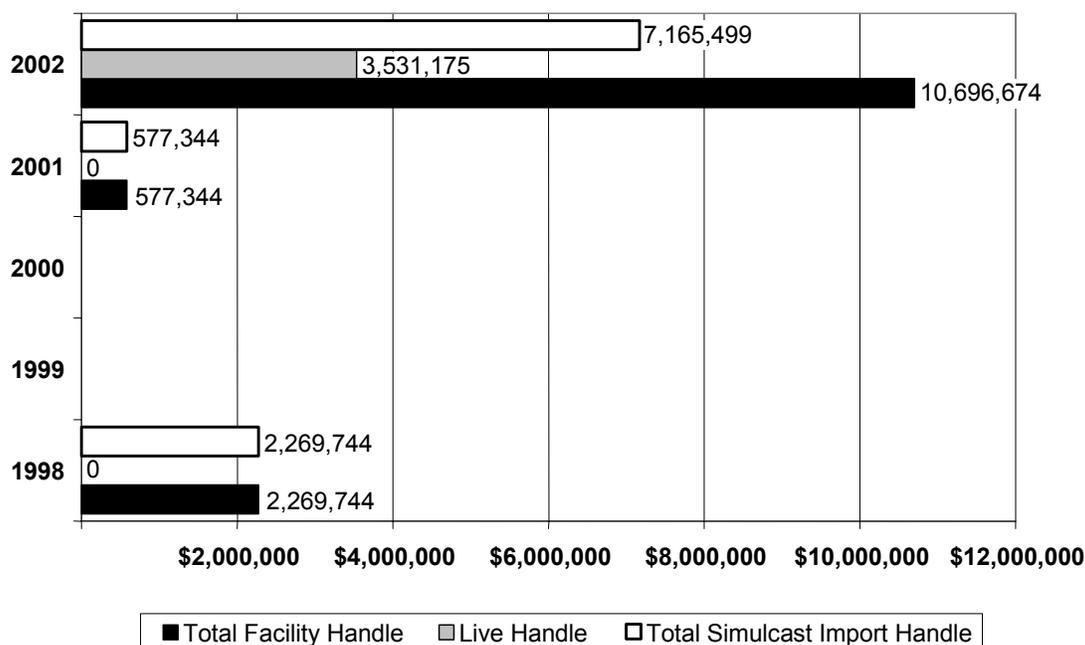
Size of Track: One half mile

2002 Season: July 29 – December 21

State Racing Official: Duke Dranichak, Presiding Judge

	Number of Race Days	Attendance
2002	72	104,151
2001	Not applicable	Not applicable

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.

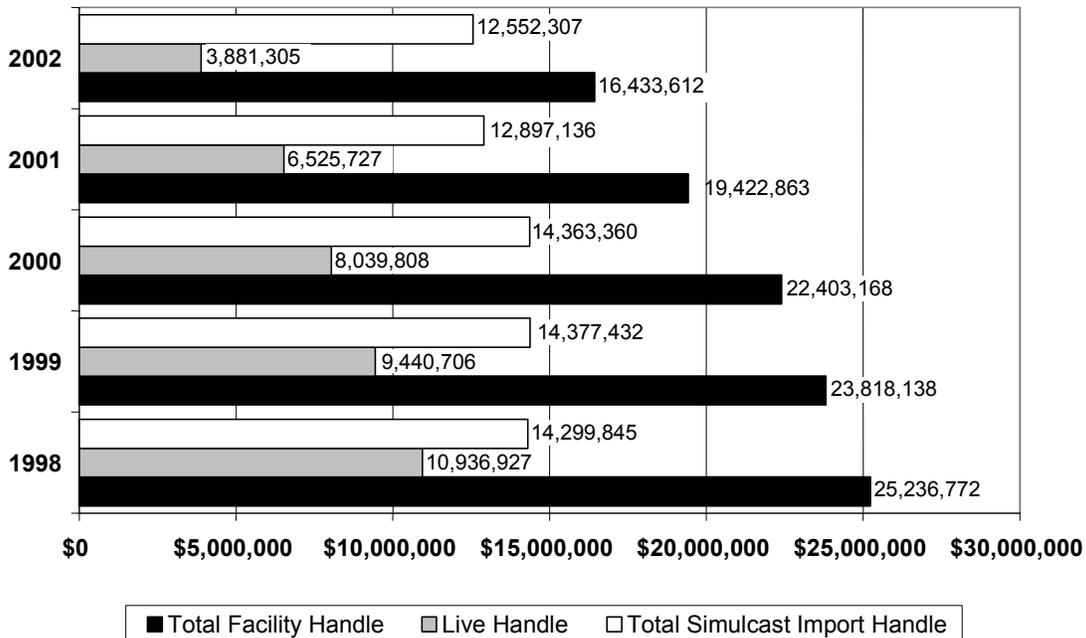
Size of Track: One half mile

2002 Season: January 25 – July 29

State Racing Official: Duke Dranichak, Presiding Judge

	Number of Race Days	Attendance
2002	70	54,185
2001	127	87,022

Total Annual Handles



HARNESSES

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.

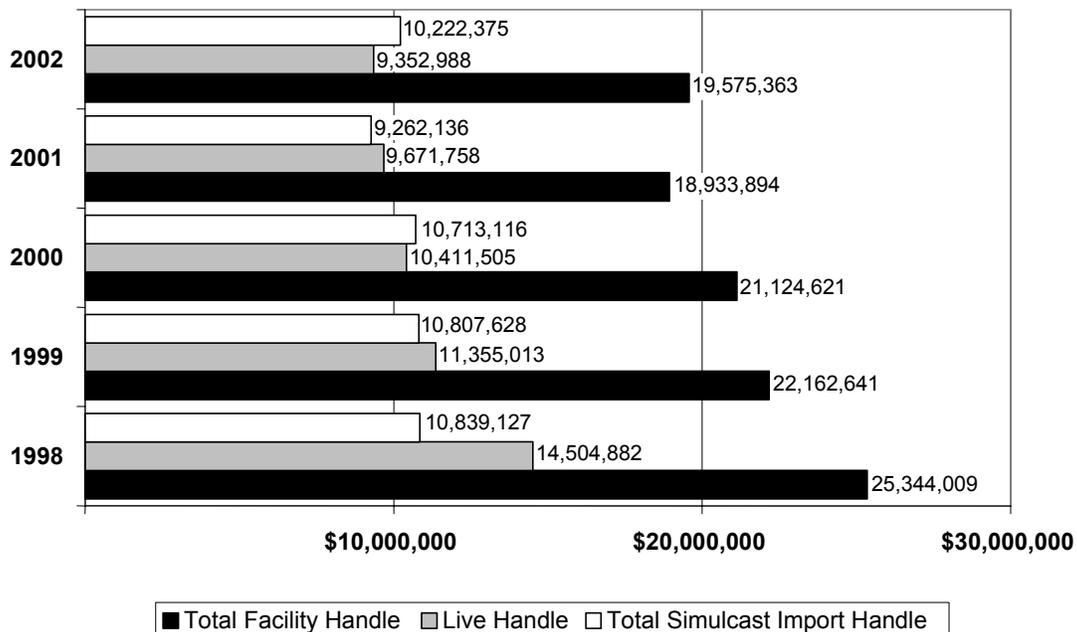
Size of Track: One half mile

2002 Season: January 1 – December 31

State Racing Official: Lance Ditewig, Presiding Judge

	Number of Race Days	Attendance
2002	221	62,941
2001	209	60,134

Total Annual Handles



HARNESSES

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

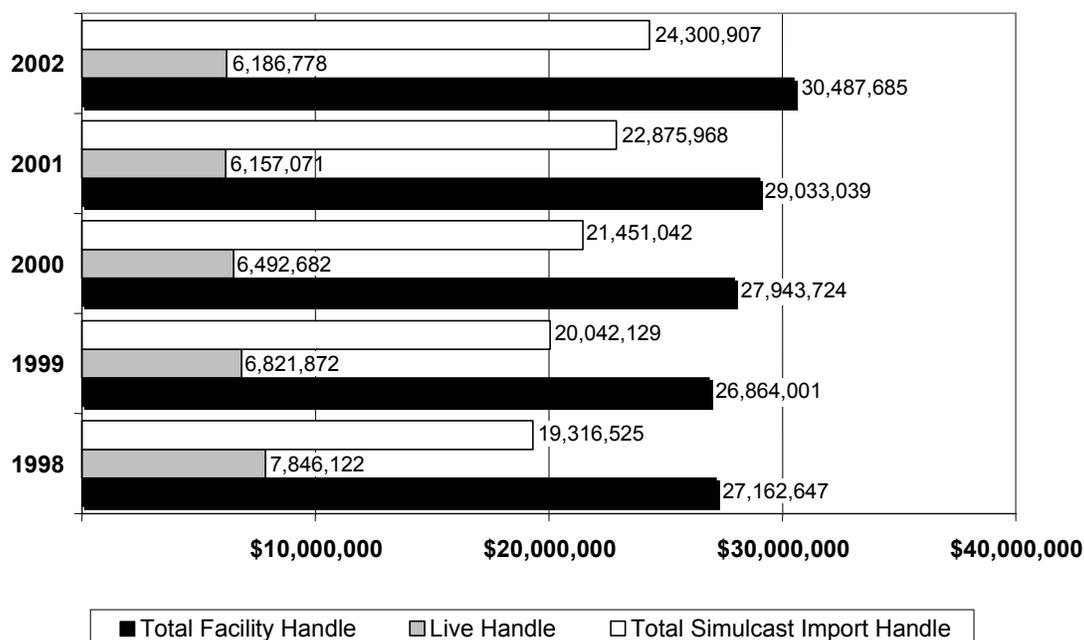
2002 Season: January 5 – December 31

State Racing Official: Anthony Stellone, Presiding Judge

	Number of Race Days	Attendance
2002	122	N/A *
2001	134	95,623

* Saratoga Harness offers free admission and therefore does not report admission.

Total Annual Handles



HARNESSES

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.

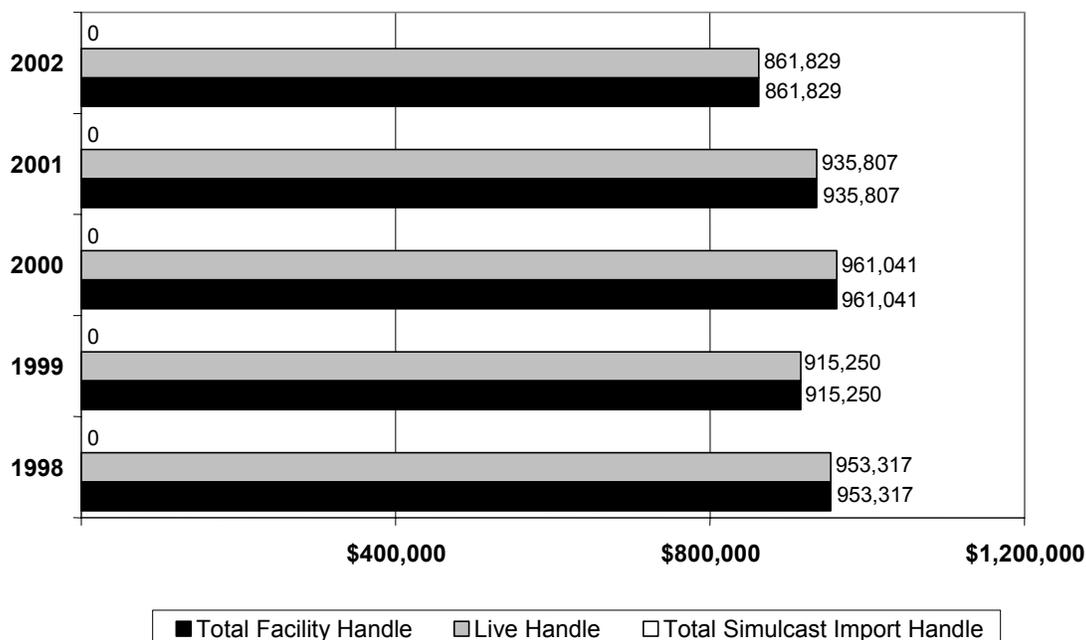
Size of Track: One mile

2002 Season: August 3 – August 11 (five days only)

State Racing Official: Arthur Wenerowicz, Presiding Judge

	Number of Race Days	Attendance
2002	5	6,615
2001	5	6,414

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.

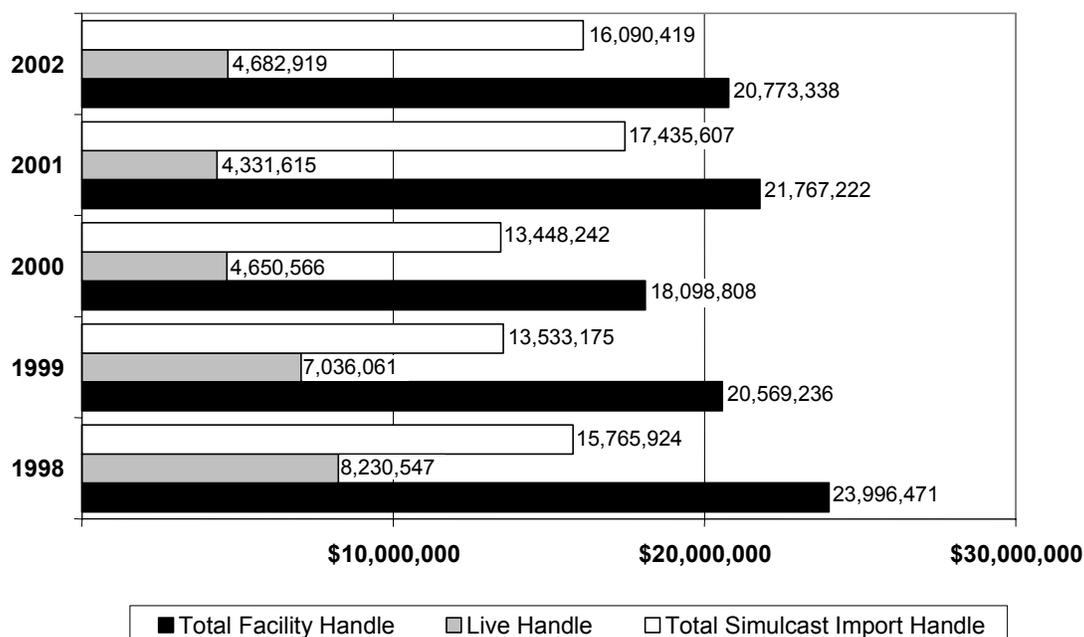
Size of Track: 7/8 mile

2002 Season: May 3 – November 9

State Racing Official: Michael McCarthy, Presiding Judge

	Number of Race Days	Attendance
2002	84	85,362
2001	84	71,378

Total Annual Handles



HARNES

Yonkers Raceway

Yonkers Racing Corporation

Yonkers, New York 10704

Phone: (914) 968-4200

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

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

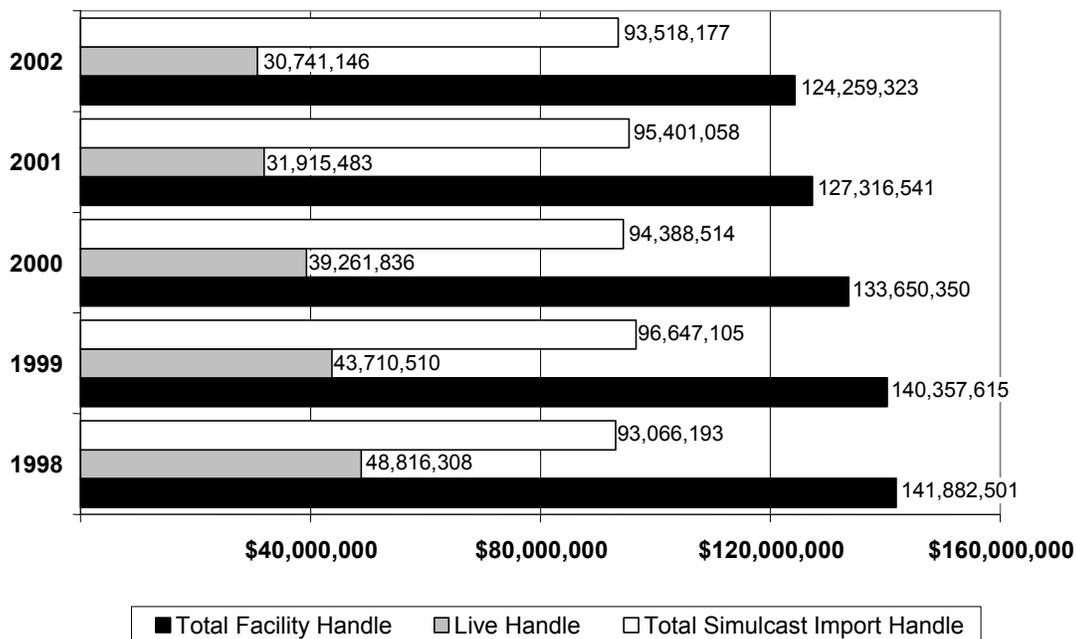
Size of Track: One half mile

2002 Season: January 1 – December 31

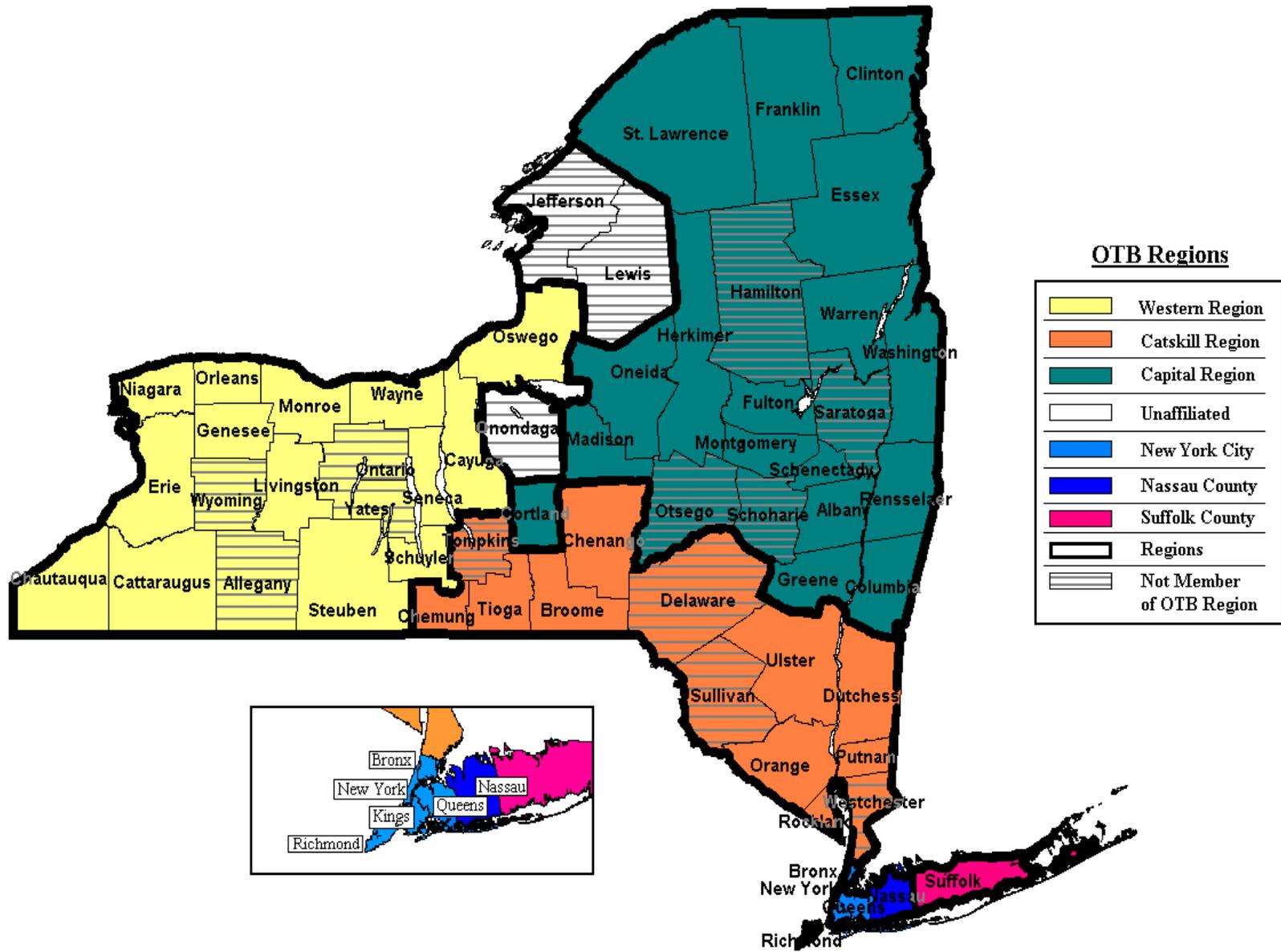
State Racing Official: Frank Pellegrino, Presiding Judge

	Number of Race Days	Attendance
2002	257	157,385
2001	252	167,277

Total Annual Handles



Regional Off Track Betting Corporation Territories



OFF TRACK BETTING

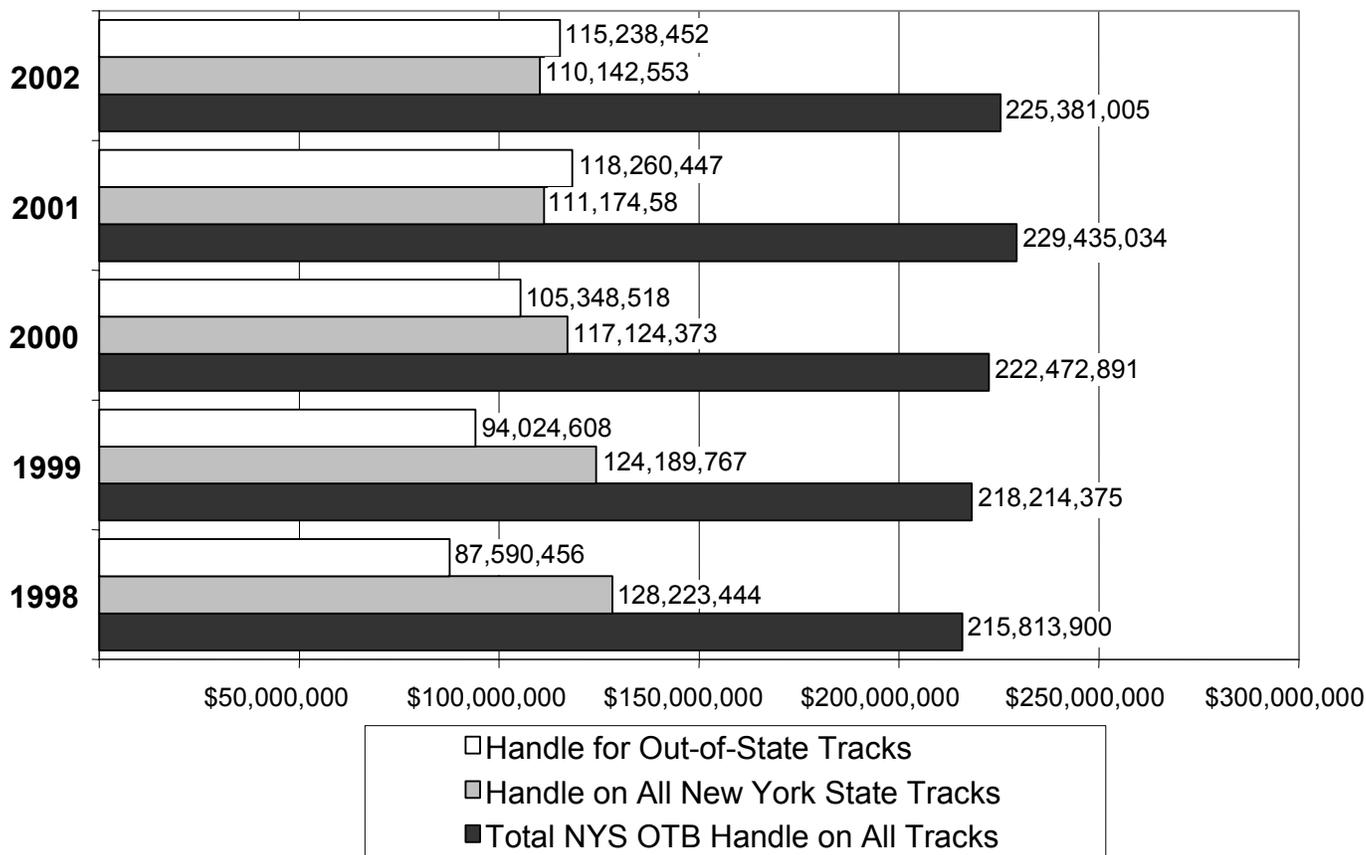
Capital District Regional Off-Track Betting Corporation

510 Smith Street
Schenectady, New York 12305
Phone: (518) 370-5151

Website address: <http://www.capitalotb.com>

Capital District Regional Off-Track Betting Corporation (Capital OTB) is comprised of twenty-one counties and the City of Schenectady. Seventeen of these counties participate in off-track betting. In 2001, Capital OTB operated fifty simulcast branches, thirty EZ Bet locations and one teletheater. The major cities located within the region are Albany, Schenectady, Troy and Utica. 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

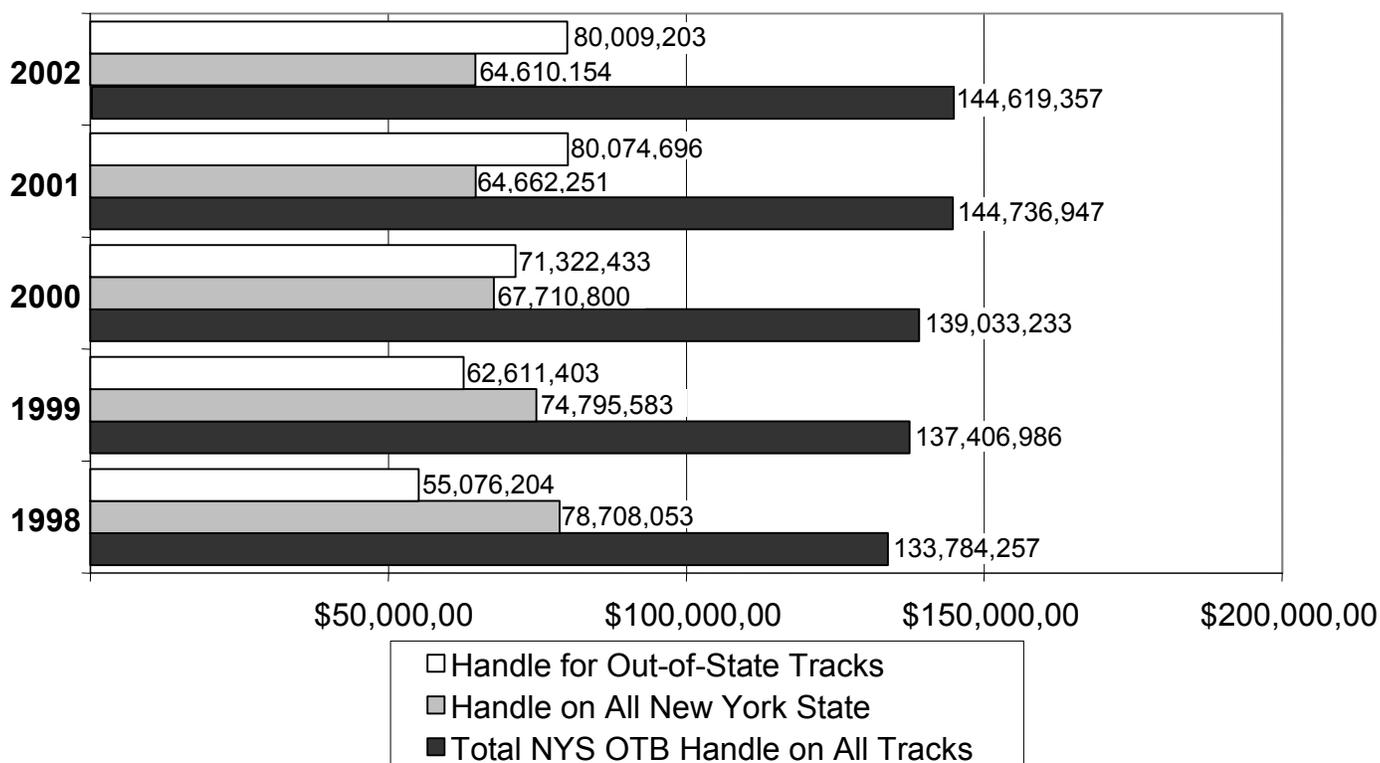
Catskill Regional Off-Track Betting Corporation

Park Place
Pomona, New York 10970
Phone: (845) 362-0400

Website address: <http://www.interbets.com>

Catskill Regional Off-Track Betting Corporation (Catskill OTB) is comprised of thirteen counties, of which nine participate as members of this corporation. In 2002, Catskill OTB operated twenty-five simulcast branches, one teletheater, one non-simulcast branch and one 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 in New York State and Out-of-State Tracks



OFF TRACK BETTING

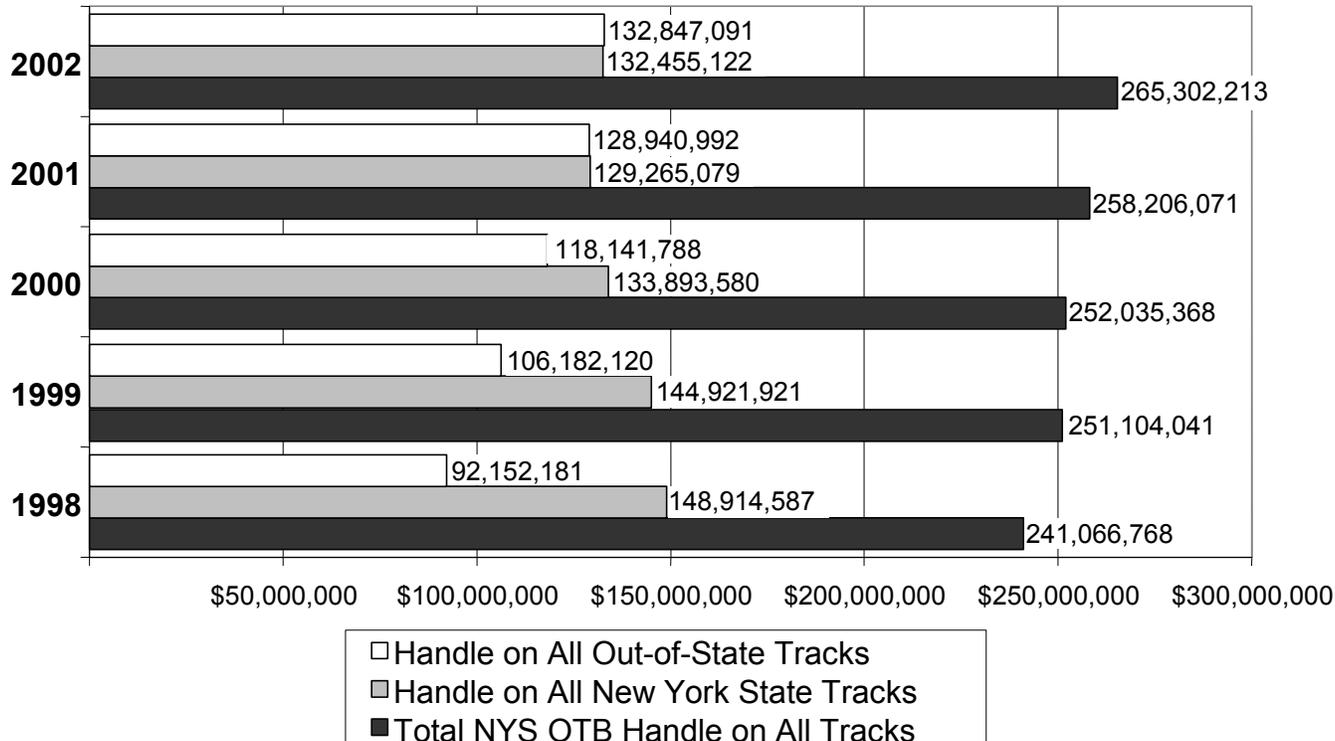
Nassau Regional Off-Track Betting Corporation

220 Fulton Avenue
Hempstead, New York 11550
Phone: (516) 572-2800

Nassau OTB does not have a website

Nassau Regional Off-Track Betting Corporation (Nassau OTB) is comprised of only Nassau County. In 2002, Nassau OTB operated thirteen simulcast branches and one non-simulcast branch. 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 in New York State and Out-of-State Tracks



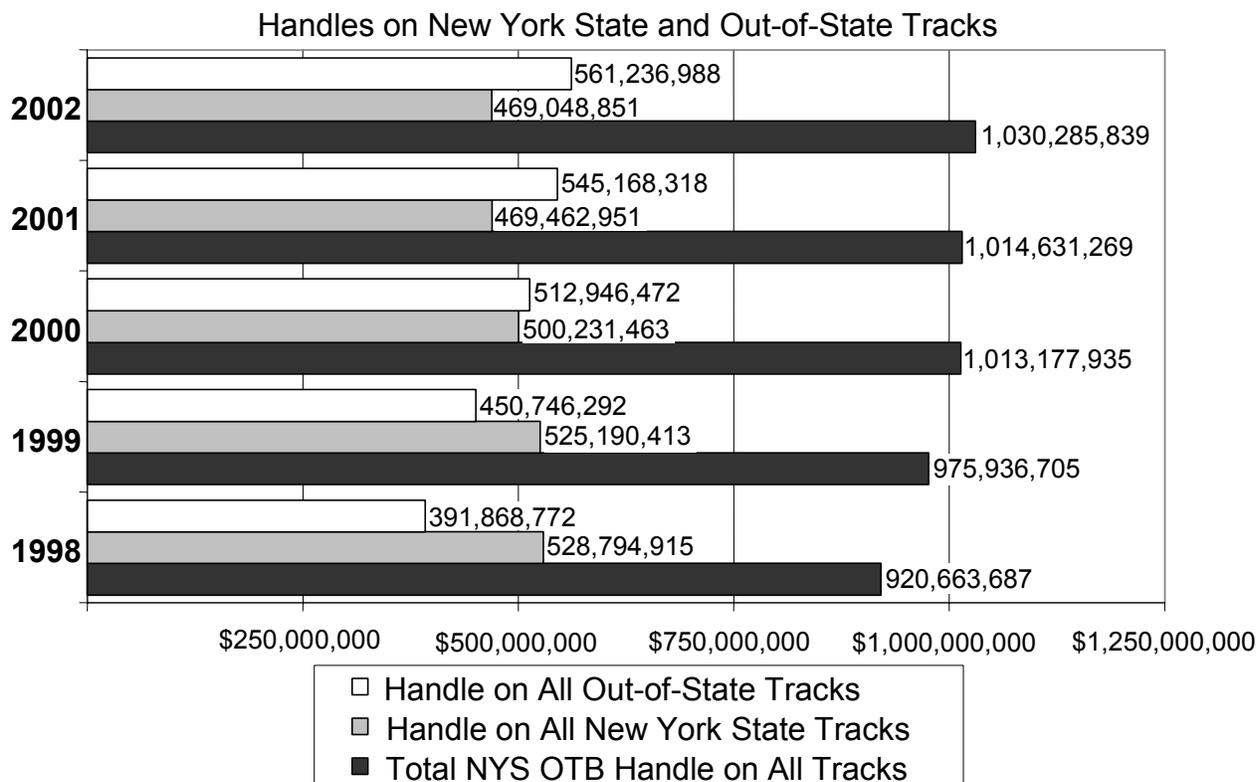
OFF TRACK BETTING

New York City Regional Off-Track Betting Corporation

1501 Broadway
New York, New York 10036
Phone: (212) 221-5200

Website Address: www.nycotb.com

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 2002, New York City OTB operated sixty-five simulcast branches and three teletheaters. New York City OTB operates five "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.



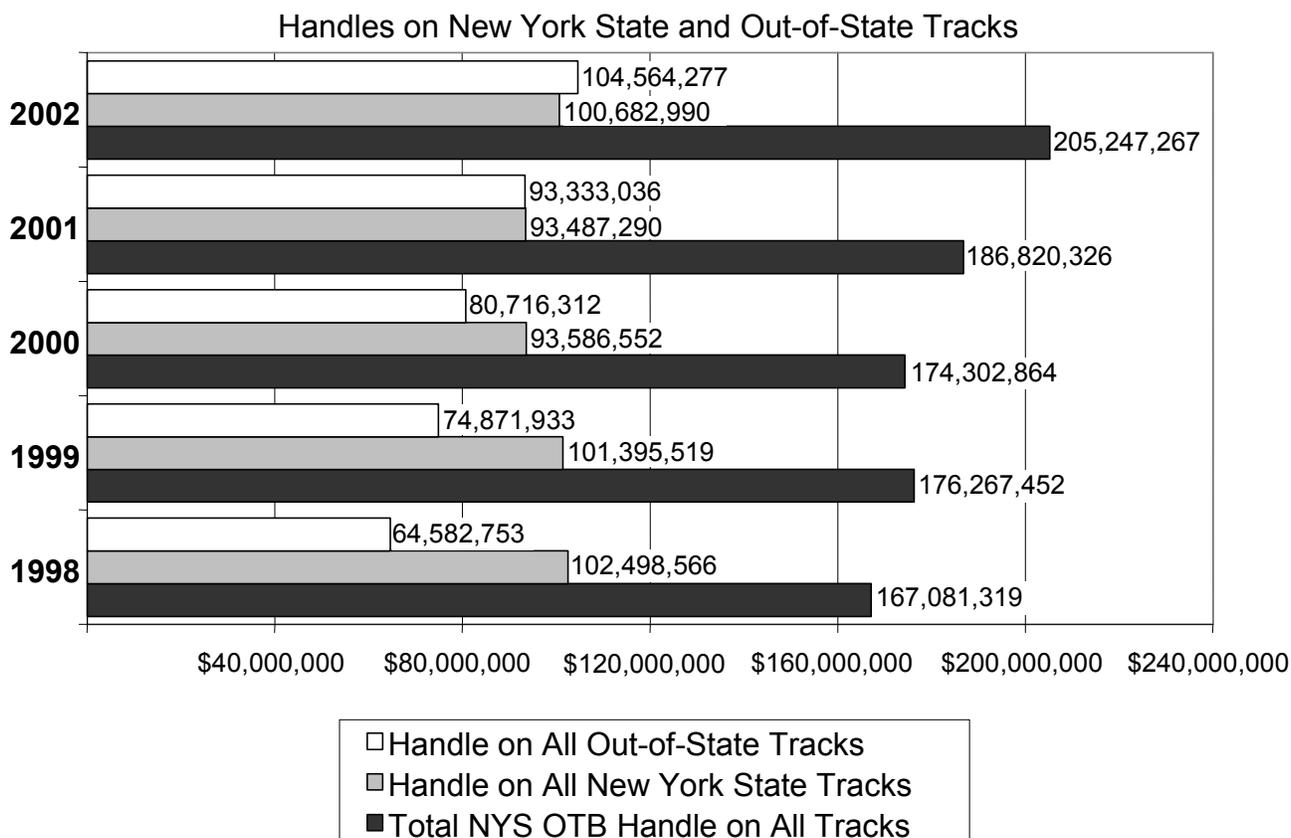
OFF TRACK BETTING

Suffolk Regional Off-Track Betting Corporation

5 Davids Drive
Hauppauge, New York 11787
Phone: (631) 853-1000

Website address: <http://www.suffolkotb.com>

Suffolk Regional Off-Track Betting Corporation (Suffolk OTB) is located entirely in Suffolk County. In 2002, Suffolk OTB operated thirteen simulcast branches and one teletheater. 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.



OFF TRACK BETTING

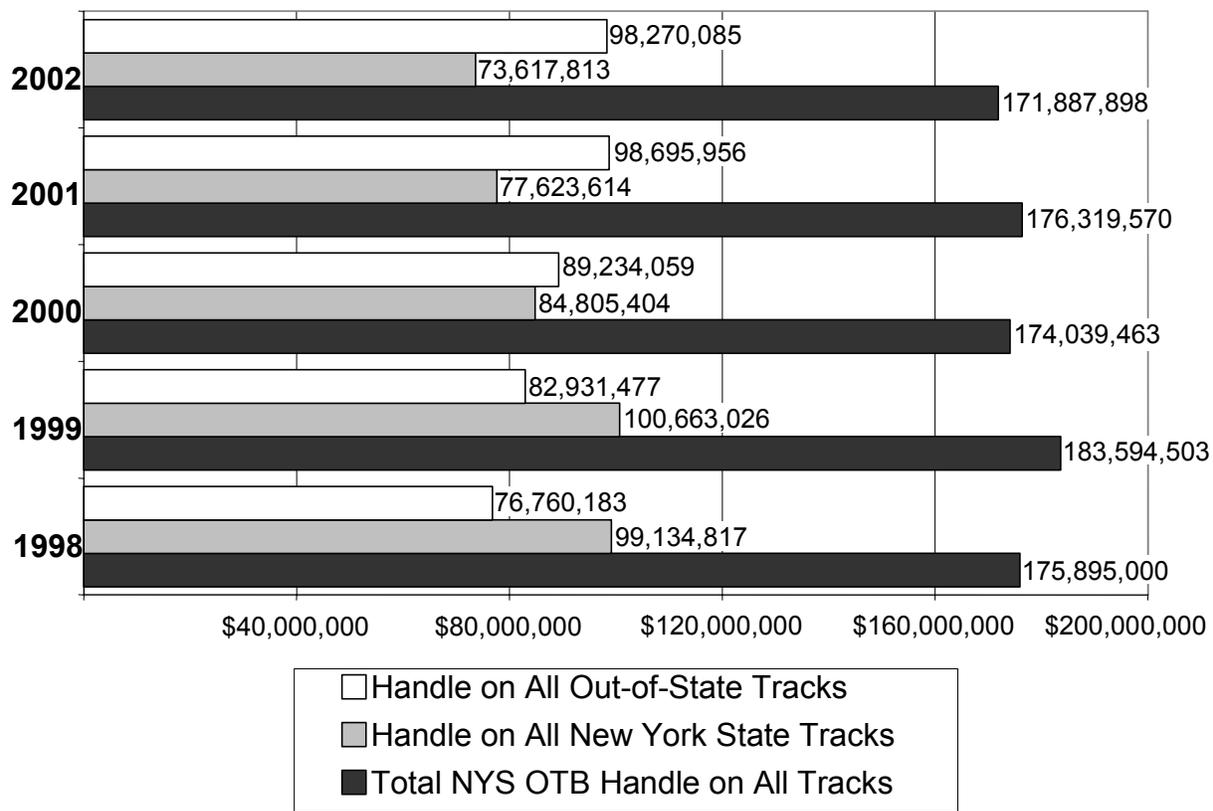
Western Regional Off-Track Betting Corporation

700 Ellicott Street
Batavia, New York 14020
Phone: (800) 724-2000

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

The Western Regional Off-Track Betting Corporation (Western OTB), is comprised of eighteen counties, fifteen of which participate in off-track betting. The two major cities served by Western OTB are Buffalo and Rochester. In 2002, Western OTB operated forty-three simulcast branches including 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 2002, **62,403** samples of both urine and blood were collected and sent for testing 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 EDTP personnel do not know the identity of the horse involved.

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.

EQUINE DRUG TESTING PROGRAM

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.

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>2002</u>	<u>2001</u>
Aqueduct:	12(2F) ¹	7(3F) ²
Belmont Park:	1	12(3F)
Saratoga Flat.:	0	0
Finger Lakes:	11(1F)	9
Batavia Downs	2	closed
Buffalo Raceway:	10	7
Monticello Raceway:	33(2F)	13(1F)
Saratoga Harness:	15(2Q) ³	7
Vernon Downs:	4(3F)	5
Yonkers Raceway:	30(5F)	20(1F)
Total	118	80

¹ The 12 included two specials as well as the 2 furosemide.

² The number in parentheses followed by "F" indicates the number of furosemide (lasix or salix) positives

³ Includes 2 qualifiers

The following list represents drugs that were newly reported in 2002 samples. These drugs were not reported in any 2001 samples collected:⁴

Ambroxoll	Isoxsuprine
Aminicaproic acid	Ketoprofen
Bupivacaine	Levamisole
Cocaine	Methocarbamol
Dexamethasone	Methotrexate
Ergonovine	Phenytoin
Guaifenesin	Tenoxicam
Transexamic acid	

The following list represents drugs that were reported in 2001 samples but not repeated in 2002 samples:

Butorphanol	Caffeine
Carprofen	Ephedrine
Fluoxetine	Guanabenz
Indomethacin	Ketorolac
Naproxen	Nimesulide
Phenylpropanolamine	Promazine
Theobromine	Theophylline
Tramadol	Xylazine

⁴ 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 16,000 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. This number signifies that an organization has met the statutory requirements to qualify as an authorized organization. Once a registration and identification number is issued to an organization, the number remains with that organization. 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.

To date the Board has issued 7,522 games of chance and 8,627 bingo identification numbers. During the year 2002, Board staff reviewed 745 new games of chance registration application forms of which 360 were issued and 107 were denied. Staff also received 125 bingo registration applications of which 55 were issued and 17 were denied.

Public Outreach

Public Outreach is an integral part of the Board's operations as it works to promote compliance with the Rules and Regulations. In 2002, the Board continued its efforts to educate regulated entities and local authorities by attending numerous statewide conferences held by charitable groups including the American Legion, VFW, Fraternal Order of Eagles and the Loyal Order of Moose.

Board staff also held several countywide seminars in Erie, Niagara, Allegany, Cattaraugus, Chautauqua, Jefferson, Monroe, Steuben, Onondaga, St. Lawrence counties. Countywide seminars are typically hosted by a charitable group or town clerk and are open to all registered charities in the surrounding area. The Board also gave a presentation to the New York State Town Clerk's Association at their 2002 conference in Saratoga Springs, NY.

CHARITABLE GAMING

The following illustrates the revenues generated by the bell jar ticket sales in 2002:

Bell Jar Activity Calendar Year 2002

Number of Licensed Organizations	2,114
License Fees Remitted to Clerks	\$ 52,850
Number of Bell Jar Deals Sold	216,557
Gross Ticket Sales	\$ 319,441,707
Prizes Awarded	\$ 232,319,676
5% Additional Fee	\$ 2,554,545
Net Profit to Organizations	\$ 51,090,902

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

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.

A **compliance conference** is a meeting held between members of the Board's staff and representatives of a licensed charitable organization. A compliance conference is necessary when an organization encounters difficulties with complying with various sections of the Board's Rules and Regulations. This is an informal meeting during which both parties seek to reach a mutually agreed upon arrangement so the organization can continue its' charitable gaming activities while ensuring that the operations are in compliance.

In 2002, Board staff conducted 41 compliance conferences with representatives from various licensed charitable organizations. These conferences resulted in \$685,754 being identified as misreported funds with \$492,828 being deposited into the respective charitable gaming checking accounts.

In 2002, Board staff reviewed a total 6,489 bell jar tickets with 6,383 being approved for sale into New York State and 106 requests denied. 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.

Board staff conducted 1,216 charitable gaming inspections throughout New York State. From these inspections, an estimated \$9,297,820 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.

CHARITABLE GAMING

Raffles

All raffles conducted in New York State must be licensed by a municipal clerk. There is no license fee for raffles that result in net profits less than \$30,000 in a calendar year. There is a \$25.00 license fee for raffles that net a profit greater than \$30,000 in a calendar year.

In 2002, a total of **\$6,089,959** was wagered on raffles resulting in net profits of \$2,363,022 for charitable organizations. The amount wagered in 2002 represents a 7% increase from 2001.

Casino-Type Games of Chance *

In 2002, 2,300 licensed Las Vegas nights were conducted and resulted in \$928,694 being raised for charitable purposes. A total of **\$1,379,818** was wagered on Las Vegas Nights in 2002, which represents a 34% decrease from 2001.

Board staff plays 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.

**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 2002, 7,023,411 bingo players attended 53,936 licensed bingo occasions and wagered **\$133,505,612** and generating net profits of \$25,231,051. As a result, \$1,024,595 in license fees was remitted to the State Comptroller and \$1,010,755 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

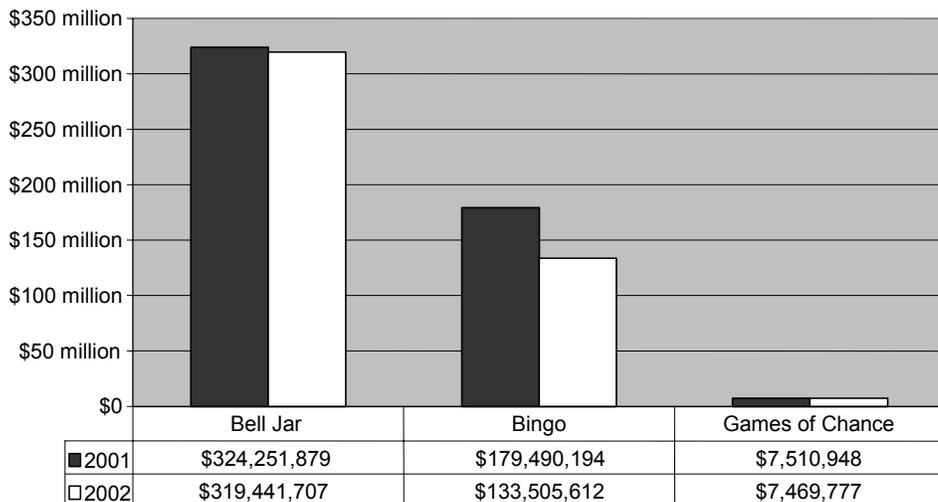
The Board has many responsibilities with regards to licensing games of chance and bingo manufacturers and suppliers. In 2002, the Board issued 77 games of chance manufacturer and supplier licenses along with 53 bingo manufacturer and supplier licenses.

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).

Games of chance manufacturers and suppliers are required to remit 2% of their gross annual sales, which amounted to \$253,874 in the calendar year 2002. In addition, bingo manufacturer and suppliers are required to remit an amount of their gross sales based on a schedule of gross sales established by the Legislature, which totaled \$25,670.

CHARITABLE GAMING

Total Charitable Gaming Handle

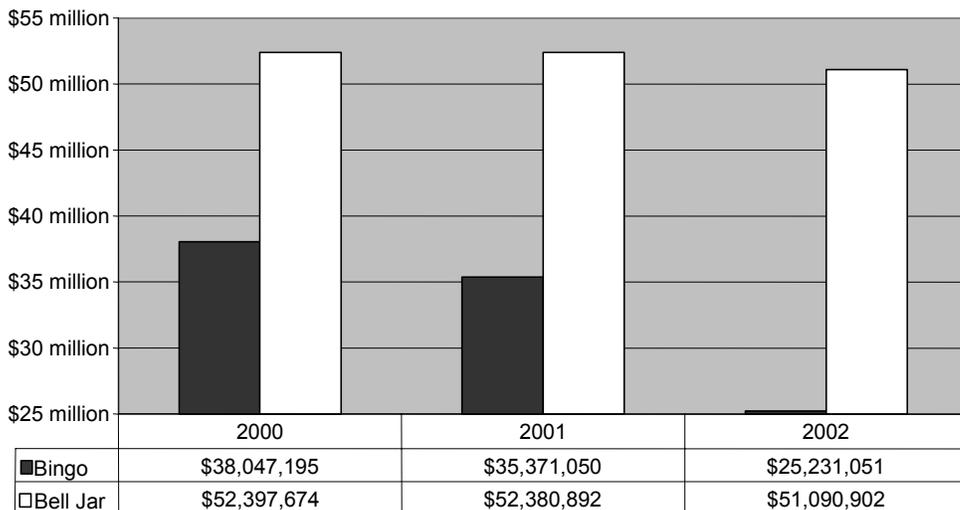


Total charitable gaming handle declined \$50,835,925 or 9.9% from the 2001 handle of \$511,253,021.

* 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.

Total Charitable Gaming Handle = \$460,417,096

Bell Jar and Bingo Net Profit To Organizations

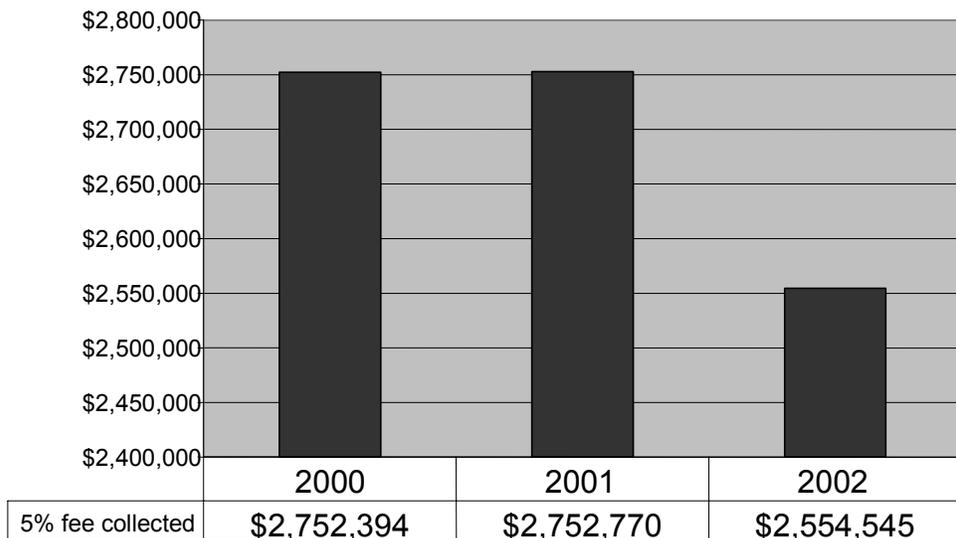


The decline in net profits from the conduct of bingo is a direct result of the decline in bingo handle in 2002. Bell jar tickets continued to be a consistent source of revenue for charitable organizations in 2002.

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

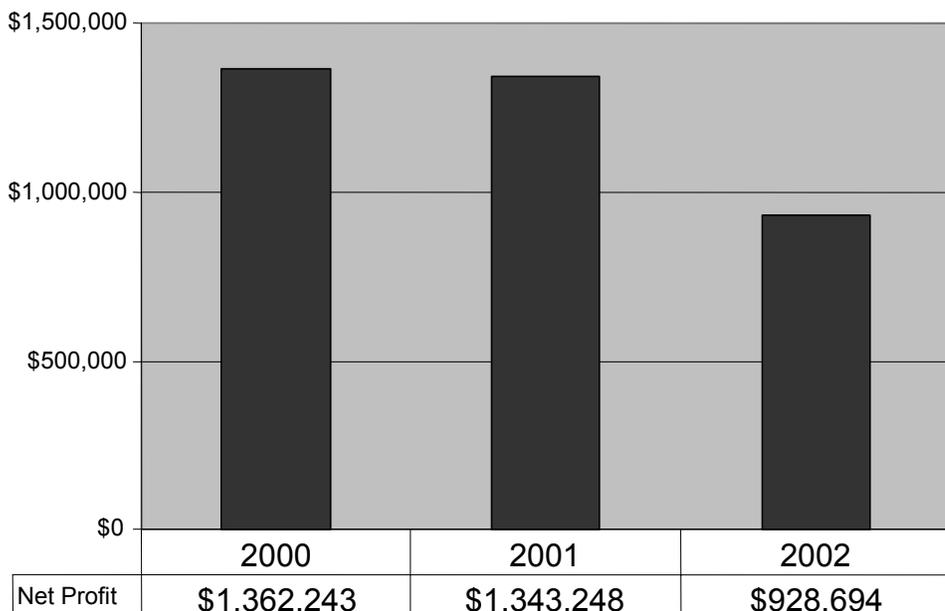
CHARITABLE GAMING

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

** 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	2000 Handle	2000 Total Deals Sold	2001 Handle	2001 Total Deals Sold	2002 Handle	2002 Total Deals Sold
Chautauqua	\$42,544,481.25	30360	\$40,266,984.50	28124	\$36,228,757.75	25572
Monroe	\$21,219,446.55	17394	\$24,703,514.15	19739	\$24,372,527.40	20231
Erie	\$23,826,011.50	12973	\$21,234,756.45	11226	\$20,431,084.97	12105
Oneida	\$19,468,936.75	9528	\$20,669,329.25	9620	\$19,948,408.57	8442
Cattaraugus	\$14,631,497.00	12649	\$15,865,261.68	14969	\$15,922,924.00	12451
Jefferson	\$14,728,686.98	6964	\$14,003,625.75	6504	\$13,612,146.25	6052
Steuben	\$11,569,367.65	6010	\$12,180,483.90	7156	\$12,274,745.25	6992
St. Lawrence	\$10,973,391.75	5151	\$11,195,375.50	5142	\$11,206,609.27	5144
Albany	\$9,404,034.00	4521	\$8,754,651.75	4128	\$9,566,397.25	4422
Onondaga	\$9,928,061.97	6426	\$10,371,730.11	7122	\$9,542,627.50	6679
Wayne	\$8,259,931.25	4310	\$7,958,561.00	4551	\$8,168,913.27	4310
Allegany	\$7,154,085.25	3147	\$7,220,560.00	3118	\$7,386,801.75	3573
Niagara	\$7,594,623.68	4234	\$7,301,216.36	4260	\$7,203,917.44	4067
Suffolk	\$7,919,263.75	4717	\$7,457,842.90	4462	\$6,430,251.59	3577
Saratoga	\$5,910,839.00	2697	\$6,085,449.50	2689	\$6,332,208.75	2852
Rensselaer	\$5,867,722.50	2962	\$6,436,250.50	3059	\$6,260,278.00	2948
Broome	\$5,459,133.00	3092	\$5,394,126.25	2854	\$5,355,316.75	2932
Oswego	\$5,679,414.25	3206	\$5,884,778.60	3188	\$5,235,942.50	2951
Herkimer	\$4,958,192.25	1920	\$4,761,355.25	1691	\$4,993,624.00	1770
Ontario	\$4,541,971.25	2901	\$5,007,830.34	3526	\$4,844,225.50	3425
Clinton	\$4,659,046.00	3255	\$4,600,321.50	2317	\$4,811,388.75	2236
Orleans	\$3,874,691.25	1903	\$4,553,365.50	2226	\$4,749,276.25	2418
Yates	\$3,092,668.00	2241	\$3,305,302.00	2250	\$4,374,028.25	2510
Fulton	\$4,534,854.00	1843	\$4,413,133.00	1758	\$4,124,405.00	1636
Seneca	\$3,148,222.25	1569	\$4,065,682.25	2040	\$3,956,708.00	1892
Lewis	\$2,722,727.25	1636	\$3,640,854.00	2189	\$3,868,705.00	2155
Franklin	\$3,689,428.75	2091	\$4,355,348.25	2380	\$3,829,462.25	2096
Tompkins	\$3,528,773.75	1523	\$3,659,239.75	1483	\$3,711,696.50	1421
Schenectady	\$3,130,321.75	1777	\$3,378,595.25	1711	\$3,561,422.50	1647
Chemung	\$3,936,803.00	2565	\$3,636,011.00	2473	\$3,432,447.75	2352
Dutchess	\$3,411,656.50	1610	\$3,625,717.50	1608	\$3,419,089.75	1506
Genesee	\$3,239,979.25	2032	\$3,090,346.75	1913	\$3,081,846.75	1731
Cayuga	\$2,418,966.50	2168	\$2,679,691.00	3304	\$2,748,316.25	2778

Bell Jar Handle and Deals Sold per County - continued

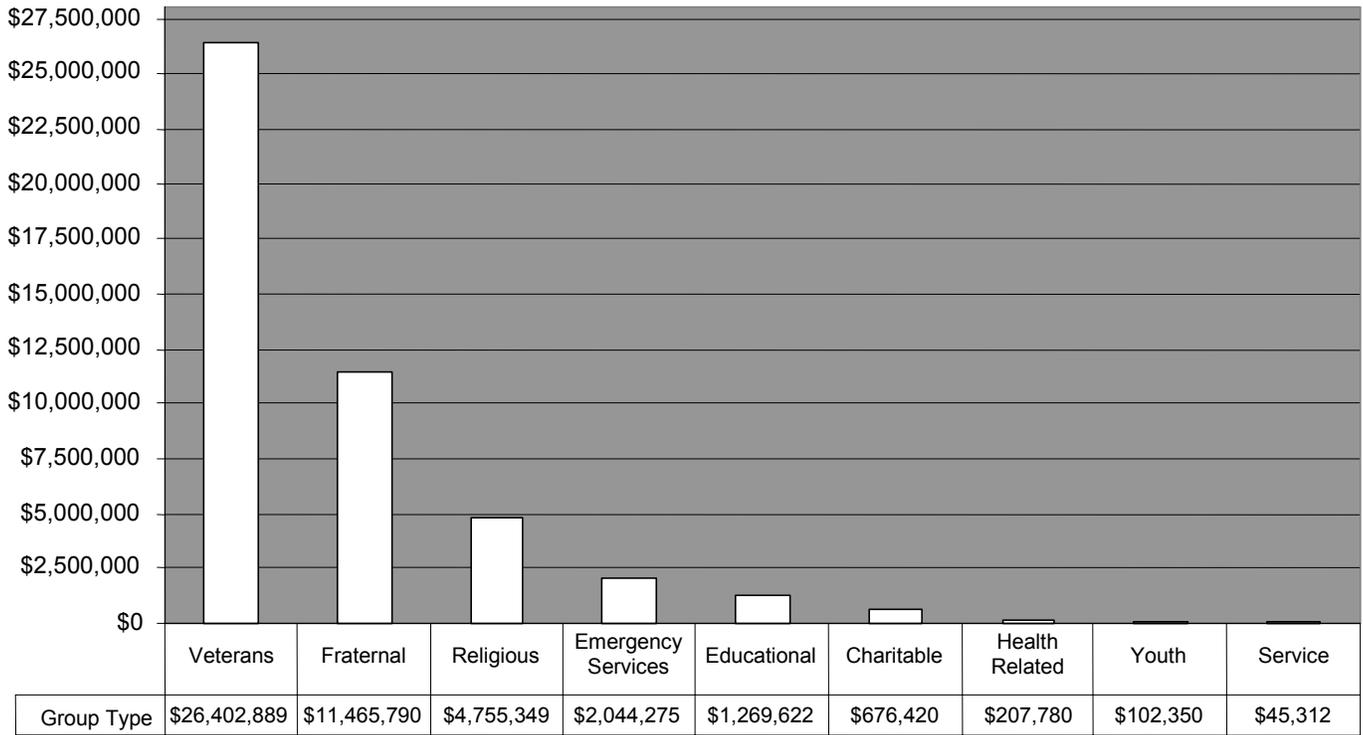
County	2000 Handle	2000 Total Deals Sold	2001 Handle	2001 Total Deals Sold	2002 Handle	2002 Total Deals Sold
Orange	\$2,918,871.75	1507	\$2,741,080.25	1357	\$2,178,977.00	1115
Wyoming	\$1,535,036.00	972	\$1,525,276.50	1021	\$2,104,412.00	1372
Montgomery	\$1,867,286.75	1390	\$1,809,082.50	1378	\$1,894,887.50	1357
Cortland	\$1,186,563.50	755	\$1,587,480.00	945	\$1,737,195.50	1001
Westchester	\$2,200,558.00	1051	\$1,959,144.25	880	\$1,642,358.00	737
Schuyler	\$1,153,031.25	560	\$1,340,602.25	595	\$1,607,628.00	687
Tioga	\$1,970,649.25	1347	\$1,736,708.30	1073	\$1,578,873.50	983
Chenango	\$1,286,905.00	699	\$1,408,163.50	742	\$1,551,731.75	31102
Essex	\$1,048,316.00	726	\$1,027,992.50	746	\$1,471,475.75	899
Ulster	\$1,631,873.50	1086	\$1,609,316.25	1052	\$1,463,419.75	883
Livingston	\$1,604,195.40	1154	\$1,746,481.65	1388	\$1,462,176.24	1453
Nassau	\$1,519,677.50	1047	\$1,695,635.50	1331	\$1,452,163.50	899
Delaware	\$1,205,730.00	822	\$1,113,931.25	741	\$1,383,669.22	868
Otsego	\$1,728,080.25	775	\$1,411,408.52	630	\$1,252,231.00	543
Madison	\$1,259,105.47	877	\$1,410,748.55	883	\$1,234,750.50	786
Rockland	\$1,831,156.00	707	\$1,702,856.00	632	\$1,221,032.50	462
Sullivan	\$584,392.50	344	\$821,635.50	462	\$744,504.00	521
Putnam	\$404,755.50	156	\$655,050.00	230	\$659,008.75	225
Columbia	\$741,315.00	368	\$544,531.25	285	\$570,607.25	279
Greene	\$644,777.25	249	\$776,428.00	312	\$559,888.50	213
Queens	\$282,094.00	319	\$530,817.50	340	\$446,539.25	247
Richmond	\$437,622.00	210	\$374,795.25	185	\$317,815.25	157
Kings	\$258,461.00	205	\$314,952.00	191	\$305,883.75	210
Schoharie	\$236,836.25	209	\$169,370.25	152	\$232,075.75	171
Bronx	\$18,908.65	18	\$21,816.00	16	\$76,576.15	56
Hamilton	N/A	N/A	\$1,819.75	2	\$593.75	1
New York	\$21,273.00	30	N/A	N/A	N/A	N/A

** The numbers reported for years 2000 and 2001 have been amended since the 2001 Annual Report due to additional filings by licensed organizations.

** 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	\$15,739,912
VFW	\$8,069,599
AmVets	\$668,522

Religious

Roman Catholic	\$3,116,930
Jewish	\$1,219,070
Orthodox Groups	\$160,232

Service Organizations

Lions	\$21,924
Kiwanis	\$4,475

Emergency Service

Volunteer Firemen	\$2,031,928
Ambulance	\$12,347

Fraternal Organizations

Elks (BPOE)	\$3,860,171
Moose (LOOM)	\$3,252,200
Eagles (FOE)	\$1,454,519

Educational Organizations

Schools, PTA's	\$745,149
Women's ORT	\$11,500

Health Related Organizations

Handicapped	\$92,929
Hospitals	\$28,987
Health Organizations	\$24,521

Charitable Organizations

Charity Based Orgs.	\$676,420
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Youth Organizations

YMCA, Little League,	
Youth Related	\$83,695
Sports Booster Clubs	\$18,655

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.

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 2002, the Board issued **1,000** 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. 234 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 (including fines)

Monticello Raceway	229
Yonkers Raceway	194
Buffalo Raceway	68
Finger Lakes Racetrack	62
New York Racing Association	61
Vernon Downs	57
Saratoga Raceway	49
Batavia Downs	44
Syracuse Mile	2
Rulings issued by RWB Main Office	234
TOTAL	1,000

LICENSING

Occupational Licenses Valid in 2002

Category	Harness	Thoroughbred	Total
Administration	1	2	3
Authorized Agent	0	46	46
Apprentice Jockey	0	20	20
Amateur Jockey	0	3	3
Assistant Trainer	3	219	222
Cleaning Service	56	205	261
Driver	520	0	520
Exercie Rider	0	497	497
Farrier	15	24	39
Food Service	263	127	390
Groom	935	1,102	2,037
Gap Attendant	0	8	8
General Services	556	764	1,320
Jockey	0	155	155
Jockey Agent	0	42	42
Matinee Driver	6	0	6
Mutuel Clerk	236	232	468
Race Official	0	15	15
Owner	2,673	2,949	5,622
Off Track Betting Employee	0	0	0
Provisional Driver	97	0	97
Private Trainer	14	1	15
Qualifier Driver	60	0	60
Racing Official	0	15	15
Security	140	248	388
Stable Employee	1	831	832
Trainer	1,167	470	1,637
Track Management	72	38	110
Veterinarian	15	36	51
TOTALS	6,830	8,049	14,879

2002 LEGISLATION

Chapter 85 of the Laws of 2002 enacted changes in relation to contemplated operation of video lottery terminals at Aqueduct Racetrack. Part EE of this Chapter extended the franchise granted to the non-profit racing association through December 31, 2012, provided video lottery gaming is in operation at Aqueduct Racetrack on or before April 1, 2003. This Chapter also subordinated certain obligations of the non-profit racing association to loans to be incurred for specified purposes, including financing in connection with the installation and operation of video lottery terminals at Aqueduct Racetrack.

Chapter 113 of the Laws of 2002 amended Sections 1003, 1007, 1012, 1016 and 1017 of the Racing, Pari-Mutuel Wagering and Breeding Law to extend the expiration dates for these and other simulcast related provisions through June 30, 2007.

Chapter 434 of the Laws of 2002 amended the Racing, Pari-Mutuel Wagering and Breeding Law and the Mental Hygiene Law in relation to compulsive gambling assistance. These amendments provide for regulations to implement requirements so that an individual may voluntarily exclude him/herself from pari-mutuel wagering facilities and voluntarily place limits on the amount of his/her wagers placed through telephone accounts.

SUMMARY OF BOARD ACTION ON RULES

The Board adopted the following:

GAMES OF CHANCE:

Amendments to Sections 5600.1, 5608.4, 5608.5, 5608.7, 5611.1, 5611.2, 5620.16 and 5620.22 9 are legislative changes affecting the conduct of games of chance, including bell jar ticket submission procedures and reporting requirements for games of chance suppliers.

Amendments to Sections 5602.1, 5606.1, 5606.14, 5608.7, 5620.12, 5624.1, 5624.18 and 5624.21 make technical corrections and facilitate the process of amending forms.

BINGO

Addition of Section 5800.1(n) and Part 5823 to regulate the use and distribution of electronic bingo aids.

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.*

INDIAN GAMING REGULATORY ACT

The IGRA contains a regulatory scheme designed to provide different levels of jurisdiction depending upon the type of gambling that is to occur on Indian lands. The 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 the 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 the IGRA and oversight by the National Indian Gaming Commission. States are not permitted to regulate any Class II gaming activity. Under the 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 banked card games (e.g., baccarat and blackjack), slot machines, pari-mutuel wagering and jai alai.

NEW YORK COMPACTS

Class III compacts exist between the State and the Oneida Indian Nation of New York, Saint Regis Mohawk Tribe and Seneca Nation of Indians. 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 Compact was subsequently approved by the Department of the Interior, on June 4, 1993.

The Oneida opened their Turning Stone Casino Resort on June 20, 1993. Governor Cuomo signed the Saint Regis Mohawk Tribe’s Compact on June 9, 1993. The Compact was subsequently approved by Interior on December 4, 1993. The Mohawk’s opened their Akwesasne Mohawk Casino on April 10, 1999. Finally, Governor George E. Pataki signed the Seneca Nation of Indians’ Compact on August 18, 2002. Approval was received from Interior on October 25, 2002. The Seneca opened their Seneca Niagara Casino on December 31, 2002.

PROVISIONS

Contained in each compact are standards and specifications for each game authorized for conduct 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 for mediating disputes.

The Board maintains a constant, twenty-four hour presence within each gaming facility. 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 on a regular basis to ensure that gaming operations such as dealing procedures, internal accounting controls and other safeguards strictly conform to the applicable provisions of their respective compacts.

Casino patrons regularly seek State gaming inspectors to clarify the rules of the games and for recourse after filing complaints with casino managers and Nation or Tribal gaming regulators. Board gaming inspectors conduct investigations, interviews, review surveillance videotapes, and prepare detailed narrative reports as part of their normal duties.

INDIAN GAMING

LICENSING

The Board's Licensing Bureau 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 the Oneida and Mohawk compacts, 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 the Nation or Tribal gaming commission, respectively, or, in the case of the Seneca compact, the employee has been issued a finding of suitability by the Board and a license issued by the Seneca Gaming Authority. 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, their degree of access, and their ability to influence gambling activities on the gaming floor.

At a minimum, each applicant for a gaming employee certification or suitability must submit a completed license application, State and federal fingerprint cards and, when warranted, Royal Canadian Mounted Police 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), the Federal Bureau of Investigation and, when warranted, the Royal Canadian Mounted Police for a fingerprint-based search of their files.

The State Police report the results of its investigation to the Board. The Board reviews the fingerprint returns and each applicant background investigation report and evaluates them using compact-enumerated criteria to determine eligibility for certification or suitability, as appropriate.

Pursuant to each compact, enterprises or individuals wishing to conduct gaming-related business with a Class III gaming facility must hold a Board-issued gaming service registration or be found suitable 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 a corporation, the term "enterprise" shall include each other corporation or other legal entity that directly or indirectly controls a majority of the voting interests in such corporation.

Furthermore, with respect to any partnership, trust, or other form of unincorporated business organization, the term "enterprise" also includes each corporation or other legal entity that 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 a Class III game or activity. "Gaming equipment" means any machine, device or equipment that is specially designed or manufactured for use in the operation of a Class III game or activity.

INDIAN GAMING

REGULATORY COSTS

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

ACTIVITY

The following Chart illustrates the Certification and Registration Unit's activity related to applications received from the three Indian Casinos operating in New York State during 2002. (Since withdrawal or termination may occur at any step in the certification or suitability process following the Board's receipt of an application, the combined approval, denial and withdrawal figures exceed the total number of applications received.)

Applications for Certification and Their Disposition

Category	Oneida Nation		Mohawk Tribe		Seneca Nation	
	2002	Lifetime	2002	Lifetime	2002	Lifetime
Temporary Certifications Issued	715	8,185	131	1,125	1,485	1,485
Certifications Issued	483	4,091	132	87	0	0
Temporary Certifications Denied	24	206	8	87	88	88
Certifications Denied	0	5	0	10	0	0

2002 TOTAL HANDLE ON RACES RUN IN NEW YORK

	Track Holding Race:									
	<u>NYRA</u>	<u>Finger Lakes</u>	<u>Batavia</u>	<u>Buffalo</u>	<u>Monticello</u>	<u>Saratoga Harness</u>	<u>Syracuse</u>	<u>Vernon</u>	<u>Yonkers</u>	<u>TOTAL</u>
ON-TRACK LIVE	365,564,564	15,614,825	3,531,175	3,881,305	9,352,988	6,186,778	861,829	4,682,919	30,741,146	440,417,529
SIMULCAST										
Exported to NYS										
NYRA	22,414,829	4,771,438	-	-	-	-	-	-	-	27,186,267
Finger Lakes	7,299,608	-	-	-	329,187	-	7,910	30,819	-	7,667,524
Batavia	948,924	432,610	-	349,616	301,670	140,730	16,599	143,388	261,579	2,595,116
Buffalo	2,341,411	439,720	551,928	-	182,124	139,291	7,851	149,647	320,893	4,132,865
Monticello	3,231,677	336,775	36,521	20,675	-	134,889	23,047	99,187	749,567	4,632,338
Saratoga	8,949,658	567,192	75,379	66,754	159,844	-	1,961	208,169	651,317	10,680,274
Syracuse Mile	-	-	-	-	-	-	-	-	-	-
Vernon	2,944,636	526,955	184,164	180,166	371,794	372,883	44,248	-	849,463	5,474,309
Yonkers	37,751,063	1,569,199	264,660	202,365	1,138,009	687,144	31,705	305,013	-	41,949,158
										-
TOTAL TO NYS TRACKS	<u>85,881,806</u>	<u>8,643,889</u>	<u>1,112,652</u>	<u>819,576</u>	<u>2,482,628</u>	<u>1,474,937</u>	<u>133,321</u>	<u>936,223</u>	<u>2,832,819</u>	<u>104,317,851</u>
EXPORTED TO NYS OTB's										-
Capital	83,472,260	10,860,970	303,134	367,835	3,921,212	3,857,982	123,054	1,651,580	5,584,526	110,142,553
Catskill	42,606,714	6,171,505	284,221	259,540	6,185,147	1,313,531	77,795	508,694	7,203,007	64,610,154
Nassau	105,398,912	7,415,961	436,869	378,257	5,764,734	1,650,033	83,770	873,615	10,452,971	132,455,122
New York City	355,392,491	34,468,012	1,269,571	554,528	21,557,669	5,860,744	284,494	2,426,857	47,234,485	469,048,851
Suffolk	81,065,704	5,863,303	281,577	263,825	3,779,977	1,138,426	51,412	602,983	7,635,783	100,682,990
Western	39,202,782	16,831,175	3,307,200	3,389,916	4,844,546	1,399,384	132,562	1,314,707	3,195,541	73,617,813
										-
TOTAL TO NYS OTB'S	<u>707,138,863</u>	<u>81,610,926</u>	<u>5,882,572</u>	<u>5,213,901</u>	<u>46,053,285</u>	<u>15,220,100</u>	<u>753,087</u>	<u>7,378,436</u>	<u>81,306,313</u>	<u>950,557,483</u>
EXPORTED OUT OF STATE	<u>1,709,444,699</u>	<u>44,573,406</u>	<u>835,062</u>	<u>121,779</u>	<u>44,378,858</u>	<u>3,818,849</u>	<u>243,957</u>	<u>997,580</u>	<u>51,160,390</u>	<u>1,855,574,580</u>
TOTAL HANDLE ON NYS RACING	<u>2,868,029,932</u>	<u>150,443,046</u>	<u>11,361,461</u>	<u>10,036,561</u>	<u>102,267,759</u>	<u>26,700,664</u>	<u>1,992,194</u>	<u>13,995,158</u>	<u>166,040,668</u>	<u>3,350,867,443</u>

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

	2002			2001			Increase (Decrease) 2002-2001
	Simulcast Imports	Live Racing	On-Track Betting	Simulcast Imports	Live Racing	On-Track Betting	
RECEIVING TRACK:							
THOROUGHBRED:							
Aqueduct	\$ 105,392,105	\$ 124,884,338	\$ 230,276,443	\$ 97,649,037	\$ 123,405,133	\$ 221,054,170	4.2 %
Belmont	38,566,692	125,279,727	163,846,419	37,678,704	135,971,744	173,650,448	(5.6) %
Saratoga	18,724,173	115,400,499	134,124,672	17,020,231	116,559,001	133,579,232	0.4 %
NYRA	162,682,970	365,564,564	528,247,534	152,347,972	375,935,878	528,283,850	(0.0) %
Finger Lakes	17,753,500	15,614,825	33,368,325	13,648,373	20,273,013	33,921,386	(1.6) %
THOROUGHBRED TRACKS	180,436,470	381,179,389	561,615,859	165,996,345	396,208,891	562,205,236	(0.1) %
HARNESS:							
Batavia	7,165,499	3,531,175	10,696,674	577,344	-	577,344	1752.7 %
Buffalo	12,552,307	3,881,305	16,433,612	12,897,136	6,525,727	19,422,863	(15.4) %
Monticello	10,222,375	9,352,988	19,575,363	9,262,136	9,671,758	18,933,894	3.4 %
Saratoga	24,300,907	6,186,778	30,487,685	22,875,968	6,157,071	29,033,039	5.0 %
Syracuse Mile	-	861,829	861,829	-	935,807	935,807	(7.9) %
Vernon	16,090,419	4,682,919	20,773,338	17,435,607	4,331,615	21,767,222	(4.6) %
Yonkers	93,518,177	30,741,146	124,259,323	95,401,058	31,915,483	127,316,541	(2.4) %
HARNESS TRACKS	163,849,684	59,238,140	223,087,824	158,449,249	59,537,461	217,986,710	2.3 %
ALL TRACKS	\$ 344,286,154	\$ 440,417,529	\$ 784,703,683	\$ 324,445,594	\$ 455,746,352	\$ 780,191,946	0.6 %

NOTE: Increase (Decrease) represents the percentage change in On-Track Betting from 2002 to 2001.

** 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

2002						
<u>SUMMARY OF ON-TRACK BETTING</u>	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	\$ 365,564,564	65.1%	\$ -	0.0%	\$ 365,564,564	46.6%
Finger Lakes	15,614,825	2.8%	-	0.0%	15,614,825	2.0%
NYS Harness Tracks	-	0.0%	59,238,140	26.6%	59,238,140	7.5%
All Live Racing at NYS Tracks	<u>381,179,389</u>	<u>67.9%</u>	<u>59,238,140</u>	<u>26.6%</u>	<u>440,417,529</u>	<u>56.1%</u>
IN-STATE SIMULCASTING BETWEEN NYS TRACKS:						
NYRA	29,714,437	5.3%	56,167,369	25.2%	85,881,806	10.9%
Finger Lakes	4,771,438	0.8%	3,872,451	1.7%	8,643,889	1.1%
NYS Harness Tracks	367,916	0.1%	9,424,240	4.2%	9,792,156	1.2%
All Simulcasts from NYS Tracks	<u>34,853,791</u>	<u>6.2%</u>	<u>69,464,060</u>	<u>31.1%</u>	<u>104,317,851</u>	<u>13.3%</u>
WAGERING ON NYS RACING AT NYS TRACKS						
	<u>416,033,180</u>	<u>74.1%</u>	<u>128,702,200</u>	<u>57.6%</u>	<u>544,735,380</u>	<u>69.4%</u>
WAGERING ON OUT OF STATE RACES AT NYS TRACKS:						
Thoroughbred Races	145,582,679	25.9%	50,765,030	22.8%	196,347,709	25.0%
Harness Races	-	0.0%	43,620,594	19.6%	43,620,594	5.6%
All Simulcasts from Out-of-State Tracks	<u>145,582,679</u>	<u>25.9%</u>	<u>94,385,624</u>	<u>42.4%</u>	<u>239,968,303</u>	<u>30.6%</u>
TOTAL BETTING AT NYS TRACKS FROM ALL SOURCES	<u>\$ 561,615,859</u>	<u>100.0%</u>	<u>\$ 223,087,824</u>	<u>100.0%</u>	<u>\$ 784,703,683</u>	<u>100.0%</u>

2002 DISTRIBUTION OF ON-TRACK BETTING

	NYRA	Finger Lakes	Batavia	Buffalo	Monticello	Saratoga	Syracuse	Vernon	Yonkers	All NYS Tracks
Regular	\$ 195,743,821	\$ 8,221,639	\$ 2,805,780	\$ 4,445,243	\$ 4,536,660	\$ 10,333,478	\$ 189,631	\$ 5,608,848	\$ 37,022,958	\$ 268,908,058
Multiple	193,349,210	12,671,515	3,808,376	5,058,989	7,544,294	11,023,082	332,087	7,408,900	61,005,781	302,202,234
Exotic	130,910,990	12,475,171	4,082,518	6,929,380	7,179,043	8,259,721	340,111	7,517,659	24,925,858	202,620,451
Super Exotic	8,243,513	-	-	-	315,366	871,404	-	237,931	1,304,726	10,972,940
Total Handle	\$ 528,247,534	\$ 33,368,325	\$ 10,696,674	\$ 16,433,612	\$ 19,575,363	\$ 30,487,685	\$ 861,829	\$ 20,773,338	\$ 124,259,323	\$ 784,703,683
Takeout	\$ 97,523,890	\$ 6,960,456	\$ 2,414,345	\$ 3,450,673	\$ 4,117,670	\$ 6,010,095	\$ 185,579	\$ 4,212,276	\$ 24,981,696	\$ 149,856,680
Breakage	2,467,664	132,735	59,529	72,672	76,683	152,545	3,402	97,738	548,355	3,611,323
Total Takeout and Breakage	\$ 99,991,554	\$ 7,093,191	\$ 2,473,874	\$ 3,523,345	\$ 4,194,354	\$ 6,162,640	\$ 188,981	\$ 4,310,014	\$ 25,530,051	\$ 153,468,004
State Tax on Handle	\$ 7,869,954	\$ 414,324	\$ 113,599	\$ 184,887	\$ 193,395	\$ 354,344	\$ 4,309	\$ 239,143	\$ 1,520,601	\$ 10,894,556
State Tax on Breakage	714,037	58,694	19,561	30,387	31,589	58,616	1,701	40,340	207,155	1,162,080
Total Pari Mutuel Tax	\$ 8,583,991	\$ 473,018	\$ 133,160	\$ 215,274	\$ 224,984	\$ 412,960	\$ 6,010	\$ 279,483	\$ 1,727,756	\$ 12,056,636
Racetrack Commission	\$ 86,278,568	\$ 6,379,290	\$ 2,209,944	\$ 3,132,176	\$ 3,758,248	\$ 5,472,075	\$ 172,651	\$ 3,790,255	\$ 22,562,335	\$ 133,755,542
Racetrack Breakage	1,753,627	74,041	39,968	42,286	45,096	93,929	1,701	57,395	341,200	2,449,243
Total to Racetrack	\$ 88,032,195	\$ 6,453,331	\$ 2,249,912	\$ 3,174,462	\$ 3,803,344	\$ 5,566,004	\$ 174,352	\$ 3,847,650	\$ 22,903,535	\$ 136,204,785
Horse Breeders Fund Share	\$ 3,375,368	\$ 166,842	\$ 90,802	\$ 133,610	\$ 166,027	\$ 183,676	\$ 8,618	\$ 182,878	\$ 898,760	\$ 5,206,581
Racetrack Payouts										
Paid to Simulcast Senders	\$ 3,784,571	\$ 649,836	\$ 221,200	\$ 463,407	\$ 452,145	\$ 1,218,227	\$ -	\$ 539,531	\$ 4,318,654	\$ 11,647,571
Paid to NYRA and Finger Lakes	727,769	234,250	48,234	97,169	76,298	244,063	-	90,629	958,731	2,477,143
Gross Purses Paid	\$ 115,077,446	\$ 10,616,901	\$ 1,458,773	\$ 2,621,975	\$ 6,815,785	\$ 3,795,748	\$ 1,228,669	\$ 2,801,550	\$ 21,806,586	\$ 166,223,433
Minus Pool	\$ 816,626	\$ 2,095	\$ 1,756	\$ 746	\$ 3,502	\$ 4,505	\$ 563	\$ 14,339	\$ 29,706	\$ 873,838
Uncashed Tickets	\$ 1,468,309	\$ 141,037	\$ 43,502	\$ 60,566	\$ 58,025	\$ 95,295	\$ 4,216	\$ 65,900	\$ 309,341	\$ 2,246,191
State Admission Taxes	\$ 270,742	\$ 1,943	\$ -	\$ -	\$ 887	\$ 321	\$ -	\$ 1,942	\$ 6,969	\$ 282,804

**NEW YORK STATE REGIONAL OFF-TRACK BETTING CORPORATIONS
STATEMENT OF REVENUES NET OF EXPENSES
2002**

	<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	\$ 94,333,230	\$ 48,778,219	\$ 112,814,873	\$ 389,860,503	\$ 86,929,007	\$ 56,033,957	\$ 788,749,789
Out of State Thoroughbred Tracks	87,811,695	58,561,421	98,123,083	441,494,957	81,462,772	70,120,903	837,574,831
In State Harness Tracks	15,809,323	15,831,935	19,640,249	79,188,348	13,753,983	17,583,856	161,807,694
Out of State Harness Tracks	27,426,757	21,447,782	34,724,008	119,742,031	23,101,505	28,149,182	254,591,265
Total Net Handle	225,381,005	144,619,357	265,302,213	1,030,285,839	205,247,267	171,887,898	2,042,723,579
Less:							
Returned to Bettors	171,044,944	108,579,599	200,102,592	787,885,635	157,849,624	127,831,612	1,553,294,006
Surcharge	8,368,807	5,763,615	9,746,639	33,224,517	5,804,840	7,461,494	70,369,912
OTB Take Out and Breakage	45,967,254	30,276,143	55,452,982	209,175,687	41,592,803	36,594,792	419,059,661
Less Payments to:							
NY State (Pari-Mutuel Tax & Breakage)	2,052,385	1,373,993	2,235,989	8,872,026	1,949,765	1,705,573	18,189,731
NY State (Uncashed Tickets)	830,000	523,776	717,504	3,010,067	574,438	690,000	6,345,785
Breeders' Fund - Thoroughbred	1,100,585	627,849	1,271,807	4,956,687	1,006,965	728,513	9,692,406
Breeders' Fund - Harness	598,928	467,887	793,993	2,947,327	555,866	559,197	5,923,198
In State Thoroughbred Tracks	9,324,378	6,658,046	13,714,884	55,600,307	10,975,563	7,737,987	104,011,165
Out of State Thoroughbred Tracks	2,088,405	1,398,249	2,132,480	10,049,194	1,881,761	1,644,320	19,194,409
In State Harness Tracks	4,947,475	2,401,745	3,612,410	14,170,671	2,531,728	3,529,963	31,193,992
Out of State Harness Tracks	589,482	467,117	719,052	2,568,058	472,389	614,642	5,430,740
City of Albany	326,838	-	-	-	-	-	326,838
City of Niagara	-	-	-	-	-	78,281	78,281
Total Payments	21,858,476	13,918,662	25,198,119	102,174,337	19,948,475	17,288,476	200,386,545
Net Racing Revenue	24,108,778	16,357,481	30,254,863	107,001,350	21,644,328	19,306,316	218,673,116
Other Revenue:							
Admission Income	94,968	104,250	-	529,135	164,974	2,219	895,546
Lottery Income	569,593	334,904	6,896	-	64,240	522,710	1,498,343
Concession Income	197,976	35,743	127,680	146,156	61,869	26,853	596,277
Derived from Section 532	1,942,176	1,471,478	1,975,023	8,516,765	1,259,202	1,877,439	17,042,083
Interest Income	43,378	104,761	138,986	385,523	24,974	45,193	742,815
Other Income	205,524	1,128,196	197,814	1,235,822	1,786,749	(1,637,766)	2,916,339
Uncashed Tickets	830,000	523,776	717,504	3,010,067	574,438	690,000	6,345,785
Total Operating Revenue	27,992,393	20,060,589	33,418,766	120,824,818	25,580,774	20,832,964	248,710,304
Operating Expenses:							
Branch Expenses	16,170,799	10,110,626	16,745,073	81,312,544	14,574,876	16,404,645	155,318,563
Corporate Expenses	7,109,262	2,282,256	4,123,534	38,953,991	7,333,831	5,075,582	64,878,456
Total Operating Expenses - Including Depreciation	23,280,061	12,392,882	20,868,607	120,266,535	21,908,707	21,480,227	220,197,019
Section 516 Net Revenues from Operations	4,712,332	7,667,707	12,550,159	558,283	3,672,067	(647,263)	28,513,285

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Section 516 Net Revenues from Operations	4,712,332	7,667,707	12,550,159	558,283	3,672,067	(647,263)	28,513,285
Less:							
Section 509-a Contributions to Capital Acquisition Fund	(417,600)	407,928	-	-	(400,000)	-	(409,672)
Section 516 Net Revenue for Distribution	4,294,732	8,075,635	12,550,159	558,283	3,272,067	(647,263)	28,103,613
Add:							
Section 532 Revenues to Participating Localities	3,792,268	2,523,804	5,052,811	17,660,963	2,618,695	3,432,119	35,080,660
Total Benefits to Participating Localities	8,087,000	10,599,439	17,602,970	18,219,246	5,890,762	2,784,856	63,184,273
Add:							
Section 532 Revenues to Other Localities	1,610,020	1,052,327	1,522,106	3,210,446	1,234,582	1,164,956	9,794,437
Total Benefits to all Localities	9,697,020	11,651,766	19,125,076	21,429,692	7,125,344	3,949,812	72,978,710
Add:							
Capital Acquisition Funds:							
Section 509-a Contribution from Net Revenues	417,600	(407,928)	-	-	400,000	-	409,672
Supplemental 1% Section 532	1,024,343	716,006	1,196,699	3,836,343	692,364	986,980	8,452,735
Other Fund Revenues net of Expenses	(667,358)	194,843	(742,304)	-	-	(221,337)	(1,436,156)
Total Capital Acquisition Funds	774,585	502,921	454,395	3,836,343	1,092,364	765,643	7,426,251
TOTAL AVAILABLE FOR DISTRIBUTION TO LOCALITIES AND FOR CAPITAL ACQUISITIONS	\$ 10,471,605	\$ 12,154,687	\$ 19,579,471	\$ 25,266,035	\$ 8,217,708	\$ 4,715,455	\$ 80,404,961

* 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.

TOTAL HANDLE BY TRACK AND REGION 2002

	<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	\$ 33,050,329	\$ 19,402,804	\$ 49,730,061	\$ 166,443,238	\$ 38,264,598	\$ 19,040,336	\$ 325,931,366
Belmont	27,562,201	15,757,047	38,000,126	132,710,464	29,645,854	13,580,746	257,256,438
Saratoga	22,859,730	7,446,863	17,668,725	56,238,789	13,155,252	6,581,700	123,951,059
Total NYRA	83,472,260	42,606,714	105,398,912	355,392,491	81,065,704	39,202,782	707,138,863
Finger Lakes	10,860,970	6,171,505	7,415,961	34,468,012	5,863,303	16,831,175	81,610,926
Handle on NYS Thoroughbred Tracks	94,333,230	48,778,219	112,814,873	389,860,503	86,929,007	56,033,957	788,749,789
<u>New York State Harness:</u>							
Batavia	303,134	284,221	436,869	1,269,571	281,577	3,307,200	5,882,572
Buffalo	367,835	259,540	378,257	554,528	263,825	3,389,916	5,213,901
Monticello	3,921,212	6,185,147	5,764,734	21,557,669	3,779,977	4,844,546	46,053,285
Saratoga	3,857,982	1,313,531	1,650,033	5,860,744	1,138,426	1,399,384	15,220,100
Syracuse Mile	123,054	77,795	83,770	284,494	51,412	132,562	753,087
Vernon	1,651,580	508,694	873,615	2,426,857	602,983	1,314,707	7,378,436
Yonkers	5,584,526	7,203,007	10,452,971	47,234,485	7,635,783	3,195,541	81,306,313
Handle on NYS Harness Tracks	15,809,323	15,831,935	19,640,249	79,188,348	13,753,983	17,583,856	161,807,694
Handle on All New York State Tracks	110,142,553	64,610,154	132,455,122	469,048,851	100,682,990	73,617,813	950,557,483
Out-of-State Thoroughbred	83,591,307	55,613,943	93,849,246	428,821,831	78,425,146	67,307,678	807,609,151
Out-of-State Harness	27,426,757	21,242,628	34,293,405	119,742,031	23,034,776	28,149,182	253,888,779
Handle on Out-of-State Tracks	111,018,064	76,856,571	128,142,651	548,563,862	101,459,922	95,456,860	1,061,497,930
<u>Special Event Races:</u>							
Breeders Cup	1,396,007	661,005	1,031,478	4,012,560	962,752	680,699	8,744,501
Kentucky Derby	988,840	1,217,173	1,190,132	3,988,882	1,037,085	1,094,441	9,516,553
Preakness Stakes	1,380,015	873,257	857,995	2,904,675	756,839	777,463	7,550,244
Others - Thoroughbred	455,526	196,043	1,194,232	1,767,009	280,950	260,622	4,154,382
Others - Harness	-	205,154	430,603	-	66,729	-	702,486
Handle on Special Event Races	4,220,388	3,152,632	4,704,440	12,673,126	3,104,355	2,813,225	30,668,166
Total NYS OTB Handle on All Tracks	\$ 225,381,005	\$ 144,619,357	\$ 265,302,213	\$ 1,030,285,839	\$ 205,247,267	\$ 171,887,898	\$ 2,042,723,579

**NEW YORK STATE REGIONAL OFF-TRACK BETTING CORPORATIONS
SUMMARY OF DIRECT AND REGIONAL PAYMENTS TO TRACKS
2002**

<u>New York State Thoroughbred:</u>	<u>Capital</u>	<u>Catskill</u>	<u>Nassau</u>	<u>New York City</u>	<u>Suffolk</u>	<u>Western</u>	<u>TOTAL</u>
NYRA:							
Aqueduct	\$ 1,811,075	\$ 1,767,947	\$ 3,797,711	\$ 14,922,569	\$ 3,001,355	\$ 1,020,527	\$ 26,321,184
Belmont	1,436,129	1,023,562	2,993,328	11,225,994	2,317,117	673,171	19,669,301
Saratoga	1,034,931	484,046	1,308,233	4,597,862	1,027,412	349,770	8,802,254
Total NYRA Direct	4,282,135	3,275,555	8,099,272	30,746,425	6,345,884	2,043,468	54,792,739
NYRA Regional	3,686,840	2,605,980	4,416,494	19,501,112	3,654,315	3,006,385	36,871,126
Finger Lakes Direct	543,141	262,004	284,897	1,406,195	234,120	1,566,060	4,296,417
Finger Lakes Regional	812,262	514,507	914,221	3,946,575	741,244	1,122,074	8,050,883
Total New York State Thoroughbred	9,324,378	6,658,046	13,714,884	55,600,307	10,975,563	7,737,987	104,011,165
<u>New York State Harness:</u>							
Batavia Direct	7,137	4,824	7,379	20,977	4,733	225,411	270,461
Batavia Regional	-	-	-	-	-	902,583	902,583
Buffalo Direct	8,738	4,422	6,416	9,187	4,326	233,200	266,289
Buffalo Regional	-	-	-	-	-	1,563,278	1,563,278
Monticello Direct	105,847	344,658	319,227	1,147,053	191,264	119,276	2,227,325
Monticello Regional	-	537,423	870,593	3,292,381	564,337	-	5,264,734
Saratoga Direct	358,662	22,594	20,937	96,928	17,239	23,966	540,326
Saratoga Regional	3,441,088	-	-	-	-	-	3,441,088
Syracuse Mile Direct	4,447	1,316	1,421	4,711	878	7,375	20,148
Syracuse Mile Regional	-	-	-	-	-	-	-
Vernon Direct	81,227	9,950	14,820	40,118	10,098	46,322	202,535
Vernon Regional	800,474	5,978	-	-	-	326,290	1,132,742
Yonkers Direct	139,855	433,492	637,572	3,416,475	517,486	82,262	5,227,142
Yonkers Regional	-	1,037,088	1,734,045	6,142,841	1,221,367	-	10,135,341
Total New York State Harness	4,947,475	2,401,745	3,612,410	14,170,671	2,531,728	3,529,963	31,193,992
<u>Total Payments to New York State Tracks</u>	14,271,853	9,059,791	17,327,294	69,770,978	13,507,291	11,267,950	135,205,157
Out-of-State Thoroughbred	1,829,387	1,214,902	1,908,066	9,271,731	1,694,584	1,468,076	17,386,746
Out-of-State Harness	589,482	457,393	695,602	2,568,058	469,316	614,642	5,394,493
Total Payments to Out-of-State Tracks	2,418,869	1,672,295	2,603,668	11,839,789	2,163,900	2,082,718	22,781,239
<u>Special Events:</u>							
Breeders Cup	89,072	42,680	66,352	257,233	61,549	44,507	561,393
Kentucky Derby	91,445	76,498	75,006	251,885	65,676	69,801	630,311
Preakness Stakes	63,654	56,158	54,988	186,304	48,680	50,697	460,481
Others - Thoroughbred	14,847	8,011	28,068	82,041	11,272	11,239	155,478
Others - Harness	-	9,724	23,450	-	3,073	-	36,247
Total Special Events	259,018	193,071	247,864	777,463	190,250	176,244	1,843,910
<u>Total Payments to All Tracks</u>	\$ 16,949,740	\$ 10,925,157	\$ 20,178,826	\$ 82,388,230	\$ 15,861,441	\$ 13,526,912	\$ 159,830,306

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