



Minnesota Racing Commission

2001 ANNUAL REPORT

TO:
GOVERNOR JESSE VENTURA
AND THE
MINNESOTA LEGISLATURE



MINNESOTA RACING COMMISSION

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February 15, 2002

The Honorable Jesse Ventura, Governor
State of Minnesota
130 State Capitol
St. Paul, MN 55155

Patrick E. Flahaven, Secretary of Senate
Minnesota Senate
State Capitol
St. Paul, MN 55155

Edward A. Burdick, Chief Clerk
Minnesota House of Representatives
211 State Capitol
St. Paul, MN 55155

Dear Governor Ventura and Members of the Legislature:

As provided by Minnesota Statutes 240.02, Subd. 6, we herewith submit on behalf of the Minnesota Racing Commission its Annual Report for 2001. The information set forth will provide details on the Commission's activities, organizational structure, and disbursements.

The pari-mutuel racing industry in Minnesota represents an important segment of the state's economy, not only as reflected by the 2001 operations of the racing facilities themselves, Canterbury Park and Traverse County Fairgrounds, but also through the economic/agri-business activity represented by the breeding, training and related support activities for the racing animals throughout the state.

Canterbury Park conducted 61 days of live racing for Thoroughbreds and Quarter Horses this past summer from May 18 through September 3 and two days of harness racing on September 22 and 23, and conducted simulcasting throughout the year. Also during 2001 the Traverse County Agricultural Association's Class D license was renewed by the Commission permitting the Association to conduct pari-mutuel wagering on the Standardbred races run at its county fairgrounds in Wheaton. The fair conducted 2 days of racing, during its county fair on August 25 and 26.

During the 1999 legislative session, the legislature passed chapter 206 allowing a licensed racetrack to operate a card club in addition to live racing and simulcasting. The clearly stated intent of that legislation was to increase purses, which immediately happened. Operation of the Card Club for calendar years 2000 and 2001 added \$1,174,136 and \$1,838,067 respectively. These purse increases caused increased horse populations at the track, more employment at the track, increased wagering handle, and thus increased revenues to the racetrack, the horsemen and women, and the state's breeders' funds.

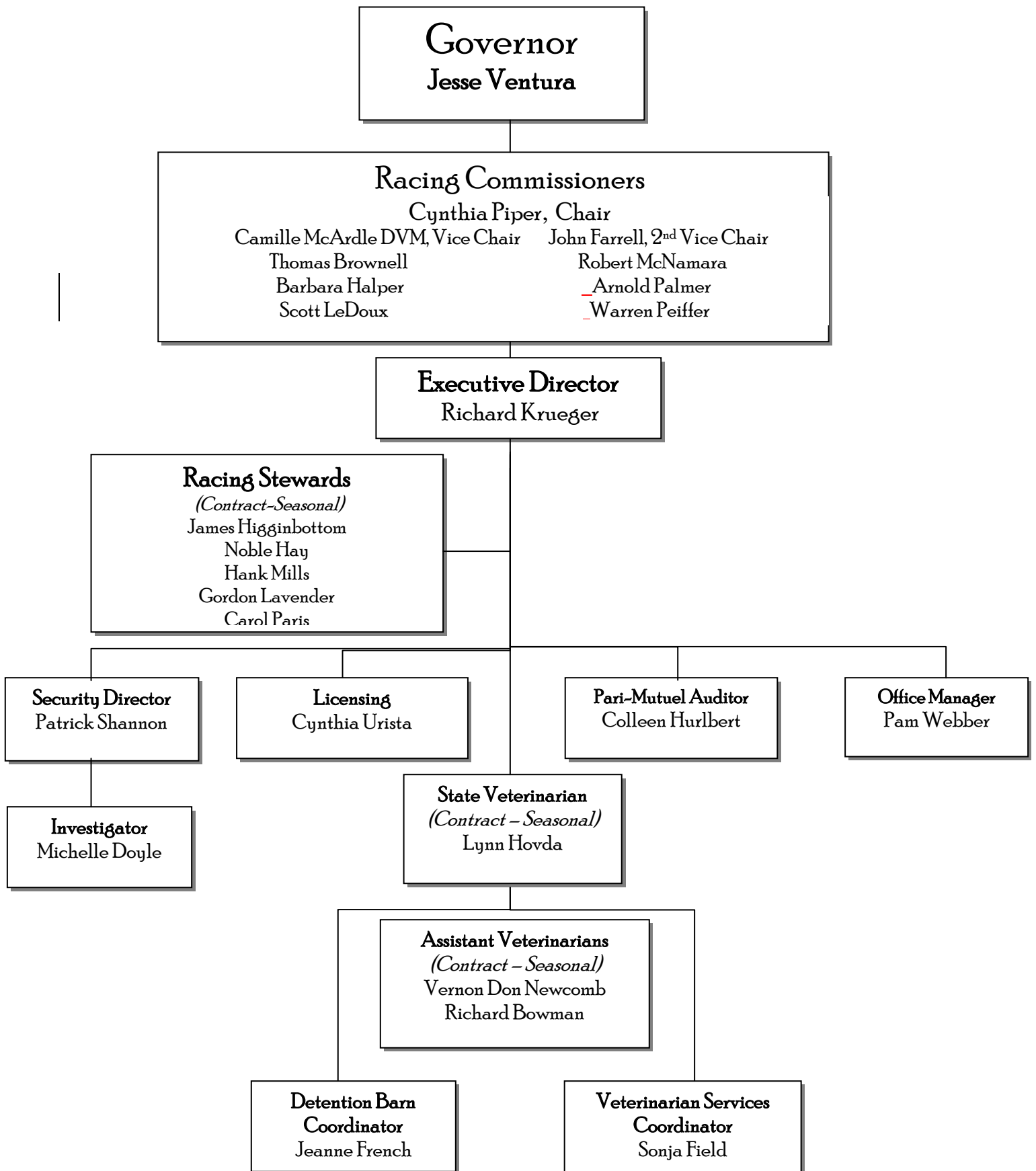
The Commission looks forward to working with you and your staff, the Legislature and other state agencies in carrying out its responsibilities in this important area.

The Minnesota Racing Commission and all the members of the industry appreciate the assistance provided by all levels of government and, most particularly, the Governor's office and the Legislature in addressing matters of interest and of significance to horse racing and pari-mutuel wagering. The Commission and its staff is working and will continue to work with all concerned to maintain the growth of live pari-mutuel horse racing.

Regards,

Cynthia Piper, Chair

THE MINNESOTA RACING COMMISSION



MINNESOTA RACING COMMISSION

2001 ANNUAL REPORT

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I. MINNESOTA RACING COMMISSION

INTRODUCTION

This annual report is being submitted to the Governor and the Legislature pursuant to Minnesota Statutes §240.02, Subd. 6 and to the Secretary of the Senate, the Chief Clerk of the House of Representatives and the Legislative Reference Library pursuant to Minnesota Statutes §3.195. In compliance with the Laws of 1994, Chapter 559, Section 1, it is estimated that it cost \$1,758.76 to prepare this report.

CONSTITUTIONAL / LEGISLATIVE AUTHORITY

In November 1982, the Minnesota voters approved by an overwhelming majority a constitutional amendment allowing pari-mutuel horse racing. The amendment provides that:

"The Legislature may authorize on-track pari-mutuel betting on horse racing in a manner prescribed by law."

Minnesota Constitution, Article X, Section 8.

In response to that public mandate, in 1983, the Minnesota Legislature enacted Minnesota Statute, Chapter 240, which created and empowered the Minnesota Racing Commission.

DUTIES OF THE COMMISSION

The legislature has empowered the Racing Commission with certain duties including, among others, the authority to:

1. Regulate horse racing and card club operation, in Minnesota, to ensure that it is conducted in the public interest;
2. Issue racetrack owner, operator, and occupational licenses;
3. Enforce all laws and rules concerning horse racing and the card club plan of operation;
4. Supervise the conduct of pari-mutuel betting on horse racing and collect and distribute all pari-mutuel taxes;
5. Conduct investigations and inquiries the Commission deems necessary to carry out its duties; and
6. Take all necessary steps to ensure the integrity of horse racing and card playing in Minnesota.

THE COMMISSIONERS

The Racing Commission is comprised of nine members appointed by the Governor and confirmed by the Senate for six-year terms. The names of the current commissioners are listed below along with city of residence and ending date of each of their respective terms.

Cynthia Piper (Chair)	Hamel	June 30, 2003
Camille McArdle (1st Vice Chair)	Corcoran	June 30, 2005
John Farrell (2nd Vice Chair)	Waverly	June 30, 2003
Thomas Brownell	Lakeville	June 30, 2003
Barbara Halper	Minnetrista	June 30, 2005
Arnold Palmer	Plymouth	June 30, 2005
Robert McNamara	Edina	June 30, 2007
Scott LeDoux	Andover	June 30, 2007
Warren Peiffer	Chaska	June 30, 2007

Pursuant to state law, the Commissioners are paid \$55 for each day spent on Racing Commission business.

THE COMMISSION STAFF

The Racing Commission is currently staffed by the following individuals:

Richard G. Krueger	Executive Director
Pamela J. Webber	Office Manager/Breeders' Fund Administrator
Colleen M. Hurlbert	Pari-mutuels/Licensing
Cynthia Urista	Licensing
Patrick Shannon	Security Director
Michelle Doyle	Investigator

To further assist the Commission with its regulatory responsibilities, the following individuals were contracted or employed seasonally by the MRC for professional and technical services during the 2001-racing season:

Stewards	James Higginbottom Noble Hay, Jr. Hank Mills Gordon Lavender Carol Paris
Veterinarian and Assistants	Lynn Hovda, DVM Donald Newcomb, DVM Richard Bowman, DVM Jeanne French Sonja Field

ORGANIZATION OF THE COMMISSION

The Racing Commission during March of 2001 appointed new standing committees, which are now comprised of the following commissioners:

RACING COMMITTEE

Medication, Stewards, Rules, Breeders' Fund

Camille McArdle, Chair

Barbara Halper

Robert McNamara

Arnold Palmer

Warren Peiffer

CARD CLUB COMMITTEE

Card Club Operations, Security/Surveillance, Internal Controls

John Farrell, Chair

Thomas Brownell

Scott LeDoux

Cynthia Piper

ADMINISTRATIVE AFFAIRS

Affirmative Action, Personnel, Financial Oversight, Licensing, Advisory Committees, Legislature, Public Information & Breeding Industry

Barbara Halper, Chair

Thomas Brownell

John Farrell

Arnold Palmer

Warren Peiffer

The MRC encouraged involvement from the following advisory bodies during 2001

BREEDERS' FUND APPROPRIATIONS ADVISORY COMMITTEE

Gerry Herringer, Chair	Columbia Heights
Burt Dahlberg	Lakeville
David Dayon	St. Michael
Marlys Goebel	Cottage Grove
Kathy Kissoon	Bloomington
Dan Mjolsness	Red Wing
Carin Offerman	Plymouth
Jack Walsh	Stillwater
Charles Yahnke	LeSueur

Liaisons

Commissioners Farrell and Halper.

COUNTY FAIR RACING ADVISORY COMMITTEE

Ray Swanson, Chair	Stillwater
James Sweet	Blaine
(Vacancy)	

Liaisons:

Commissioners Farrell and Halper.

MEETINGS OF THE COMMISSION

The Racing Commission usually meets the third Wednesday of each month during the off-season and the third Thursday of each month during live racing. The committees meet at the call of their respective chairs.

COMMISSION OFFICE

The office of the Minnesota Racing Commission is located at:

**Canterbury Park
P.O. Box 630
1100 Canterbury Road
Shakopee, MN 55379
Telephone: (952) 496-7950
Telefax: (952) 496-7954
Website: <http://www.mnrace.commission.state.mn.us>
1-800-627-3529 (TDD-Voice Relay Service)**

II. COMMISSION ACTIVITIES

RULEMAKING

Of the many ongoing duties and responsibilities of the Minnesota Racing Commission, perhaps the most important is to promulgate the rules by which pari-mutuel racing and wagering will be conducted. All rules and amendments thereto have served well to regulate and control the industry. Through the events of the past race meets, it remained apparent that several rules, many of them unique to Minnesota, required certain revisions. As a result the Minnesota Racing Commission through its Racing Committee and other affected parties revises and updates it's rules to meet the current needs of the industry.

The major categories of rules for which the commission has direct authority and accountability for oversight include:

Racetrack Licensure (Class A)	County Fair Licensure (Class D)
Racing Licensure (Class B)	Conduct of the Race
Pari-Mutuel Betting	Horse Medication and Examination
Racing Facilities and Stabling	Medical Testing
Occupational Licensure (Class C)	Breeders Fund

Rules that have been worked on by the Commission during the past year include: amendments to rules governing the association's ability to consider paying lost winning pari-mutuel tickets; the calculation and reporting of payoffs when pools are not commingled so as to pay host racetrack prices; deletion of twin trifecta, super-tri, and pick seven wagering as obsolete rules; new language for the addition of pick four wagering; consideration of apprentice jockey weight allowance when substituting for a journeyman jockey; clarification of when entries will be allowed to be taken from a person under suspension; uncoupling of horses in certain stakes races with purses exceeding \$25,000; generalization of reference to Bute levels contained in statute, allowance of the examination of bleeders by licensed private practice veterinarians, and removal of the requirement of visual supervision of horses treated with furosemide. The Racing Committee and the Commission attempt to gain uniformity of rules with those of other states since many horse persons compete in other states as well as in Minnesota.

During 1995, a Public Advisory Committee was formally organized to provide input to proposed rule changes, and was consulted during 2001. Members of the Advisory Committee are:

Kay King:	Executive Director, MN Thoroughbred Association
Tom Metzen:	President, MN H.B.P.A.
Ron Banks:	President, MN Harness Racing Inc.
Eric Halstrom:	Executive Director of Simulating Operations, Canterbury Park
Kelvin Childers:	President, MN Quarterhorse Racing Association

The overriding concern of the Minnesota Racing Commission is to provide the controls to build in safeguards for the patrons of Canterbury Park and the citizens of Minnesota. The Racing Committee has not overlooked the fact that the rules should also provide protection for the participants and allow them to conduct their business in an orderly fashion without the burden of undue over regulation or operating costs. Strict compliance with the Minnesota Administrative Procedures Act has been observed and participation by all persons has been encouraged.

SUMMARY OF CARD CLUB OPERATION

During the 1999 legislative session, the legislature passed chapter 206 allowing a licensed racetrack to operate a Card Club in addition to live racing and simulcasting. According to that law, 10% of the rake, up to \$6 million is set aside for purses and of that amount 10% is paid to the Commission for purse supplements from the Minnesota Breeders' Fund. Once the rake exceeds \$6 million, the purse set aside is 14% with again 10% of that amount for the Breeders' Fund. The total rake for 2001 was \$16.3 million with \$1.8 million set aside for purses and \$204,000 paid to the Breeders' Fund for purse supplements for Minnesota bred horses. The Card Club opened on April 19th of 2000. The total rake for 7 ½ months was \$11 million with \$1.2 million set aside for purses and \$130,000 paid to the Breeders' Fund.

LICENSING LICENSING, SECURITY AND INVESTIGATIONS

A primary function of the Minnesota Racing Commission security and licensing staff is to allow only qualified personnel to participate in racing in Minnesota. Another function is to ensure that the statutes and the Minnesota Racing Commission rules and regulations of racing are enforced. This requires communication with the Federal Bureau of Investigation; Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division; Minnesota Bureau of Criminal Apprehension; U.S. Department of Immigration; Internal Revenue Service; Minnesota Department of Revenue; Scott County Sheriff's Office; State Attorney General's Office; Shakopee Police; North American Pari-Mutuel Regulators Association (NAPRA); racing and gaming regulatory agencies in other jurisdictions; Board of Stewards; The Jockeys' Guild; The Jockey Club; Thoroughbred Racing Protective Bureau; U.S. Trotting Association; Minnesota Thoroughbred Association; Minnesota Quarter Horse Racing Association; Minnesota Harness Racing, Inc.; Arabian Racing Association of Minnesota and Canterbury Park's track security.

INVESTIGATIONS SUMMARY

The Minnesota Racing Commission relies on their Director of Security, investigators and agents from the Department of Public Safety's Alcohol and Gambling Enforcement Division. The investigators work on the backside to enforce the statutes and rules of racing in the community, and on the front side in the licensing office, to interview and screen applicants. The investigators and licensing staff are responsible for ensuring that Class C (occupational) licensees comply with all Minnesota statutes including applicant eligibility and workers' compensation requirements.

The card room requires additional investigative responsibility to ensure that all the card games are played in compliance with statutes, Commission rules and the card club plan of operation. The investigators work closely with the surveillance room personnel to monitor the behavior of the patrons and the card room employees. The Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division is the primary agency to which the Commission reports any misconduct or procedure violations.

The majority of investigations consist of criminal history and background checks on licensees. Minnesota has strict laws about the eligibility of license applicants with criminal backgrounds. As a result, additional investigation may be required in the processing of an applicant. During live racing, surveillance of those directly involved in racing competition is necessary. Those individuals include jockeys, drivers, gate crewmembers, trainers, and other backstretch employees. The investigators work closely with the stewards in following up on complaints and instances where irregularities are noticed.

OCCUPATIONAL LICENSING

The Minnesota Racing Commission must license everyone who is employed at a racetrack in Minnesota. Applicants are fingerprinted and authorize the release of personal information to verify application content. The applicants must also complete a notarized Affidavit of Qualification stating that they are not in debt to the State of Minnesota, have never been convicted of a felony, have never been involved in illegal business or fraud, nor have they been convicted of a crime related to horse racing or gambling.

In 2001, 3853 Class C occupational licenses were issued by the Minnesota Racing Commission during the live and simulcast racing meets. Of these, 178 were licenses issued in conjunction with harness racing that was conducted at the Traverse County Fair and Canterbury Park. There were 3,252 licenses issued to individuals racing or working in various occupations at Canterbury Park. Table 1, page 7 summarizes by occupation, the licenses issued by the Commission since 1994. Table 2, page 8 summarizes licenses issued to Minnesotans by occupation since 1994.

Table 1**Occupational (Class C) License Summary By Year**

LICENSE TYPE	1994	1995	1996	1997	1998	1999	2000	2001
Commission/MRC Staff	20	35	31	31	34	30	53	39
Bloodstock Agent	0	1	1	0	0	0	0	2
Vendor	11	32	28	60	29	28	49	45
Vendor, Sole Proprietor	2	8	10	12	24	28	40	42
Vendor Employee (Included with Cby. Association Emp. Prior to 1997)				71	47	54	104	92
Detention Barn Technician	0	12	17	20	11	12	19	15
Driver	0	0	4	15	14	7	6	15
Exercise Rider	0	71	66	40	46	45	46	60
Farrier	0	12	16	12	10	13	8	11
Farrier's Assistant	0	0	0	1	1	1	0	2
Gate Crew	0	12	14	14	12	16	10	14
Horsemen's Bookkeeper	0	1	1	1	1	1	1	1
Groom/Hotwalker	9	262	266	209	241	251	251	357
Jockey	0	72	54	60	61	61	69	84
Jockey Agent	0	7	12	6	8	8	12	17
Jockey, Apprentice	0	4	3	4	3	2	2	5
Owner, Individual	15	1,061	1,038	908	976	984	965	1055
Owner, Multiple	0	181	212	135	180	169	199	256
Owner, Trainer							111	116
Owner,Trainer,Driver	24	28	17	37	39	19	14	30
Pari-mutuel Clerk	132	228	151	147	136	164	165	145
Pony Rider	0	18	21	19	19	19	21	19
Racing Official	3	19	21	18	19	17	22	19
Security Officer	27	55	42	41	36	38	104	85
Stable Foreman	0	9	5	3	6	4	2	1
Trainer	0	186	172	180	185	201	105	112
Trainer, Assistant	0	52	42	40	38	38	38	48
Valet	0	10	9	11	10	10	14	12
Veterinarian	0	7	9	7	7	9	10	11
Veterinary Assistant	0	3	2	2	3	3	7	8
Canterbury Association Employees	306	579	515	434	392	417	729	632
Canterbury Card Club Employees							386	408
Canterbury Medical	0	39	27	38	40	50	35	5
Stables	0	42	52	36	47	39	52	48
County Fair Volunteers							24	27
Other	1	11	40	36	16	13	17	15
Totals	550	3,057	2,898	2,648	2,691	2,751	3,690	3,853

Table 2**Occupational Licenses Issued To Minnesotans**

LICENSE TYPE	1994	1995	1996	1997	1998	1999	2000	2001
Commission/MRC Staff	19	30	24	30	28	20	33	29
Bloodstock Agent	0	1	1	0	0	0	0	1
Vendor, Sole Proprietor	1	8	8	10	18	23	32	31
Vendor Employee (Included with Cby. Association Emp. Prior to 1997)				61	42	48	85	82
Detention Barn Technician	0	10	16	17	9	11	18	14
Driver	0	0	1	1	2	1	3	3
Exercise Rider	0	22	20	15	20	17	16	20
Farrier	0	4	3	4	1	2	3	4
Farrier's Assistant	0	0	0	1	1	1	0	1
Gate Crew	0	1	3	4	2	1	0	3
Horsemen's Bookkeeper	0	1	1	1	1	1	0	0
Groom/Hotwalker	3	112	88	71	80	84	82	131
Jockey	0	5	2	3	5	3	4	6
Jockey Agent	0	1	3	2	2	1	2	2
Jockey, Apprentice	0	1	0	0	0	0	1	2
Owner, Individual	5	531	504	437	394	397	382	393
Owner/Trainer							20	27
Owner/Trainer/Driver	8	11	9	10	9	9	5	6
Pari-mutuel Clerk	130	224	148	141	129	131	155	141
Pony Rider	0	5	6	6	6	5	3	4
Racing Official	2	4	5	5	7	6	9	8
Security Officer	27	55	42	39	36	38	97	83
Stable Foreman	0	2	2		3	0	0	0
Trainer	0	46	41	43	44	43	20	11
Trainer, Assistant	0	10	5	7	7	5	6	9
Valet	0	0	2	4	4	2	3	5
Veterinarian	0	7	7	5	6	7	8	9
Veterinary Assistant	0	3	2	1	2	3	3	3
Canterbury Association Employees	301	552	508	403	366	384	659	593
Canterbury Card Club Employees							350	379
Canterbury Medical	0	36	26	36	40	49	34	5
County Fair Volunteers							24	27
Other	1	6	34	21	14	11	14	11
Totals	497	1,688	1,511	1,378	1,278	1,303	2,071	2,043

Veterinary Programs Summary

The veterinary services department for the 2001 racing year at Canterbury Park and the Traverse County Fair either maintained or expanded existing programs. Included were observed and timed workouts, pre-race examinations, infectious disease surveillance, Veterinarian's List, tightly controlled administration of Salix® (furosemide), and race day analysis of blood and urine by a specified contract laboratory.

Quarterhorse/Thoroughbred Meet

Over 1500 Thoroughbreds and Quarterhorses entered the grounds of Canterbury Park in racing season 2001. Of these, 1450 reached the starting gate with a total of 5384 Thoroughbred or Quarterhorse starts this year. A medical record, made for each horse that enters the grounds, was updated each time a Commission Veterinarian examined a horse. Other things noted on the examination card included bleeder status, race results, status of Veterinarian's List, diagnostic procedures, radiographic or ultrasonic abnormalities, and participation in any University of Minnesota veterinary school studies.

Pre-race examinations were performed on 5540 horses. From these examinations, 105 horses were found to be unfit and were recommended to the Stewards to be scratched from racing. These horses along with 166 horses with evidence of exercise induced pulmonary hemorrhage ("bleeder") and another 46 horses noted to be lame, sore or sick were placed on the Veterinarian's List and not allowed to race again until deemed sound by a Commission Veterinarian. The racing performance of 50 of these horses was later evaluated during and after a training exercise before removing them from the Veterinarian's List. As a matter of record, 15 deceased horses were placed on the Veterinarian's List and their papers returned by our office to the Jockey Club of America.

Truesdail Laboratories, Tustin, California processed 1263 blood and 1192 urine samples as part of the race day medication analysis program. Of these samples, thirteen had phenylbutazone levels over 5 mcg/ml, the maximum amount established for horses racing in Minnesota. An additional five samples tested positive for other illegal medications. The Board of Stewards dealt with all violations. The number of horses carrying illegal levels or medication is extremely low when compared to previous years or other racetracks.

In 2001, 1373 horses received Salix® in their stalls under the direct supervision of a Minnesota Racing Commission employee. This procedure is more labor intensive for the veterinary staff but is the least stressful for the horse and horsemen and women. Only one horse had a Salix® administration error that was quickly reported to the Board of Stewards and the horse scratched from racing.

The horse ambulance was used 29 times during the 2001 racing season, either on the racing surface during training or racing, from the test barn, or on the backside for an emergency. Fifteen horses died or were humanely euthanized on the grounds of Canterbury Park. Six suffered catastrophic race related injuries, one was a training related injury and the rest a variety of other ailments. Despite the waves of heat and humidity no horses were lost to heat stroke. The incident rate for catastrophic race related injuries for 2001 was 0.11%. While this is a low number for Canterbury Park it is a strikingly low number when compared to the other reported numbers.

Standardbred Meets

Canterbury Park hosted a two-day Standardbred meet in late September. Almost 100 Standardbreds entered the grounds with 163 horses entering the starting gate. Pre-race examinations were performed on these horses with four horses scratched for veterinary reasons. Salix® was administered to seven horses under the same program used for Thoroughbreds and Quarterhorses. Forty-six blood and 40 urine samples were collected with no phenylbutazone violations noted. Three samples contained illegal medications and were dealt with by the Board of Stewards. The horse ambulance was not used and no horses died or were humanely euthanized.

This is the eighth year that the veterinary services department has participated in Standardbred racing at the Traverse County Fair, Wheaton, Minnesota. In 88 starts, no horses were scratched from racing for veterinary related problems. Salix® was administered to two horses under the same program established at Canterbury Park. Thirty blood and 15 urine samples were submitted to Truesdail Laboratory for analysis. Three samples, all from the same stable, tested positive for an illegal medication and were dealt with by the Board of Stewards. The horse ambulance was not used and no horses died or were humanely euthanized.

2001 PARI-MUTUEL STATISTICS

LIVE

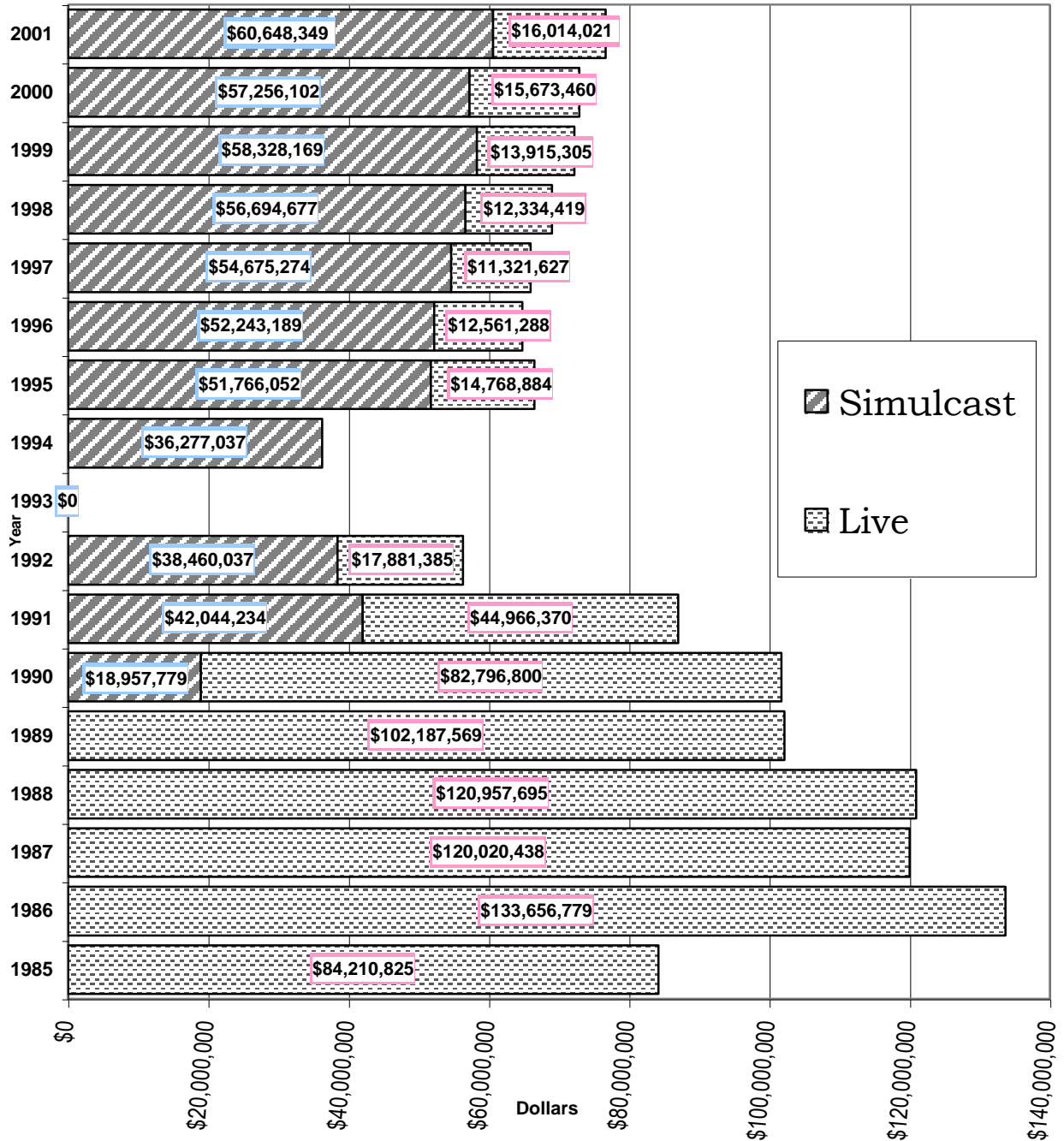
2001 LIVE THOROUGHBRED, QUARTER HORSE, AND STANDARD BRED RACES <i>MIXED MEET (THOROUGHBRED & QUARTER HORSE) – MAY 25 – JULY 7, 2001</i> <i>THOROUGHBRED MEET – MAY 18 – MAY 20, 2001 & JULY 8 – SEPTEMBER 3, 2001</i> <i>CLAIMING CROWN – AUGUST 4, 2001</i> <i>FESTIVAL OF CHAMPIONS – AUGUST 18, 2001</i> <i>STANDARD BRED MEET – SEPTEMBER 22 – 23, 2001</i> TOTAL ATTENDANCE FOR LIVE RACING - MAY 18–SEPTEMBER 23, 2001 (63 DAYS) – 248,410					
BREED	HANDLE	TAKEOUT	BETTOR RETURN	# OF RACES	AVERAGE HANDLE PER RACE
THOROUGHBRED	\$15,045,165	\$3,056,650	\$11,651,251	535	\$28,122
QUARTERHORSE	\$872,569	\$175,181	\$688,978	64	\$13,634
STANDARD BRED	\$96,287	\$19,301	\$75,847	22	\$4,377
TOTAL	\$16,014,021	\$3,251,132	\$12,416,076	621	\$25,787

2001 TRAVERSE COUNTY FAIR STANDARD BRED MEET <i>WHEATON, MN</i> AUGUST 25-26, 2001 TOTAL ATTENDANCE: 652				
HANDLE	TAKEOUT	BETTOR RETURN	# OF RACES	AVERAGE HANDLE PER RACE
\$15,202	\$2,879	\$11,383	17	\$894

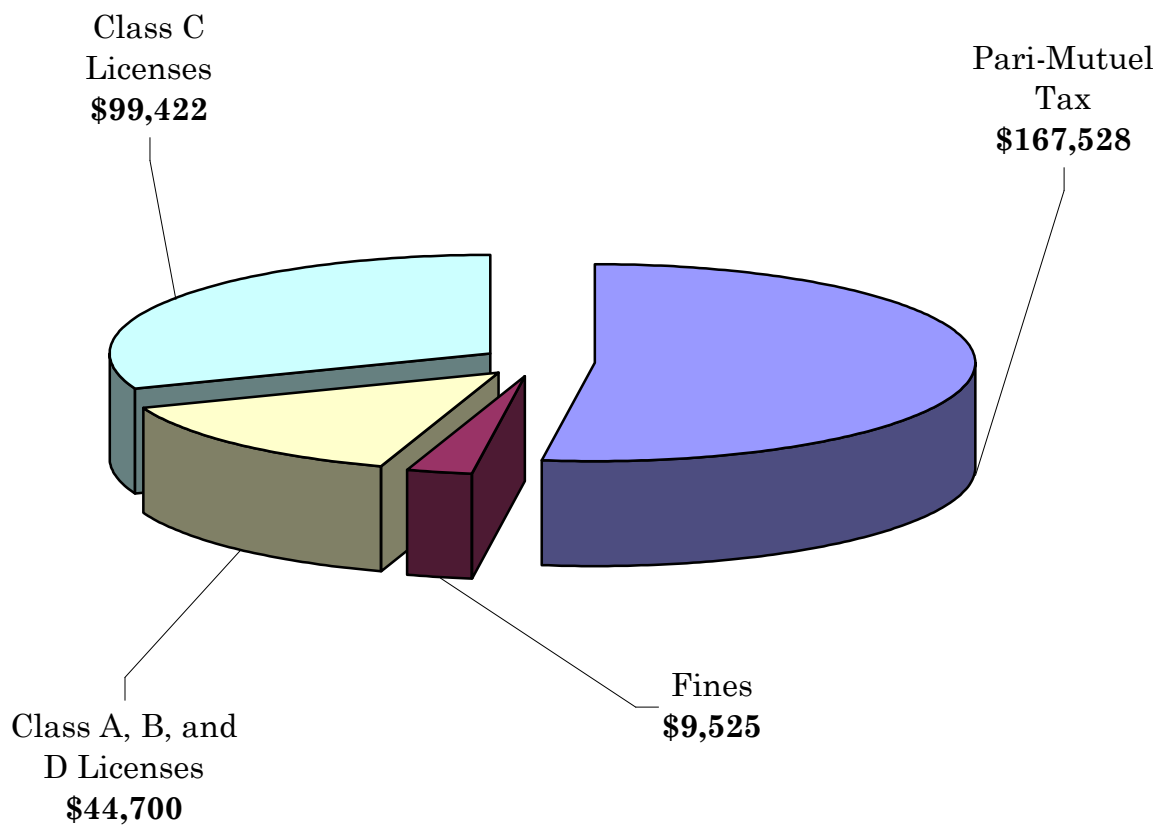
SIMULCAST

2001 FULL-CARD SIMULCAST MEETS <i>JANUARY 1, 2001 – DECEMBER 31, 2001</i>					
BREED	HANDLE	TAKEOUT	BETTOR RETURN	# OF RACE DAYS	AVERAGE HANDLE PER RACE DAY
THOROUGHBRED	\$56,492,911	\$11,259,521	\$44,802,068		
QUARTERHORSE	\$956,003	\$188,852	\$767,409		
STANDARD BRED	\$3,002,132	\$635,815	\$2,260,462		
ARABIAN	\$197,303	\$40,212	\$187,155		
TOTAL	\$60,648,349	\$12,124,400	\$48,017,094	364	\$131,915

Canterbury Park Handle Calendar Years 1985-2001



Non-Dedicated Revenue Fiscal Year 2001



Minnesota Racing Commission

Six Year Financial Summary

Fiscal Years 1996 - 2001

APPROPRIATIONS

	FY 2001	FY 2000	FY 1999	FY 1998	FY 1997	FY 1996
General Fund Appropriation	\$402,000	\$390,000	\$379,000	\$371,000	\$370,000	\$370,000
Statutory Carry Forward	\$1,474	-\$1,474	\$7,717	-\$7,717	\$9,431	-\$9,431
Supplemental Appropriation	\$0	\$0	\$0	\$0	\$11,643	\$6,414
Total	\$403,474	\$388,526	\$386,717	\$363,283	\$391,074	\$366,983

EXPENSES

	Actual 01	Actual 00	Actual 99	Actual 98	Actual 97	Actual 96
Salaries, Benefits and Per Diem	\$285,413	\$262,848	\$273,982	\$264,681	\$235,271	\$255,324
Rents	\$194	\$194	\$183	\$172	\$797	\$16,571
Consultant Services	\$0	\$0	\$0	\$0	\$0	\$0
Professional/Technical Services	\$56,855	\$51,250	\$44,585	\$36,163	\$31,571	\$27,205
Data Processing and System Services	\$8,641	\$16,460	\$4,415	\$6,973	\$1,838	\$17,053
Communications	\$6,464	\$6,494	\$6,064	\$4,186	\$9,311	\$9,971
Travel	\$6,917	\$9,349	\$15,139	\$14,572	\$15,103	\$8,637
Supplies and Material	\$9,432	\$9,385	\$7,721	\$8,713	\$19,370	\$11,262
Equipment	\$9,833	\$15,583	\$14,371	\$8,562	\$18,641	\$10,650
Other (Repairs/Printing & Binding)	\$16,986	\$16,963	\$16,914	\$19,261	\$15,906	\$10,310
Total	\$400,735	\$388,526	\$383,374	\$363,283	\$347,808	\$366,983

SUMMARY

	Actual 01	Actual 00	Actual 99	Actual 98	Actual 97	Actual 96
Appropriation Balance	\$2,739	\$1,474	\$3,343	\$0	\$43,266	\$0
Revenues to General Fund & 212	\$321,175	\$274,000	\$185,000	\$169,920	\$143,844	\$1,199,000

BREEDERS' FUND

The primary purpose of the Minnesota Breeders' Fund is to provide incentive monies to enhance the horse racing industry in the State of Minnesota and to encourage Minnesotans to participate in the racing and breeding industry.

Minnesota Statute 240.15 and 240.13 require that the funds earn one percent of the total handle wagered on live racing and 5.5% of the take-out from full-card simulcasting. Minnesota Statute 240.135 requires that the Breeders' Fund receive ten percent of the card club rake that is set aside for purses. This amount is distributed to the Thoroughbred, Quarter Horse and Standardbred funds. Each breed has a separate fund. Breeders' Fund monies are distributed as both purse supplements and awards. During the Live Mixed Meet only, Breeders' Fund monies earned from full-card simulcasts, regardless of the breed racing, are apportioned between the Thoroughbred and Quarter Horse funds based on the number of live races for each breed as compared to the total number of races for both breeds.

In 2001 the Breeder's Fund earned \$826,980 from live and simulcast racing and earned \$204,230 from card club operations. One hundred and five individuals and partnerships received \$343,900 in Thoroughbred, Quarter Horse and Standardbred award payments from monies available at the end of the live racing season. Purse supplements paid out at pari-mutuel meets totaled \$574,417. Purse supplements of \$19,056 were paid out during six days of non pari-mutuel harness racing at county fair venues. The monies available for the 2001 purse supplements included carryovers from 2000.

Committees consisting of the industry participants advise the Commission on distribution of these funds. The committees review distribution alternatives on an ongoing basis.

EQUINE GRANT PROGRAMS

Pursuant to Minnesota Statute 240.15, after the cost of administering the Breeders' Fund program is deducted, twenty percent of the Breeders' Fund monies accumulated from live racing are expended in the form of grants for equine research and related education in the State of Minnesota.

Legislative changes enacted in 1991 to Minnesota Statute 240.18, Breeders' Fund, expanded and clarified the uses to which the equine grants portion of Breeders' Fund monies may be applied. One-half of the equine grant monies are dedicated specifically to equine research and education at the University of Minnesota's College of Veterinary Medicine. The remainder may be expended for any one or more of the following:

- (1) Additional equine research and related education;
- (2) Substance abuse programs for licensed personnel at racetracks in this state;
- (3) Promotion and public information regarding the industry, commission activities, ownership, breeding and the development and expansion of the economic benefits from racing. The Racing Commission awarded two grants from the fund during 2001.

- (1) The College of Veterinary Medicine received \$765.00 to help fund the Equine Neonatal Education Program and Colostrum Network. This service, which the Minnesota Racing Commission has helped support for several years, educates horse owners on the importance of protective antibodies transmitted to neonatal foals through the mare's first milk, the colostrum, and helps collect and freeze this substance and makes it available for orphan foals.

- (2) The Minnesota Equine Research Center (MERC) of the University of Minnesota received \$45,000 to help fund research proposals in the areas of equine health, performance and reproduction. MERC is an interdisciplinary program, administered through the office of the associate dean for research in the College of Veterinary Medicine, dedicated to the creation and dissemination of new knowledge leading to the improvement of health in performance horses. MERC's Advisory Council is comprised of horse owners and leaders in the horse industry and will advise the Center of research area priorities and in fund development. The Scientific Committee, made up of equine veterinarians and select lay people, will advise the Center on research project selection and funding.

The grant monies were used to help fund the following research studies:

“Serum Concentrations of Thyroid Stimulating Hormone, Free Thyroxine and Liver Mineral Profiles in Normal Neonatal Foals, Foals with Congenital Hypothyroidism, and Neonatal Foals with Non-thyroidal Illnesses.”

“Mapping the recurrent exertional rhabdomyolysis gene in Thoroughbred horses.”

“Epidemiology of Proliferative Enteropathy in Horses.”

“Basis of Glycogen Storage Disease in Quarter Horse Foals.”

“The importance of osmotic pressure for the viability and quality of fresh and frozen/thawed spermatozoa.”

“Concentration of Nitric Oxide in uterine secretion from mares susceptible and resistant to chronic post-breeding Endometritis.”

“Molecular Characterization of *Streptococcus equi* isolates collected from Horses Experiencing Post-Vaccinal Complications.”

“Assessment of endotoxin-induced alterations in jejunal activity in ponies.”

“Alterations in Jejunal Neurotransmitter Activity Following Adjacent Intestinal Ischemia in the Horse.”

2001 Breeders' Fund Recap

THOROUGHBRED

Live and Simulcast Racing	\$754,495
Card Club Operations	\$150,717
Total Earnings	\$905,212
Less Administrative Cost	\$21,400
= Net Breeders' Fund	\$883,812
Less Equine Research	\$25,810
= Net Available Breeders' Fund	\$858,002
Less Purse Supplements	\$545,291
= Balance Remaining for Awards	\$312,711

QUARTER HORSE

Live and Simulcast Racing	\$34,340
Card Club Operations	\$15,072
Total Earnings	\$49,412
Less Administrative Cost	\$2,560
= Net Breeders' Fund	\$46,852
Less Equine Research	\$1,229
= Net Available Breeders' Fund	\$45,623
Less Purse Supplements	\$22,460
= Balance Remaining for Awards	\$23,163

STANDARD BRED

Live and Simulcast Racing	\$35,933
Card Club Operations	\$1,950
Total Earnings	\$37,883
Less Purse Supplements	\$22,876
Less Equine Research	\$1,796
Less Non-PM Development	\$3,816
= Balance Remaining for Awards	\$9,395

ARABIANS

Total Earnings	\$2,212
Less Purse Supplements	\$1,217
= Balance Remaining for Awards	\$995

Effective November 1, 2001 all Breeders' Fund monies set aside were designated for purse supplements only.

Year	THOROUGHBRED			QUARTER HORSE			STANDARD BRED	
	Stallions	Mares	Foals	Stallions	Mares	Foals	Stallions	Foals
1985	54	543	403	1		104	1	17
1986	99	895	601	70	241	70	22	13
1987	112	988	648	73	178	79	15	20
1988	141	1261	760	94	229	109	18	23
1989	141	1333	844	119	272	144	22	28
1990	118	1145	654	95	257	134	19	30
1991	104	966	612	88	214	112	11	21
1992	85	735	451	72	175	90	7	16
1993	63	444	242	52	131	81	6	17
1994	49	253	160	40	85	64	3	14
1995	46	265	180	43	98	59	3	9
1996	44	275	168	47	106	54	3	8
1997	41	210	138	48	94	53	4	8
1998	39	211	139	49	102	75	6	8
1999	31	234	166	41	87	47	4	9
2000	26	231	165	35	89	37	3	5
2001	31	301	225	35	121	42	4	0

* Pursuant to Racing Commission Rule 7895.0275, Subp. 2A. Standardbred foals, unlike Thoroughbreds and Quarter Horses, are not required to be registered in the year of foaling. The rule requires that they be registered before they are entered in restricted races.

III. LEGISLATION

At this time, the Commission does not anticipate proposing policy legislation for consideration by the 2002 session of the Legislature.

Please notify the Racing Commission if you required this material to be made available in alternative format, i.e., large print, Braille, audiocassette, or other requested special format. The Racing Commission can be reached at 952-496-7950; 1-800-627-3529, (TTY/VOICE RELAY SERVICES).