

STATE OF ALASKA

DEPARTMENT OF REVENUE

*Tax Division
Gaming Group*



**Calendar Year 2002
ANNUAL REPORT OF GAMING GROUP OPERATIONS**

*On the internet at:
www.tax.state.ak.us*

Frank Murkowski
Governor

William A. Corbus
Commissioner

2002

*This annual report provides an
overview of the
games of chance and
skill program administered
by the Tax Division's
Gaming Group,
and contains summaries
of all reports
of permittees and
operators pursuant
to AS 05.15.090.*

*This report also
explains the organizational
structure of the Gaming Group
within the Tax Division.*

*The information covers
calendar year 2002*

Annual Report of Gaming Group Operations
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Introduction

Under Alaska law, municipalities and qualified non-profit organizations may conduct certain gaming activities. The purpose of these activities is to derive public benefit in the form of money for the organizations and revenues for the state. The Tax Division is responsible for ensuring that the appropriate level of public benefit is derived for the organizations and the state.

To ensure that the appropriate level of public benefit is derived, the division does the following: 1) issues permits to municipalities and qualified organizations; 2) licenses all operators, distributors and manufacturers; 3) collects fees and taxes; 4) audits various permittees and licensees; 5) inspects gaming locations; and 6) investigates complaints.

This report summarizes gaming financial activity for 2002, as reported by permittees and operators and filed as of July 30, 2003. Gaming in Alaska has many variations in the types of gaming businesses and nonprofit organizations which conduct gaming activities. Below are key terms used throughout this report.

- A permittee is a municipality or a qualified organization that holds a valid permit to conduct gaming activities.
- A vendor is a business that holds a qualifying beverage dispensary or package store license that sells pull-tabs on behalf of a permittee.
- A multiple-beneficiary permit (MBP) allows two to six municipalities or qualified organizations or a combination of two to six municipalities and qualified organizations to conduct joint gaming activities.
- An operator is a person, a municipality or qualified organization that has obtained a license and posted a bond to conduct gaming activities on behalf of a permittee.
- A distributor is a business located in the state that is licensed to distribute pull-tabs to permittees and to operators conducting gaming on behalf of permittees. The distributor must collect and submit a tax to the state equal to three percent of the gross receipts less prizes, on each series of pull-tabs sold.
- A manufacturer is a business that is licensed to sell pull-tabs in the state. A manufacturer may only sell pull-tabs to a licensed distributor located in the state.

In reviewing the financial information presented in this report, it is important to be aware of the various classifications and to interpret the information accordingly.

For comparison purposes, 2001 financial data are included on certain schedules in this report.

Gaming Overview

Gaming in Alaska is big business. In calendar year 2002, the total amount gamed by the public exceeded \$358,000,000. After prizes were paid out, approximately \$85,000,000 was available for gaming expenses and net proceeds to benefit municipalities and qualified organizations.

In general, gambling is illegal in Alaska. However, the legislature created an exception for what is commonly, though somewhat inaccurately, referred to as "Charitable Gaming". The use of the word "charity" is really a misnomer. An organization does not have to have any charitable purpose in order to have a gaming permit. The Department may only issue a permit to a municipality or qualified organization, and charities represent only one of the fifteen kinds of "qualified organizations" eligible to game in Alaska.

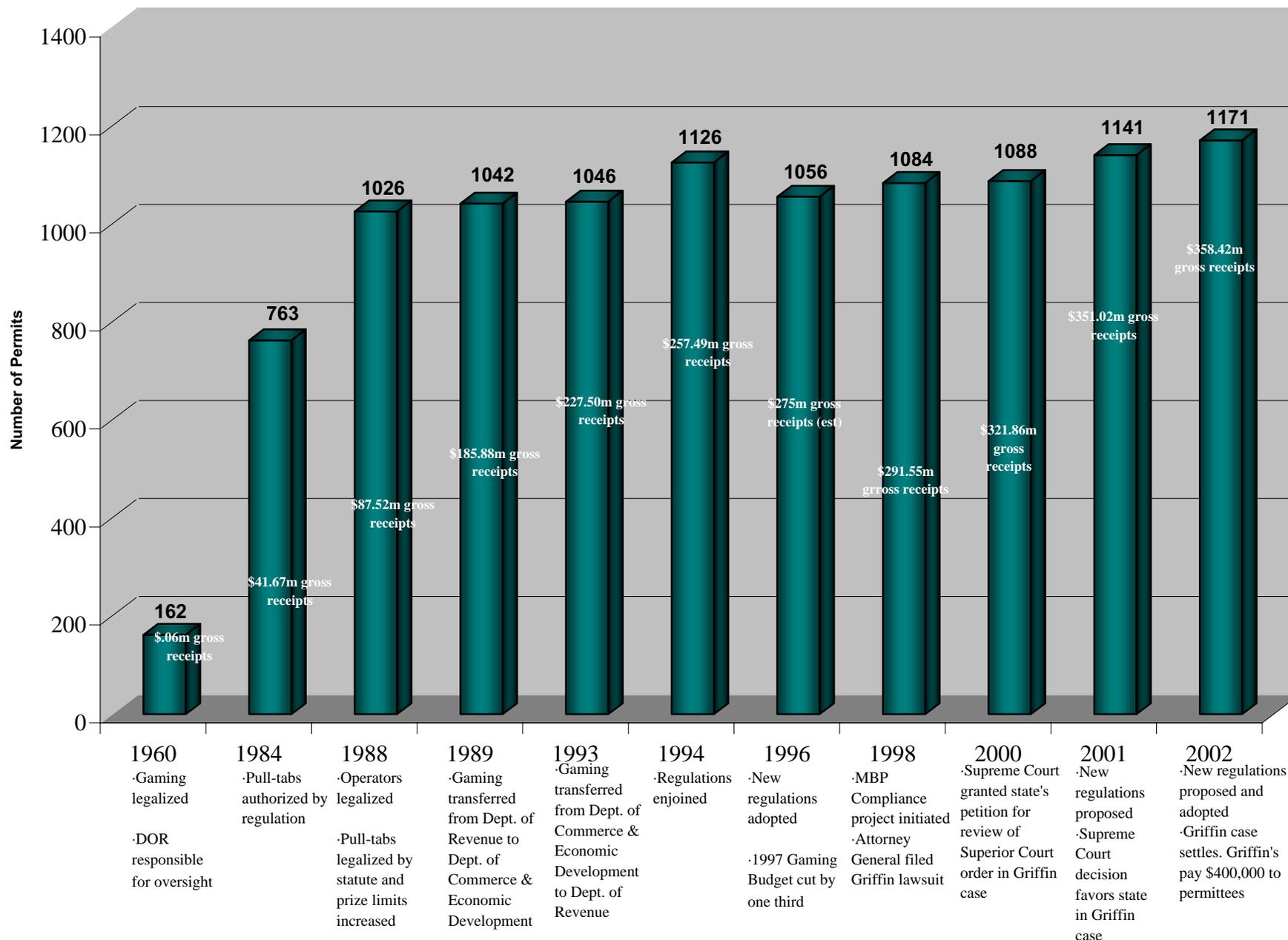
The authority to conduct gaming activity is contingent upon the dedication of the net proceeds of the gaming activity for specific purposes. Only reasonable and necessary expenses may be incurred or paid in connection with a gaming activity. The gaming statutes provide for caps on expenses, not to exceed 70% of adjusted gross income from pull-tab activity and 90% of adjusted gross income from gaming activities other than pull-tabs.

The organization board members are responsible to ensure that the gaming activity follows the gaming statutes and regulations. Organizations that participate in gaming have a legal duty to ensure that all gaming proceeds go toward intended uses and are not used to pay unnecessary expenses. Board members have a fiduciary responsibility for this, as was spelled out in *Botelho v. Griffin*, 25 P3d at 693: "By requiring a portion of the money spent on charitable gaming to benefit the public generally, Alaska's gaming laws create the effective equivalent of a charitable trust."

The Department of Revenue has the responsibility to oversee gaming laws. The Gaming Group within the Tax Division handles administration and enforcement duties. Through its staff of seven, the Group oversees approximately 1,200 organizations involved in gaming. The Group issues licenses and permits, collects filing fees and taxes, and conducts audits to enforce the statutes and regulations for collection of fees and taxes and distribution of net proceeds.

The 2002 Current Events and Regulatory Actions section of this report describes the Division's enforcement actions. These enforcement actions came primarily from public inquiries and complaints.

Gaming History and Background



2002 Gaming Industry Facts and Trends

The Division presents data in this report based upon permittee and operator annual reports filed as of July 30, 2003. The reader should note the following:

- Gross receipts include the dollar value of play-backs (winning pull-tabs which the player has returned to the seller in exchange for additional pull-tabs in lieu of receiving the prize in cash).
- Adjusted gross income means gross receipts less prizes awarded and federal and municipal taxes paid on gross receipts. Adjusted gross income is the amount available to pay gaming expenses and make distributions of net proceeds.
- Net proceeds means adjusted gross income less gaming expenses. Gaming expenses include the 3% pull-tab tax, permit fees, and the 1% additional fee on permittee gaming profits.
- The Division based the 2002 calendar year permittee data on 1,171 annual financial statements filed as of July 30, 2003. There are 77 annual reports outstanding and the Division excluded two erroneous or incomplete reports.
- The division issued 14 MBP permits in 2001 and 2002. All MBPs filed their reports.
- The division issued 26 operator licenses in 2001 and 27 in 2002. All Operators filed their reports.

Fees and taxes collected by the division:	<u>FY-03</u>	<u>FY-02</u>
3% Tax on Pull-Tabs:	\$ 2,115,146	\$ 2,045,124
1% Additional Fee on Permittees' Gaming Profits:	341,561	325,218
Permit and License Fees:	128,800	141,863
	<u>\$ 2,585,507</u>	<u>\$ 2,512,205</u>

- Distributors reported \$2,007,000 of pull-tab tax paid for calendar year 2002.

Division Concerns and Focus

Alaska's gaming laws limit the amount of expenses that may be incurred under a gaming permit to ensure that permit holders receive at least a minimum financial benefit from their gaming activities. Beginning in 1998, the Division's focus has been on compliance with the expense limitations and minimum profit distributions.

The Division, with the assistance of the Department of Law, has committed substantial resources to bring into compliance the activities of Multiple-Beneficiary Permit holders (MBPs). The first step in this process was to ensure that MBPs complied with minimum distribution requirements. In 1997, MBPs failed to meet their statutorily required payment distributions by \$850,000. The Division increased compliance on payment so that there were no MBP deficits in 2001.

The second step in the process focused on ensuring that MBPs not only met the minimum distributions, but also adhered to statutory expense limitations. With the increased enforcement, one MBP ceased operations and two others agreed to suspend operations for one year due to non-compliance in 1999.

MBP activities in 2001 and 2002 appeared to meet the statutory expense limitations and minimum profit distributions, with one exception in each year. In 2001, an MBP did not meet the expense limitations. As a condition to retaining its permit, the MBP agreed to dedicate a percentage of its net proceeds for two years to the Alaska Children's Trust. In 2002, an MBP failed to meet its expense limitations and minimum payment distributions. The MBP voluntarily closed its business in November, 2003.

Regulations effective January 1, 2003, formalize the parameters under which MBPs can conduct gaming and require quarterly payment of net proceeds to the members.

The Division remains concerned about the amount of proceeds received by some organizations. The Division will continue to focus on excessive rents, compensation, and fees charged for running or managing gaming operations.

In 2001, the Division proposed regulations and held public hearings to address various issues including unlicensed operators, conflicts of interest, methods of accounting, capital contributions, loans and gifts, and rules for MBPs. The public hearings revealed concern with the process and confusion with the proposed regulations. As a result, the Division adopted a negotiated rule making process to deal with the issues.

Division Concerns and Focus

The Commissioner of Revenue appointed an eleven member rule-making committee that represented permittees, operators, MBPs, distributors, vendors, the public and the Division. Using the proposed regulations as a working document, the committee held nine meetings over five months in Anchorage, Fairbanks and Kenai to take public testimony, review, discuss and draft new proposed regulations. The committee issued its final report on July 31, 2002. The report reflected consensus on every provision of its proposed regulations, except the issue of whether a person who manages more than one permittee must become an operator, and the provision that a distributor cannot be a lessor of property used to conduct gaming activity. The vote on these provisions was nine for and two against.

In August 2002, the Division held public hearings on the revised regulations in Fairbanks, Anchorage, Soldotna and Juneau. The Division considered the testimony and comments and adopted regulations that became effective January 1, 2003.

2002 Current Events and Regulatory Actions

Court Proceedings

Botelho vs. Griffin: The Attorney General brought this action in 1998 to require the defendants, Mark and Sue Griffin and business entities that they either owned or controlled, to give up gaming proceeds received through alleged violations of gaming laws. The suit was originally brought on behalf of 13 permittees that relied upon Sue Griffin to manage their gaming operations. Some of these permittees told the court that they did not want to be part of the case. Another permittee, West High Alumni Association, opted out later and settled its dispute for an unspecified amount of money.

After the permittees opted out, the Griffins obtained an order from the Superior Court that prevented the Attorney General from seeking reimbursement of money owed to beneficiaries of the opted-out permittees. The Attorney General appealed this action to the Alaska Supreme Court. The Supreme Court reversed the lower court, and found that the boards of organizations with gaming permits have a fiduciary duty to ensure that their managers or operators pay them all the gaming proceeds to which they are entitled under the law and then to use those proceeds on behalf of the beneficiaries of their organizations. If the boards fail to meet this fiduciary duty, the Attorney General may pursue damage claims against the Griffins without the consent of the permittees.

Prior to trial, in August of 2002, the case settled under terms that required Mark and Sue Griffin to pay \$400,000 in cash for distribution to permittees. The Griffins settled without acknowledging any wrongdoing.

James Stewart vs. Department of Revenue: James Stewart, while a charitable gaming operator in 1995, passed on the cost of pull-tab games to the permittees for whom he was conducting gaming. He also failed to report those costs to the department as gaming expenses. This tactic would have allowed him to increase the amount he charged permittees for his operating fee. The Division's audit found that, when the costs of pull-tabs were included, Stewart exceeded the expense cap by \$186,021. The Division ordered him to refund this amount, with interest, to the permittees. Mr. Stewart unsuccessfully appealed this order to the Superior Court and then to the Alaska Supreme Court. In September of 2003, before a Court ruling, the parties settled the case with terms that Stewart pay \$200,000 to the permittees.

UMPCO, MCAC, & UCA vs Department of Revenue: In August of 2002, three multiple-beneficiary permittees, United Multiple Permittees Company (UMPC), Multiple Charities Association Co-op (MCAC), and United Charities Association, filed a civil action in Superior Court to prevent the Department from continuing its ongoing MBP compliance project for 2002. The court granted a summary judgment motion and found that the Division must adopt regulations before continuing with its 2002 MBP compliance project.

2002 Current Events and Regulatory Actions

Downtown Bicycle Rental, Inc., and Peter Roberts vs. State of Alaska: Downtown Bicycle Rental, Inc., (DBRI) filed suit in Superior Court on October 3, 2002, alleging the state negligently approved a gaming permit for Earth, a tax-exempt corporation. Earth used money from the permit to operate a free bike program in downtown Anchorage. DBRI contends that Earth's free bike program interfered with its property rights because it lured "affluent pedestrian tourists" away from existing tax-paying bike businesses. The Attorney General filed a motion to dismiss, which the Superior Court granted in part, without prejudice, on December 2, 2002. The case is ongoing and the parties are discussing settlement.

Other 2002 Regulatory Actions

Felony Conviction: As a result of an investigation conducted by the Juneau Police Department involving a loss of gaming funds, a former employee of Tlingit-Haida Community Council Juneau, Cecilia Derose-Noe (Beierly), was convicted of Forgery in the Second Degree. The court imposed a four year prison sentence with two years suspended, ordered Derose-Noe to pay restitution of \$16,214 and placed her on probation for 10 years.

American Legion Auxiliary Post 17 (Kodiak): A permittee, the American Legion Post 17 asked the Division to investigate shortages in gaming proceeds. The Division discovered shortages of \$57,174 for 1999 and 2000. The Kodiak Police Department and the Gaming Group conducted a joint investigation that found the bookkeeper had collected pull-tab proceeds, completed deposit slips, made deposits to the gaming account and entered deposits into the Auxiliary's check register. Interviews revealed the Auxiliary board members had not reviewed the bookkeeper's work with the gaming account and records since 1997. The District Attorney's office declined to prosecute the bookkeeper. The Division suspended the Auxiliary's gaming permits for 30 days for misuse of net proceeds, failure to deposit pull-tab money into the gaming account and failure to keep adequate records.

Palmer Moose Lodge #793: The Division issued this organization a Notice of Violation and Notice of Suspension for a 30-day period for allowing unlicensed gaming activities (sports boards) to take place on permitted premises. After an appeal of the suspension, the Moose Lodge and the Division agreed to a sanction of two five-day periods of suspension.

Sue Griffin, an operator, conducted an illegal gambling event in the form of a Calcutta at the Anchorage Billiard Palace in conjunction with a billiard tournament during Fur Rendezvous. The Division considers a Calcutta-style event to be illegal gambling because it requires a person to stake or risk something of value upon the outcome of a future event not under the person's control or influence. The Anchorage Police Department, Alcoholic Beverage Control Board (ABC) and the Gaming Group participated in this investigation. ABC served a search warrant for gambling records on the Anchorage Billiard Palace and Hot Rods, both owned by Mark and Sue Griffin. Based on the illegal gambling that occurred at the Anchorage Billiard Palace, the Division issued a seven-day suspension of Ms. Griffin's operator license and the gaming permit for the Northern Lights Bingo Hall, also owned by Ms. Griffin.

2002 Current Events and Regulatory Actions

VFW Post #9365, Wasilla, as a permittee, was authorized to sell pull-tabs and conduct raffles and lotteries. During a routine inspection, a Gaming Group investigator observed that the fraternal organization was conducting two illegal Super Bowl sports boards. The Wasilla Police Department seized the sports boards and \$720 in cash. As a result of the illegal activity, the Division suspended the Post's gaming permit for 30 days.

The Sitka Moose Lodge noticed a shortage in pull-tab sales. The Lodge installed surveillance cameras that revealed Joseph Anselm, janitor at the lodge, had a key to the boxes containing the pull-tabs. He had been stealing the pull-tabs over the course of three months and cashing in the winners. The Lodge reported a shortage of \$22,373. The Sitka Police Department investigated this case and obtained Anselm's confession of the pull-tab theft. Anselm pled guilty to Theft in the Third Degree and was sentenced to 365 days in jail (suspended), restitution of \$22,400 and probation for four years, 80 hours of community work service, and counseling for treatment of gambling addiction.

Native Village of Upper Kalskag. Racheal Wise, Primary Member in Charge for the Native Village of Upper Kalskag, admitted to a Gaming Group investigator that she had purchased pull-tabs from games sold by this organization during the weekend of August 17/18, 2002, winning \$1,000 in prizes. As a member in charge of an organization, gaming laws prohibit Wise from making such purchases of pull-tabs because of the likelihood that a member in charge would have knowledge about prizes paid out on pull-tab games. Consequently, the Division suspended the Village's gaming permit for seven days.

Klawock Cooperative Association. Janine Harmon was the Gaming Manager in Klawock whose organization was selling pull-tabs through a permit overseen by the National Indian Gaming Commission. Delores Peratrovich worked at Klawock Liquor, where she sold pull-tabs for the City of Klawock through a permit issued by the State of Alaska. In May of 2002, a joint criminal investigation by the Federal Bureau of Investigation and the Gaming Group dealt with Harmon and Peratrovich exchanging inside information on pull-tab games sold at each pull-tab shop. Harmon cooperated with the FBI, pled guilty to one count of mail fraud and is scheduled to be sentenced on November 14, 2003. Peratrovich was charged with mail fraud and her trial was pending when she died.

Illegal Gambling Operation: The Fairbanks Police Department received information that an illegal gambling operation was occurring in the Fairbanks area. The investigation revealed that Donald Jennings and Avan Brees were delivering illegal gambling material, including football betting slips, to several bars and businesses. On December 3, 2002, multiple law enforcement agencies and a Gaming Group investigator served 14 search warrants on various locations in the Fairbanks area, including the Big I Bar, the Boatel Bar, the Comet Club, the Gold Rush Saloon, The Hide Away Bar, Fairbanks Elks Lodge, Interior Graphics & Copy, Arctic Fire & Safety and two residences. The investigation continues.

2002 Current Events and Regulatory Actions

Unalaska Community Broadcasting (UCB), a permittee, failed to renew its permit for 2003. In January 2003, UCB purchased a large quantity of pull-tab games from Alaska Bingo Supply in order to have its games sold at the Airport Restaurant and Lounge and the Unisea Inn Sports Bar. UCB also failed to register these two bars as vendors with the Gaming Group. Both bars received 45-day suspensions for selling pull-tabs without a 2003 vendor registration. The Division issued a Notice of Violation to Alaska Bingo Supply for selling pull-tabs to an organization that did not possess a current-year permit to sell pull-tabs. UCB submitted a 2003 gaming application in September 2003; the application was denied based upon the violation of gaming laws and the denial will remain in effect for at least six months.

Illegal Gambling Operation: The Native Village of Barrow (NVB) operated an illegal pull-tab business for years, buying its pull-tabs from various pull-tab distributors in the Lower 48, who bootleg-shipped them to Barrow in violation of illegal gambling laws and the Gaming statutes and regulations. On June 30, 2003, a Gaming Group investigator assisted the Alaska State Troopers in the execution of search warrants at the pull-tab shop and the business office of the NVB. This resulted in the seizure of 2,500 pounds of pull-tabs and computer records related to the illegal operation. The investigation continues.

The United Cook Inlet Drift Association, a permittee in Soldotna, used the Vagabond Inn as a vendor to sell pull-tab games on behalf of its organization for four years. Alaska gaming laws limit the amount of profit to the vendor for each pull-tab game sold to 30% of the ideal net from each game. In follow-up to a complaint, an investigation showed that the Vagabond Inn received additional monetary rewards in the form of airline tickets and lodging at a hotel for a two-year period that amounted to \$2,162. The permittee received an Advisory Notice for this violation and the vendor agreed to return the excess amount.

The Benevolent and Protective Order of Elks #1351 (BPOE) is located in Anchorage. The Division issued them a permit in 2000 to conduct gambling in the form of pull-tabs and raffles. On October 11, 2000, while following up on a complaint that illegal gambling activities were taking place, two Gaming Group investigators observed six illegal gambling machines on the premises. The Anchorage Police Department seized these machines because they believed that an illegal gambling operation existed at the club. A member of the organization released gambling records to Gaming Group investigators which later showed BPOE profited \$486,519 from these illegal machines. On February 6, 2003, the BPOE pled guilty to one count of Possession of a Gambling Device which resulted in a fine of \$4,730, one year probation and 80 hours of community service. Because the organization was convicted of an illegal gambling law, it will not be authorized to conduct any form of legalized gambling for ten years.

Key Contacts

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Table 1
Schedule of Charitable Gaming Activity
for Calendar Years

	2002 ⁽¹⁾		2001 ⁽²⁾	
	Amount	% Gross Receipts	Amount	% Gross Receipts
Gross Receipts	\$ 358,428,066		\$ 351,016,581	
Taxes ⁽⁴⁾	1,024,683	0.29%	1,100,996	0.31%
Prizes	273,604,096	76.33%	267,705,284	76.27%
Adjusted Gross Income	83,799,287		82,210,301	
Expenses	51,405,494	14.34%	49,751,733	14.17%
Net Proceeds	\$ 32,393,793	9.04%	\$ 32,458,568	9.25%

Breakdown of Expenses ⁽³⁾

	2002	2001
Rental of Facility	\$ 5,375,253	\$ 5,110,751
Other Facility Costs	1,448,821	1,137,766
Contract / Pro. Services	1,299,835	1,289,031
Accounting	1,406,257	1,553,736
Wages	16,154,741	15,192,816
Payroll Taxes	1,986,459	1,964,758
Operator Fee ⁽⁵⁾	2,751,927	2,862,237
Vendor Compensation	2,681,922	2,429,440
Cost of Pull-tab Games	7,154,411	7,157,048
Pull-Tab Tax Paid ⁽⁶⁾	1,778,414	1,879,242
Cost of Bingo Cards	1,943,322	1,838,753
Advertising	469,153	483,162
Equipment Purchases	429,154	518,358
Other Expenses ⁽⁷⁾	5,364,669	5,114,093
Door Prizes	1,161,156	1,220,542
Total Expenses	\$ 51,405,494	\$ 49,751,733

(1) Based on 1,171 permittee annual reports, 27 operator annual reports, 14 MBP annual reports filed with the division as of 07/30/2003.

(2) Based on 1,141 permittee annual reports, 26 operator annual reports, 14 MBP annual reports filed with the division as of 07/30/2002.

(3) Total Expenses reported on Schedule C, prior to any limitations, except for operator fees.

(4) Reported taxes should include only the federal excise tax and municipal sales taxes on gross receipts.

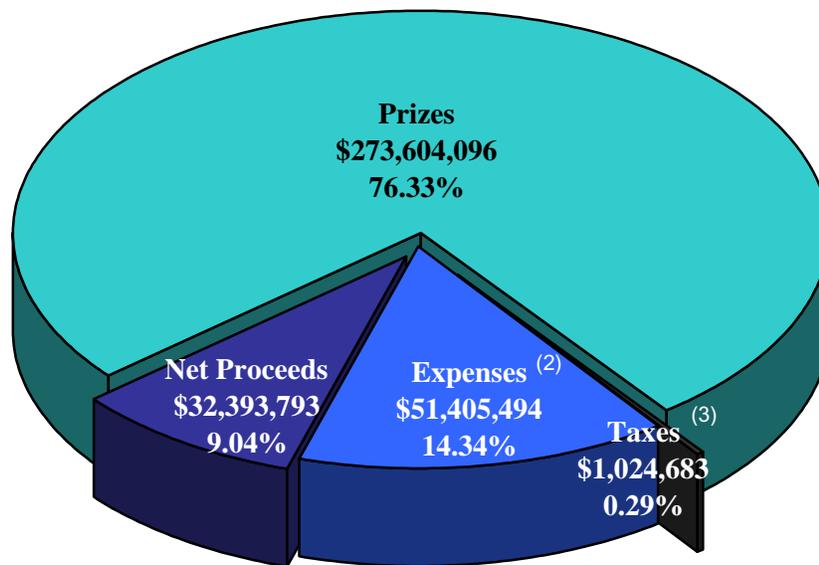
(5) Reported Operator fees have been reduced to reflect actual operator payments to permittees.

(6) The pull-tab tax paid represents the amounts reported by permittees, not amounts actually collected and remitted to the state by distributors.

(7) Other expenses include repairs and maintenance, insurance, utilities, depreciation, permittee fees, printing, shipping, supplies, travel and miscellaneous.

Chart 1
2002 Gross Receipts Distribution ⁽¹⁾

as a percentage of Gross Receipts



Total Gross Receipts: \$358,428,066

(1) Based on 1,171 permittee annual reports, 27 operator annual reports, 14 MBP annual reports filed with the division as of 07/30/2003.

(2) Total Expense reported on Schedule C, prior to any limitations, except for operator fees. Reported operator fees have been reduced to reflect actual operator payments to permittees.

(3) Reported taxes should include only the federal excise tax and municipal sales taxes on gross receipts.

Table 2(a)
2002 Activity by Business Classification ⁽¹⁾

	Permittees		Vendors		Operators ⁽³⁾		MBPs		Total	
	<u>Amount</u>	<u>% Gross Receipts</u>	<u>Amount</u>	<u>% Gross Receipts</u>	<u>Amount</u>	<u>% Gross Receipts</u>	<u>Amount</u>	<u>% Gross Receipts</u>	<u>Amount</u>	<u>% Gross Receipts</u>
Gross Receipts	\$ 174,166,362		\$ 38,925,272		\$ 76,968,241		\$ 68,368,191		\$ 358,428,066	
Taxes ⁽⁴⁾	412,716	0.24%	159,779	0.41%	305,682	0.40%	146,506	0.21%	1,024,683	0.29%
Prizes	<u>131,290,773</u>	75.38%	<u>30,283,459</u>	77.80%	<u>59,766,415</u>	77.65%	<u>52,263,449</u>	76.44%	<u>273,604,096</u>	76.33%
Adjusted Gross Income	42,462,873		8,482,034		16,896,144		15,958,236		83,799,287	
Expenses	<u>23,676,403</u>	13.59%	<u>4,154,835</u>	10.67%	<u>12,500,281</u>	16.24%	<u>11,073,975</u>	16.20%	<u>51,405,494</u>	14.34%
Net Proceeds	<u>\$ 18,786,470</u>	10.79%	<u>\$ 4,327,199</u>	11.12%	<u>\$ 4,395,863</u>	5.71%	<u>\$ 4,884,261</u>	7.15%	<u>\$ 32,393,793</u>	9.04%

Table 2(b)
2001 Activity by Business Classification ⁽²⁾

	Permittees		Vendors		Operators ⁽³⁾		MBPs		Total	
	<u>Amount</u>	<u>% Gross Receipts</u>	<u>Amount</u>	<u>% Gross Receipts</u>	<u>Amount</u>	<u>% Gross Receipts</u>	<u>Amount</u>	<u>% Gross Receipts</u>	<u>Amount</u>	<u>% Gross Receipts</u>
Gross Receipts	\$ 169,404,373		\$ 35,544,504		\$ 68,844,875		\$ 77,222,829		\$ 351,016,581	
Taxes ⁽⁴⁾	505,627	0.30%	139,165	0.39%	298,866	0.43%	157,338	0.20%	1,100,996	0.31%
Prizes	<u>127,578,886</u>	75.31%	<u>27,665,783</u>	77.83%	<u>53,308,472</u>	77.43%	<u>59,152,143</u>	76.60%	<u>267,705,284</u>	76.27%
Adjusted Gross Income	41,319,860		7,739,556		15,237,537		17,913,348		82,210,301	
Expenses	<u>23,218,286</u>	13.70%	<u>3,624,040</u>	10.20%	<u>10,922,821</u>	18.55%	<u>11,986,586</u>	15.52%	<u>49,751,733</u>	14.17%
Net Proceeds	<u>\$ 18,101,574</u>	10.69%	<u>\$ 4,115,516</u>	11.58%	<u>\$ 4,314,716</u>	3.59%	<u>\$ 5,926,762</u>	7.68%	<u>\$ 32,458,568</u>	9.25%

(1) Based on 1,171 permittee annual reports, 27 operator annual reports, 14 MBP annual reports filed with the division as of 07/30/2003.

(2) Based on 1,141 permittee annual reports, 26 operator annual reports, 14 MBP annual reports filed with the division as of 07/30/2002.

(3) Reported Operator fees have been reduced to reflect actual operator payments to permittees.

(4) Reported taxes should include only the federal excise tax and municipal sales taxes on gross receipts.

Table 3
2002 Breakdown of Expenses by Business Classification (1), (2)

	Permittees	Vendors	Operators	MBPs	Totals
Rental of Facility	\$ 1,877,674	\$ -	\$ 1,745,921	\$ 1,751,658	\$ 5,375,253
Other Facility Costs	594,954	-	355,699	498,168	1,448,821
Contract / Pro. Services	593,488	-	510,165	196,182	1,299,835
Accounting	885,392	-	381,564	139,301	1,406,257
Wages	8,843,845	-	3,495,442	3,815,454	16,154,741
Payroll Taxes	1,243,313	-	355,492	387,654	1,986,459
Operator Fee (2)	-	-	2,751,927	-	2,751,927
Vendor Compensation	-	2,583,347	-	98,575	2,681,922
Cost of Pull-tab Games	3,649,173	1,054,166	1,377,798	1,073,274	7,154,411
Pull-Tab Tax Paid	801,847	248,890	407,811	319,866	1,778,414
Cost of Bingo Cards	545,283	-	551,452	846,587	1,943,322
Advertising	218,426	-	58,906	191,821	469,153
Equipment Purchases	204,825	-	1,624	222,705	429,154
Other Expenses (3)	3,666,603	268,432	349,249	1,080,385	5,364,669
Door Prizes	551,580	-	157,231	452,345	1,161,156
	\$ 23,676,403	\$ 4,154,835	\$ 12,500,281	\$ 11,073,975	\$ 51,405,494

(1) Based on 1,171 permittee annual reports, 27 operator annual reports, and 14 MBP annual reports filed with the division as of 07/30/2003.

(2) Total Expense reported on Schedule C, prior to any limitations, except for operator fees. Reported operator fees have been reduced to reflect actual operator payments to permittees.

(3) Other expenses include repairs and maintenance, insurance, utilities, depreciation, permittee fees, printing, shipping, supplies, travel and miscellaneous.

Table 4 (a)
2002 Activity by Game Type ⁽¹⁾

Charitable Gaming Detail

<u>Game Type</u>	<u>Gross Receipts</u>	<u>Taxes ⁽²⁾</u>	<u>Prizes</u>	<u>Adjusted Gross Income</u>	<u>Expenses ⁽³⁾</u>	<u>Net Proceeds</u>
Pull tabs	\$ 275,218,228	\$ 938,499	\$ 214,537,058	\$ 59,742,671	\$ 34,545,693	\$ 25,196,978
Bingo	70,593,193	76,179	52,246,328	18,270,686	14,535,155	3,735,531
Raffle or Lottery	10,553,178	8,411	4,857,635	5,687,132	1,103,739	4,583,393
Fish Derby	759,416	200	412,960	346,256	213,537	132,719
Ice Classic	620,699	830	319,097	300,772	261,119	39,653
Contest of Skill	417,857	239	291,764	125,854	123,932	1,922
Dog Musher Contest	209,149	325	911,908	(703,084)	605,766	(1,308,850)
Race Classic	38,046	-0-	5,346	32,700	14,127	18,573
Snow Machine Classic	18,300	-0-	22,000	(3,700)	2,426	(6,126)
Rain Classic	-0-	-0-	-0-	-0-	-0-	-0-
Salmon Classic	-0-	-0-	-0-	-0-	-0-	-0-
Goose Classic	-0-	-0-	-0-	-0-	-0-	-0-
Deep Freeze Classic	-0-	-0-	-0-	-0-	-0-	-0-
Canned Salmon Classic	-0-	-0-	-0-	-0-	-0-	-0-
Total	\$ 358,428,066	\$ 1,024,683	\$ 273,604,096	\$ 83,799,287	\$ 51,405,494	\$ 32,393,793

Table 4 (b)
Pull-Tabs, Bingo and Raffles by Business Classification ⁽¹⁾

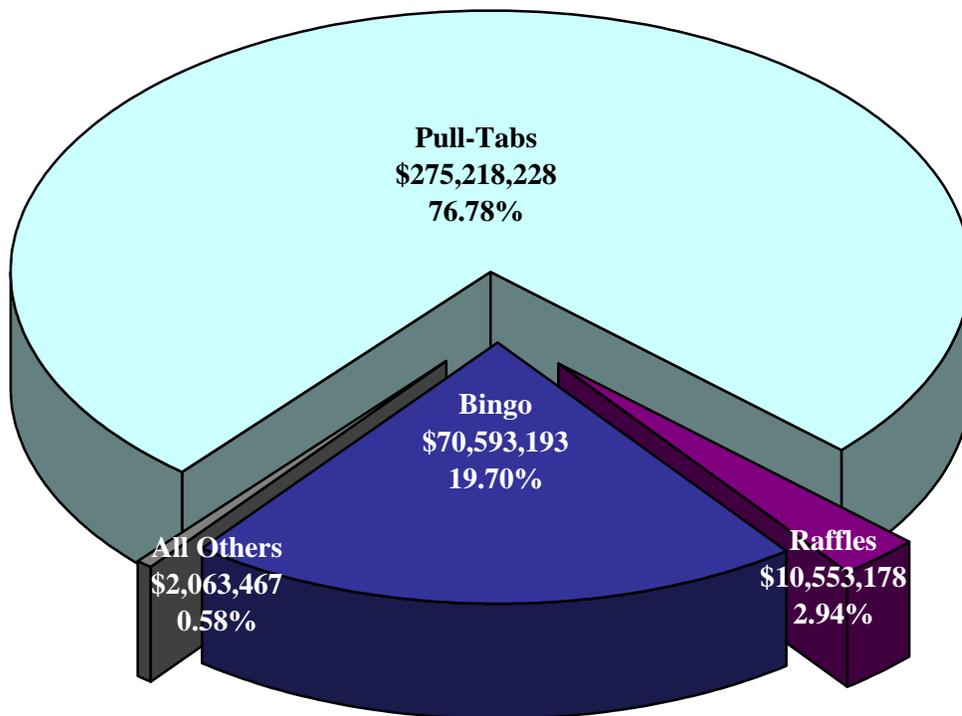
Pull-Tabs						
Permittee	\$ 128,544,009	\$ 326,793	\$ 99,960,519	\$ 28,256,697	\$ 14,852,127	\$ 13,404,570
MBP	47,456,565	146,506	36,989,602	10,320,457	6,701,797	3,618,660
Vendor	38,925,272	159,779	30,283,459	8,482,034	4,154,835	4,327,199
Operator ⁽³⁾	60,292,382	305,421	47,303,478	12,683,483	8,836,934	3,846,549
Total	\$ 275,218,228	\$ 938,499	\$ 214,537,058	\$ 59,742,671	\$ 34,545,693	\$ 25,196,978
Bingo						
Permittee	\$ 35,083,531	\$ 76,179	\$ 26,129,384	\$ 8,877,968	\$ 6,867,855	\$ 2,010,113
MBP	20,906,469		15,268,270	5,638,199	4,372,178	1,266,021
Operator ⁽³⁾	14,603,193		10,848,674	3,754,519	3,295,122	459,397
Total	\$ 70,593,193	\$ 76,179	\$ 52,246,328	\$ 18,270,686	\$ 14,535,155	\$ 3,735,531
Raffles and Lotteries						
Permittee	\$ 8,554,305	\$ 8,150	\$ 3,301,677	\$ 5,244,478	\$ 747,470	\$ 4,497,008
MBP	5,157		5,577	(420)		(420)
Operator ⁽³⁾	1,993,716	261	1,550,381	443,074	356,269	86,805
Total	\$ 10,553,178	\$ 8,411	\$ 4,857,635	\$ 5,687,132	\$ 1,103,739	\$ 4,583,393

(1) Based on 1,171 permittee annual reports, 27 operator annual reports, 14 MBP annual reports filed with the division as of 07/30/2003.

(2) Reported taxes should include only the federal excise tax and municipal sales taxes on gross receipts.

(3) Total Expense reported on Schedule C, prior to any limitations, except for operator fees. Reported operator fees have been reduced to reflect actual operator payments to permittees.

Chart 2
2002 Gross Receipts by Game Type ⁽¹⁾
as a percentage of Gross Receipts



Total Gross Receipts: \$358,428,066

(1) Based on 1,171 permittee annual reports, 27 operator annual reports, 14 MBP annual reports filed with the division as of 07/30/2003.

Table 5(a)
2002 Permittee Self-Directed Activity by Game Type⁽¹⁾

<u>Game Type</u>	<u>Gross Receipts</u>	<u>Taxes</u> ⁽³⁾	<u>Prizes</u>	<u>Adjusted Gross Income</u>	<u>Expenses</u> ⁽²⁾	<u>Net Proceeds</u>
Pull-Tab	\$ 128,544,009	\$ 326,793	\$ 99,960,519	\$ 28,256,697	\$ 14,852,127	\$ 13,404,570
Bingo	35,083,531	76,179	26,129,384	8,877,968	6,867,855	2,010,113
Raffle or Lottery	8,554,305	8,150	3,301,677	5,244,478	747,470	4,497,008
Fish Derby	680,466	200	349,078	331,188	201,581	129,607
Ice Classic	620,699	830	319,097	300,772	261,119	39,653
Contest of Skill	417,857	239	291,764	125,854	123,932	1,922
Dog Musher Contest	209,149	325	911,908	(703,084)	605,766	(1,308,850)
Snow Machine Classic	18,300	-0-	22,000	(3,700)	2,426	(6,126)
Race Classic	38,046	-0-	5,346	32,700	14,127	18,573
Rain Classic	-0-	-0-	-0-	-0-	-0-	-0-
Salmon Classic	-0-	-0-	-0-	-0-	-0-	-0-
Goose Classic	-0-	-0-	-0-	-0-	-0-	-0-
Deep Freeze Classic	-0-	-0-	-0-	-0-	-0-	-0-
Canned Salmon Classic	-0-	-0-	-0-	-0-	-0-	-0-
Total	\$ 174,166,362	\$ 412,716	\$ 131,290,773	\$ 42,462,873	\$ 23,676,403	\$ 18,786,470

Table 5(b)
2002 Permittee Vendor Activity by Game Type

<u>Game Type</u>	<u>Gross Receipts</u>	<u>Taxes</u> ⁽³⁾	<u>Prizes</u>	<u>Adjusted Gross Income</u>	<u>Expenses</u> ⁽⁴⁾	<u>Net Proceeds</u>
Pull-Tab	\$ 38,925,272	\$ 159,779	\$ 30,283,459	\$ 8,482,034	\$ 4,154,835	\$ 4,327,199
	As % of Gross Receipts	0.41%	77.80%		10.67%	11.12%

(1) Based on 1,171 permittee annual reports filed with the division as of 07/30/2003.

There are 77 permittee annual reports outstanding as of the date of this report.

(2) Total Expense reported on Schedule C, prior to any limitations.

(3) Reported taxes should include only the federal excise tax and municipal sales taxes on gross receipts.

(4) Total Expenses reported prior to any limitations.

Table 6(a)
2002 Operator Activity by Game Type ⁽¹⁾

	<u>Pull-Tab</u>	<u>Bingo</u>	<u>Fish Derby</u>	<u>Raffle</u>	<u>Total</u>
Gross Receipts	\$ 60,292,382	\$ 14,603,193	\$ 78,950	\$ 1,993,716	\$ 76,968,241
Taxes ⁽²⁾	305,421	-0-	-0-	261	305,682
Prizes	47,303,478	10,848,674	63,882	1,550,381	59,766,415
Adjusted Gross Income	12,683,483	3,754,519	15,068	443,074	16,896,144
Expenses	8,836,934	3,295,122	11,956	356,269	12,500,281
Net Proceeds	\$ 3,846,549	\$ 459,397	\$ 3,112	\$ 86,805	\$ 4,395,863

Table 6(b)
Breakdown of Expenses ⁽³⁾

	<u>Pull-Tab</u>	<u>Bingo</u>	<u>Fish Derby</u>	<u>Raffle</u>	<u>Total</u>
Rental of Facility	\$ 1,246,564	\$ 477,158	\$ 4,500	\$ 17,699	\$ 1,745,921
Other Facility Costs	222,273	120,665	-0-	12,761	355,699
Contract / Pro. Services	389,117	107,521	-0-	13,527	510,165
Accounting	243,798	135,309	1,213	1,244	381,564
Wages	2,368,696	1,007,674	-0-	119,072	3,495,442
Payroll Taxes	252,396	93,081	-0-	10,015	355,492
Operator Fee ⁽⁴⁾	2,070,635	507,771	6,000	167,521	2,751,927
Cost of Pull-tab Games	1,377,798	-0-	-0-	-0-	1,377,798
Pull-Tab Tax Paid	407,811	-0-	-0-	-0-	407,811
Cost of Bingo Cards	-0-	551,452	-0-	-0-	551,452
Advertising	32,616	23,111	-0-	3,179	58,906
Equipment Purchases	1,455	169	-0-	-0-	1,624
Other Expenses ⁽⁵⁾	195,648	142,107	243	11,251	349,249
Door Prizes	28,127	129,104	-0-	-0-	157,231
Total Expenses	\$ 8,836,934	\$ 3,295,122	\$ 11,956	\$ 356,269	\$ 12,500,281

(1) Based on 27 operator annual reports filed with the division as of 07/30/2003.

(2) Reported taxes should include only the federal excise tax and municipal sales taxes on gross receipts.

(3) Total Expense reported on Schedule C, prior to any limitations, except for operator fee.

(4) Reported Operator fees have been reduced to reflect actual operator payments to permittees.

(5) Other expenses include repairs and maintenance, insurance, utilities, depreciation, printing, shipping, supplies, travel and miscellaneous.

Table 7(a)
2002 Multiple-Beneficiary Permittee Activity by Game Type ⁽¹⁾

	<u>Pull-Tab</u>	<u>Bingo</u>	<u>Raffle</u>	<u>Total</u>
Gross Receipts	\$ 47,456,565	\$ 20,906,469	\$ 5,157	\$ 68,368,191
Taxes ⁽²⁾	146,506	-0-	-0-	146,506
Prizes	36,989,602	15,268,270	5,577	52,263,449
Adjusted Gross Income	10,320,457	5,638,199	(420)	15,958,236
Expenses ⁽³⁾	6,701,797	4,372,178	-0-	11,073,975
Net Proceeds	\$ 3,618,660	\$ 1,266,021	\$ (420)	\$ 4,884,261

Table 7(b)
Breakdown of Expenses ⁽³⁾

	<u>Pull-Tab</u>	<u>Bingo</u>	<u>Raffle</u>	<u>Total</u>
Rental of Facility	\$ 1,196,402	\$ 555,256	\$ -0-	\$ 1,751,658
Other Facility Costs	194,318	303,850	-0-	498,168
Contract / Pro. Services	120,465	75,717	-0-	196,182
Accounting	73,790	65,510	-0-	139,300
Wages	2,487,292	1,328,161	-0-	3,815,453
Payroll Taxes	262,728	124,926	-0-	387,654
Vendor Compensation	98,575	-0-	-0-	98,575
Cost of Pull-tab Games	1,073,274	-0-	-0-	1,073,274
Pull-Tab Tax Paid	319,866	-0-	-0-	319,866
Cost of Bingo Cards	-0-	846,587	-0-	846,587
Advertising	75,663	116,158	-0-	191,821
Equipment Purchases	26,096	196,610	-0-	222,706
Other Expenses ⁽⁴⁾	656,745	423,640	-0-	1,080,385
Door Prizes	116,583	335,763	-0-	452,346
Total	\$ 6,701,797	\$ 4,372,178	\$ -0-	\$ 11,073,975

(1) Based on 14 MBP annual reports filed with the division as of 07/30/2003. Includes MBP Vendor Activity.

(2) Reported taxes should include only the federal excise tax and municipal sales taxes on gross receipts.

(3) Total Expense reported on Schedule C, prior to any limitations.

(4) Other expenses include repairs and maintenance, insurance, utilities, depreciation, permittee fees, printing, shipping, supplies, travel and miscellaneous.

Table 8(a)
2002 Permittee Self-Directed Activity ⁽¹⁾

	<u>Amount</u>	<u>% Gross Receipts</u>
Gross Receipts	\$ 174,166,362	
Taxes ⁽²⁾	412,716	0.24%
Prizes	<u>131,290,773</u>	75.38%
Adjusted Gross Income	42,462,873	
Expenses	<u>23,676,403</u>	13.59%
Net Proceeds	<u>\$ 18,786,470</u>	10.79%

Table 8(b)
Breakdown of Expenses ⁽³⁾

	<u>Amount</u>	<u>% Expenses</u>
Rental of Facility	\$ 1,877,674	7.93%
Other Facility Costs	594,954	2.51%
Contract / Pro. Services	593,488	2.51%
Accounting	885,392	3.74%
Wages	8,843,845	37.35%
Payroll Taxes	1,243,313	5.25%
Cost of Pull-tab Games	3,649,173	15.41%
Pull-Tab Tax Paid	801,847	3.39%
Cost of Bingo Cards	545,283	2.30%
Advertising	218,426	0.92%
Equipment Purchases	204,825	0.87%
Other Expenses ⁽⁴⁾	3,666,603	15.49%
Door Prizes	<u>551,580</u>	2.33%
Total Expenses	<u>\$ 23,676,403</u>	

(1) Based on 1,171 permittee annual reports filed with the division as of 07/30/2003.

There are 77 permittee annual reports outstanding as of the date of this report.

(2) Reported taxes should include only the federal excise tax and municipal sales taxes on gross receipts.

(3) Total Expense reported on Schedule C, prior to any limitations.

(4) Other expenses include repairs and maintenance, insurance, utilities, depreciation, permittee fees, printing, shipping, supplies, travel and miscellaneous.

Table 9(a)
2002 Operator Activity ⁽¹⁾

	<u>Amount</u>	<u>% Gross Receipts</u>
Gross Receipts	\$ 76,968,241	
Taxes ⁽²⁾	305,682	0.40%
Prizes	<u>59,766,415</u>	77.65%
Adjusted Gross Income	16,896,144	
Expenses	<u>12,500,281</u>	16.24%
Net Proceeds	<u><u>\$ 4,395,863</u></u>	5.71%

Table 9(b)
Breakdown of Expenses ⁽³⁾

	<u>Amount</u>	<u>% Expenses</u>
Rental of Facility	\$ 1,745,921	13.99%
Other Facility Costs	355,699	2.85%
Contract / Pro. Services	510,165	4.08%
Accounting	381,564	3.05%
Wages	3,495,442	27.96%
Payroll Taxes	355,492	2.84%
Operator Fee ⁽⁴⁾	2,751,927	22.01%
Cost of Pull-tab Games	1,377,798	11.02%
Pull-Tab Tax Paid	407,811	3.26%
Cost of Bingo Cards	551,452	4.41%
Advertising	58,906	0.47%
Equipment Purchases	1,624	0.01%
Other Expenses ⁽⁵⁾	349,249	2.79%
Door Prizes	<u>157,231</u>	1.26%
Total Expenses	<u><u>\$ 12,500,281</u></u>	

(1) Based on 27 operator annual reports filed with the division as of 07/30/2003.

(2) Reported taxes should include only the federal excise tax and municipal sales taxes on gross receipts.

(3) Total Expense reported on Schedule C, prior to any limitations, except for operator fees.

(4) Reported Operator fees have been reduced to reflect actual operator payments to permittees.

(5) Other expenses include repairs and maintenance, insurance, utilities, depreciation, printing, shipping, supplies, travel and miscellaneous.

Table 10(a)
2002 Multiple-Beneficiary Permittee Activity ⁽¹⁾

	<u>Amount</u>	<u>% Gross Receipts</u>
Gross Receipts	\$ 68,368,191	
Taxes ⁽²⁾	146,506	0.21%
Prizes	<u>52,263,449</u>	76.44%
Adjusted Gross Income	15,958,236	
Expenses	<u>11,073,975</u>	16.20%
Net Proceeds	<u>\$ 4,884,261</u>	7.15%

Table 10(b)
Breakdown of Expenses ⁽³⁾

	<u>Amount</u>	<u>% Expenses</u>
Rental of Facility	\$ 1,751,658	15.82%
Other Facility Costs	498,168	4.50%
Contract / Pro. Services	196,182	1.77%
Accounting	139,301	1.26%
Wages	3,815,454	34.45%
Payroll Taxes	387,654	3.50%
Vendor Compensation	98,575	0.89%
Cost of Pull-tab Games	1,073,274	9.69%
Pull-Tab Tax Paid	319,866	2.89%
Cost of Bingo Cards	846,587	7.64%
Advertising	191,821	1.73%
Equipment Purchases	222,705	2.01%
Other Expenses ⁽⁴⁾	1,080,385	9.76%
Door Prizes	<u>452,345</u>	4.09%
Total Expenses	<u>\$ 11,073,975</u>	

(1) Based on 14 MBP annual reports filed with the division as of 07/30/2003. Includes MBP Vendor Activity.

(2) Reported taxes should include only the federal excise tax and municipal sales taxes on gross receipts.

(3) Total Expense reported on Schedule C, prior to any limitations.

(4) Other expenses include repairs and maintenance, insurance, utilities, depreciation, permittee fees, printing, shipping, supplies, travel and miscellaneous.

Table 11
2002 Activity by Organization Type ⁽¹⁾

Organization Type	Gross Receipts	Taxes ⁽²⁾	Prizes	Adjusted Gross Income	Expenses ⁽³⁾	Net Proceeds
Civic or Service	\$ 72,567,526	\$ 209,280	\$ 54,852,529	\$ 17,505,717	\$ 10,493,241	\$ 7,012,476
Charitable	69,469,872	183,921	52,287,198	16,998,753	11,018,352	5,980,401
Educational	55,410,119	187,205	42,561,848	12,661,066	7,879,413	4,781,653
IRA/Native Village	34,758,196	34,892	26,863,084	7,860,220	4,629,049	3,231,171
Municipality	30,356,709	55,144	23,023,274	7,278,291	3,681,088	3,597,203
Fraternal	29,777,742	126,616	22,733,888	6,917,238	4,015,694	2,901,544
Veterans	31,352,039	135,349	24,405,116	6,811,574	4,179,325	2,632,249
Nonprofit Trade Assn	12,901,148	4,548	9,840,895	3,055,705	1,693,730	1,361,975
Dog Musers' Assn	8,247,858	27,257	6,705,884	1,514,717	1,799,194	(284,477)
Police or Fire Dept	6,870,297	47,913	5,367,318	1,455,066	944,250	510,816
Religious	3,105,531	8,678	2,328,272	768,581	437,184	331,397
Political	2,879,236	2,851	2,178,957	697,428	534,754	162,674
Labor	643,133	1,029	414,362	227,742	72,451	155,291
Fishing Derby Assn	88,660	0	41,471	47,189	27,769	19,420
Total	\$ 358,428,066	\$ 1,024,683	\$ 273,604,096	\$ 83,799,287	\$ 51,405,494	\$ 32,393,793

(1) Based on 1,171 permittee annual reports, 27 operator annual reports, 14 MBP annual reports filed with the division as of 07/30/2003.

(2) Reported taxes should include only the federal excise tax and municipal sales taxes on gross receipts.

(3) Total Expense reported on Schedule C, prior to any limitations, except for operator fees. Reported operator fees have been reduced to reflect actual operator payments to permittees.

Table 12
Gross Receipts from Gaming by Organization Type

<u>Organization Type</u>	<u>2002</u> ⁽¹⁾ Gross <u>Receipts</u>	<u>2001</u> ⁽²⁾ Gross <u>Receipts</u>	
Civic or Service	\$ 72,567,526	Charitable	\$ 71,723,881
Charitable	69,469,872	Civic or Service	69,339,165
Educational	55,410,119	Educational	49,204,844
IRA/Native Village	34,758,196	Fraternal	35,968,968
Municipality	30,356,709	IRA/Native Village	32,066,172
Fraternal	29,777,742	Municipality	30,051,719
Veterans	31,352,039	Veterans	28,029,400
Nonprofit Trade Assn	12,901,148	Nonprofit Trade Assn	12,787,940
Dog Musers' Assn	8,247,858	Dog Musers' Assn	9,300,613
Police or Fire Dept	6,870,297	Police or Fire Dept	6,364,344
Religious	3,105,531	Religious	3,396,772
Political	2,879,236	Political	2,177,664
Labor	643,133	Labor	522,369
Fishing Derby Assn	<u>88,660</u>	Fishing Derby Assn	<u>82,730</u>
Total	<u><u>\$ 358,428,066</u></u>		<u><u>\$ 351,016,581</u></u>

(1) Based on 1,171 permittee annual reports, 27 operator annual reports, and 14 MBP annual reports filed with the division as of 07/30/2003.

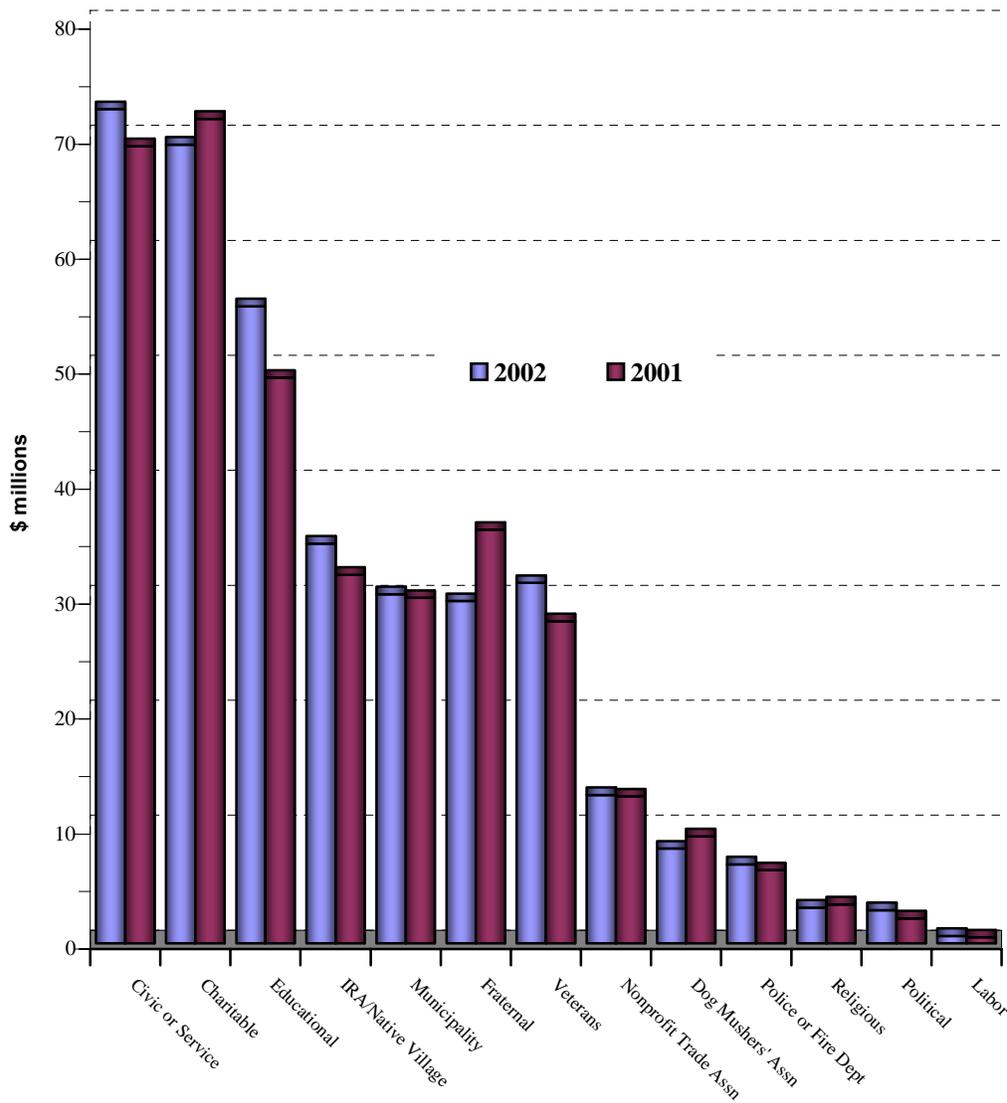
(2) Based on 1,141 permittee annual reports, 26 operator annual reports, and 14 MBP annual reports filed with the division as of 07/30/2002.

Organization types as reported were reviewed and, when necessary, reclassified to the correct category.

Chart 3
Gross Receipts by Organization Type

(1)

Gross Receipts
 2002 - \$358,428,066
 2001 - \$351,016,581



(1) Fishing Derby Associations do not appear in this chart.

Table 13(a)
Licensed Operators and Locations

City	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
Anchorage	7	7	8	6	6	4	6	12	12	13	13
Barrow	-	-	-	-	-	-	-	-	-	-	1
Bethel	1	1	1	2	1	1	1	1	1	1	1
Craig	3	3	3	3	3	3	2	2	2	1	-
Fairbanks	7	6	4	4	4	4	5	5	7	7	8
Haines	-	-	-	-	-	-	-	-	-	1	-
Juneau	1	1	1	1	-	-	1	1	3	5	5
Ketchikan	5	5	4	3	3	3	3	2	3	3	5
Nome	2	2	2	2	2	2	2	1	2	2	3
North Pole	-	-	1	1	1	2	2	2	2	2	2
Palmer	-	-	-	-	-	-	1	-	-	-	1
Petersburg	1	1	1	1	1	1	1	1	1	1	-
Valdez	-	-	-	1	1	1	1	1	1	1	-
Wasilla	-	-	-	-	-	-	-	-	1	1	-
Total	<u>27</u>	<u>26</u>	<u>25</u>	<u>24</u>	<u>22</u>	<u>21</u>	<u>25</u>	<u>28</u>	<u>35</u>	<u>38</u>	<u>39</u>

Table 13(b)
Licensed Distributors and Locations

City	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
Anchorage	3	3	5	5	5	5	6	5	5	7	9
Cordova	-	-	-	-	-	-	-	-	-	-	1
Eagle River	-	-	-	-	-	-	-	-	-	-	1
Fairbanks	4	4	2	2	3	3	3	3	4	2	2
Juneau	2	2	2	2	2	2	3	3	4	3	2
Kenai	-	-	-	1	-	-	-	-	-	-	-
Ketchikan	1	1	1	1	1	1	1	1	2	2	3
Nome	1	1	1	1	1	1	1	1	1	1	1
Sitka	1	1	1	1	1	1	1	1	1	1	1
Soldotna	1	1	1	1	1	1	1	1	1	1	-
Wasilla	-	-	-	-	-	-	-	-	1	1	1
Total	<u>13</u>	<u>13</u>	<u>13</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>16</u>	<u>15</u>	<u>19</u>	<u>18</u>	<u>21</u>

Table 14(a)
2002 Registered Vendors and Locations

<u>City</u>	<u>Vendors</u>	<u>City</u>	<u>Vendors</u>
Anchor Point	1	King Salmon	1
Anchorage	44	Kodiak	4
Big Lake	3	Manley Hot Springs	1
Cantwell	1	Moose Creek	1
Chitina	1	Moose Pass	1
Chugiak	2	Naknek	3
Cooper Landing	1	Nenana	5
Copper Center	3	Nikiski	1
Cordova	3	Ninilchik	2
Craig	1	Nome	11
Delta Junction	3	North Pole	5
Denali	1	Palmer	8
Douglas	1	Salcha	1
Eagle River	3	Seldovia	1
Fairbanks	36	Seward	5
Gakona	1	Sitka	5
Galena	1	Soldotna	7
Glennallen	3	Sterling	2
Haines	3	Talkeetna	4
Healy	1	Tok	3
Homer	8	Trappers Creek	2
Houston	1	Unalaska	2
Juneau	11	Valdez	5
Kasilof	3	Wasilla	12
Kenai	9	Willow	4
Ketchikan	6	Wrangell	3
King Cove	1	Yakutat	2

Total Vendors in 2002 **253**

Total Vendors in 2001 ⁽¹⁾ **270**

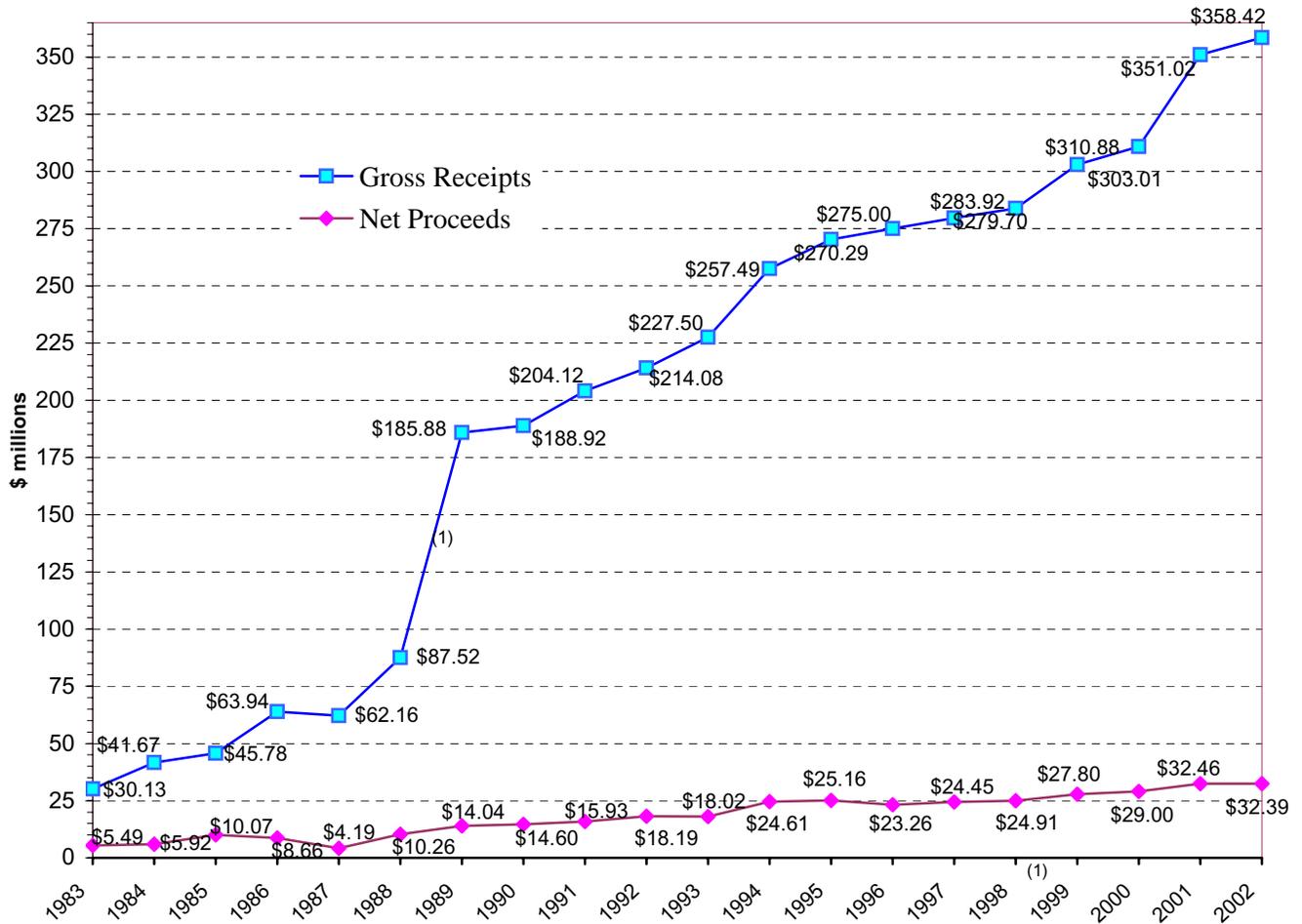
(1) 2001 Vendor total was changed to eliminate Vendors counted more than once.

Table 14(b)
Multiple-Beneficiary Permittees (MBP) and Locations

<u>City</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Anchorage	5	6	6	9	8	7
Fairbanks	2	2	2	2	2	3
Juneau	4	4	3	3	5	5
Kenai	2	1	1	1	1	2
Kodiak	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total MBPs	<u>14</u>	<u>14</u>	<u>12</u>	<u>15</u>	<u>16</u>	<u>17</u>

Chart 4(a)
Annual Gross Receipts and Net Proceeds
1983-2002

Charitable Gaming Detail



(1) Pull-Tabs were legalized and prize limits increased in 1988.

Chart 4(b)
Net Proceeds as a Percentage of Gross Receipts
1983 - 2002

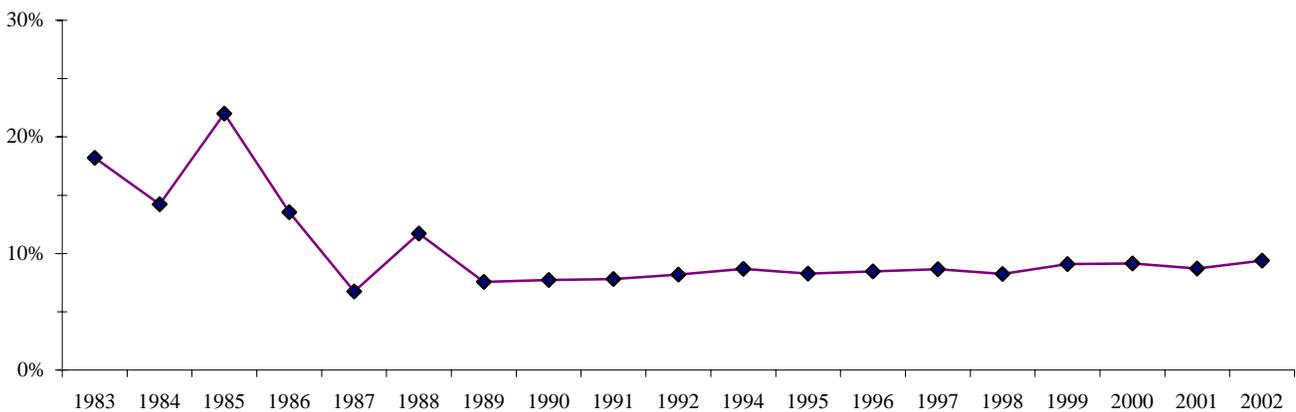
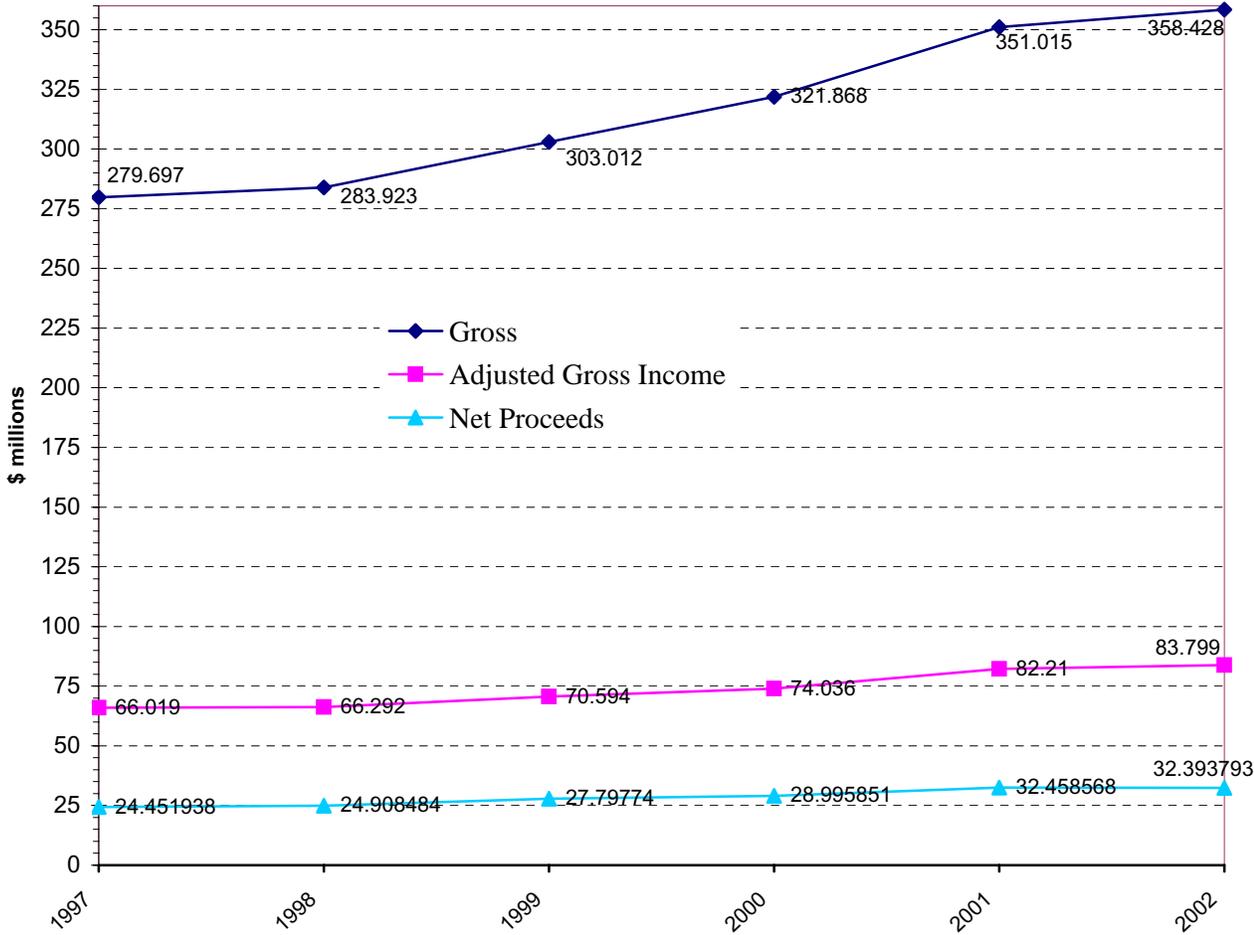


Chart 5(a)
Annual Adjusted Gross Income and Net Proceeds
1997 - 2002



This chart illustrates the impact of prizes on net proceeds. The space between gross receipts and adjusted gross income represents prizes and taxes on gross receipts, with taxes accounting for less than 1/2 of 1 percent of the total taxes and prizes. Adjusted gross income is the amount of money available to pay gaming expenses and make distributions of net proceeds.

Chart 5(b)
Net Proceeds as a Percentage of Adjusted Gross Income
1997 - 2002

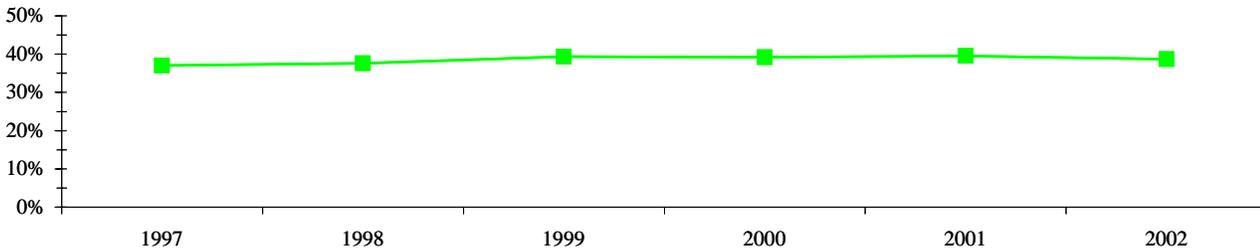


Chart 6
Annual Gross Receipts, Prizes, Expenses,
Taxes, and Net Proceeds

