

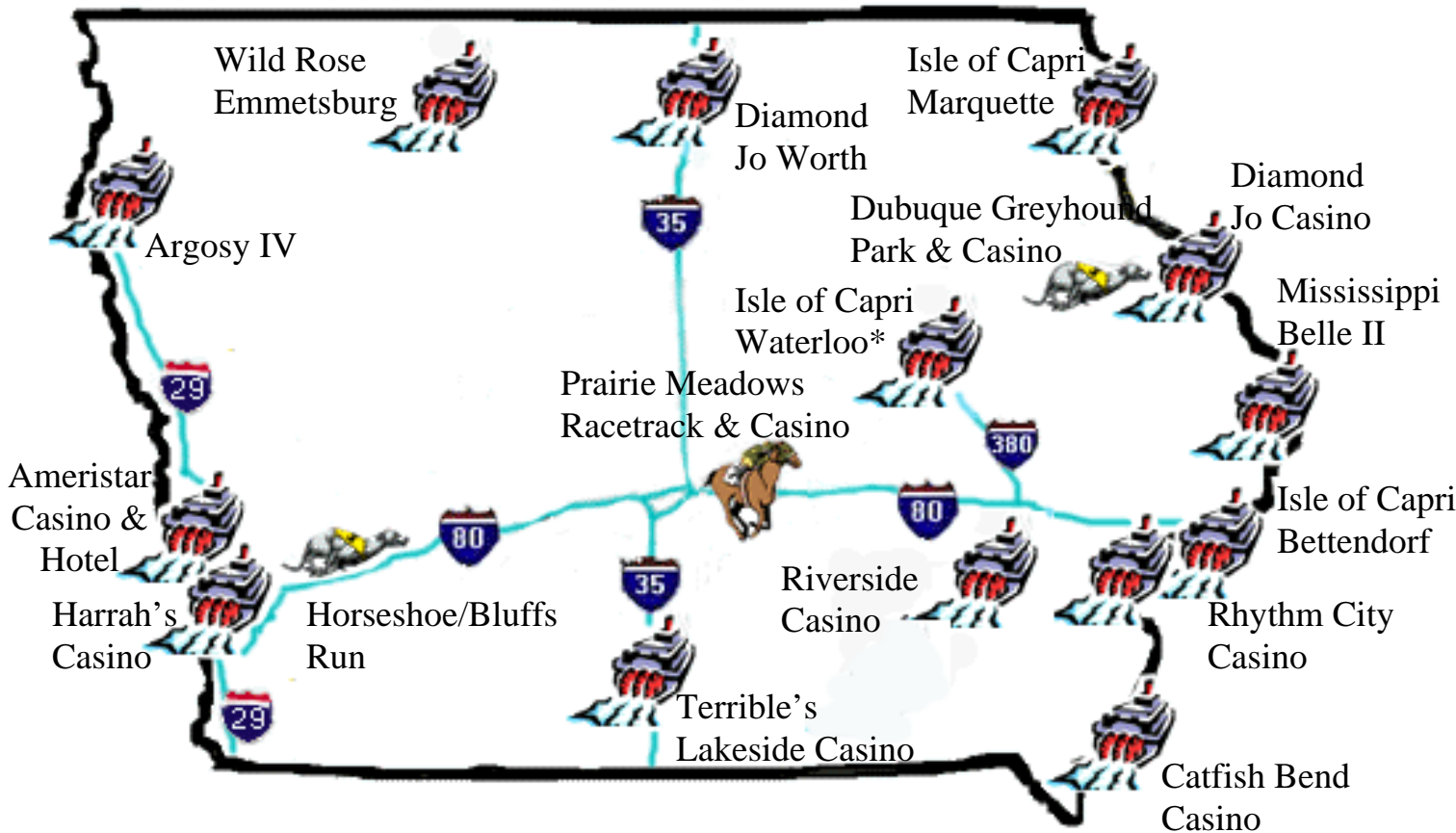
IOWA RACING AND GAMING COMMISSION

2006 Annual Report



Kate Cutler, *Chair*
Gerald Bair, *Vice Chair*
Diane Hamilton, *Commissioner*
Gregory Seyfer, *Commissioner*
Toni Urban, *Commissioner*

LOCATION OF LICENSED FACILITIES



*Isle of Capri Waterloo scheduled to open in the spring of 2007

Table of Contents

| | | |
|----|--|--|
| 2 | Location of Licensed Facilities | EXCURSION BOATS |
| 4 | Letter to Governor | 23 All Iowa Excursion Boat Totals |
| 6 | Lifetime Voluntary Self-Exclusion Program | 24 Harrah's Casino & Hotel |
| 7 | Commission Meetings | 25 Ameristar Casino & Hotel |
| | | 26 Isle of Capri-Marquette |
| | | 27 Diamond Jo Casino |
| | RACETRACKS | 28 Catfish Bend Casino |
| 10 | Horseshoe Casino/Bluffs Run Greyhound Park | 29 Mississippi Belle II |
| 11 | Dubuque Greyhound Park & Casino | 30 Argosy Casino-Sioux City |
| 12 | Prairie Meadows Racetrack & Casino | 31 Rhythm City Casino |
| 14 | Laboratory Testing | 32 Isle of Capri-Bettendorf |
| 15 | Iowa Breeder's Fund | 33 Terrible's Lakeside Casino |
| | RACETRACK CASINOS | 34 Riverside Casino |
| 17 | All Iowa Racetrack Casino Gaming Totals | 35 Diamond Jo Worth Casino |
| 18 | Horseshoe Casino/Bluffs Run Greyhound Park | 36 Wild Rose - Emmetsburg |
| 19 | Dubuque Greyhound Park & Casino | 37 Excursion Boat Revenue and Expenditures |
| 20 | Prairie Meadows Racetrack & Casino | |
| 21 | Pari-Mutuel Revenue and Expenditures | |
| 22 | Iowa's Wagering Dollar | |



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

RACING AND GAMING COMMISSION
JACK P. KETTERER, ADMINISTRATOR

February 1, 2007

The Honorable Chet Culver
Governor, State of Iowa
State Capitol
Des Moines, IA 50319

Dear Governor Culver:

As chair of the Iowa Racing and Gaming Commission ("Commission"), I am pleased to have the opportunity to submit this Annual Report for calendar year 2006. Iowa has one of the best, if not the best, racing and gaming operations in the country. As well as dedication to the highest level of integrity for racing and gaming in Iowa, the Commission is dedicated to maintaining a viable gaming industry which provides economic growth and development for Iowa, promotes responsible gaming, and ensures participation in the "Buy Iowa First" policy.

As you review this Annual report, you will note that 2006 saw significant growth in the gaming industry in Iowa. State and local tax revenues in 2006 exceeded \$280 million, the economic impact of goods and services purchases by licensees and vendors, and the jobs of Iowans, representing an annual payroll exceeding \$263 million, bolstered the Iowa economy. On May 11, 2005, the Commission granted four new licenses. In 2006, three of the four completed construction: Diamond Jo Worth opened to the public on April 6, Wild Rose Emmetsburg opened on May 29, and Riverside Casino and Golf Resort, LLC opened on August 31. Diamond Jo Worth revenues doubled initial projections due to unexpected level of Minnesota patronage and it began expansion after three months of operations. The fourth, Isle of Capri Waterloo, increased its project from initial plan and will be opening April, 2007.

Several existing facilities completed substantial casino expansion and/or renovation. Dubuque Greyhound Park & Casino completed a significant expansion in March which included a hotel and restaurant by a private investor. The \$86 million remodel and rebranding of Horseshoe Casino and Bluffs Run Greyhound Park was completed on March 16, 2006. Prairie Meadows completed the casino portion of a \$61 million expansion project, which will also include a new conference and entertainment facility as well as new restaurants. Isle of Capri Bettendorf constructed a new hotel tower adjacent to its property. Terrible's Lakeside Casino invested \$14 million for renovations.

The Commission granted approval of excursion gambling boat licenses to facilitate the sale of the Mississippi Belle II and to facilitate division of the existing Catfish Bend Casino, LLC into two separate entities. With that approval, construction of a new gaming facility began in Burlington.

The Commission was pleased to approve two 5-year purse supplement agreements: one with Dubuque Racing Association and Iowa Greyhound Association and the other with Iowa West Racing Association and Iowa Greyhound Association.

Because of continuing interest regarding granting of new licenses, the Commission agreed to start discussions at its March 1, 2007 meeting concerning the direction of the gaming industry in Iowa.

The work of the Commission could not have been done without the skilled and able leadership of Jack Ketterer, the Commission's Administrator, and his knowledgeable and experienced staff. Their dedication, competency, integrity, and professionalism is to be commended.

With warmest personal regards,

A handwritten signature in black ink, reading "Kathryn Cutler". The signature is written in a cursive, flowing style.

Kathryne Cutler
Chair

LIFETIME VOLUNTARY SELF-EXCLUSION PROGRAM

This program was required by the 2004 General Assembly as part of HF2302. The Commission adopted an administrative rule requiring implementation by the licensed casino operators which became effective on November 3, 2004. The licensed casino operators launched the program on the same date.

Information on persons entering the program must be disseminated to all other licensees in Iowa. The individual is banned at every licensed casino in Iowa and if the individual is discovered in any licensed casino, any winnings will be forfeited and sent to the Iowa Gambling Treatment Fund.

To date, 1637 people have entered the program and in excess of \$300,000 has been forfeited and sent to the Gambling Treatment Fund.

COMMISSION MEETINGS

During 2006, the Iowa Racing and Gaming Commission (Commission) met eight times, with five Executive Sessions being held. Minutes of each meeting are kept on file in the Commission office, and are available to the public upon request. The minutes are also available on the Commission's website: www.iowa.gov/irgc/. Highlights of the meetings follow:

January 12, 2006: The Commission met at Stoney Creek Inn, Johnston, Iowa. The Commission approved the Notice of Intended Action for various rules. Two new facilities, Riverside Casino and Golf Resort and Wild Rose Emmetsburg were under construction; while Bluffs Run Casino was undergoing an expansion. The Commission approved five-year purse supplement agreements between the Iowa Greyhound Association (IGA) and Iowa West Racing Association (IWRA) and Dubuque Racing Association (DRA). The Commission approved the season approvals for the thoroughbred and mixed meets at Prairie Meadows Racetrack & Casino (PMR&C).

March 2, 2006: The Commission met at Stoney Creek Inn, Johnston, Iowa. The Commission approved a request by the IWRA and IGA to withdraw funds from the escrow account; and approved the season approvals for the live meet at Dubuque Greyhound Park & Casino (DGP&C). The Commission renewed the Excursion Gambling Boat Licenses for IWRA/Ameristar Casino Council Bluffs, Inc. d/b/a Ameristar Casino; IWRA/Harveys Iowa Management Co., Inc., d/b/a Harrah's Council Bluffs, Casino Hotel; Scott County Regional Authority/Isle of Capri Bettendorf, L.C. d/b/a Isle of Capri Bettendorf; Riverboat Development Authority/IOC Davenport, Inc. d/b/a Rhythm City Casino; Clarke County Development Corporation/HGI-Lakeside, Inc. d/b/a Terrible's Lakeside Casino Resort; Dubuque Racing Association/Peninsula Gaming Company, L.L.C. d/b/a Dubuque Diamond Jo; Missouri River Historical Development, Inc./Belle of Sioux City, L.P. d/b/a Argosy Casino Sioux City; Upper Mississippi Gaming Corporation/Isle of Capri Marquette, Inc. d/b/a Isle of Capri Marquette; Southeast Iowa Regional Riverboat Commission/Catfish Bend Casinos, L.C. d/b/a Catfish Bend Casinos; and Clinton County Community Development Association/Mississippi Belle II Employees Ownership Co. d/b/a Mississippi Belle II. The Commission viewed a video prepared by the Iowa Quarter Horse Racing Association on their youth training program. Notice regarding the Request for Proposals for the Horse Racing Promotion Fund was given.

April 20, 2006: The Commission met at Harrah's Casino in Council Bluffs, Iowa. Executive Session was held. The Commission approved the final adoption of rules noticed at the January Commission meeting; distribution of the Horse Racing Promotion Fund equally to the Iowa State University College of Veterinary Medicine, Racing Chemistry, and the Legacy Harness Horse Foundation; purse supplement agreements between PMR&C and the Iowa Quarter Horse Racing Enterprise, Inc. (IQHREI) and the Iowa Horse Benevolent and Protection Association, Inc. (IAHBPA); and a request from the IGA to withdraw up to \$20,000.00 from the escrow account to pay all expenses related to the 1st Annual IGA Auction to be held in May. The Commission reviewed the annual audits for the licensees except for the Isle of Capri properties and Diamond Jo due

to the opening of the Diamond Jo Worth property. Updates were heard concerning the Wild Rose Emmetsburg, Riverside Casino and Golf Resort and Isle of Capri Waterloo properties. These new facilities are expected to open in May 2006, September 2006 and April 2007 respectively. The name for Bluffs Run Casino was changed to Horseshoe Casino/Bluffs Run Greyhound Park following the re-branding of the facility upon completion of the expansion/remodeling in mid-March.

June 8, 2006: The Commission met at Stoney Creek Inn, Johnston, Iowa. Executive Session was held. The Commission heard presentations from, and granted licenses to Wild Rose Clinton, LLC/Clinton County Community Development Association (CCCDA) and Catfish Bend Casino II, LLC/Southeast Iowa Regional Riverboat Commission (SIRRC) who are purchasing the Mississippi Belle II and Catfish Bend Casino facilities respectively. Notice was given that Requests for Proposals for the Greyhound Promotion Fund for fiscal year 2007 were due in the Commission's Des Moines office by June 30, 2006. A hearing was held for PMR&C for violation of Iowa Code Section 99F.9(5)(Wagering – age restriction).

July 13, 2006: The Commission met at Stoney Creek Inn, Johnston, Iowa. Executive Session was held. The Commission elected a new chair and vice chair for fiscal year 2007. The Commission approved: the regulatory fees for excursion gambling boats and racetrack enclosure facilities for fiscal year 2007; an addition to the Diamond Jo Worth facility; and distribution of the Dog Racing Promotion Fund to the IGA, contingent upon compliance with several staff recommendations. The Commission heard reports on Responsible Gambling Week, August 7-11, 2006, and on the State-wide Self-Exclusion Program from Wes Ehrecke, Executive Director of the Iowa Gaming Association. The Commission denied a request from Isle of Capri Casinos, via a Petition for Declaratory Order, to exclude non-cashable, promotional credits from “gross receipts” under section 99F.17, but further determined that winnings paid to patrons using promotional credits are deducted when calculating the adjusted gross receipts under 99F.1(1).

August 31, 2006: The Commission met at Stoney Creek Inn, Johnston, Iowa. Executive Session was held. The Commission heard a report on a revised site plan for the Catfish Bend Casino II facility in Burlington, and reviewed the annual financial audits for the Isle of Capri facilities in Bettendorf, Davenport and Marquette. The Commission approved: the sale of the Argosy V vessel; the season approvals for the harness meet at PMR&C, with contingencies; and Stipulated Agreements between the Commission and Harrah's and Argosy Casino Sioux City for violation of Iowa Code Section 99F.9(5) (Wagering – age restriction). A discussion was held concerning the Commission's penalty structure and penalties to the facilities for payments to voluntarily excluded patrons. In response to a Petition for Declaratory Order, the Commission determined that the term “jointly submitted” regarding purse supplement agreements would include all horse groups identified in the licensee's application for race dates.

October 5, 2006: The Commission met at Isle of Capri Bettendorf in Bettendorf, Iowa. Executive Session was held. The Commission renewed the racetrack and racetrack enclosure license and granted races dates for Horseshoe Casino/Bluffs Run Greyhound Park (HC/BRGP), but deferred the license renewals for DRA d/b/a DGP&C and PMR&C, Inc. d/b/a PMR&C until the November 9, 2006 Commission meeting. Three

hearings were heard: Jeremy Strickland, an appeal of an Administrative Law Judge Decision; and Stipulated Agreements were reached with Diamond Jo Worth and Wild Rose Emmetsburg for violations of Iowa Code Section 99F.9(5) (Wagering – age restriction).

November 9, 2006: The Commission met at Stoney Creek Inn, Johnston, Iowa. The Commission approved the season approvals for IWRA/HC/BRGP for the 2007 live race meet; and renewed the racetrack license and racing dates and the racetrack enclosure gambling licenses for DRA/DGP&C and PMR&C, Inc./PRM&C for 2007.

HORSESHOE CASINO BLUFFS RUN GREYHOUND PARK



Council Bluffs, IA

2005

2006

Live Racing

| | | |
|---------------------------------|------------------|------------------|
| Racing Dates | 1/1-12/31 | 1/1-12/31 |
| Number of Performances | 295 | 302 |
| Admissions | See Simulcasting | See Simulcasting |
| Total Mutuel Handle | \$5,416,052 | \$5,520,758 |
| Track Commission | \$1,261,622 | \$1,290,474 |
| Breakage | \$21,396 | \$20,867 |
| Returned to Public | \$4,133,035 | 4,209,417 |
| Total Purses Paid (all sources) | \$9,616,630 | \$9,542,847 |

Simulcasting (Signals Sent-Live Greyhound)

| | | |
|------------------|--------------|--------------|
| Simulcast Handle | \$23,054,040 | \$29,141,159 |
|------------------|--------------|--------------|

Simulcasting (Signals Received-Greyhounds & Horses)

| | | |
|------------------------|--------------|--------------|
| Simulcasting Dates | 1/1-12/31 | 1/1-12/31 |
| Number of Performances | 9,194 | 8,633 |
| Admissions | 2,424,713 | 2,739,386 |
| Total Mutuel Handle | \$13,605,249 | \$13,514,763 |
| Breakage | \$76,071 | 76,993 |

Pari-Mutuel Revenues to State

| | | |
|---------------------|-----------|-----------|
| State Tax | \$271,453 | \$263,012 |
| Gambler's Treatment | \$27,080 | \$27,080 |
| Unclaimed Winnings | \$94,737 | \$87,998 |

DUBUQUE GREYHOUND PARK & CASINO



Dubuque, IA

2005

2006

Live Racing

| | | |
|---------------------------------|------------------|------------------|
| Racing Dates | 4/30-10/30 | 4/29-10/29 |
| Number of Performances | 160 | 163 |
| Admissions | See Simulcasting | See Simulcasting |
| Total Mutuel Handle | \$2,180,849 | \$2,474,851 |
| Track Commission | \$487,260 | \$549,346 |
| Breakage | \$13,178 | \$14,696 |
| Returned to Public | \$1,682,715 | \$1,910,809 |
| Total Purses Paid (all sources) | \$3,437,617 | \$3,554,805 |

Simulcasting (Signals Received-Greyhounds & Horses)

| | | |
|------------------------|-------------|-------------|
| Simulcasting Dates | 1/1-12/31 | 1/1-12/31 |
| Number of Performances | 2,117 | 2423 |
| Admissions | 1,181,995 | 1,448,820 |
| Total Mutuel Handle | \$3,234,311 | \$3,511,445 |
| Breakage | \$9,279 | \$9,701 |

Pari-Mutuel Revenues to State

| | | |
|---------------------|----------|-----------|
| State Tax | \$86,864 | \$109,322 |
| Gambler's Treatment | \$10,904 | \$12,374 |
| Unclaimed Winnings | \$58,234 | \$57,688 |

PRAIRIE MEADOWS RACETRACK & CASINO

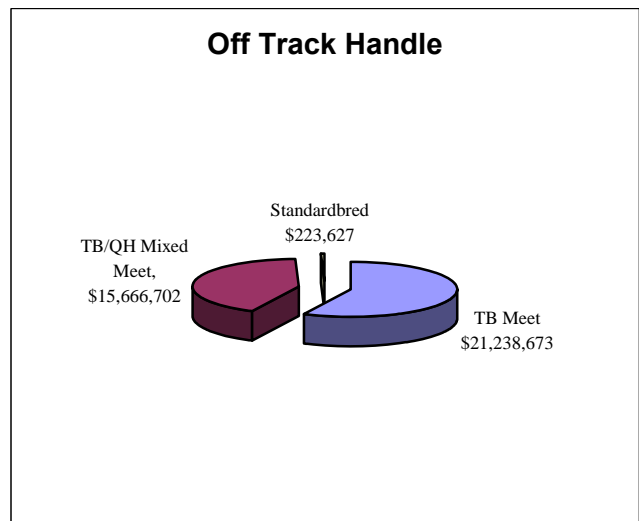
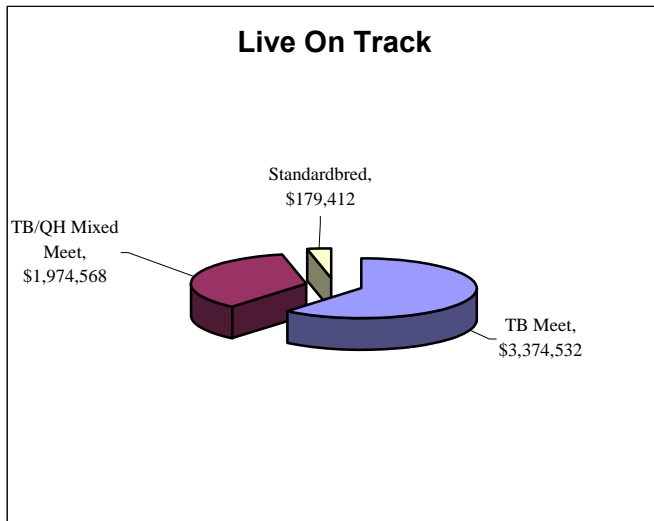


Altoona, IA

| | 2005 | 2006 |
|---------------------------------|------------------|------------------|
| <u>Live Racing</u> | | |
| Racing Dates | 4/21-7/4 | 4/21-7/4 |
| | 7/8-9/24 | 7/13-9/9 |
| | 10/1-10/29 | 9/22-10/14 |
| Number of Performances | 112 | 95 |
| Admissions | See Simulcasting | See Simulcasting |
| Total Mutuel Handle | \$6,718,332 | \$5,528,513 |
| Track Commission | \$1,228,389 | \$1,012,660 |
| Breakage | \$54,818 | \$44,224 |
| Returned to Public | \$5,457,526 | \$4,482,331 |
| Total Purses Paid (all sources) | \$15,512,751 | \$17,804,033 |

| | 2005 | 2006 |
|--|--------------|--------------|
| <u>Simulcasting (Signals Sent-Live Horse)</u> | | |
| Simulcast Handle (<i>commingled</i>) | \$38,939,542 | \$37,129,002 |

HORSE RACING HANDLE – LIVE MEET



| | 2005 | 2006 |
|---|--------------|--------------|
| <u>Simulcasting (Signals Received-Greyhounds & Horses)</u> | | |
| Simulcasting Dates | 1/1-12/31 | 1/1-12/31 |
| Number of Performances | 6,433 | 7304 |
| Admissions | 2,849,406 | 2,811,897 |
| Total Mutuel Handle | \$14,636,732 | \$14,356,589 |
| Total Mutuel Handle (Horse) | \$12,467,852 | \$12,278,242 |
| Total Mutuel Handle (Greyhound) | \$2,168,880 | \$2,078,347 |
| Breakage | \$82,654 | \$77,131 |

Pari-Mutuel Revenues to State

| | | |
|--------------------|-----------|-----------|
| Unclaimed Winnings | \$121,209 | \$117,511 |
|--------------------|-----------|-----------|

LABORATORY TESTING

The Iowa Racing and Gaming Commission, through comprehensive drug testing of participating animals, strives to protect the integrity of the sport of racing in Iowa. Iowa's urine and blood testing program is the backbone of the agency's policing functions. The drug testing program was conducted by Iowa State University Veterinary and Diagnostic Laboratory, the Commission's racing chemist.

Through chemical analysis of urine and blood samples collected from racing animals at the tracks, the Commission ensures that foreign substances are not being administered to racing animals pursuant to Iowa Code Chapter 99D.25.

The following is a summary of the samples tested and positive tests reported by the Laboratory in 2006 for the Commission.

SAMPLES

| | URINE | BLOOD |
|------------------------------------|-------|-------|
| Greyhound | | |
| Bluffs Run Casino | 4,458 | |
| Dubuque Greyhound Park & Casino | 2,344 | |
| Horse | | |
| Prairie Meadows Racetrack & Casino | 1,828 | 1,997 |

POSITIVE TESTS

| | |
|---|-----------|
| Bets Hydrory Stanozolol | 1 |
| Boldenone | 4 |
| Carprofen | 2 |
| Furosemide | 2 |
| Ketoprofen | 2 |
| Methocarbamol/Guaifenesin | 2 |
| Methylprednisolone | 2 |
| Phenylbutazone/Oxyphenbutazone >2.2 mg/ml | 9 |
| Testosterone | 8 |
| Theophylline | 2 |
| Triamcinolone | 2 |
| TOTAL POSITIVES | 36 |

IOWA BREEDERS' FUND

The Department of Agriculture maintains a database of thoroughbred, standardbred and quarterhorses that have qualified to be Iowa-foaled horses, as well as greyhounds that have qualified as Iowa-whelped dogs according to Iowa Code Chapter 99D.22 and Administrative Rules of the Department of Agriculture and Land Stewardship.

An amount equal to 12% of the winner's share of any purse won by an Iowa-foaled horse or Iowa-whelped dog is withheld by the licensee from the breakage and paid at the end of the race meeting to the Department of Agriculture and Land Stewardship for redistribution as breeders' awards.

Iowa Code Chapter 99D.11 and 12 authorize distribution of the remaining breakage as follows:

At horse tracks, 2% of the remaining breakage is distributed to the Horse Promotion Fund and the balance of the breakage at horse tracks is distributed as purse supplements to the owners of winning Iowa-bred horses.

The remainder of the breakage at greyhound tracks is divided, with 25% funding a stakes race restricted to registered Iowa-whelped greyhounds, 2% funding the Dog Promotion Fund and 73% distributed as purse supplements to the owners of winning Iowa-whelped greyhounds.

One percent of the exotic wagers, including 3 or more horses, dogs or races, is distributed as provided in 99D.12 above.

The amounts created from the total breakage and a portion of the casino revenues as statutorily required, were paid out as follows in 2006:

THOROUGHBRED/QUARTERHORSE/STANDARDTBRED

PRAIRIE MEADOWS RACETRACK & CASINO

| | |
|---|-------------|
| Breeders Awards | \$761,048 |
| Purse Supplements to Owners of Iowa Breds | \$2,162,348 |
| Horse Racing Promotion Fund | \$3,839 |
| Carry-Over | \$0 |

GREYHOUNDS

BLUFFS RUN CASINO

| | |
|--|-------------|
| Breeders Awards | \$178,243 |
| Purse Supplements to Owners of Iowa-whelped greyhounds | \$2,903,728 |
| Iowa Stakes | \$425,000 |
| Carry-Over | \$0 |
| Dog Racing Promotion Fund | \$0 |

DUBUQUE GREYHOUND PARK & CASINO

| | |
|--|-----------|
| Breeders Awards | \$10,320 |
| Purse Supplements to Owners of Iowa-whelped greyhounds | \$736,158 |
| Iowa Stakes | \$204,680 |
| Carry-Over (Breakage Only) | \$37,109 |
| Dog Racing Promotion Fund | \$20,169 |

ALL IOWA RACETRACK CASINO GAMING TOTALS

| | 2005 | 2006 |
|------------------------|-----------------|-----------------|
| Admissions | 6,456,114 | 7,000,103 |
| Slot Drop | \$2,534,764,409 | \$2,779,671,321 |
| Slot Coin In | \$4,792,220,670 | \$5,107,040,812 |
| Slot Revenue | \$341,494,760 | \$371,133,504 |
| Table Drop | \$89,722,230 | \$139,066,512 |
| Table Revenue | \$17,246,371 | \$28,476,978 |
| Adjusted Gross Revenue | \$358,741,131 | \$399,610,483 |
| City Tax | \$1,793,704 | \$1,998,053 |
| County Tax | \$1,793,704 | \$1,998,053 |
| Gambler's Treatment | \$1,793,704 | \$1,998,053 |
| Endowment Fund | \$1,793,704 | \$1,998,053 |
| Gaming Tax | \$74,083,419 | \$83,756,686 |
| Regulatory Fee | \$2,928,140 | \$3,101,989 |

HORSESHOE CASINO BLUFFS RUN GREYHOUND PARK GAMING



Council Bluffs, IA

| | 2005 | 2006 |
|------------------------------|-----------------|-----------------|
| Admissions | 2,424,713 | 2,739,386 |
| Slot Drop | \$843,870,669 | \$937,485,842 |
| Slot Coin In | \$1,443,482,449 | \$1,624,622,384 |
| Slot Revenue | \$125,580,013 | \$144,205,628 |
| Table Drop | | \$41,125,086 |
| Table Revenue | | \$8,757,155 |
| Adjusted Gross Revenue | \$125,580,013 | \$152,962,783 |
| City Tax | \$627,899 | \$764,814 |
| County Tax | \$627,899 | \$764,814 |
| Gambler's Treatment | \$627,899 | \$764,814 |
| Endowment Fund | \$627,899 | \$764,814 |
| Gaming Tax | \$24,706,003 | \$31,688,280 |
| Admission Fee/Regulatory Fee | \$1,011,433 | \$1,049,659 |

DUBUQUE GREYHOUND PARK AND CASINO GAMING



Dubuque, IA

| | 2005 | 2006 |
|------------------------|---------------|---------------|
| Admissions | 1,181,995 | 1,448,820 |
| Slot Drop | \$351,108,244 | \$458,102,805 |
| Slot Coin In | \$748,448,246 | \$893,270,338 |
| Slot Revenue | \$51,901,520 | \$63,926,444 |
| Table Drop | | \$8,934,826 |
| Table Revenue | | \$1,777,913 |
| Adjusted Gross Revenue | \$51,901,520 | \$65,704,356 |
| City Tax | \$259,507 | \$328,522 |
| County Tax | \$259,507 | \$328,522 |
| Gambler's Treatment | \$259,507 | \$328,522 |
| Endowment Fund | \$259,507 | \$328,522 |
| Gaming Tax | \$9,970,305 | \$12,730,871 |
| Regulatory Fee | \$665,108 | \$704,594 |

PRAIRIE MEADOWS RACETRACK AND CASINO GAMING



Altoona, IA

| | 2005 | 2006 |
|------------------------|-----------------|-----------------|
| Admissions | 2,849,406 | 2,811,897 |
| Slot Drop | \$1,339,785,496 | \$1,384,082,674 |
| Slot Coin In | \$2,600,289,976 | \$2,589,148,091 |
| Slot Revenue | \$164,013,227 | \$163,001,433 |
| Table Drop | \$89,722,230 | \$89,006,600 |
| Table Revenue | \$17,246,371 | \$17,941,910 |
| Adjusted Gross Revenue | \$181,259,598 | \$180,943,343 |
| City Tax | \$906,298 | \$904,717 |
| County Tax | \$906,298 | \$904,717 |
| Gambler's Treatment | \$906,298 | \$904,717 |
| Endowment Fund | \$906,298 | \$904,717 |
| Gaming Tax | \$39,407,111 | \$39,337,535 |
| Regulatory Fee | \$1,251,599 | \$1,347,736 |

PARI-MUTUEL REVENUE AND EXPENDITURES

2006

EXPENDITURES FOR REGULATION

| | |
|---|-----------------------|
| Salary and Benefits | \$1,650,410.69 |
| Travel | \$13,138.21 |
| State Vehicle | \$6,171.34 |
| Office Supplies/Printing/Postage | \$28,604.23 |
| Equipment Maintenance | \$5,417.47 |
| Communications | \$4.50 |
| Rentals | \$38,129.36 |
| Professional, Scientific & Outside Services | \$630,748.71 |
| Intra State Transfers | \$35,235.52 |
| Advertising/Publicity | 0 |
| ITD/IT Outside Services | \$28,992.10 |
| Reimbursements to Other Agencies | \$19,015.03 |
| Equipment | \$76,907.29 |
| TOTAL | \$2,532,774.45 |

REVENUES TO STATE

| | |
|---------------------------|---------------------|
| Annual Licensing Fee | \$3,000 |
| Regulatory Fees | \$3,156,241 |
| Daily License Fees | \$196,800 |
| Occupational License Fees | \$55,790 |
| Fines | \$52,950 |
| Pari-Mutuel Tax | \$369,334 |
| Gaming Tax | \$83,756,686 |
| Gambler's Treatment | \$1,998,053 |
| Unclaimed Winnings | \$263,197 |
| TOTAL | \$89,852,051 |

REVENUES TO LOCAL GOVERNMENT

| | |
|----------------------------|-------------|
| Gaming Taxes (City/County) | \$3,996,106 |
| Endowment Fund | \$1,998,053 |

IOWA'S WAGERING DOLLAR

IOWA'S PARI-MUTUEL DOLLAR

Actual percentage withheld from each wagering dollar depends on the type of wager. Chapter 99D.11(5) authorizes takeout up to 18% on win, place, and show wagers; 24% on doubles (two dogs/horses/races); and 25% on triples (3+dogs/horses/races). Pari-mutuel taxes may range from 0 to 6% on live races based on increasing levels of mutuel handle. Simulcast wagering is taxed at 2% of the pari-mutuel handle. (Chapter 99D.15)

Breakage (the odd cents by which the amount payable on each dollar wagered in a pari-mutuel pool exceeds a multiple of ten cents) is distributed to the owners and breeders of Iowa-foaled horses and Iowa-whelped dogs.

IOWA'S GAMING DOLLAR

Iowa's gaming industry consists of slot machines, table games, and other games of chance as authorized by the Commission. Slot machine statistics are kept on the total amount wagered and adjusted gross revenue. Each slot machine must have at least an 80% pay-out to the patron. Available data for table games includes the drop and the ratio of drop to the adjusted gross revenues.

The tax based on adjusted gross revenues from gambling games is: Up to \$1,000,000, 5%; above \$1,000,000 to \$3,000,000, 10%; above \$3,000,000 Excursion gambling boat – 22%; Racetrack enclosure in the same county as other licensees and not issued a table games license – 22%; Racetrack enclosure in the same county as other licensees and issued a table games license but with adjusted gross receipts of less than \$100 million – 22%; Racetrack enclosure in the same county as other licensees, issued a table games license and with adjusted gross receipts of more than \$100 million – 24% and Racetrack enclosures with no other licensees in the same county – 24%.

This tax is distributed 1/2% each to the city and county, 1/2% to the County Endowment Fund, 1/2% to gambler's treatment, and the remainder to designated state funds.

ALL IOWA EXCURSION BOAT TOTALS

| | 2005 | 2006 |
|-------------------------------|-----------------|-----------------|
| Admissions | 13,215,086 | 13,642,777 |
| Slot Drop | \$3,759,539,116 | \$4,029,590,288 |
| Slot Coin In | \$8,642,157,218 | \$8,717,040,055 |
| Slot Revenue | \$662,570,728 | \$691,198,742 |
| Table Drop | \$386,793,004 | \$370,579,847 |
| Table Revenue | \$84,427,502 | \$82,053,497 |
| Adjusted Gross Revenue | \$746,998,230 | \$773,252,240 |
| City Tax | \$3,734,992 | \$3,866,259 |
| County Tax | \$3,734,992 | \$3,866,259 |
| Gambler's Treatment | \$3,734,992 | \$3,866,259 |
| Endowment Fund | \$2,734,992 | \$3,866,259 |
| Gaming Tax | \$144,889,646 | \$149,249,525 |
| Regulatory Fee | \$6,031,460 | \$6,864,642 |
| Special Tax Assessment (RIIF) | \$15,001,162 | \$23,001,162 |

HARRAH'S CASINO & HOTEL



Council Bluffs, IA

| | 2005 | 2006 |
|-------------------------------|-----------------|-----------------|
| Admissions | 2,240,866 | 2,139,569 |
| Slot Drop | \$540,690,421 | \$519,449,161 |
| Slot Coin In | \$1,196,218,774 | \$1,135,092,504 |
| Slot Revenue | \$100,174,899 | \$98,856,164 |
| Table Drop | \$89,145,421 | \$72,746,066 |
| Table Revenue | \$21,244,852 | \$16,671,251 |
| Adjusted Gross Revenue | \$121,419,751 | \$115,527,415 |
| City Tax | \$607,100 | \$577,637 |
| County Tax | \$607,100 | \$577,637 |
| Gambler's Treatment | \$607,100 | \$577,637 |
| Endowment Fund | \$607,100 | \$577,637 |
| Gaming Tax | \$23,873,950 | \$22,695,483 |
| Regulatory Fee | \$623,210 | \$688,088 |
| Special Tax Assessment (RIIF) | \$2,329,863 | \$2,329,863 |

AMERISTAR CASINO & HOTEL



Council Bluffs, IA

| | 2005 | 2006 |
|-------------------------------|-----------------|-----------------|
| Admissions | 3,226,170 | 3,143,029 |
| Slot Drop | \$900,343,859 | \$912,240,421 |
| Slot Coin In | \$2,050,894,566 | \$1,994,845,567 |
| Slot Revenue | \$164,020,767 | \$163,812,403 |
| Table Drop | \$103,837,332 | \$98,497,434 |
| Table Revenue | \$22,950,772 | \$21,932,406 |
| Adjusted Gross Revenue | \$186,971,539 | \$185,744,809 |
| City Tax | \$934,857 | \$928,724 |
| County Tax | \$934,857 | \$928,724 |
| Gambler's Treatment | \$934,857 | \$928,724 |
| Endowment Fund | \$934,857 | \$928,724 |
| Gaming Tax | \$36,984,307 | \$36,738,962 |
| Regulatory Fee | \$623,210 | \$688,088 |
| Special Tax Assessment (RIIF) | \$3,557,600 | \$3,557,600 |

ISLE OF CAPRI-MARQUETTE



Marquette, IA

| | 2005 | 2006 |
|-------------------------------|---------------|---------------|
| Admissions | 611,381 | 594,323 |
| Slot Drop | \$208,682,887 | \$221,451,651 |
| Slot Coin In | \$554,689,549 | \$535,369,874 |
| Slot Revenue | \$40,195,122 | \$39,436,443 |
| Table Drop | \$15,141,870 | \$13,927,042 |
| Table Revenue | \$2,958,112 | \$2,755,281 |
| Adjusted Gross Revenue | \$43,153,234 | \$42,191,724 |
| City Tax | \$215,766 | \$210,958 |
| County Tax | \$215,766 | \$210,958 |
| Gambler's Treatment | \$215,766 | \$210,958 |
| Endowment Fund | \$215,766 | \$210,958 |
| Gaming Tax | \$8,220,647 | \$8,028,345 |
| Regulatory Fee | \$589,770 | \$615,272 |
| Special Tax Assessment (RIIF) | \$883,073 | \$883,073 |

DIAMOND JO CASINO



Dubuque, IA

| | 2005 | 2006 |
|-------------------------------|---------------|---------------|
| Admissions | 966,499 | 886,545 |
| Slot Drop | \$300,950,438 | \$284,684,411 |
| Slot Coin In | \$659,933,348 | \$617,598,817 |
| Slot Revenue | \$44,806,019 | \$42,498,430 |
| Table Drop | \$30,344,752 | \$26,386,020 |
| Table Revenue | \$6,367,612 | \$5,601,289 |
| Adjusted Gross Revenue | \$51,173,630 | \$48,099,720 |
| City Tax | \$255,868 | \$240,498 |
| County Tax | \$255,868 | \$240,498 |
| Gambler's Treatment | \$255,868 | \$240,498 |
| Endowment Fund | \$255,868 | \$240,498 |
| Gaming Tax | \$9,824,726 | \$9,209,944 |
| Regulatory Fee | \$589,770 | \$615,272 |
| Special Tax Assessment (RIIF) | \$1,052,888 | \$1,052,888 |

CATFISH BEND CASINO



Fort Madison, IA (Summer) Burlington, IA (Winter)

| | 2005 | 2006 |
|-------------------------------|---------------|---------------|
| Admissions | 567,531 | 566,797 |
| Slot Drop | \$194,860,191 | \$192,886,352 |
| Slot Coin In | \$352,556,098 | \$345,969,802 |
| Slot Revenue | \$27,841,772 | \$27,889,314 |
| Table Drop | \$13,996,832 | \$12,885,939 |
| Table Revenue | \$2,947,676 | \$2,783,567 |
| Adjusted Gross Revenue | \$30,789,448 | \$30,672,881 |
| City Tax | \$153,947 | \$153,365 |
| County Tax | \$153,947 | \$153,365 |
| Gambler's Treatment | \$153,947 | \$153,365 |
| Endowment Fund | \$153,947 | \$153,365 |
| Gaming Tax | \$5,747,889 | \$5,464,540 |
| Regulatory Fee | \$589,770 | \$615,272 |
| Special Tax Assessment (RIIF) | \$669,057 | \$669,057 |

MISSISSIPPI BELLE II



Clinton, IA

| | 2005 | 2006 |
|-------------------------------|---------------|---------------|
| Admissions | 456,604 | 466,876 |
| Slot Drop | \$153,533,160 | \$156,785,512 |
| Slot Coin In | \$335,579,601 | \$333,863,946 |
| Slot Revenue | \$24,391,365 | \$25,349,986 |
| Table Drop | \$11,066,490 | \$10,520,198 |
| Table Revenue | \$2,526,937 | \$2,439,625 |
| Adjusted Gross Revenue | \$26,918,302 | \$27,789,612 |
| City Tax | \$134,592 | \$138,948 |
| County Tax | \$134,592 | \$138,948 |
| Gambler's Treatment | \$134,592 | \$138,948 |
| Endowment Fund | \$134,592 | \$138,948 |
| Gaming Tax | \$4,973,661 | \$4,899,320 |
| Regulatory Fee | \$589,770 | \$615,272 |
| Special Tax Assessment (RIIF) | \$593,005 | \$593,005 |

ARGOSY CASINO



Sioux City, IA

| | 2005 | 2006 |
|-------------------------------|---------------|---------------|
| Admissions | 1,138,551 | 1,172,678 |
| Slot Drop | \$265,714,135 | \$268,889,957 |
| Slot Coin In | \$617,038,090 | \$601,071,679 |
| Slot Revenue | \$48,775,331 | \$49,028,311 |
| Table Drop | \$32,192,988 | \$31,919,646 |
| Table Revenue | \$6,579,942 | \$7,293,587 |
| Adjusted Gross Revenue | \$55,355,273 | \$56,321,898 |
| City Tax | \$276,777 | \$281,609 |
| County Tax | \$276,777 | \$281,609 |
| Gambler's Treatment | \$276,777 | \$281,609 |
| Endowment Fund | \$276,777 | \$281,609 |
| Gaming Tax | \$10,661,055 | \$10,854,380 |
| Regulatory Fee | \$589,770 | \$615,272 |
| Special Tax Assessment (RIIF) | \$978,859 | \$978,859 |

RHYTHM CITY CASINO



Davenport, IA

| | 2005 | 2006 |
|-------------------------------|---------------|---------------|
| Admissions | 1,386,191 | 1,351,918 |
| Slot Drop | \$426,429,614 | \$448,152,258 |
| Slot Coin In | \$972,316,886 | \$953,557,849 |
| Slot Revenue | \$73,231,373 | \$73,972,472 |
| Table Drop | \$17,720,545 | \$16,918,624 |
| Table Revenue | \$3,354,667 | \$3,255,923 |
| Adjusted Gross Revenue | \$76,586,040 | \$77,228,395 |
| City Tax | \$382,930 | \$386,142 |
| County Tax | \$382,930 | \$386,142 |
| Gambler's Treatment | \$382,930 | \$386,142 |
| Endowment Fund | \$382,930 | \$386,142 |
| Gaming Tax | \$14,907,208 | \$15,035,679 |
| Regulatory Fee | \$623,210 | \$688,088 |
| Special Tax Assessment (RIIF) | \$1,636,682 | \$1,636,682 |

ISLE OF CAPRI-BETTENDORF



Bettendorf, IA

| | 2005 | 2006 |
|-------------------------------|-----------------|-----------------|
| Admissions | 1,705,015 | 1,605,810 |
| Slot Drop | \$479,960,225 | \$486,516,581 |
| Slot Coin In | \$1,263,726,220 | \$1,170,718,327 |
| Slot Revenue | \$91,725,380 | \$88,858,996 |
| Table Drop | \$46,739,955 | \$43,765,690 |
| Table Revenue | \$9,732,456 | \$9,538,374 |
| Adjusted Gross Revenue | \$101,457,837 | \$98,397,370 |
| City Tax | \$507,289 | \$491,986 |
| County Tax | \$507,289 | \$491,986 |
| Gambler's Treatment | \$507,289 | \$491,986 |
| Endowment Fund | \$507,289 | \$491,986 |
| Gaming Tax | \$19,881,567 | \$19,269,474 |
| Regulatory Fee | \$623,210 | \$688,088 |
| Special Tax Assessment (RIIF) | \$2,163,147 | \$2,163,147 |

TERRIBLE'S LAKESIDE CASINO



Osceola, IA

| | 2005 | 2006 |
|-------------------------------|---------------|---------------|
| Admissions | 916,278 | 1,043,579 |
| Slot Drop | \$288,374,188 | \$360,950,268 |
| Slot Coin In | \$639,204,086 | \$670,398,008 |
| Slot Revenue | \$47,408,699 | \$51,042,201 |
| Table Drop | \$26,606,820 | \$24,616,107 |
| Table Revenue | \$5,764,477 | \$5,907,814 |
| Adjusted Gross Revenue | \$53,173,176 | \$56,950,015 |
| City Tax | \$265,866 | \$284,751 |
| County Tax | \$265,866 | \$284,751 |
| Gambler's Treatment | \$265,866 | \$284,751 |
| Endowment Fund | \$265,688 | \$284,751 |
| Gaming Tax | \$9,814,635 | \$10,980,003 |
| Regulatory Fee | \$589,770 | \$615,272 |
| Special Tax Assessment (RIIF) | \$1,136,988 | \$1,136,988 |

RIVERSIDE CASINO



Riverside, IA

| | 2006 | |
|-------------------------------|--------------|--|
| Admissions | 131,773 | |
| Slot Drop | \$46,421,650 | |
| Slot Coin In | \$76,275,745 | |
| Slot Revenue | \$6,094,571 | |
| Table Drop | \$5,640,861 | |
| Table Revenue | \$1,243,209 | |
| Adjusted Gross Revenue | \$7,337,780 | |
| City Tax | \$36,689 | |
| County Tax | \$36,689 | |
| Gambler's Treatment | \$36,689 | |
| Endowment Fund | \$36,689 | |
| Gaming Tax | \$1,467,556 | |
| Regulatory Fee | \$62,136 | |
| Special Tax Assessment (RIIF) | \$2,000,000 | |

DIAMOND JO WORTH CASINO



Northwood, IA

| | 2006 | |
|-------------------------------|---------------|--|
| Admissions | 407,810 | |
| Slot Drop | \$104,284,891 | |
| Slot Coin In | \$240,131,829 | |
| Slot Revenue | \$20,013,636 | |
| Table Drop | \$10,021,000 | |
| Table Revenue | \$2,057,278 | |
| Adjusted Gross Revenue | \$22,070,914 | |
| City Tax | \$110,354 | |
| County Tax | \$110,354 | |
| Gambler's Treatment | \$110,354 | |
| Endowment Fund | \$110,354 | |
| Gaming Tax | \$4,004,183 | |
| Regulatory Fee | \$221,095 | |
| Special Tax Assessment (RIIF) | \$1,000,000 | |

WILD ROSE - EMMETSBURG



Emmetsburg, IA

| | 2006 | |
|-------------------------------|--------------|--|
| Admissions | 132,070 | |
| Slot Drop | \$26,877,177 | |
| Slot Coin In | \$52,146,107 | |
| Slot Revenue | \$4,345,815 | |
| Table Drop | \$2,735,221 | |
| Table Revenue | \$573,893 | |
| Adjusted Gross Revenue | \$4,919,708 | |
| City Tax | \$24,598 | |
| County Tax | \$24,598 | |
| Gambler's Treatment | \$24,598 | |
| Endowment Fund | \$24,598 | |
| Gaming Tax | \$601,657 | |
| Regulatory Fee | \$137,426 | |
| Special Tax Assessment (RIIF) | \$1,000,000 | |

EXCURSION BOAT REVENUE AND EXPENDITURES 2006

EXPENDITURES FOR REGULATION

| | |
|---|-----------------------|
| Salary and Benefits | \$2,202,991.50 |
| Travel | \$42,766.73 |
| State Vehicle | \$6,839.79 |
| Office Supplies/Printing/Postage | \$21,727.03 |
| Equipment Maintenance | \$10,883.56 |
| Communications | \$107,686.70 |
| Rentals | \$41,279.81 |
| Professional, Scientific & Outside Services | (\$65,315.28) |
| Intra-State Transfers | \$34,702.48 |
| Advertising/Publicity | 0 |
| ITD/IT Outside Services | \$68,070.01 |
| Reimbursements to Other Agencies | \$27,108.75 |
| Equipment | \$175,704.10 |
| TOTAL | \$2,674,445.18 |

REVENUES TO STATE

| | |
|---|----------------------|
| Annual Licensing Fees | \$116,220 |
| Regulatory Fees | \$6,864,642 |
| Initial Application Fees | \$50,000 |
| Occupational License Fees | \$89,060 |
| Manufacturers/Distributors License Fees | \$27,000 |
| Fines | \$60,700 |
| Gaming Tax | \$149,249,525 |
| Gambler's Treatment | \$3,866,259 |
| Special Tax Assessment (RIIF) | \$23,001,162 |
| TOTAL | \$183,324,568 |

REVENUES TO LOCAL GOVERNMENT

| | |
|----------------------------|-------------|
| Gaming Taxes (City/County) | \$7,732,518 |
| Endowment Fund | \$3,866,259 |

Many local governments charge an admission fee not to exceed \$.50/person as authorized under 99F.10 which is not included above.