

STATE OF ALASKA
DEPARTMENT OF REVENUE
Tax Division
Gaming Group



Calendar Year 2006
ANNUAL REPORT OF GAMING GROUP OPERATIONS

On the internet at:
www.tax.alaska.gov

Sarah Palin
Governor

Patrick S. Galvin
Commissioner

2006

*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 2006*

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:

- ◆ Issues permits to municipalities, qualified organizations, and multiple beneficiary partnerships.
- ◆ licenses all operators, distributors and manufacturers
- ◆ collects fees and taxes
- ◆ audits various permittees and licensees
- ◆ inspects gaming locations
- ◆ investigates complaints.

This report summarizes gaming financial activity for 2006, as reported by permittees and operators and filed as of December 12, 2007.

Gaming in Alaska has many variations in the types of gaming that businesses and nonprofit organizations conduct. Following are key terms used throughout this report.

- ◆ **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.
- ◆ An **advisory notice** is issued to a permittee, licensee, or registered vendor if an incident occurs or a defect is identified that could result in a violation of gaming laws or regulations. An advisory notice may not constitute grounds for administrative or court action against a permittee, licensee or registered vendor, but may constitute grounds for issuance of a notice of violation if the incident or defect continues uncorrected.
- ◆ A **distributor** is a business located in the state that is licensed to distribute pull-tabs to permittees and to operators.
- ◆ A **permittee** is a municipality or a qualified nonprofit organization that holds a valid permit to conduct gaming activities.
- ◆ **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).
- ◆ 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.
- ◆ 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.
- ◆ **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 net proceeds.
- ◆ A **notice of violation** is issued to a permittee, licensee, or registered vendor if the Department has reason to believe that a violation of gaming laws has occurred or might occur. The Department will

Introduction (continued)

place a notice of violation and any written response in the permanent record of the Department for the permittee, licensee, or registered vendor to whom the notice was issued.

- ◆ 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 **vendor** is a business that holds a qualifying beverage dispensary or package liquor store license and has obtained a vendor authorization from the Division to sell pull-tabs on behalf of a permittee.

Gaming in Alaska is big business. In calendar year 2006, the total amount spent on gaming activities was nearly \$351 million. After prizes and taxes were paid, approximately \$82.7 million was available for gaming expenses and net proceeds to 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 of Revenue may only issue a permit to a municipality or qualified organization. The 15 types of qualified organization eligible to game in Alaska are:

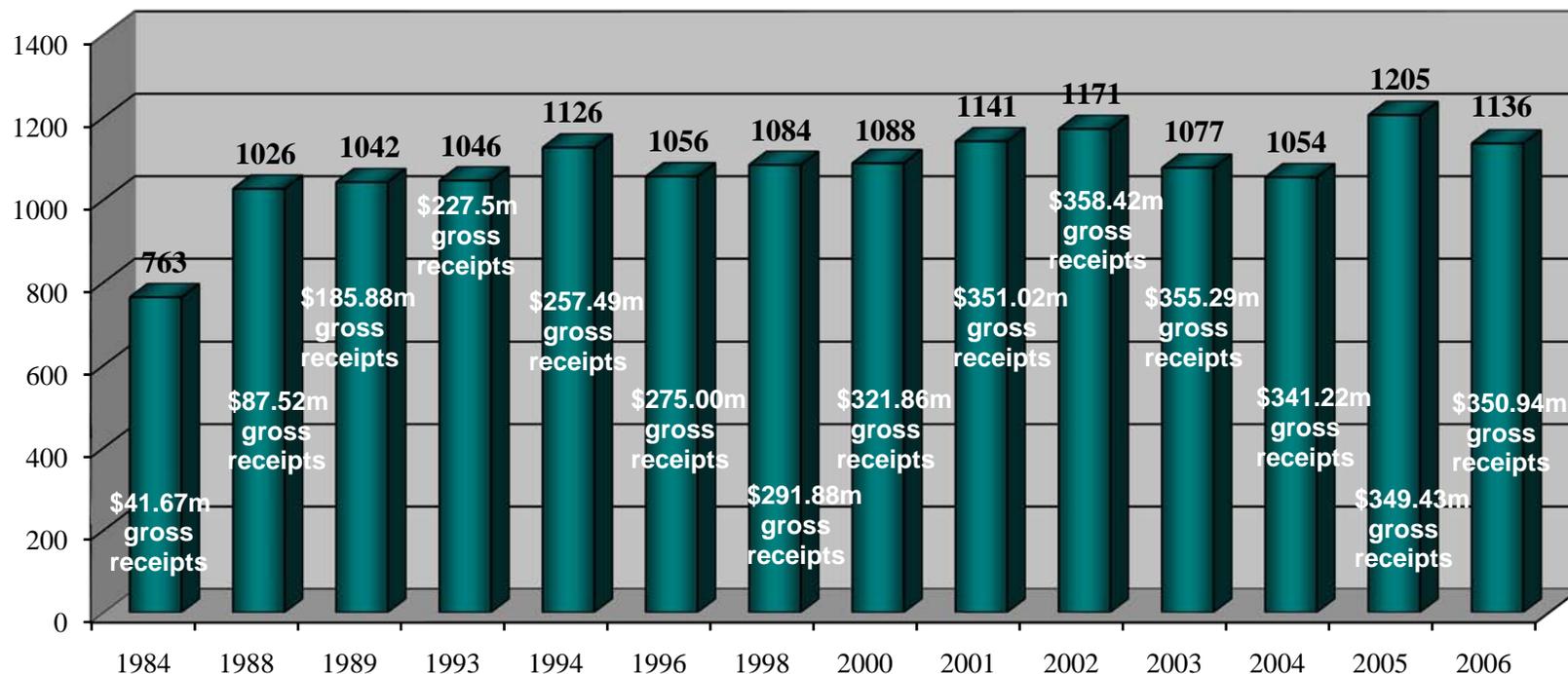
- ◆ charitable organization
- ◆ civic or service organization
- ◆ dog mushers' association
- ◆ educational organization
- ◆ fishing derby association
- ◆ fraternal organization
- ◆ labor organization
- ◆ municipality
- ◆ nonprofit trade association
- ◆ outboard motor association
- ◆ police or fire department
- ◆ political organization
- ◆ religious organization
- ◆ veterans organization
- ◆ IRA/Native village

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.

Gaming History and Background

Number of Permittees



1984	1988	1989	1994	1997	2001	2002	2003	2004	2006
·Pull-tabs authorized by regulation	·Operators legalized	·Gaming transferred from D.O.R. to D.C.E.D.	·New regulations adopted	·Gaming budget cut by one-third	·Supreme Court decision favors state in Griffin case	·Griffin case settles. Griffins pay \$400,000 to permittees	·New regulations effective January 1, 2003	·Animal classic regulations effective in December.	·House Task Force recommended there be no Gaming Commission
	·Pull-tabs legalized by statute	·Regulations enjoined	1996 ·MBP Compliance project initiated	1998 ·Supreme Court granted state's petition for review of Superior Court order in Griffin case					
	·Prize limits increased	1993 ·Gaming transferred from D.C.E.D. to D.O.R.	·Attorney General filed Griffin lawsuit		·New regulations proposed and adopted		·Stewart case settles. Stewart pays \$200,000 to permittees.		·Excess Prize & Expense Project

2006 Gaming Industry Facts and Trends

The Division presents data in this report based upon permittee and operator annual reports filed as of December 12, 2007. 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 net proceeds (profits).
- ◆ The Division based the 2006 calendar year permittee data on 1,059 annual financial statements filed as of December 12, 2007. There are 37 annual reports outstanding and the Division excluded five erroneous or incomplete reports.
- ◆ The division issued 16 MBP permits in 2005 and 16 in 2006. All MBPs filed their reports.
- ◆ The division issued 23 operator licenses in 2005 and 27 in 2006. Two Operators reports are outstanding for 2006.

Fees and taxes collected by the division:	FY-07	FY-06
3% Tax on Pull-Tabs:	\$2,013,865	\$1,980,234
1% Additional Fee on Permittees' Gaming Profits:	293,358	289,201
Permit and License Fees:	138,404	140,384
	\$2,445,627	\$2,409,819

- ◆ Distributors reported \$1,905,407 of pull-tab tax paid for calendar year 2006.

2006 Division Concerns and Focus

Alaska's gaming laws limit the expenses that may be incurred under a gaming permit to ensure that permit holders receive at least the minimum financial benefit from their gaming activities. The Division, with help from the Department of Law, has committed substantial resources to bring the activities of Multiple-beneficiary Permit holders [MBPs] into compliance.

The first step in the MBP program was to ensure that MBPs complied with minimum distribution requirements. The Division increased payment compliance, so there were no MBP deficits in 2001. The second step focused on MBP compliance with expense limitations. Continued enforcement of expense limitations in 2001 and 2002 resulted in one MBP entering an agreement to dedicate a percentage of net proceeds to the Alaska Children's Trust and another voluntarily closing its business in November 2003.

In 2003, two MBPs did not meet the expense limitations and minimum payment distributions. One MBP voluntarily closed its bingo operation on January 1, 2004, but failed to come into compliance with expense limitations for pull-tabs during 2004. Because of mitigating circumstances, the Division entered an agreement with the MBP which allowed it to continue gaming during 2005, with the understanding that it would voluntarily dissolve, and the members would not apply for 2006 gaming permits, if the MBP were still out of compliance at the end of 2005. The MBP met the expense limitations and distribution requirement in 2005 and 2006. The other MBP failed to meet the expense limitation in 2004 and did not apply for a 2005 permit.

MBP compliance efforts continued in 2004 and 2005. Two MBPs were out of compliance in 2004, and both voluntarily discontinued gaming in 2005. Another MBP misallocated a substantial amount of net proceeds among the members and agreed to redistribute net proceeds during calendar years 2005-2008. The MBP met the requirements of the agreement for 2005 and 2006, and we expect it to remain in compliance. In 2005, one MBP failed to meet bingo prize limitations and net proceeds payments. The MBP agreed to discontinue bingo operations in 2006 and to reduce future expense below the maximum or the MBP and members would voluntarily discontinue all gaming.

During 2006, the Division initiated a program to bring self-directed permittees into compliance with prize and expense limitations. The Division entered into prize limitation compliance agreements with 25 permittees that exceeded the limits in 2003 and 2004, and in some cases, 2005. Three permittees have not yet entered into an agreement. The Division began enforcement of expense limitations in late 2006. During 2007, the program was expanded to include the use of net proceeds, the method of accounting and reporting for bingo and pull-tab activities, and various other reporting requirements for those permittees who were out of compliance with the expense limits. Thirty-two letters were sent out to permittees that were out of compliance with expense limitations in 2003 and 2004; some of these were also out of compliance in 2005 and/or 2006. The permittees must comply with expense limitations and reporting requirements in 2007, or the division will seek suspension or revocation of their 2008 permits. The programs will continue in 2008.

In 2006, the Division also expanded its Online Permit and License renewal system, and permittees were offered the option of renewing for 2007 on the division web site. Approximately a quarter of the permittees (272) used this option to renew their permits. This option will be extended to MBPs and pull-tab manufacturers and distributors in 2007 and operators in 2008.

Court Proceedings

Downtown Bicycle Rental, Inc, and Peter Roberts vs. State of Alaska. Alaska Supreme Court Number 12180. 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 had used money from the permit to operate a free bike program in downtown Anchorage. DBRI contended 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 the case because DBRI was not represented by a licensed attorney, as required by law. After the Superior Court granted the State's motion, Mr. Roberts refiled the suit without naming DBRI as a party. The State filed a motion to dismiss, which was partially granted. The State then filed a motion for summary judgment, which was granted. Mr. Roberts appealed the case to the Alaska Supreme Court which affirmed the decision of the Superior Court in June of 2007. Mr. Roberts then appealed to the United States Supreme Court which denied his petition for certiorari in January of 2008.

State of Alaska vs. Loyd Reese. The Department filed an action in Anchorage Superior Court seeking to collect on amounts Mr. Reese underpaid his authorizing permittees during 1994-1997, when he was an operator. The Gaming Unit calculated that Mr. Reese owes more than \$500,000, plus interest. The case continued through 2005 and was finally resolved in 2006 with a settlement for \$112,500 [including his bond] that is secured by a confession of judgment from Mr. Reese for the entire \$500,000 if he defaults on the settlement figure.

Alaska Native Brotherhood Camp 2 vs. State of Alaska. ANB requested the Department of Revenue to authorize use of the Bingo Time System© in its bingo games. The Department refused because use of the system would violate gaming statutes and regulations, and permit ANB to offer a game that did not meet the definition of "bingo." ANB appealed this refusal. The case was appealed to the Superior Court, which affirmed the Department's decision to deny ANB's application to use the Bingo Time System to conduct bingo. ANB's time to appeal the February 20, 2008, Superior Court decision has expired.

State of Alaska vs. George Wright. George Wright, a licensed operator in Juneau, was issued notices of violation and immediate revocation for failure to pay the minimum amount of net proceeds for 2005 and failure to pay net proceeds for the first quarter of 2006. The notices were issued on April 7, 2006. Mr. Wright's bond was seized in November 2006, and was applied to the amount he owes to the authorizing permittees. The Department filed suit against Mr. Wright to recover the additional net proceeds owed to the authorizing permittees. The suit was settled in a manner to assure repayment of all monies plus interest due affected permittees and results in a lifetime ban of Mr. Wright from participation in charitable gaming in the State. The total amount collected from the settlement on behalf of the permittees at December 31, 2007 was \$285,395

2006 and 2007 Regulatory Actions

Stebbins Community Association. Investigations received a complaint of possible embezzlement and conflict of interest in the Stebbins Community Association. A notice of violation was issued for violation of 15 AAC 160.954., 15 AAC 160.820, and AS 05.15.160.

Alaska Native Sisterhood Camp #12. Alaska Native Brotherhood Camp #12, in Hoonah, complained that conflicts of interest were occurring at Alaska Native Sisterhood Camp #12, also in Hoonah. The manager admitted that the sister of an employee had bought pull-tabs from ANS Camp #12, though she was not currently working. A notice of violation was issued for conflict of interest.

Nulato Sports Association. In response to an anonymous complaint of possible embezzlement of gaming funds, a notice of violation was issued in 2006 for failure to maintain adequate records, excess expenses and unauthorized expenses.

Kivalina IRA. The Department received information that the Kivilina IRA had been allowing family members to play pull-tabs. A notice of violation was issued in 2006.

Kivalina Health Board. The Department received information that Kivilina Health Board had been allowing family members to play pull-tabs. Investigation also showed that accounting records were insufficient and that not all gaming expenses were paid by check. A notice of violation was issued in 2006.

City of Kivalina. The Department of Revenue received information that Kivilina Health Board allowed family members to play pull-tabs. A notice of violation was issued in 2006.

American Diabetes Association. A notice of violation was issued on November 17, 2006, for advertising a raffle on the radio. A notice of violation was also issued to KTKN/KGTW for violating AS 05.15.640(a) and AS 05.15.680(a).

Sea of Tabs. The operator sold pull-tabs for an organization that did not have a valid permit. A notice of violation was issued for violating AS 05.15.165(c), 15 AAC 160.110(b) and 15 AAC 160.130 on January 31, 2007.

Tuluksak Native Community. Their gaming permit expired on December 31, 2006, but the organization continued to conduct bingo in 2007. A notice of violation was sent on April 4, 2007 for conducting bingo without a permit, and for exceeding the allowable 14 sessions in a month.

Unisea Inn Sports Bar. Investigation showed that the manager was playing pull-tabs at the bar. Unisea received a notice of violation and a 30-day suspension on July 20, 2007, for allowing managers and employees to play pull-tabs at the vendor location.

Thomas Worden, a licensed operator, was issued a Notice of Violation on February 27, 2006, for failure to pay minimum net proceeds to authorizing permittees for 2004 and failure to pay any net proceeds at all to authorizing permittees for the first quarter of 2005. For continued failure to respond to Notices of Violation and a May 2006 Notice of Suspension for failures to report to permittees, to pay net proceeds to permittees, and to respond to the Department, the license was revoked on June 2, 2006. The 2005 annual report was filed late and the 2005 CPA review is still delinquent. Permittees will be paid from the operator bond.

Native Village of Hooper Bay. Investigation showed misuse of net proceeds, for which a Notice of Violation was issued on January 18, 2006, and their permit was suspended. They continue to game while under appeal.

Gaslight Lounge, a registered vendor. Investigation concluded that an event involved conduct that had all three of the statutory elements of gambling. A Notice of Violation was issued on January 3, 2006.

Nightmute Traditional Council. Investigation revealed conduct of gaming activity without a permit. A Notice of Violation was issued on February 22, 2006. The permit was revoked on June 30, 2006, for failure to file a 2005 annual financial statement.

Greater Anchorage, Inc. Investigation found that GAI was the event coordinator for an illegal gambling tournament as part of Fur Rendezvous. An advisory notice was issued on March 13, 2006.

2006 and 2007 Regulatory Actions

Seward American Legion Post 5 Auxiliary.

Investigation found that board members were giving inside information to family members. Notices of Violation and Suspension were issued on October 16, 2006, and the case was referred to the Seward Police Department for theft prosecution.

Alaska Native Brotherhood Camp 12, Hoonah.

Investigation found that direct family members were allowed to play pull-tabs. A Notice of Violation was sent on August 28, 2006.

Utqiagvigmiut Agviqsuqtit Agnanich, Barrow.

Investigation found that direct family members were allowed to play pull-tabs. A Notice of Violation was sent on June 5, 2006.

Aniak Traditional Council. Investigation revealed use of the raffle permit for personal gain. A Notice of Violation was issued on September 5, 2006.

Veterans of Foreign Wars Post 7056. Investigation revealed that the Post allowed play of unused bingo cards at later sessions; that some bingo prizes were not awarded; and that the Division was not informed of a bingo location change. A Notice of Violation was issued on November 24, 2006.

Uncle Tom's Tavern, a registered vendor in Chitina. Investigation revealed that the vendor was conducting a fish derby without a permit. An advisory notice was issued on March 23, 2006, and the vendor dropped the entry fee so that the event no longer entailed gambling.

American Legion Post 11 and Post 11 Auxiliary.

Investigation found that the Post improperly sold pull-tabs for the Auxiliary and that the Auxiliary PMIC misused pull-tab net proceeds. A Notice of Violation was issued to the Post on April 18, 2006, and the Auxiliary was referred to the Department of Law for prosecution for theft.

Ekwok Carnival Committee. Investigation found that the PMIC wrote a gaming check to himself as a personal loan. The case was referred to State Troopers on June 1, 2006.

Airport Restaurant and Bar, a registered vendor in Unalaska. Investigation showed that the vendor was not maintaining required pull-tab winner records. An advisory notice was issued to the vendor, and a Notice of Violation was issued to the permittee, Ballyhoo Lions, for failing to monitor the actions of its vendor.

City of Aniak. Investigation found that a family was holding raffles for personal gain under the City's permit. A Notice of Violation was issued to the City on August 14, 2006, for failing to control use of its permit.

Anchor Point Chamber of Commerce. Investigation found that a Calcutta pool was advertised on the internet. A Notice of Violation was issued on July 28, 2006.

City of Stebbins. Investigation showed that employees and direct family members were playing City pull-tabs. A Notice of Violation was issued on November 20, 2006.

Iditarod Trail Committee. Investigation found that the Committee was holding a poker tournament that constituted illegal gambling. A Notice of Violation was issued on October 4, 2006.

Regulation Project and Other Developments

Regulation Project

One regulation project concluded in 2006. This project amended the gaming account section to require gaming accounts to have the word "gaming" in their titles; to allow electronic funds transfer to pay permit renewal fees in the Division's Online Payment and Licensing system; and to prevent use of pre-signed checks and signature stamps. The effective date was November 6, 2006.

Other Developments

With new investigative positions authorized for tobacco enforcement, the Department formed a new Investigation Group in 2005. The Group is staffed with a Chief Investigator and four investigators, and investigates tobacco and gaming cases, as well as several other excise tax areas.

In 2006, Investigation had 370 gaming activities, including 327 gaming facility inspections, and 373 tobacco activities, throughout the state. In 2005, the investigators had 339 gaming activities, including 221 inspections of gaming premises, and 758 tobacco activities, throughout the state. The investigators also help to educate the public and business on gaming and tobacco statutes and regulations.

Key Contacts

Juneau Office

Alaska Department of Revenue
Tax Division
11th Floor, State Office Building
PO Box 110420
Juneau, AK 99811-0420
(907) 465-2320 Voice
(907) 465-3098 Fax

Anchorage Office

Alaska Department of Revenue
Tax Division
Robert B. Atwood Building
550 West 7th Avenue, Suite 500
Anchorage, AK 99501-3555
(907) 269-6620 Voice
(907) 269-6595 Fax

Jonathan Iverson, Director
Anchorage Office
(907) 269-6620

Johanna Bales, Deputy Director
Anchorage Office
(907) 269-6620

Jeff Prather, Supervisor
Juneau Office
(907) 465-2320

Web Site
<http://www.tax.alaska.gov>

Department of Revenue's Tax Division Organization Chart

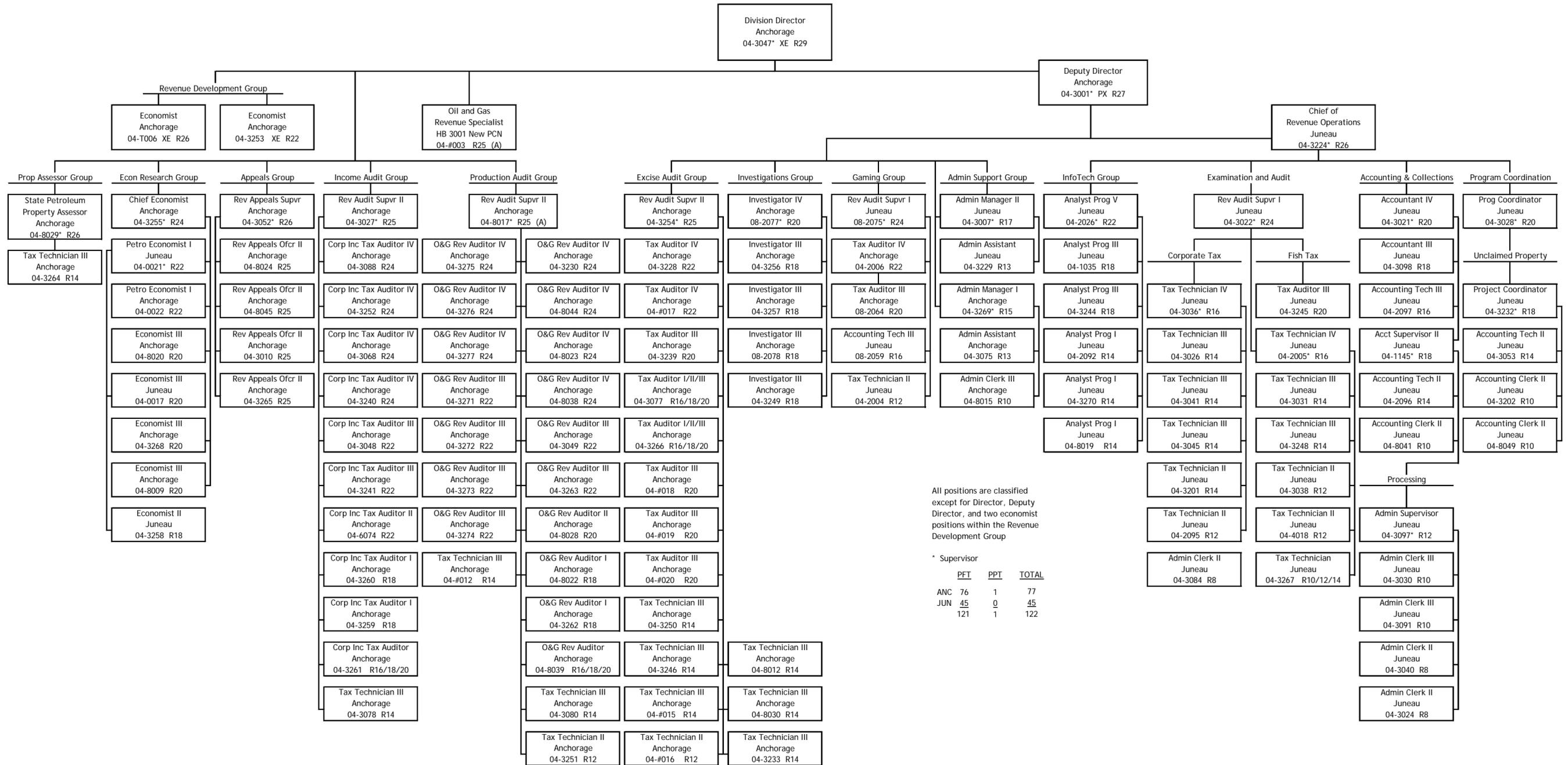


Table 1
Schedule of Gaming Activity

	2006 ⁽¹⁾		2005 ⁽²⁾	
	Amount	% Gross Receipts	Amount	% Gross Receipts
Gross Receipts	\$ 350,944,097		\$ 349,429,648	
Taxes ⁽⁴⁾	1,156,654	0.33%	1,831,410	0.52%
Prizes	<u>267,069,014</u>	76.10%	<u>261,039,885</u>	74.70%
Adjusted Gross Income	82,718,429		86,558,353	
Expenses	<u>50,848,873</u>	14.49%	<u>50,998,794</u>	14.60%
Net Proceeds	<u>\$ 31,869,556</u>	9.08%	<u>\$ 35,559,559</u>	10.18%

Breakdown of Expenses ⁽³⁾

	2006	2005
Rental of Facility	\$ 4,561,622	\$ 4,722,579
Other Facility Costs	2,533,377	2,551,223
Contract / Pro. Services	1,529,054	1,390,596
Accounting	1,092,727	1,198,927
Wages	15,069,150	15,421,612
Payroll Taxes	1,847,229	1,974,889
Operator Fee ⁽⁵⁾	3,651,785	3,606,914
Vendor Compensation	2,568,526	2,609,016
Cost of Games	9,351,676	9,167,409
Pull-Tab Tax Paid ⁽⁶⁾	1,739,547	1,717,114
Advertising	464,316	416,917
Equipment Purchases	521,604	445,350
Other Expenses ⁽⁷⁾	4,654,105	4,579,852
Door Prizes	<u>1,264,155</u>	<u>1,196,396</u>
Total Expenses	<u>\$ 50,848,873</u>	<u>\$ 50,998,794</u>

(1) Based on 1,059 permittee annual reports, 26 operator annual reports, 16 MBP annual reports filed with the division as of 12/12/2007.

(2) Based on 1,093 permittee annual reports, 22 operator annual reports, 16 MBP annual reports filed with the division as of 12/15/2006.

(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.

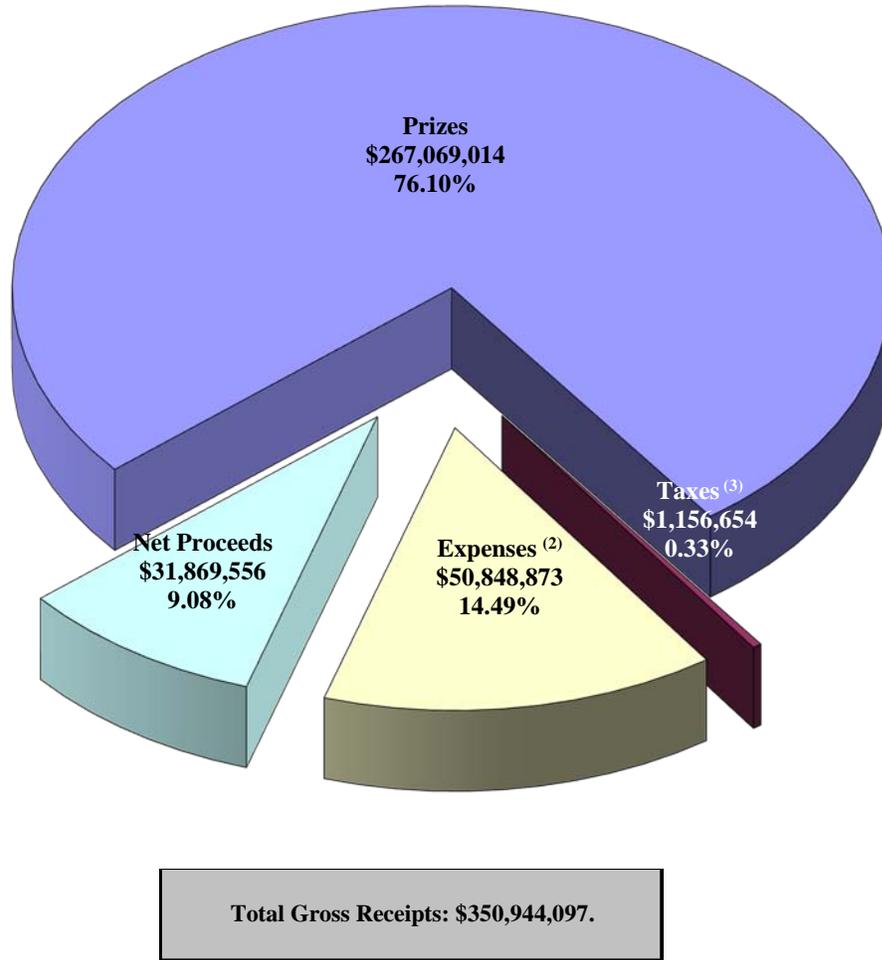
(5) Reported Operator fees have been reduced to reflect actual operator payments to permittees.

(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.

Table 2

2006 Gross Receipts Distribution ⁽¹⁾
as a percentage of Gross Receipts



(1) Based on 1,059 permittee annual reports, 26 operator annual reports, 16 MBP annual reports filed with the division as of 12/12/2007.

(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.

Tables 3(a) & (b)

3(a) 2006 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	\$ 159,886,215		\$ 39,716,691		\$ 78,726,254		\$ 72,614,937		\$ 350,944,097	
Taxes ⁽⁴⁾	520,516	0.33%	230,270	0.58%	331,733	0.42%	74,135	0.10%	1,156,654	0.33%
Prizes	<u>120,844,927</u>	75.58%	<u>31,242,516</u>	78.66%	<u>60,088,909</u>	76.33%	<u>54,892,662</u>	75.59%	<u>267,069,014</u>	76.10%
Adjusted Gross Income	38,520,772		8,243,905		18,305,612		17,648,140		82,718,429	
Expenses	<u>22,564,724</u>	14.11%	<u>4,265,060</u>	10.74%	<u>13,173,453</u>	16.73%	<u>10,845,636</u>	14.94%	<u>50,848,873</u>	14.49%
Net Proceeds	<u>\$ 15,956,048</u>	9.98%	<u>\$ 3,978,845</u>	10.02%	<u>\$ 5,132,159</u>	6.52%	<u>\$ 6,802,504</u>	9.37%	<u>\$ 31,869,556</u>	9.08%

Figure 3(b) 2005 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	\$ 160,809,152		\$ 40,467,451		\$ 77,008,946		\$ 71,144,099		\$ 349,429,648	
Taxes ⁽⁴⁾	1,149,505	0.71%	213,830	0.53%	364,968	0.47%	103,107	0.14%	1,831,410	0.52%
Prizes	<u>119,277,949</u>	74.18%	<u>31,557,680</u>	77.98%	<u>58,864,721</u>	76.44%	<u>51,339,535</u>	72.17%	<u>261,039,885</u>	74.70%
Adjusted Gross Income	40,381,698		8,695,941		17,779,257		19,701,457		86,558,353	
Expenses	<u>22,424,193</u>	13.94%	<u>4,438,269</u>	10.97%	<u>13,315,182</u>	17.29%	<u>10,821,150</u>	15.21%	<u>50,998,794</u>	14.60%
Net Proceeds	<u>\$ 17,957,505</u>	11.17%	<u>\$ 4,257,672</u>	10.52%	<u>\$ 4,464,075</u>	5.80%	<u>\$ 8,880,307</u>	12.48%	<u>\$ 35,559,559</u>	10.18%

(1) Based on 1,059 permittee annual reports, 26 operator annual reports, 16 MBP annual reports filed with the division as of 12/12/2007.

(2) Based on 1,054 permittee annual reports, 22 operator annual reports, 17 MBP annual reports filed with the division as of 07/31/2005.

(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 4
2006 Expenses by Business Classification ⁽¹⁾

	Permittees	Vendors	Operators	MBPs	Totals
Rental of Facility	\$ 1,672,941	\$	\$ 1,496,062	\$ 1,392,619	\$ 4,561,622
Other Facility Costs	1,520,850		405,517	607,010	\$ 2,533,377
Contract / Pro. Services	597,116		641,079	290,859	\$ 1,529,054
Accounting	718,657		224,047	150,023	\$ 1,092,727
Wages	8,104,985		3,276,694	3,687,471	\$ 15,069,150
Payroll Taxes	1,145,663		362,209	339,357	\$ 1,847,229
Operator Fee ⁽²⁾	-		3,651,785	-	\$ 3,651,785
Vendor Compensation	-	2,494,050	-	74,476	\$ 2,568,526
Cost of Games	3,978,926	1,189,108	2,055,015	2,128,627	\$ 9,351,676
Pull-Tab Tax Paid	689,961	289,427	451,928	308,231	\$ 1,739,547
Depreciation	24,955				\$ 24,955
Advertising	275,502		17,601	171,213	\$ 464,316
Equipment Purchases	382,141		3,711	135,752	\$ 521,604
Other Expenses ⁽³⁾	2,891,449	292,475	419,969	1,025,257	\$ 4,629,150
Door Prizes	561,578		167,836	534,741	\$ 1,264,155
Total	\$ 22,564,724	\$ 4,265,060	\$ 13,173,453	\$ 10,845,636	\$ 50,848,873

(1) Based on 1,059 permittee annual reports, 26 operator annual reports, 16 MBP annual reports filed with the division as of 12/12/2007.

(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, permittee fees, printing, shipping, supplies, travel and miscellaneous.

Tables 5(a) & (b)

5(a) Activity by Game Type and Business Classification ⁽¹⁾

Game Type	Gross Receipts	Taxes ⁽²⁾	Prizes	Adjusted Gross Income	Expenses ⁽³⁾	Net Proceeds
Pull tabs	\$ 273,243,802	\$ 1,120,168	\$ 214,387,170	\$ 57,736,464	\$ 33,849,881	\$ 23,886,583
Bingo	66,106,047	25,759	46,828,248	19,252,040	14,427,072	4,824,968
Raffle or Lottery	9,104,684	10,473	3,516,764	5,577,447	929,023	4,648,424
Fish Derby	996,747	254	571,037	425,456	259,183	166,273
Ice Classic	555,144	0	275,538	279,606	246,309	33,297
Contest of Skill	417,909	0	1,122,454	(704,545)	1,015,112	(1,719,657)
Calcutta Pool	85,275	0	48,283	36,992	3,522	33,470
Animal Classic	383,740	0	250,238	133,502	100,655	32,847
Snow Machine Classic	18,910	0	22,500	(3,590)	382	(3,972)
Dog Musher Contest	27,030	0	43,782	(16,752)	17,734	(34,486)
Race Classic	0	0	0	0	0	0
Canned Salmon Classic	1,777	0	3,000	(1,223)	0	(1,223)
Sale of Equipment	3,032	0	0	3,032	0	3,032
Salmon Classic	0	0	0	0	0	0
Rain Classic	0	0	0	0	0	0
Goose Classic	0	0	0	0	0	0
Deep Freeze Classic	0	0	0	0	0	0
Total	\$ 350,944,097	\$ 1,156,654	\$ 267,069,014	\$ 82,718,429	\$ 50,848,873	\$ 31,869,556

5(b) Activity by Business Classification (Pull-tabs, Bingo and Raffle or Lottery) ⁽¹⁾

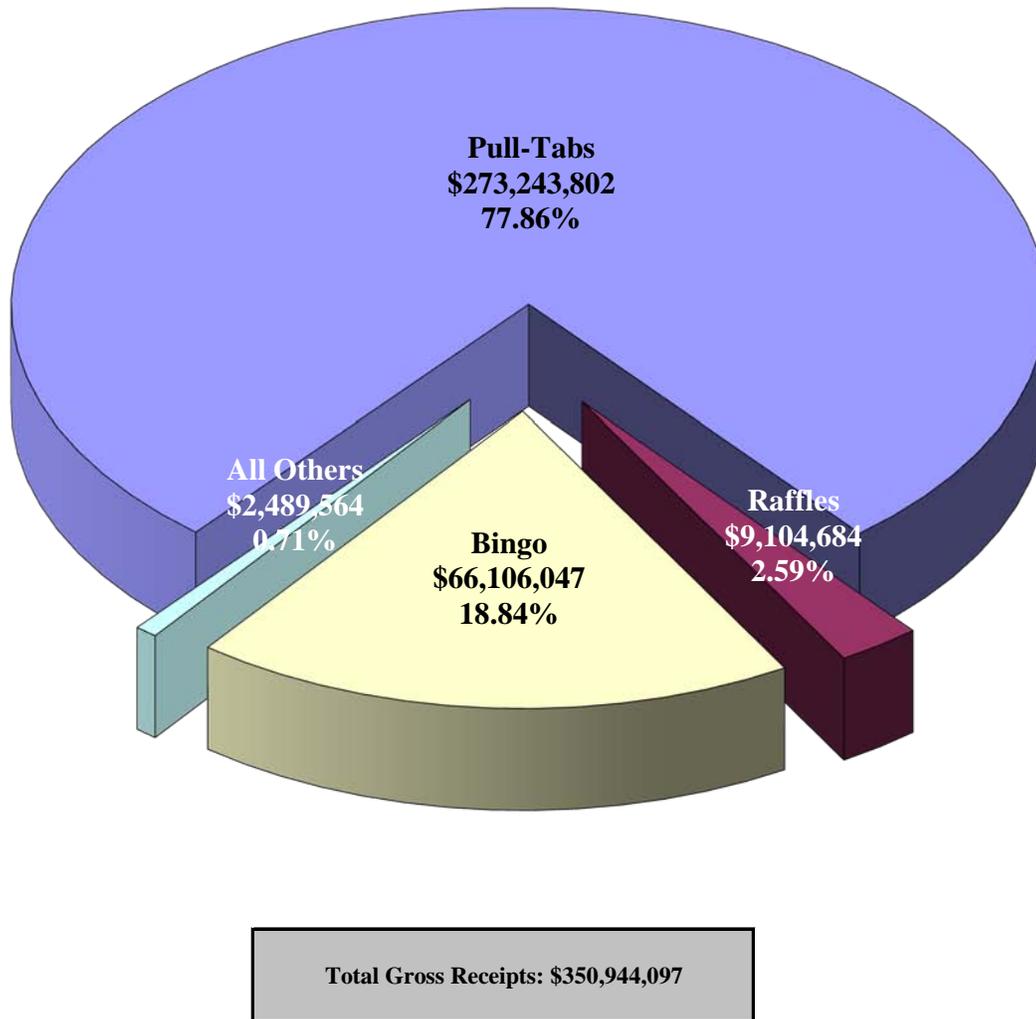
Pull-Tabs						
Permittee	\$ 121,606,836	\$ 484,030	\$ 95,307,920	\$ 25,814,886	\$ 14,598,568	\$ 11,216,318
MBP	45,731,946	74,135	36,368,326	9,289,485	5,140,890	4,148,595
Vendor	39,716,691	230,270	31,242,516	8,243,905	4,265,060	3,978,845
Operator ⁽³⁾	66,188,329	331,733	51,468,408	14,388,188	9,845,363	4,542,825
Total	\$ 273,243,802	\$ 1,120,168	\$ 214,387,170	\$ 57,736,464	\$ 33,849,881	\$ 23,886,583
Bingo						
Permittee	\$ 27,488,520	\$ 25,759	\$ 20,184,792	\$ 7,277,969	\$ 5,621,045	\$ 1,656,924
MBP	26,840,538	0	18,518,166	8,322,372	5,690,124	2,632,248
Operator ⁽³⁾	11,776,989	0	8,125,290	3,651,699	3,115,903	535,796
Total	\$ 66,106,047	\$ 25,759	\$ 46,828,248	\$ 19,252,040	\$ 14,427,072	\$ 4,824,968
Raffles and Lotteries						
Permittee	8,796,647	\$ 10,473	\$ 3,377,801	\$ 5,408,373	\$ 809,078	\$ 4,599,295
MBP	42,453	0	6,170	36,283	14,622	21,661
Operator ⁽³⁾	265,584	0	132,793	132,791	105,323	27,468
Total	\$ 9,104,684	\$ 10,473	\$ 3,516,764	\$ 5,577,447	\$ 929,023	\$ 4,648,424

(1) Based on 1,059 permittee annual reports, 26 operator annual reports, 16 MBP annual reports filed with the division as of 12/12/2007.

(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 6
2006 Gross Receipts by Game Type⁽¹⁾
as a percentage of Gross Receipts



(1) Based on 1,059 permittee annual reports, 26 operator annual reports, 16 MBP annual reports filed with the division as of 12/12/2007.

Tables 7(a) & (b)

7(a) 2006 Permittee Self-Directed Activity by Game Type ⁽¹⁾

<u>Game Type</u>	<u>Gross Receipts</u>	<u>Taxes⁽³⁾</u>	<u>Prizes</u>	<u>Adjusted Gross Income</u>	<u>Expenses⁽²⁾</u>	<u>Net Proceeds</u>
Pull-Tab	\$ 121,606,836	\$ 484,030	\$ 95,307,920	\$ 25,814,886	\$ 14,598,568	\$ 11,216,318
Bingo	27,488,520	25,759	20,184,792	7,277,969	5,621,045	1,656,924
Raffle or Lottery	8,796,647	10,473	3,377,801	5,408,373	809,078	4,599,295
Fish Derby	870,257	254	458,857	411,146	247,313	163,833
Ice Classic	555,144	0	275,538	279,606	246,309	33,297
Contest of Skill	417,909	0	1,122,454	(704,545)	1,015,112	(1,719,657)
Calcutta Pool	85,275	0	48,283	36,992	3,522	33,470
Dog Musher Contest	27,030	0	43,782	(16,752)	17,734	(34,486)
Snow Machine Classic	18,910	0	22,500	(3,590)	382	(3,972)
Animal Classic	14,878	0	0	14,878	5,661	9,217
Sale of Equipment	3,032	0	0	3,032	0	3,032
Canned Salmon Classic	1,777	0	3,000	(1,223)	0	(1,223)
Race Classic	0	0	0	0	0	0
Salmon Classic	0	0	0	0	0	0
Rain Classic	0	0	0	0	0	0
Goose Classic	0	0	0	0	0	0
Deep Freeze Classic	0	0	0	0	0	0
Total	\$ 159,886,215	\$ 520,516	\$ 120,844,927	\$ 38,520,772	\$ 22,564,724	\$ 15,956,048
	% of Gross Receipts	0.33%	75.58%		14.11%	9.98%

7(b) 2006 Permittee Vendor Activity by Game Type ⁽⁴⁾

<u>Game Type</u>	<u>Gross Receipts</u>	<u>Taxes⁽³⁾</u>	<u>Prizes</u>	<u>Adjusted Gross Income</u>	<u>Expenses⁽⁴⁾</u>	<u>Net Proceeds</u>
Pull-Tab	\$ 39,716,691	\$ 230,270	\$ 31,242,516	\$ 8,243,905	\$ 4,265,060	\$ 3,978,845
	% of Gross Receipts	0.58%	78.66%		10.74%	10.02%

(1) Based on 1,059 permittee annual reports filed with the division as of 12/12/2007.

There are 42 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.

Tables 8(a) & (b)

8(a) 2006 Operator Activity by Game Type ⁽¹⁾

	<u>Pull-Tab</u>	<u>Bingo</u>	<u>Fish Derby</u>	<u>Animal Classic</u>	<u>Raffle</u>	<u>Total</u>
Gross Receipts	\$ 66,188,329	\$ 11,776,989	\$ 126,490	\$ 368,862	\$ 265,584	\$ 78,726,254
Taxes ⁽²⁾	331,733	0	0	0	0	331,733
Prizes	<u>51,468,408</u>	<u>8,125,290</u>	<u>112,180</u>	<u>250,238</u>	<u>132,793</u>	<u>60,088,909</u>
Adjusted Gross Income	14,388,188	3,651,699	14,310	118,624	132,791	18,305,612
Expenses	<u>9,845,363</u>	<u>3,115,903</u>	<u>11,870</u>	<u>94,994</u>	<u>105,323</u>	<u>13,173,453</u>
Net Proceeds	<u>\$ 4,542,825</u>	<u>\$ 535,796</u>	<u>\$ 2,440</u>	<u>\$ 23,630</u>	<u>\$ 27,468</u>	<u>\$ 5,132,159</u>

8(b) Breakdown of Expenses ⁽³⁾

	<u>Pull-Tab</u>	<u>Bingo</u>	<u>Fish Derby</u>	<u>Animal Classic</u>	<u>Raffle</u>	<u>Total</u>
Rental of Facility	\$ 1,068,548	\$ 411,405	\$ 4,500	\$ 5,496	\$ 6,113	\$ 1,496,062
Other Facility Costs	279,623	119,314	-0-	3,118	3,462	405,517
Contract / Pro. Services	513,408	116,370	-0-	5,384	5,917	641,079
Accounting	174,270	46,835	1,060	894	988	224,047
Wages	2,355,090	865,661	-0-	26,544	29,399	3,276,694
Payroll Taxes	272,969	84,457	-0-	2,282	2,501	362,209
Operator Fee ⁽⁴⁾	2,787,628	753,592	6,000	48,689	55,876	3,651,785
Cost of Pull-tab Games	1,619,105	-0-	-0-	-0-	-0-	1,619,105
Pull-Tab Tax Paid	451,928	-0-	-0-	-0-	-0-	451,928
Cost of Bingo Cards	-0-	435,910	-0-	-0-	-0-	435,910
Advertising	10,540	5,692	-0-	1,177	192	17,601
Equipment Purchases	3,711	-0-	-0-	-0-	-0-	3,711
Other Expenses ⁽⁵⁾	275,194	142,180	310	1,410	875	419,969
Door Prizes	<u>33,349</u>	<u>134,487</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>167,836</u>
Total Expenses	<u>\$ 9,845,363</u>	<u>\$ 3,115,903</u>	<u>\$ 11,870</u>	<u>\$ 94,994</u>	<u>\$ 105,323</u>	<u>\$ 13,173,453</u>

(1) Based on 26 operator annual reports filed with the division as of 12/12/2007.

(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.

Tables 9(a) & (b)

9(a) 2006 Multiple-beneficiary Permittee Activity by Game Type ⁽¹⁾

	<u>Pull-Tab</u>	<u>Bingo</u>	<u>Raffle</u>	<u>Total</u>
Gross Receipts	\$ 45,731,946	\$ 26,840,538	\$ 42,453	\$ 72,614,937
Taxes ⁽²⁾	74,135	0	0	74,135
Prizes	<u>36,368,326</u>	<u>18,518,166</u>	<u>6,170</u>	<u>54,892,662</u>
Adjusted Gross Income	9,289,485	8,322,372	36,283	17,648,140
Expenses ⁽³⁾	<u>5,140,890</u>	<u>5,690,124</u>	<u>14,622</u>	<u>10,845,636</u>
Net Proceeds	<u>\$ 4,148,595</u>	<u>\$ 2,632,248</u>	<u>\$ 21,661</u>	<u>\$ 6,802,504</u>

9(b) Expense Detail ⁽³⁾

	<u>Pull-Tab</u>	<u>Bingo</u>	<u>Raffle</u>	<u>Total</u>
Rental of Facility	\$ 693,247	\$ 699,372	\$ -0-	\$ 1,392,619
Other Facility Costs	218,004	389,006	-0-	607,010
Contract / Pro. Services	183,252	95,545	12,062	290,859
Accounting	83,061	66,962	-0-	150,023
Wages	1,787,461	1,900,010	-0-	3,687,471
Payroll Taxes	173,629	165,728	-0-	339,357
Vendor Compensation	74,476	-0-	-0-	74,476
Cost of Games	1,047,311	1,081,316	-0-	2,128,627
Pull-Tab Tax Paid	308,231	-0-	-0-	308,231
Advertising	75,683	95,180	350	171,213
Equipment Purchases	9,300	126,452	-0-	135,752
Other Expenses ⁽⁴⁾	376,807	646,240	2,210	1,025,257
Door Prizes	<u>110,428</u>	<u>424,313</u>	<u>-0-</u>	<u>534,741</u>
Total Expenses	<u>\$ 5,140,890</u>	<u>\$ 5,690,124</u>	<u>\$ 14,622</u>	<u>\$ 10,845,636</u>

(1) Based on 16 MBP annual reports filed with the division as of 12/12/2007. 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.

Tables 10 (a) & (b)

10(a) 2006 Permittee Self-Directed Activity ⁽¹⁾

	<u>Amount</u>	<u>% Gross Receipts</u>
Gross Receipts	\$ 159,886,215	
Taxes ⁽²⁾	520,516	0.33%
Prizes	<u>120,844,927</u>	75.58%
Adjusted Gross Income	38,520,772	
Expenses	<u>22,564,724</u>	14.11%
Net Proceeds	<u>\$ 15,956,048</u>	9.98%

10(b) Expense Detail ⁽³⁾

	<u>Amount</u>	<u>% Expenses</u>
Rental of Facility	\$ 1,672,941	7.41%
Other Facility Costs	1,520,850	6.74%
Contract / Pro. Services	597,116	2.65%
Accounting	718,657	3.18%
Wages	8,104,985	35.92%
Payroll Taxes	1,145,663	5.08%
Cost of Pull-tab Games	3,544,337	15.71%
Pull-Tab Tax Paid	689,961	3.06%
Cost of Bingo Cards	434,589	1.93%
Advertising	275,502	1.22%
Equipment Purchases	382,141	1.69%
Other Expenses ⁽⁴⁾	2,891,449	12.81%
Door Prizes	561,578	2.49%
Depreciation	<u>24,955</u>	0.11%
Total Expenses	<u>\$ 22,564,724</u>	

(1) Based on 1,059 permittee annual reports filed with the division as of 12/12/2007.

There are 42 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.

Tables 11(a) & (b)
11(a) Operator Activity ⁽¹⁾

	<u>Amount</u>	<u>% Gross Receipts</u>
Gross Receipts	\$ 78,726,254	
Taxes ⁽²⁾	331,733	0.42%
Prizes	<u>60,088,909</u>	76.33%
Adjusted Gross Income	18,305,612	
Expenses	<u>13,173,453</u>	16.73%
Net Proceeds	<u>\$ 5,132,159</u>	6.52%

11(b) Expense Detail ⁽³⁾

	<u>Amount</u>	<u>% Expenses</u>
Rental of Facility	\$ 1,496,062	11.36%
Other Facility Costs	405,517	3.08%
Contract / Pro. Services	641,079	4.87%
Accounting	224,047	1.70%
Wages	3,276,694	24.87%
Payroll Taxes	362,209	2.75%
Operator Fee ⁽⁴⁾	3,651,785	27.72%
Cost of Games	2,055,015	15.60%
Pull-Tab Tax Paid	451,928	3.43%
Advertising	17,601	0.13%
Equipment Purchases	3,711	0.03%
Other Expenses ⁽⁵⁾	419,969	3.19%
Door Prizes	<u>167,836</u>	1.27%
Total Expenses	<u>\$ 13,173,453</u>	

(1) Based on 26 operator annual reports filed with the division as of 12/12/2007.

(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.

Tables 12(a) & (b)**12(a) Multiple-Beneficiary Permittee Activity ⁽¹⁾**

	<u>Amount</u>	<u>% Gross Receipts</u>
Gross Receipts	\$ 72,614,937	
Taxes ⁽²⁾	74,135	0.10%
Prizes	<u>54,892,662</u>	75.59%
Adjusted Gross Income	17,648,140	
Expenses	<u>10,845,636</u>	14.94%
Net Proceeds	<u><u>\$ 6,802,504</u></u>	9.37%

12(b) Expense Detail ⁽³⁾

	<u>Amount</u>	<u>% Expenses</u>
Rental of Facility	\$ 1,392,619	12.84%
Other Facility Costs	607,010	5.60%
Contract / Pro. Services	290,859	2.68%
Accounting	150,023	1.38%
Wages	3,687,471	34.00%
Payroll Taxes	339,357	3.13%
Vendor Compensation	74,476	0.69%
Cost of Games	2,128,627	19.63%
Pull-Tab Tax Paid	308,231	2.84%
Advertising	171,213	1.58%
Equipment Purchases	135,752	1.25%
Other Expenses ⁽⁴⁾	1,025,257	9.45%
Door Prizes	<u>534,741</u>	4.93%
Total Expenses	<u><u>\$ 10,845,636</u></u>	

(1) Based on 16 MBP annual reports filed with the division as of 12/12/2007. 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, permittee fees, printing, shipping, supplies, travel and miscellaneous.

Table 13
2006 Activity by Organization Type ⁽¹⁾

<u>Organization Type</u>	<u>Gross Receipts</u>	<u>Taxes</u> ⁽²⁾	<u>Prizes</u>	<u>Adjusted Gross Income</u>	<u>Expenses</u> ⁽³⁾	<u>Net Proceeds</u>
Charitable	\$ 85,424,475	\$ 291,692	\$ 63,638,309	\$ 21,494,474	\$ 13,082,472	\$ 8,412,002
Civic or Service	\$ 58,572,423	178,907	44,019,552	14,373,964	8,612,127	5,761,837
Educational	\$ 56,179,086	174,016	42,972,420	13,032,650	7,940,402	5,092,248
IRA/Native Village	\$ 34,271,193	122,015	25,668,154	8,481,024	5,240,484	3,240,540
Veterans	\$ 31,981,182	83,202	25,138,508	6,759,472	3,764,078	2,995,394
Municipality	\$ 27,140,754	28,519	21,242,938	5,869,297	3,476,604	2,392,693
Fraternal	\$ 25,209,097	158,728	19,367,451	5,682,918	3,357,492	2,325,426
Nonprofit Trade Assn	\$ 14,380,211	27,030	11,130,799	3,222,382	1,770,128	1,452,254
Dog Mushers' Assn	\$ 7,218,729	51,315	6,114,413	1,053,001	1,934,347	(881,346)
Police or Fire Dept	\$ 6,375,841	35,984	4,968,572	1,371,285	979,232	392,053
Religious	\$ 2,108,965	1,819	1,363,589	743,557	335,148	408,409
Labor	\$ 972,784	2,114	728,745	241,925	129,291	112,634
Political	\$ 896,155	1,313	629,333	265,509	147,724	117,785
Fishing Derby Assn	\$ 213,202	0	86,231	126,971	79,344	47,627
Total	\$ 350,944,097	\$ 1,156,654	\$ 267,069,014	\$ 82,718,429	\$ 50,848,873	\$ 31,869,556

(1) Based on 1,059 permittee annual reports, 26 operator annual reports, 16 MBP annual reports filed with the division as of 12/12/2007.

(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 14
Gross Receipts from Gaming by Organization Type

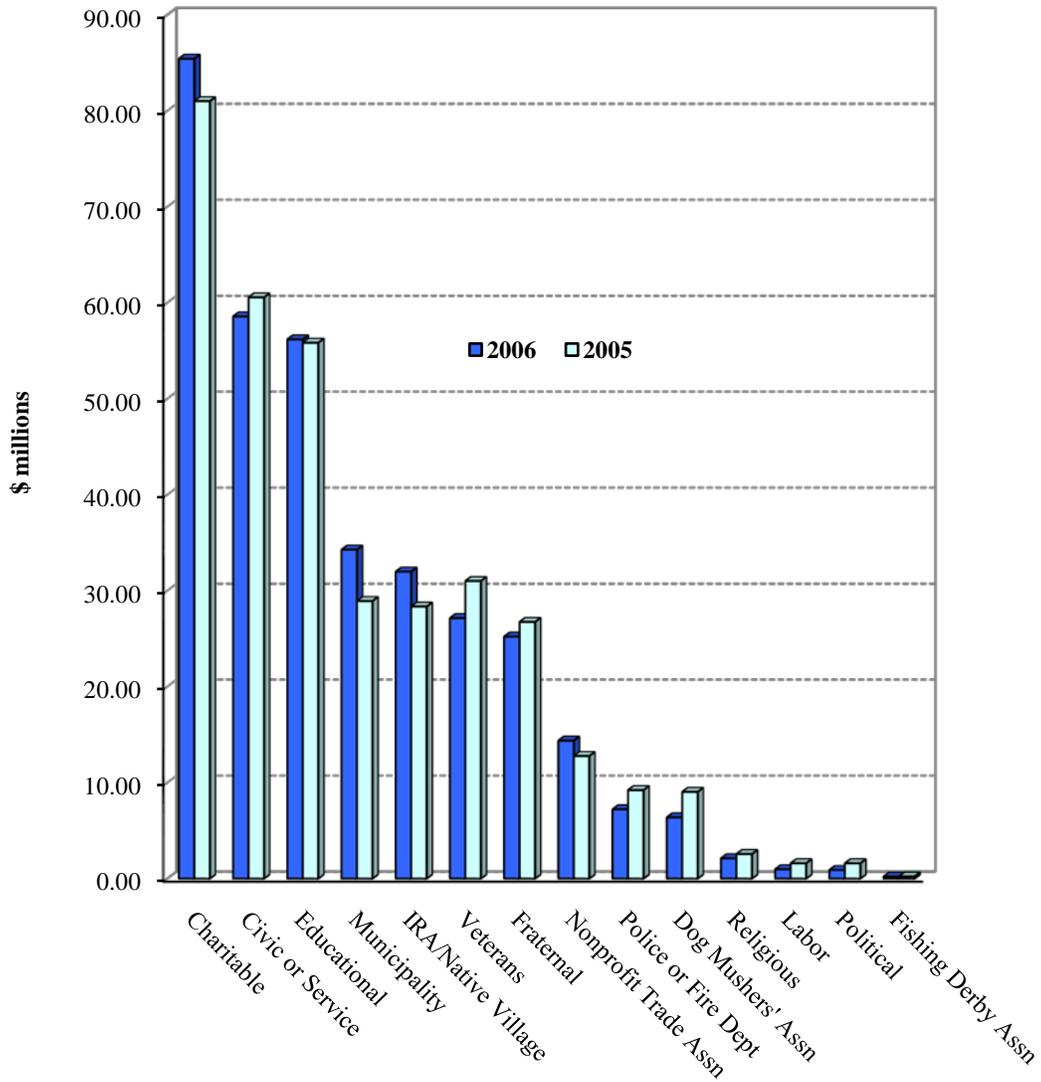
<u>Organization Type</u>	<u>2006</u> ⁽¹⁾		<u>2005</u> ⁽²⁾
	Gross Receipts		Gross Receipts
Charitable	\$ 85,424,475	Charitable	\$ 80,997,888
Civic or Service	58,572,423	Civic or Service	55,835,892
Educational	56,179,086	Educational	60,561,548
IRA/Native Village	34,271,193	IRA/Native Village	28,346,397
Veterans	31,981,182	Municipality	31,009,957
Municipality	27,140,754	Veterans	28,921,557
Fraternal	25,209,097	Fraternal	26,745,229
Nonprofit Trade Association	14,380,211	Nonprofit Trade Association	12,774,988
Dog Musers' Association	7,218,729	Dog Musers' Association	9,036,690
Police or Fire Dept	6,375,841	Police or Fire Dept	9,223,134
Religious	2,108,965	Religious	2,561,156
Labor	972,784	Labor	1,594,201
Political	896,155	Political	1,593,727
Fishing Derby Association	<u>213,202</u>	Fishing Derby Association	<u>227,284</u>
Total	<u>\$ 350,944,097</u>	Total	<u>\$ 349,429,648</u>

(1) Based on 1,059 permittee annual reports, 26 operator annual reports, and 16 MBP annual reports filed with the division as of 12/12/2007.

(2) Based on 1,093 permittee annual reports, 22 operator annual reports, and 16 MBP annual reports filed with the division as of 12/15/2006.

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

Table 15
Gross Receipts by Organization Type



Gross Receipts
2006 - \$350,944,097
2005 - \$349,429,648

Tables 16(a) & (b)
16(a) Licensed Operators

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Anchorage	9	7	4	5	7	7	8	6	6	4	6	12
Barrow	0	0	0	0	0	0	0	0	0	0	0	0
Bethel	1	1	1	1	1	1	1	2	1	1	1	1
Craig	2	2	2	3	3	3	3	3	3	3	2	2
Eagle River	1	0	0	0	0	0	0	0	0	0	0	0
Fairbanks	6	5	5	6	7	6	4	4	4	4	5	5
Haines	0	0	0	0	0	0	0	0	0	0	0	0
Juneau	1	1	1	2	1	1	1	1	0	0	1	1
Ketchikan	4	4	4	5	5	5	4	3	3	3	3	2
Nome	1	1	2	2	2	2	2	2	2	2	2	1
North Pole	0	0	1	1	0	0	1	1	1	2	2	2
Palmer	1	0	0	0	0	0	0	0	0	0	1	0
Petersburg	1	1	1	1	1	1	1	1	1	1	1	1
Valdez	0	0	0	0	0	0	0	1	1	1	1	1
Wasilla	1	1	1	1	0	0	0	0	0	0	0	0
Total	<u>28</u>	<u>23</u>	<u>22</u>	<u>27</u>	<u>27</u>	<u>26</u>	<u>25</u>	<u>24</u>	<u>22</u>	<u>21</u>	<u>25</u>	<u>28</u>

16(b) Licensed Distributors

Anchorage	2	2	3	4	3	3	5	5	5	5	6	5
Cordova	0	0	0	0	0	0	0	0	0	0	0	0
Eagle River	0	0	0	0	0	0	0	0	0	0	0	0
Fairbanks	4	4	3	3	4	4	2	2	3	3	3	3
Juneau	2	2	3	2	2	2	2	2	2	2	3	3
Kenai	0	0	0	0	0	0	0	1	0	0	0	0
Ketchikan	1	1	1	1	1	1	1	1	1	1	1	1
Nome	0	0	0	1	1	1	1	1	1	1	1	1
Sitka	1	1	1	1	1	1	1	1	1	1	1	1
Soldotna	1	1	1	1	1	1	1	1	1	1	1	1
Wasilla	0	0	0	0	0	0	0	0	0	0	0	0
Total	<u>11</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>16</u>	<u>15</u>

Tables 17(a) & (b)

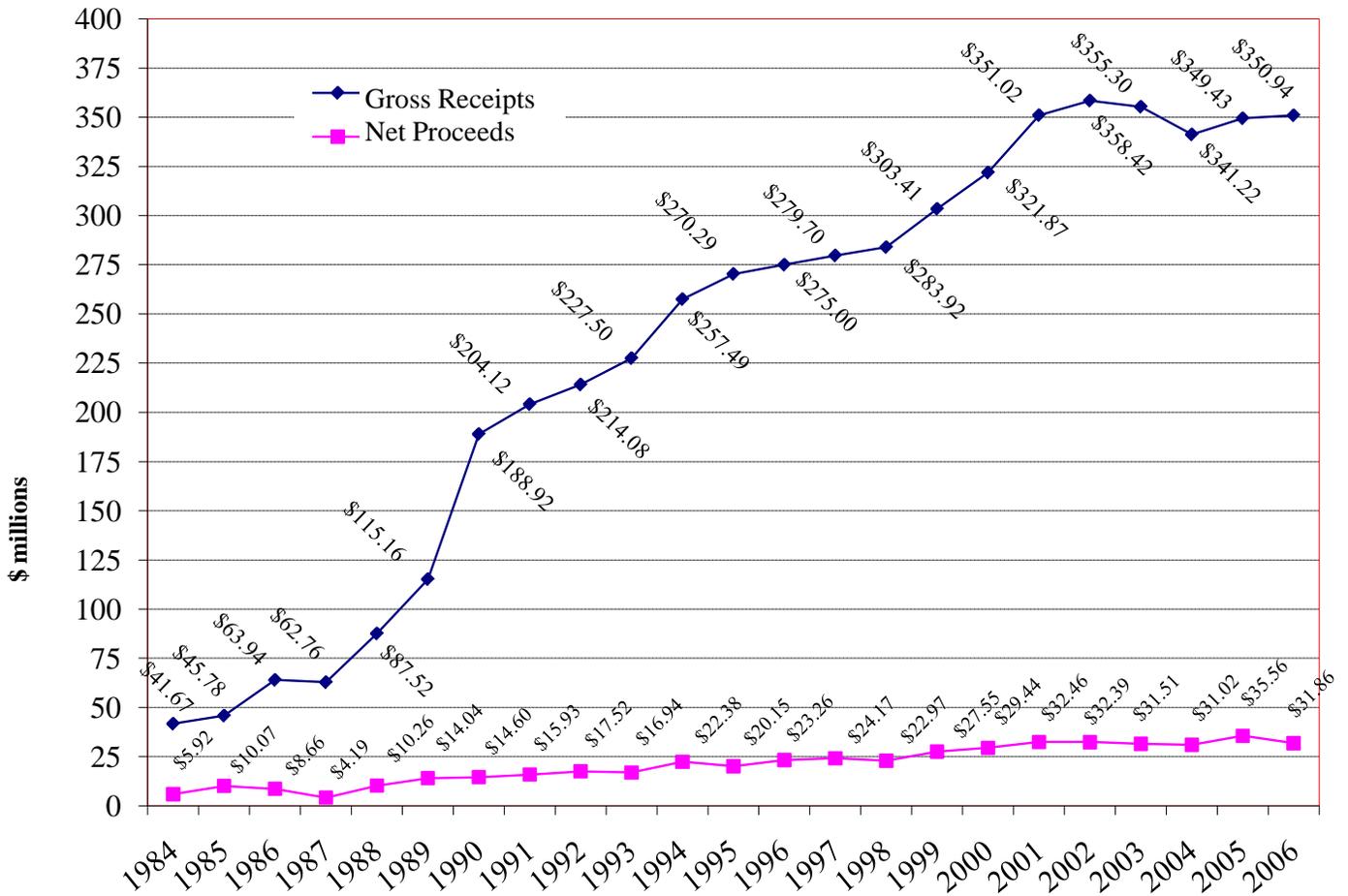
17(a) 2006 Registered Vendors and Locations

<u>City</u>	<u>Vendors</u>	<u>City</u>	<u>Vendors</u>
Anchor Point	-	King Salmon	-
Anchorage	54	Kodiak	3
Anderson	1	Kotlik	-
Auke Bay	-	Manley Hot Springs	1
Big Lake	6	Meadow Lakes	2
Cantwell	-	Moose Pass	-
Chitina	-	Naknek	1
Chugiak	2	Nenana	-
Clam Gulch	3	Nikiski	1
Cooper Landing	-	Ninilchik	2
Copper Center	-	Nome	9
Cordova	6	North Pole	3
Craig	1	Northway	-
Delta Junction	2	Palmer	10
Denali	-	Petersburg	-
Douglas	1	Salcha	2
Dutch Harbor	-	Seldovia	1
Eagle River	1	Seward	4
Ester	-	Sitka	5
Elmendorf AFB	-	Soldotna	16
Fairbanks	45	Sterling	1
Gakona	-	St Michael	-
Galena	1	Talkeetna	1
Glennallen	-	Tanana	-
Haines	4	Tok	2
Healy	-	Trapper Creek	-
Homer	14	Two Rivers	-
Hoonah	-	Unalaska	7
Houston	-	Valdez	6
Juneau	15	Ward Cove	-
Kasilof	-	Wasilla	10
Kenai	17	Willow	-
Ketchikan	7	Wrangell	4
Kiana	-	Yakutat	3
King Cove	-		
		Total Vendors in 2006	<u>274</u>
		Total Vendors in 2005	<u>242</u>

17(b) Multiple-beneficiary Permittees and Locations

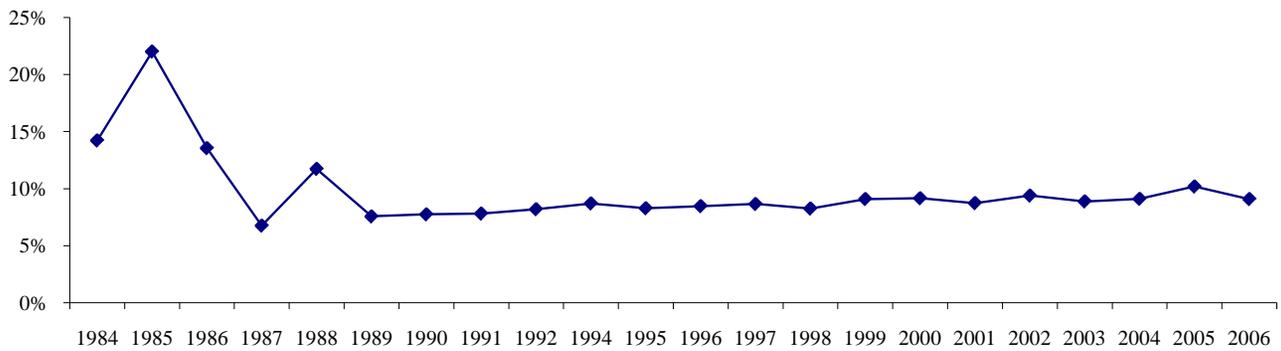
<u>City</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Anchorage	4	6	6	5	5	6	6
Douglas	1	1	1	0	0	0	0
Fairbanks	3	2	2	3	2	2	2
Homer	0	0	1	1	0	0	0
Juneau	2	2	2	3	4	4	3
Kenai	2	3	2	3	2	1	1
Kodiak	2	2	2	2	1	1	0
Soldotna	1	0	1	0	0	0	0
Wasilla	1	0	0	0	0	0	0
Total MBPs	<u>16</u>	<u>16</u>	<u>17</u>	<u>17</u>	<u>14</u>	<u>14</u>	<u>12</u>

Tables 18(a) & (b)
18(a) Annual Gross Receipts and Net Proceeds

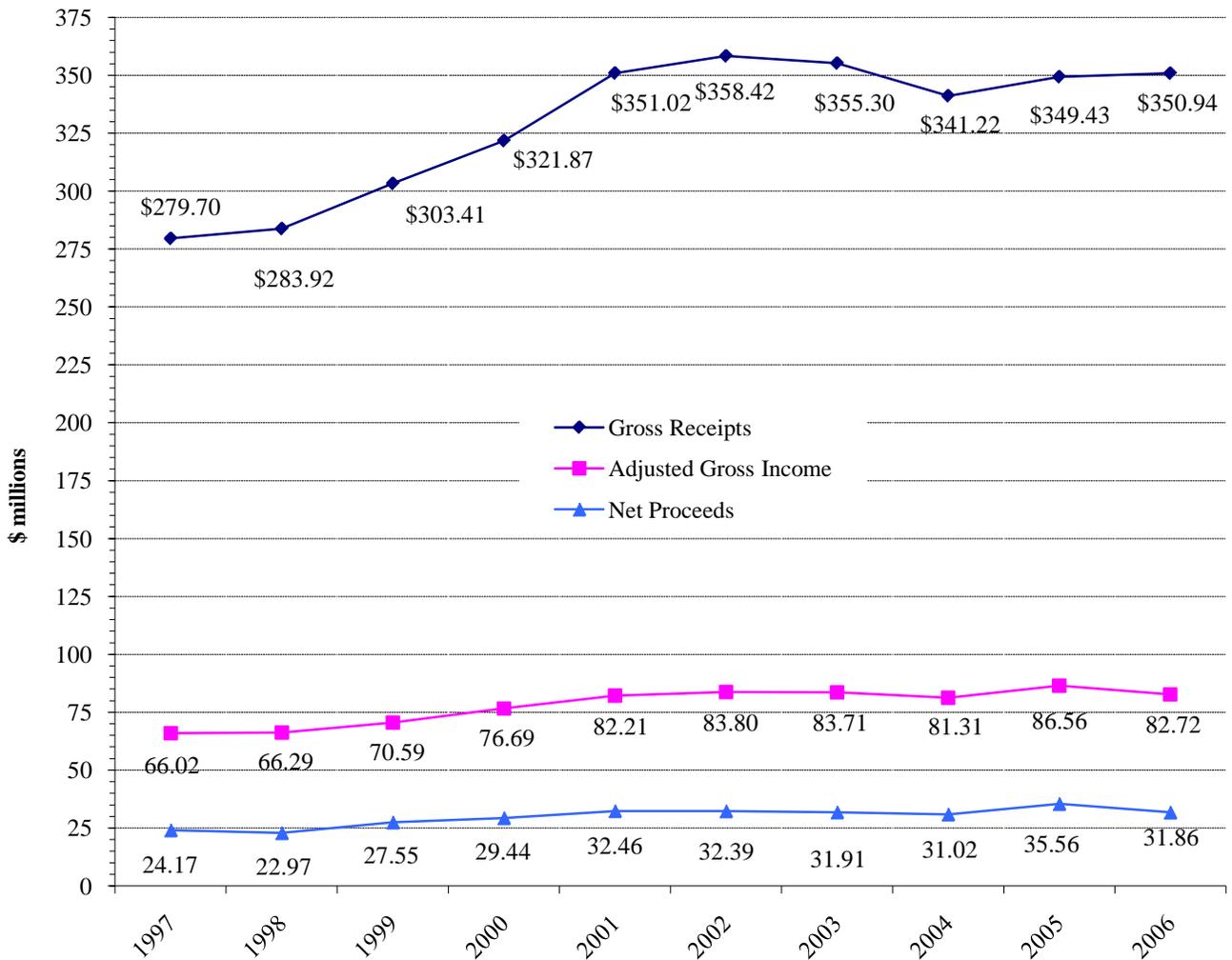


Pull-Tabs were legalized and prize limits increased in 1988.

18(b) Net Proceeds as a Percentage of Gross Receipts



Tables 19(a) & (b)
19(a) Annual Adjusted Gross Income and Net Proceeds



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.

19(b) Net Proceeds as a Percentage of Adjusted Gross Income

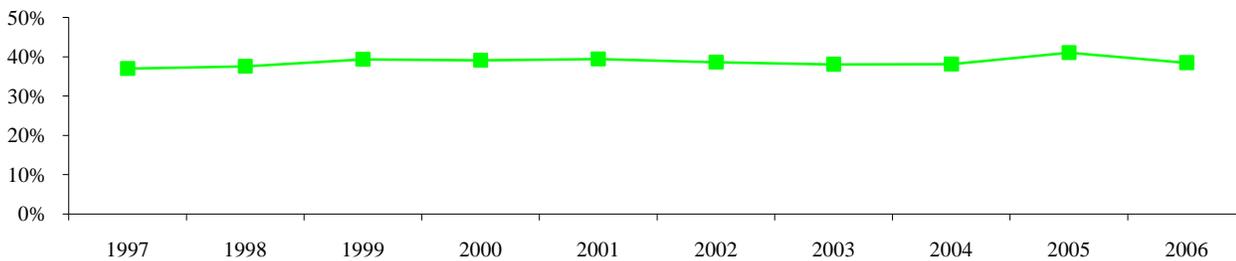


Table 20
Annual Gross Receipts, Prizes, Expenses, Taxes and Net Proceeds

