

STATE OF ALASKA

DEPARTMENT OF REVENUE

*Tax Division
Gaming Group*



Calendar Year 2007 ANNUAL REPORT OF GAMING GROUP OPERATIONS

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

Sarah Palin
Governor

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Commissioner

2007

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 2007

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 2007, as reported by permittees and operators and filed as of December 31, 2008.

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 2007, the total amount spent on gaming activities was nearly \$366 million. After prizes and taxes were paid, approximately \$85.3 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:

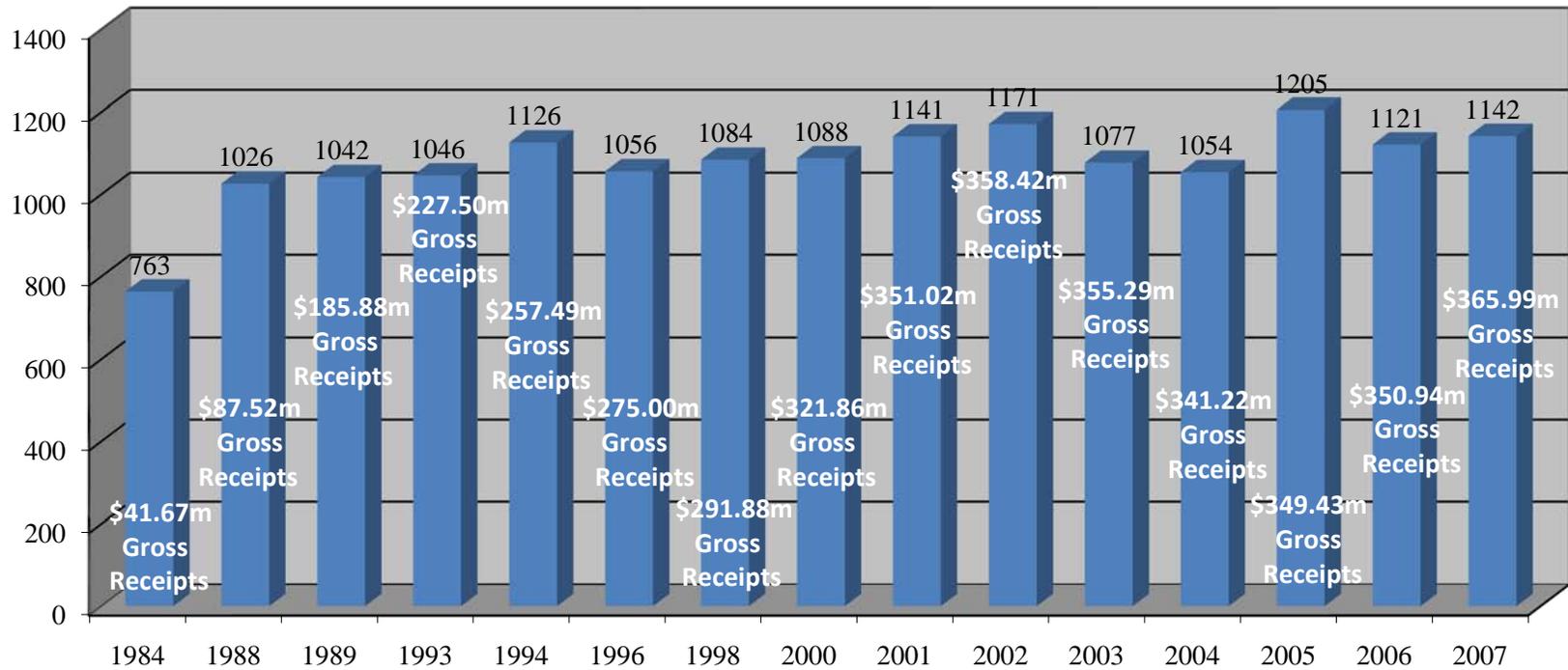
- ◆ charitable organization
- ◆ civic or service organization
- ◆ dog mushers' association
- ◆ educational organization
- ◆ fishing derby association
- ◆ fraternal organization
- ◆ labor organization
- ◆ municipality
- ◆ nonprofit trade association
- ◆ outboard motor association
- ◆ police or fire department
- ◆ 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	·MBP Compliance project initiated	·Supreme Court granted state's petition for review of Superior Court order in Griffin case			·Stewart case settles. Stewart pays \$200,000 to permittees.		·Excess Prize & Expense Project was initiated.
	·Prize limits increased	·Gaming transferred from D.C.E.D. to D.O.R.	·Attorney General filed Griffin lawsuit		·New regulations proposed and adopted				

2007 Gaming Industry Facts and Trends

The Division presents data in this report based upon permittee and operator annual reports filed for the year ending December 31, 2007.

- ◆ 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 2007 calendar year permittee data on 1,150 annual financial statements filed as of December 31, 2008. There are 81 annual reports outstanding.
- ◆ The division issued 16 MBP permits in 2006 and 15 in 2007. All MBPs filed their reports.
- ◆ The division issued 27 operator licenses in 2006 and 30 in 2007. In 2006, 26 operators filed and in 2007, 30 operators filed.

◆ Fees and taxes collected by the division:	FY-08	FY-07
3% Tax on Pull-Tabs:	\$2,219,335	\$2,013,865
1% Additional Fee on Permittees' Gaming Profits:	351,996	293,358
Permit and License Fees:	140,073	138,404
	\$2,711,404	\$2,445,627

- ◆ Distributors reported \$2,053,653.39 of pull-tab tax paid for calendar year 2007.

2007 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. Two MBP's were out of compliance in 2007. One of these MBPs voluntarily discontinued its activities in November of 2007. The other MBP hired forensic auditors to review their operations, and replaced its managers.

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-three 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 were required to comply with the expense limitations and reporting requirements in 2007 to avoid suspension or revocation of their permits. Five permittees received Notices of Revocation in 2008. One did not appeal and the revocation went into effect on June 28, 2008; revocations of the remaining four permittees were in appeals at the end of 2008. Action against another permittee has been combined with a revocation sought by the Investigation Group of the Tax Division and actions related to two permittees are being delayed subject to other issues or complaints. Three permittees either discontinued the non-compliant activity or did not renew their permits. One of these organizations is no longer in existence. Some of the remaining permittees will be subject to suspension or revocation. The program will continue in 2009.

In 2006, the Division also expanded its Online Permit and License renewal system, and permittees were offered the option of renewing for 2006 on the division web site. 272 permittees used this option in 2006 and 317 used the option in 2007.

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. Settlement payments are current through December 2008.

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 \$285,395.00. Payments continued in 2008.

2007 and 2008 Regulatory Actions

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. An investigation determined that the Tuluksak Native Community was conducting bingo without a permit and exceeding the allowable bingo session limit of 14 per month. The department issued a Notice of Violation on April 4, 2007.

Unisea inn Sports Bar and Grill. Investigation determined that Unisea, a registered Vendor, allowed its manager and other employees to play pull-tabs at the bar. Unisea received a Notice of Violation and a thirty day suspension in July 2007.

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.

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. The suspension was upheld on appeal. On October 3, 2007 the permits were reinstated.

City of Eek. As part of the excess expense program started in 2006, the City of Eek was issued a Notice of Violation for multiple gaming violations from 2003 through 2006. The City was later issued A Notice of Revocation

for failing to meet reporting requirements for its 2006 Amended Annual Financial Statement and for failing to file its 2007 Annual Financial Statement. The permit was revoked on June 28, 2008.

Fraternal Order of Eagles Aerie 1037. As part of the excess expense program started in 2006, the Fraternal Order of Eagles Aerie 1037 was issued a Notice of Violation for multiple gaming violations from 2003 through 2006. The Eagles were later issued a Notice of Revocation for failure to file an amended 2006 Annual Financial Statement and for failure to report its 2007 gaming activities in compliance with statutes and regulations. The revocation was under appeal at the end of 2008.

Veterans of Foreign Wars Post #9981. As part of the excess expense program started in 2006, Veterans of Foreign Wars Post #9981 was issued a Notice of Violation for multiple gaming violations from 2003 through 2006. The VFW was issued a Notice of Revocation for failure to meet reporting requirements in its amended 2006 Annual Financial Statement and for failure to meet expense limitations and reporting requirements for 2007. The revocation was under appeal at the end of 2008.

Alaska Native Brotherhood Grand Camp. As part of the excess expense program started in 2006, Alaska Native Brotherhood Grand Camp. was issued a Notice of Violation for multiple gaming violations from 2003 through 2006. ANB Grand Camp was issued a Notice of Revocation for failure to meet reporting requirements in its 2006 Annual Financial Statement and for failure to meet expense limitations and reporting requirements for 2007. The revocation was under appeal at the end of 2008.

Shishmaref Emergency Services. As part of the excess expense program started in 2006, Shishmaref Emergency Services was issued a Notice of Violation for multiple gaming violations from 2003 through 2006. Shishmaref Emergency Services was issued a Notice of Revocation for failure to file an amended 2006 Annual Financial Statement and for failure to file a 2007 Annual Financial Statement. The revocation was under appeal at the end of 2008.

2007 and 2008 Regulatory Actions

Free Masons-Mt. Juneau Gastineau Lodge. The Department received information that the lodge was conducting a raffle without a permit. A Notice of Violation was issued on May 7, 2008 and the Lodge's application for a raffle permit was denied for a period of three months.

Anchorage Symphony Orchestra. The Department received information that ASO used electronic mail to advertise a raffle in violation of 15 AAC 160.945(c)(1). A notice of Violation was issued on September 3, 2008.

Whaler Casino Supply. WCS, a licensed distributor, conducted a raffle without a permit. The department issued a Notice of Violation on April 4, 2007.

City of Teller. In 2007 an investigation determined misuse of net proceeds and conflicts of interest. The City of Teller received a Notice of Violation and its permit was suspended for four months. The suspension was upheld on appeal.

Alaska Moose Federation. An investigation determined the AMF advertised a raffle on the radio and the internet. An Advisory Notice was issued on April 2, 2007.

City of Kivalina. Investigation of a complaint revealed that City employees and direct family members were allowed to play pull-tabs using insider information. The city also conducted gaming activities while its permit was suspended and failed to comply with other regulations. A Notice of Revocation was issued in October 2008 and is under appeal.

Regulation Project and Other Developments

Regulation Projects

A regulation project started in the summer of 2007, culminated in changes that became effective June 22, 2008. This project clarified (1) application procedures for permittees and for operator and distributor licenses, and (2) rules for coin boards, raffle ticket serial numbers, and the sale of bingo paper. Purchase inducement programs in which a permittee or licensee agrees to buy pull-tabs exclusively from one distributor in exchange for some benefit, were prohibited, and provision of point of sale systems was limited. Members in charge, managers of gaming and operators are required to agree to a criminal history check, and the Department may require fingerprints from any of these individuals. The minimum age for a member in charge is 21 years old. The effective date is June 22, 2008.

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 2007, Investigation had 780 gaming activities, including 171 gaming facility inspections, and 750 excise tax activities, throughout the state. In 2006, the investigators had 370 gaming activities, including 327 inspections of gaming premises, and 373 tobacco activities, throughout the state. The investigators also help to educate the public and business on gaming and tobacco statutes and regulations.

Key Contacts

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Department of Revenue's Tax Division Organization Chart

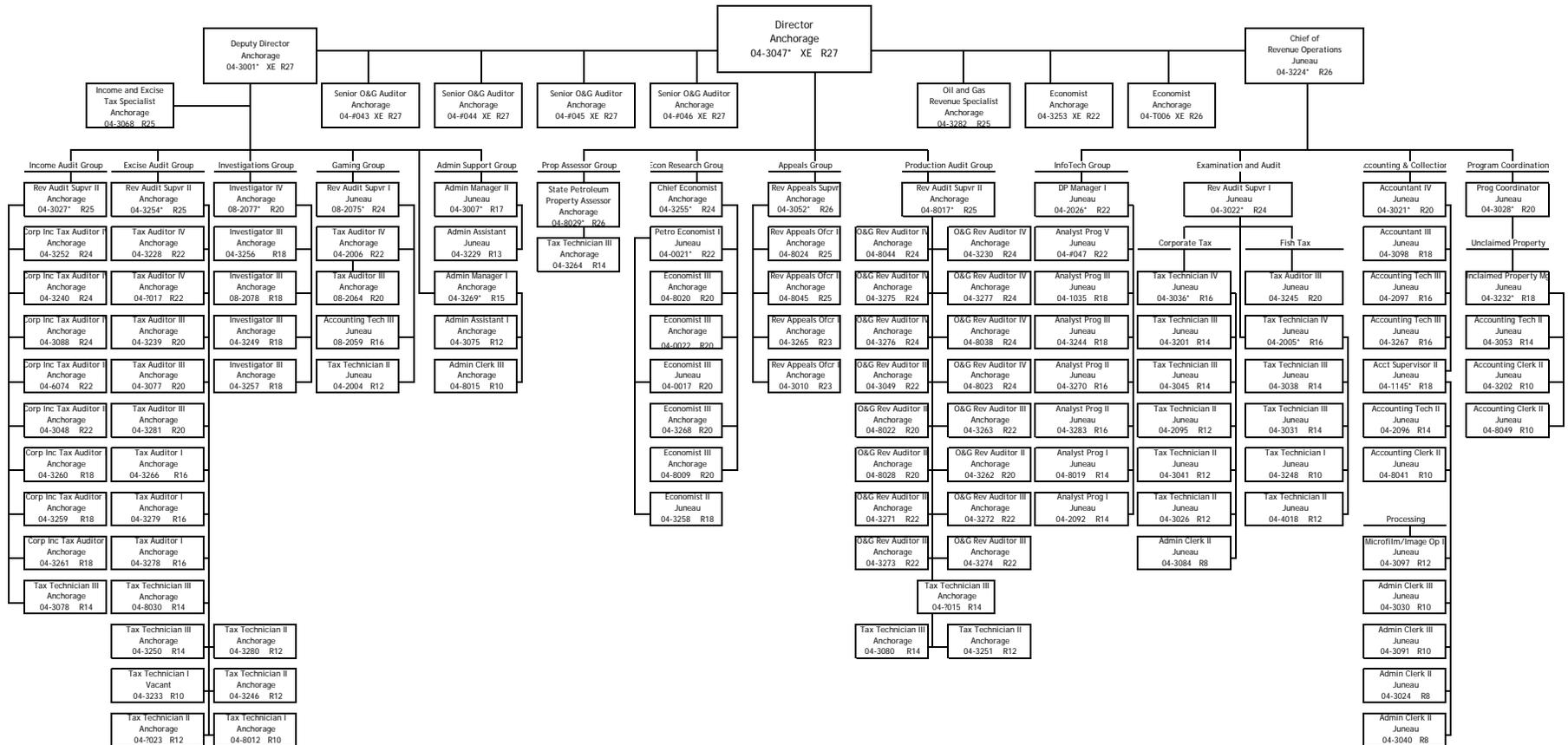


Table 1
Schedule of Gaming Activity

	2007 ⁽¹⁾		2006 ⁽²⁾	
	Amount	% Gross Receipts	Amount	% Gross Receipts
Gross Receipts	\$ 365,988,666		\$ 350,944,097	
Taxes ⁽⁴⁾	1,064,006	0.29%	1,156,654	0.33%
Prizes	<u>279,558,950</u>	76.38%	<u>267,069,014</u>	76.10%
Adjusted Gross Income	85,365,710		82,718,429	
Expenses	<u>51,956,817</u>	14.20%	<u>50,848,873</u>	14.49%
Net Proceeds	<u><u>33,408,893</u></u>	9.13%	<u><u>\$ 31,869,556</u></u>	9.08%

Breakdown of Expenses⁽³⁾

	2007	2006
Rental of Facility	\$ 4,762,528	\$ 4,561,622
Other Facility Costs	2,509,459	2,533,377
Contract / Pro. Services	1,534,476	1,529,054
Accounting	1,187,505	1,092,727
Wages	14,808,601	15,069,150
Payroll Taxes	1,960,994	1,847,229
Operator Fee ⁽⁵⁾	4,168,792	3,651,785
Vendor Compensation	2,650,310	2,568,526
Cost of Games	9,620,874	9,351,676
Pull-Tab Tax Paid ⁽⁶⁾	1,885,781	1,739,547
Advertising	411,326	464,316
Equipment Purchases	473,073	521,604
Depreciation	36,308	
Other Expenses ⁽⁷⁾	4,670,497	4,654,105
Door Prizes	<u>1,276,293</u>	<u>1,264,155</u>
Total Expenses	<u><u>\$ 51,956,817</u></u>	<u><u>\$ 50,848,873</u></u>

(1) Based on 1,150 permittee annual reports, 30 operator annual reports, 15 MBP annual reports filed with the division as of 12/31/2008.

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

(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.

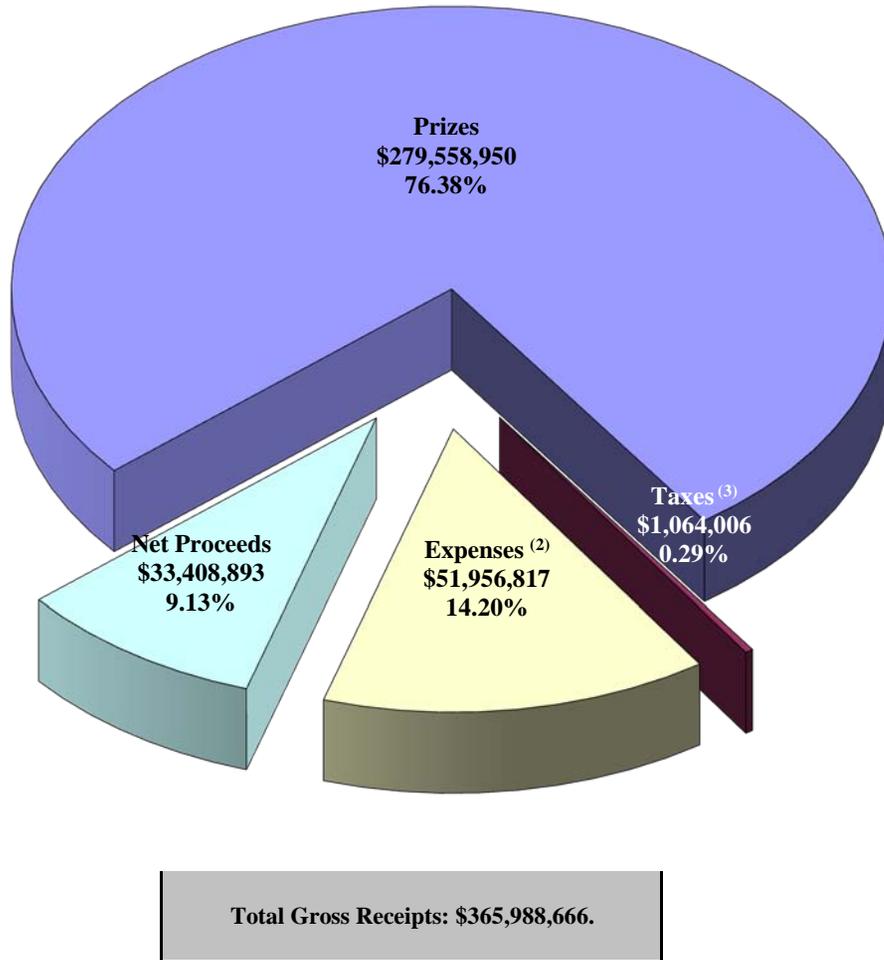
(5) Reported Operator fees have been reduced to reflect actual operator payments to permittees.

(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

2007 Gross Receipts Distribution ⁽¹⁾
as a percentage of Gross Receipts



(1) Based on 1,150 permittee annual reports, 30 operator annual reports, 15 MBP annual reports filed with the division as of 12/31/2008.

(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) 2007 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	\$ 165,070,721		\$ 41,010,288		\$ 88,005,364		\$ 71,902,293		\$ 365,988,666	
Taxes ⁽⁴⁾	473,028	0.29%	235,583	0.57%	323,215	0.36%	32,180	0.04%	1,064,006	0.29%
Prizes	<u>125,063,037</u>	75.76%	<u>32,345,651</u>	78.87%	<u>67,914,491</u>	77.17%	<u>54,235,771</u>	75.43%	<u>279,558,950</u>	76.38%
Adjusted Gross Income	39,534,656		8,429,054		19,767,658		17,634,342		85,365,710	
Expenses	<u>22,477,773</u>	13.62%	<u>4,427,685</u>	10.80%	<u>14,438,231</u>	16.41%	<u>10,613,128</u>	14.76%	<u>51,956,817</u>	14.20%
Net Proceeds	<u>\$ 17,056,883</u>	10.33%	<u>\$ 4,001,369</u>	9.76%	<u>\$ 5,329,427</u>	6.06%	<u>\$ 7,021,214</u>	9.77%	<u>\$ 33,408,893</u>	9.13%

Figure 3(b) 2006 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	\$ 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%

(1) Based on 1,150 permittee annual reports, 30 operator annual reports, 15 MBP annual reports filed with the division as of 12/31/2008.

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

(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
2007 Expenses by Business Classification ⁽¹⁾

	Permittees	Vendors	Operators	MBPs	Totals
Rental of Facility	\$ 1,769,550	\$	\$ 1,657,769	\$ 1,335,209	\$ 4,762,528
Other Facility Costs	1,407,405		511,724	590,330	\$ 2,509,459
Contract / Pro. Services	675,621		541,397	317,458	\$ 1,534,476
Accounting	801,592		228,838	157,075	\$ 1,187,505
Wages	7,741,545		3,530,786	3,536,270	\$ 14,808,601
Payroll Taxes	1,256,063		378,329	326,602	\$ 1,960,994
Operator Fee ⁽²⁾	-		4,168,792	-	\$ 4,168,792
Vendor Compensation	-	2,547,833	-	102,477	\$ 2,650,310
Cost of Games	4,148,003	1,186,284	2,242,657	2,043,930	\$ 9,620,874
Pull-Tab Tax Paid	771,136	254,606	541,458	318,581	\$ 1,885,781
Depreciation	36,308				\$ 36,308
Advertising	246,795		20,079	144,452	\$ 411,326
Equipment Purchases	306,323		10,872	155,878	\$ 473,073
Other Expenses ⁽³⁾	2,757,803	438,962	481,755	991,977	\$ 4,670,497
Door Prizes	559,629		123,775	592,889	\$ 1,276,293
Total	\$ 22,477,773	\$ 4,427,685	\$ 14,438,231	\$ 10,613,128	\$ 51,956,817

(1) Based on 1,150 permittee annual reports, 30 operator annual reports, 15 MBP annual reports filed with the division as of 12/31/2008.

(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 ⁽¹⁾

Game Type	Gross Receipts	Taxes ⁽²⁾	Prizes	Adjusted Gross Income	Expenses ⁽³⁾	Net Proceeds
Pull tabs	\$ 288,006,394	\$ 1,025,364	\$ 226,810,848	\$ 60,170,182	\$ 35,333,269	\$ 24,836,913
Bingo	66,480,378	27,494	46,944,879	19,508,005	14,032,107	5,475,898
Raffle or Lottery	8,534,291	10,229	3,434,152	5,089,910	942,838	4,147,072
Fish Derby	1,013,198	407	543,693	469,098	227,482	241,616
Ice Classic	624,290	0	312,205	312,085	263,570	48,515
Contest of Skill	627,055	0	981,277	(354,222)	1,016,439	(1,370,661)
Calcutta Pool	110,813	0	50,144	60,669	12,439	48,230
Animal Classic	342,779	512	216,845	125,422	86,414	39,008
Snow Machine Classic	76,765	0	57,454	19,311	2,680	16,631
Dog Musher Contest	62,423	0	98,454	(36,031)	33,753	(69,784)
Race Classic	110,280	0	108,999	1,281	5,826	(4,545)
Canned Salmon Classic	0	0	0	0	0	0
Sale of Equipment	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	\$ 365,988,666	\$ 1,064,006	\$ 279,558,950	\$ 85,365,710	\$ 51,956,817	\$ 33,408,893

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

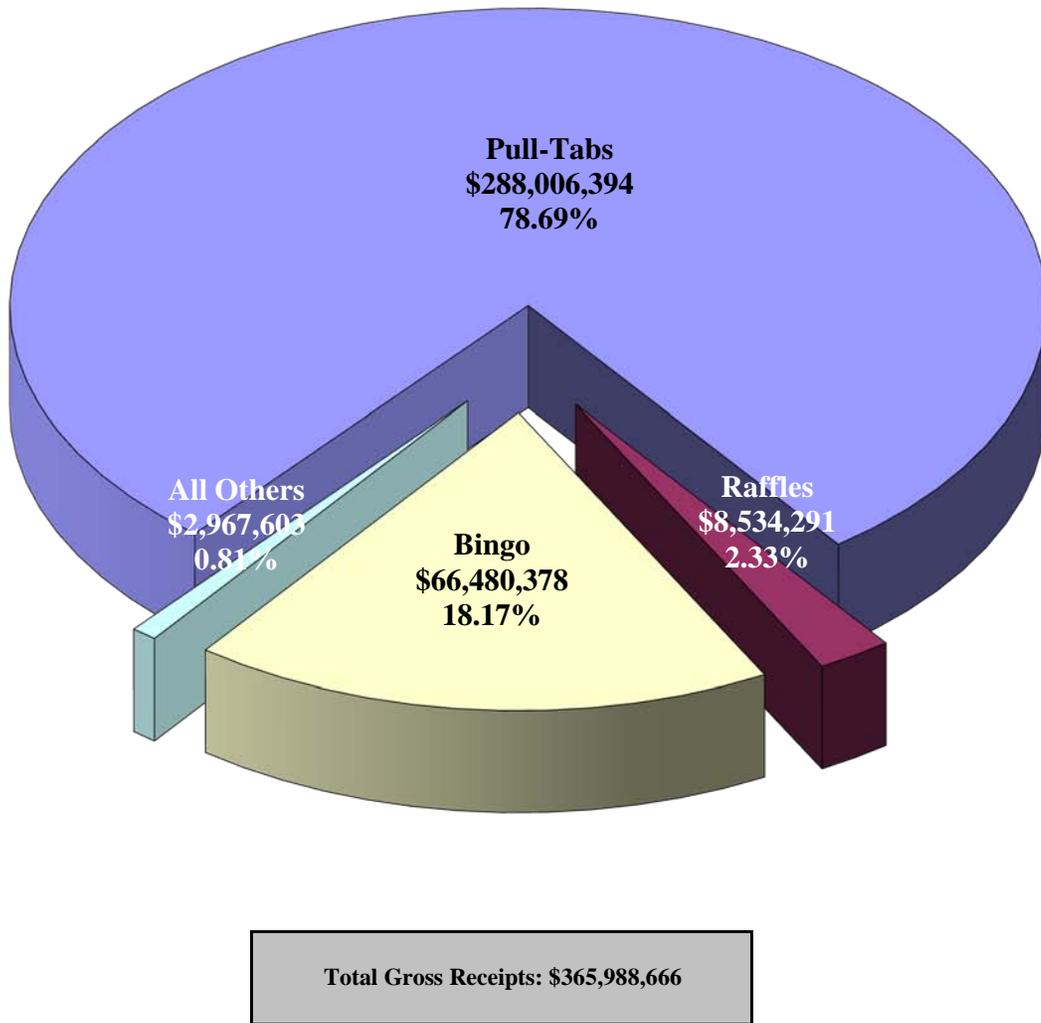
Pull-Tabs						
Permittee	\$ 126,467,621	\$ 434,878	\$ 99,622,711	\$ 26,410,032	\$ 14,642,938	\$ 11,767,094
MBP	46,289,295	32,180	36,666,087	9,591,028	5,392,808	4,198,220
Vendor	41,010,288	235,583	32,345,651	8,429,054	4,427,685	4,001,369
Operator ⁽³⁾	74,239,190	322,723	58,176,399	15,740,068	10,869,838	4,870,230
Total	\$ 288,006,394	\$ 1,025,364	\$ 226,810,848	\$ 60,170,182	\$ 35,333,269	\$ 24,836,913
Bingo						
Permittee	\$ 27,824,261	\$ 27,060	\$ 20,099,516	\$ 7,697,685	\$ 5,438,570	\$ 2,259,115
MBP	25,602,888	0	17,564,676	8,038,212	5,220,320	2,817,892
Operator ⁽³⁾	13,053,229	434	9,280,687	3,772,108	3,373,217	398,891
Total	\$ 66,480,378	\$ 27,494	\$ 46,944,879	\$ 19,508,005	\$ 14,032,107	\$ 5,475,898
Raffles and Lotteries						
Permittee	8,260,328	\$ 10,171	\$ 3,298,955	\$ 4,951,202	\$ 840,783	\$ 4,110,419
MBP	10,110	0	5,008	5,102	0	5,102
Operator ⁽³⁾	263,853	58	130,189	133,606	102,055	31,551
Total	\$ 8,534,291	\$ 10,229	\$ 3,434,152	\$ 5,089,910	\$ 942,838	\$ 4,147,072

(1) Based on 1,150 permittee annual reports, 30 operator annual reports, 15 MBP annual reports filed with the division as of 12/31/2008.

(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
2007 Gross Receipts by Game Type⁽¹⁾
as a percentage of Gross Receipts



(1) Based on 1,150 permittee annual reports, 30 operator annual reports, 15 MBP annual reports filed with the division as of 12/31/2008.

Tables 7(a) & (b)

7(a) 2007 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	\$ 126,467,621	\$ 434,878	\$ 99,622,711	\$ 26,410,032	\$ 14,642,938	\$ 11,767,094
Bingo	27,824,261	27,060	20,099,516	7,697,685	5,438,570	2,259,115
Raffle or Lottery	8,260,328	10,171	3,298,955	4,951,202	840,783	4,110,419
Fish Derby	888,418	407	433,322	454,689	215,607	239,082
Ice Classic	624,290	0	312,205	312,085	263,570	48,515
Contest of Skill	627,055	0	981,277	(354,222)	1,016,439	(1,370,661)
Calcutta Pool	110,813	0	50,144	60,669	12,439	48,230
Dog Musher Contest	62,423	0	98,454	(36,031)	33,753	(69,784)
Snow Machine Classic	76,765	0	57,454	19,311	2,680	16,631
Animal Classic	18,467	512	0	17,955	5,168	12,787
Sale of Equipment	0	0	0	0	0	0
Canned Salmon Classic	0	0	0	0	0	0
Race Classic	110,280	0	108,999	1,281	5,826	(4,545)
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	\$ 165,070,721	\$ 473,028	\$ 125,063,037	\$ 39,534,656	\$ 22,477,773	\$ 17,056,883
	% of Gross Receipts	0.29%	75.76%		13.62%	10.33%

7(b) 2007 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	\$ 41,010,288	\$ 235,583	\$ 32,345,651	\$ 8,429,054	\$ 4,427,685	\$ 4,001,369
	% of Gross Receipts	0.57%	78.87%		10.80%	9.76%

(1) Based on 1,150 permittee annual reports filed with the division as of 12/31/2008.

There are 81 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) 2007 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	\$ 74,239,190	\$ 13,053,229	\$ 124,780	\$ 324,312	\$ 263,853	\$ 88,005,364
Taxes ⁽²⁾	322,723	434	0	0	58	323,215
Prizes	58,176,399	9,280,687	110,371	216,845	130,189	67,914,491
Adjusted Gross Income	15,740,068	3,772,108	14,409	107,467	133,606	19,767,658
Expenses	10,869,838	3,373,217	11,875	81,246	102,055	14,438,231
Net Proceeds	\$ 4,870,230	\$ 398,891	\$ 2,534	\$ 26,221	\$ 31,551	\$ 5,329,427

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	\$ 1,159,874	\$ 482,116	\$ 4,500	\$ 5,261	\$ 6,018	\$ 1,657,769
Other Facility Costs	383,702	122,022	-0-	2,779	3,221	511,724
Contract / Pro. Services	418,727	111,891	-0-	5,030	5,749	541,397
Accounting	177,554	48,339	1,060	876	1,009	228,838
Wages	2,512,411	962,008	-0-	26,136	30,231	3,530,786
Payroll Taxes	277,475	95,853	-0-	2,323	2,678	378,329
Operator Fee ⁽⁴⁾	3,238,021	836,072	6,000	37,226	51,473	4,168,792
Cost of Pull-tab Games	1,775,460	-0-	-0-	-0-	-0-	1,775,460
Pull-Tab Tax Paid	541,458	-0-	-0-	-0-	-0-	541,458
Cost of Bingo Cards	-0-	467,197	-0-	-0-	-0-	467,197
Advertising	11,726	8,119	-0-	115	119	20,079
Equipment Purchases	10,872	-0-	-0-	-0-	-0-	10,872
Other Expenses ⁽⁵⁾	338,966	139,711	315	1,500	1,263	481,755
Door Prizes	23,592	99,889	-0-	-0-	294	123,775
Total Expenses	\$ 10,869,838	\$ 3,373,217	\$ 11,875	\$ 81,246	\$ 102,055	\$ 14,438,231

(1) Based on 30 operator annual reports filed with the division as of 12/31/2008.

(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) 2007 Multiple-beneficiary Permittee Activity by Game Type ⁽¹⁾

	<u>Pull-Tab</u>	<u>Bingo</u>	<u>Raffle</u>	<u>Total</u>
Gross Receipts	\$ 46,289,295	\$ 25,602,888	\$ 10,110	\$ 71,902,293
Taxes ⁽²⁾	32,180	0	0	32,180
Prizes	<u>36,666,087</u>	<u>17,564,676</u>	<u>5,008</u>	<u>54,235,771</u>
Adjusted Gross Income	9,591,028	8,038,212	5,102	17,634,342
Expenses ⁽³⁾	<u>5,392,808</u>	<u>5,220,320</u>	<u>0</u>	<u>10,613,128</u>
Net Proceeds	<u>\$ 4,198,220</u>	<u>\$ 2,817,892</u>	<u>\$ 5,102</u>	<u>\$ 7,021,214</u>

9(b) Expense Detail ⁽³⁾

	<u>Pull-Tab</u>	<u>Bingo</u>	<u>Raffle</u>	<u>Total</u>
Rental of Facility	\$ 688,429	\$ 646,780	\$ 0	\$ 1,335,209
Other Facility Costs	261,250	329,080	0	590,330
Contract / Pro. Services	219,413	98,045	0	317,458
Accounting	90,972	66,103	0	157,075
Wages	1,894,650	1,641,620	0	3,536,270
Payroll Taxes	178,607	147,995	0	326,602
Vendor Compensation	102,477	-0-	0	102,477
Cost of Games	1,050,772	993,158	0	2,043,930
Pull-Tab Tax Paid	318,581	-0-	0	318,581
Advertising	56,574	87,878	0	144,452
Equipment Purchases	13,714	142,164	0	155,878
Other Expenses	379,104	612,873	0	991,977
Door Prizes	<u>138,265</u>	<u>454,624</u>	<u>0</u>	<u>592,889</u>
Total Expenses	<u>\$ 5,392,808</u>	<u>\$ 5,220,320</u>	<u>\$ 0</u>	<u>\$ 10,613,128</u>

(1) Based on 15 MBP annual reports filed with the division as of 12/31/2008. 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) 2007 Permittee Self-Directed Activity ⁽¹⁾

	<u>Amount</u>	<u>% Gross Receipts</u>
Gross Receipts	\$ 165,070,721	
Taxes ⁽²⁾	473,028	0.29%
Prizes	<u>125,063,037</u>	75.76%
Adjusted Gross Income	39,534,656	
Expenses	<u>22,477,773</u>	13.62%
Net Proceeds	<u>\$ 17,056,883</u>	10.33%
		100.00%

10(b) Expense Detail ⁽³⁾

	<u>Amount</u>	<u>% Expenses</u>
Rental of Facility	\$ 1,769,550	7.87%
Other Facility Costs	1,407,405	6.26%
Contract / Pro. Services	675,621	3.00%
Accounting	801,592	3.57%
Wages	7,741,545	34.44%
Payroll Taxes	1,256,063	5.59%
Cost of Pull-tab Games	3,750,940	16.69%
Pull-Tab Tax Paid	771,136	3.43%
Cost of Bingo Cards	397,063	1.77%
Advertising	246,795	1.10%
Equipment Purchases	306,323	1.36%
Other Expenses ⁽⁴⁾	2,757,803	12.27%
Door Prizes	559,629	2.49%
Depreciation	<u>36,308</u>	0.16%
Total Expenses	<u>\$ 22,477,773</u>	100.00%

(1) Based on 1,150 permittee annual reports filed with the division as of 12/31/2008.

There are 81 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	\$ 88,005,364	
Taxes ⁽²⁾	323,215	0.37%
Prizes	<u>67,914,491</u>	77.17%
Adjusted Gross Income	19,767,658	
Expenses	<u>14,438,231</u>	16.41%
Net Proceeds	<u>\$ 5,329,427</u>	6.05%
		100.00%

11(b) Expense Detail ⁽³⁾

	<u>Amount</u>	<u>% Expenses</u>
Rental of Facility	\$ 1,657,769	11.48%
Other Facility Costs	511,724	3.55%
Contract / Pro. Services	541,397	3.75%
Accounting	228,838	1.58%
Wages	3,530,786	24.45%
Payroll Taxes	378,329	2.62%
Operator Fee ⁽⁴⁾	4,168,792	28.87%
Cost of Games	2,242,657	15.53%
Pull-Tab Tax Paid	541,458	3.75%
Advertising	20,079	0.14%
Equipment Purchases	10,872	0.08%
Other Expenses ⁽⁵⁾	481,755	3.34%
Door Prizes	<u>123,775</u>	0.86%
Total Expenses	<u>\$ 14,438,231</u>	100.00%

(1) Based on 30 operator annual reports filed with the division as of 12/31/2008.

(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	\$ 71,902,293	
Taxes ⁽²⁾	32,180	0.04%
Prizes	<u>54,235,771</u>	75.43%
Adjusted Gross Income	17,634,342	
Expenses	<u>10,613,128</u>	14.76%
Net Proceeds	<u><u>\$ 7,021,214</u></u>	9.77%
		100.00%

12(b) Expense Detail ⁽³⁾

	<u>Amount</u>	<u>% Expenses</u>
Rental of Facility	\$ 1,335,209	12.58%
Other Facility Costs	590,330	5.56%
Contract / Pro. Services	317,458	2.99%
Accounting	157,075	1.48%
Wages	3,536,270	33.31%
Payroll Taxes	326,602	3.08%
Vendor Compensation	102,477	0.97%
Cost of Games	2,043,930	19.26%
Pull-Tab Tax Paid	318,581	3.00%
Advertising	144,452	1.36%
Equipment Purchases	155,878	1.47%
Other Expenses ⁽⁴⁾	991,977	9.35%
Door Prizes	<u>592,889</u>	5.59%
Total Expenses	<u><u>\$ 10,613,128</u></u>	100.00%

(1) Based on 15 MBP annual reports filed with the division as of 12/31/2008. 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
2007 Activity by Organization Type ⁽¹⁾

<u>Organization 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>
Charitable	\$ 85,051,309	\$ 112,716	\$ 63,931,944	\$ 21,006,649	\$ 12,886,099	\$ 8,120,550
Civic or Service	62,799,915	144,178	47,571,152	15,084,585	9,079,430	6,005,155
Educational	62,620,458	208,799	47,892,255	14,519,404	8,952,585	5,566,819
IRA/Native Village	35,117,120	118,485	25,776,308	9,222,327	5,239,483	3,982,844
Veterans	34,078,402	172,692	27,099,945	6,805,765	3,742,886	3,062,879
Municipality	26,610,459	19,961	20,608,270	5,982,228	3,505,645	2,476,583
Fraternal	26,625,833	147,582	20,626,194	5,852,057	3,269,861	2,582,196
Nonprofit Trade Assn	13,422,015	32,682	10,482,019	2,907,314	1,665,317	1,241,997
Dog Musers' Assn	8,578,850	37,285	7,194,575	1,346,990	2,007,426	(660,436)
Police or Fire Dept	7,614,462	61,926	5,953,248	1,599,288	1,087,428	511,860
Religious	1,105,043	2,517	727,985	374,541	162,189	212,352
Labor	1,735,149	4,183	1,314,947	416,019	228,335	187,684
Political	407,669	1,000	271,024	135,645	67,045	68,600
Fishing Derby Assn	221,982	0	109,084	112,898	63,088	49,810
Total	\$ 365,988,666	\$ 1,064,006	\$ 279,558,950	\$ 85,365,710	\$ 51,956,817	\$ 33,408,893

(1) Based on 1,150 permittee annual reports, 30 operator annual reports, 15 MBP annual reports filed with the division as of 12/31/2008.

(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

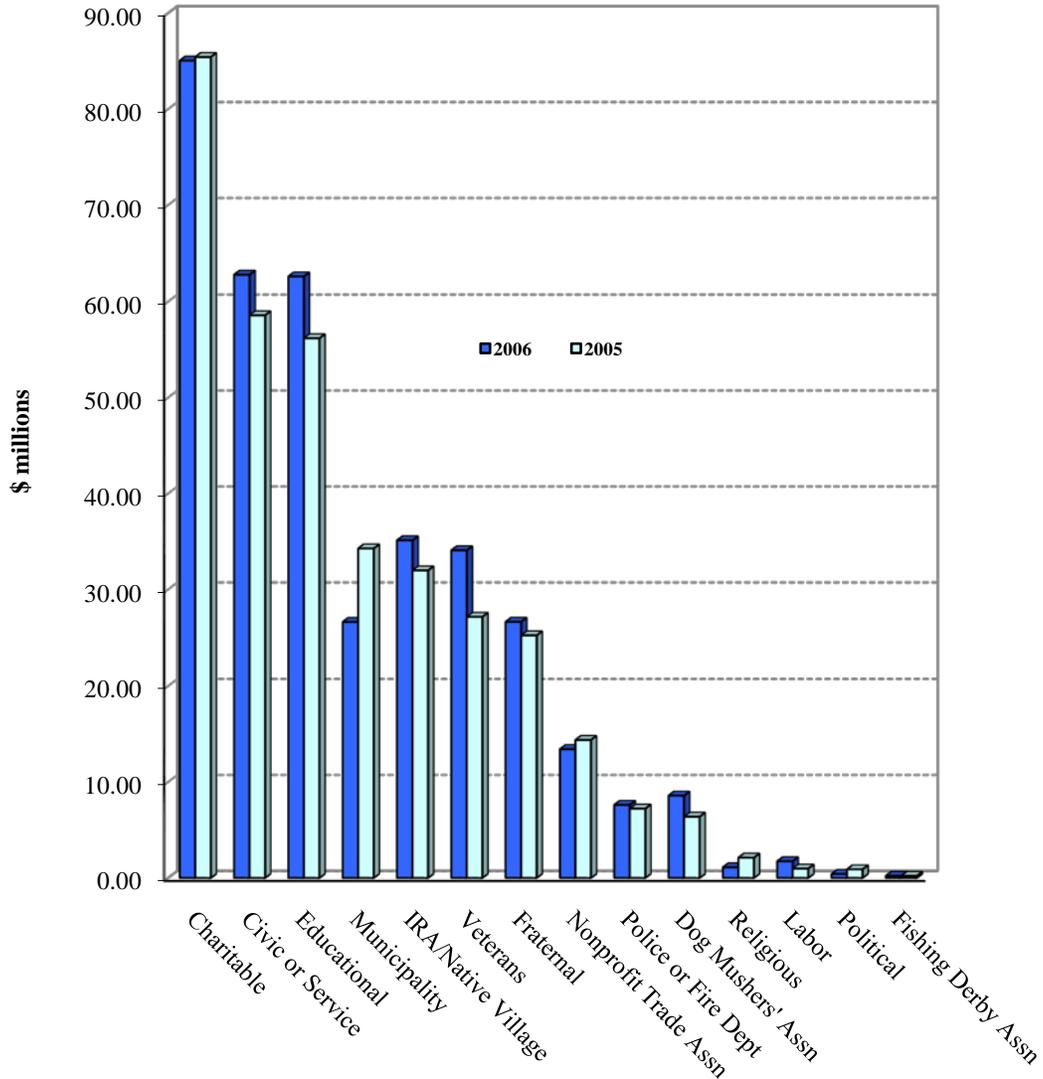
<u>Organization Type</u>	<u>2007</u> ⁽¹⁾		<u>2006</u> ⁽²⁾
	Gross Receipts		Gross Receipts
Charitable	\$ 85,051,309	Charitable	\$ 85,424,475
Civic or Service	62,799,915	Civic or Service	58,572,423
Educational	62,620,458	Educational	56,179,086
IRA/Native Village	35,117,120	IRA/Native Village	34,271,193
Veterans	34,078,402	Municipality	31,981,182
Municipality	26,610,459	Veterans	27,140,754
Fraternal	26,625,833	Fraternal	25,209,097
Nonprofit Trade Association	13,422,015	Nonprofit Trade Association	14,380,211
Dog Musers' Association	8,578,850	Dog Musers' Association	7,218,729
Police or Fire Dept	7,614,462	Police or Fire Dept	6,375,841
Religious	1,105,043	Religious	2,108,965
Labor	1,735,149	Labor	972,784
Political	407,669	Political	896,155
Fishing Derby Association	<u>221,982</u>	Fishing Derby Association	<u>213,202</u>
Total	<u><u>\$ 365,988,666</u></u>	Total	<u><u>\$ 350,944,097</u></u>

(1) Based on 1,150 permittee annual reports, 30 operator annual reports, and 15 MBP annual reports filed with the division as of 12/31/2008.

(2) 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.

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

Table 15
Gross Receipts by Organization Type



Gross Receipts
2007 - \$365,988,666
2006 - \$350,944,097

Tables 16(a) & (b)

16(a) Licensed Operators

	<u>2007</u>	<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>
Anchorage	10	9	7	4	5	7	7	8	6	6	4
Bethel	1	1	1	1	1	1	1	1	2	1	1
Craig	2	2	2	2	3	3	3	3	3	3	3
Fairbanks	6	6	5	5	6	7	6	4	4	4	4
Juneau	1	1	1	1	2	1	1	1	1	0	0
Ketchikan	4	4	4	4	5	5	5	4	3	3	3
Nome	1	1	1	2	2	2	2	2	2	2	2
North Pole	0	0	0	1	1	0	0	1	1	1	2
Palmer	2	1	0	0	0	0	0	0	0	0	0
Petersburg	1	1	1	1	1	1	1	1	1	1	1
Valdez	0	0	0	0	0	0	0	0	1	1	1
Wasilla	1	1	1	1	1	0	0	0	0	0	0
Total	<u>29</u>	<u>27</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>

16(b) Licensed Distributors

Anchorage	6	2	2	3	4	3	3	5	5	5	5
Fairbanks	5	4	4	3	3	4	4	2	2	3	3
Juneau	3	2	2	3	2	2	2	2	2	2	2
Ketchikan	3	1	1	1	1	1	1	1	1	1	1
Nome	0	0	0	0	1	1	1	1	1	1	1
Sitka	2	1	1	1	1	1	1	1	1	1	1
Soldotna	1	1	1	1	1	1	1	1	1	1	1
Kodiak	1	0	0	0	0	0	0	0	0	0	0
Total	<u>21</u>	<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>

Tables 17(a) & (b)
17(a) 2007 Registered Vendors and Locations

<u>City</u>	<u>Vendors</u>	<u>City</u>	<u>Vendors</u>
Anchor Point	1	Kasilof	1
Anchorage	58	Kenai	11
Anderson	1	Ketchikan	6
Big Lake	4	King Salmon	1
Cantwell	1	Kodiak	3
Chitina	1	Manley Hot Springs	1
Chugiak	2	Naknek	3
Clam Gulch	2	Nenana	1
Cooper Landing	1	Nikiski	6
Copper Center	4	Nome	9
Cordova	4	North Pole	4
Craig	1	Northway	1
Delta Junction	5	Palmer	6
Dutch Harbor	2	Salcha	2
Eagle River	6	Seward	4
Ester	1	Sitka	5
Fairbanks	41	Soldotna	13
Fort Richardson	1	Talkeetna	1
Gakona	1	Tok	2
Galena	1	Trapper Creek	1
Glennallen	1	Unalaska	2
Haines	6	Valdez	6
Homer	11	Wasilla	13
Hoonah	1	Willow	7
Houston	1	Wrangell	7
Juneau	13	Yakutat	3

Total Vendors in 2007 290

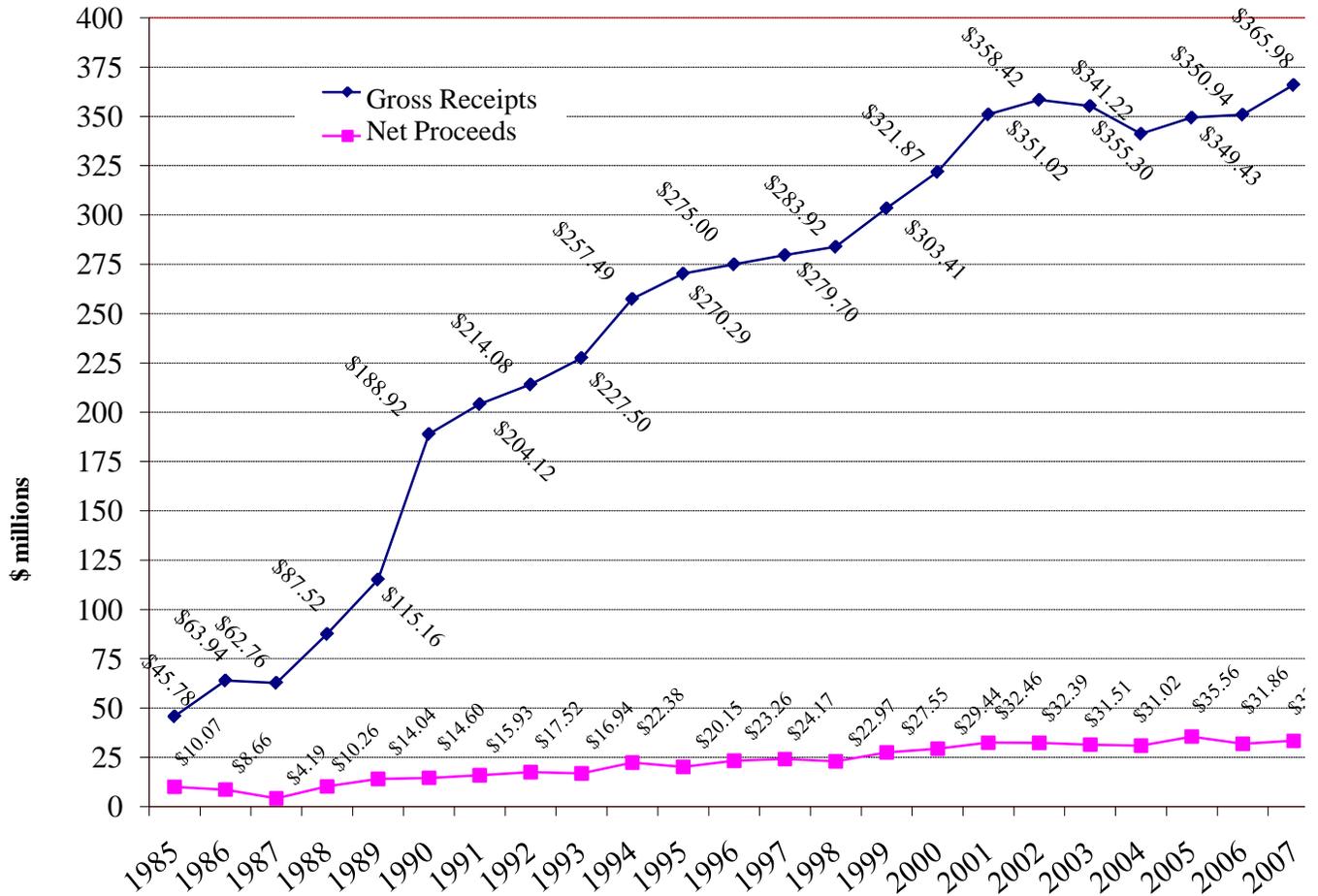
Total Vendors in 2006 274

17(b) Multiple-beneficiary Permittees and Locations

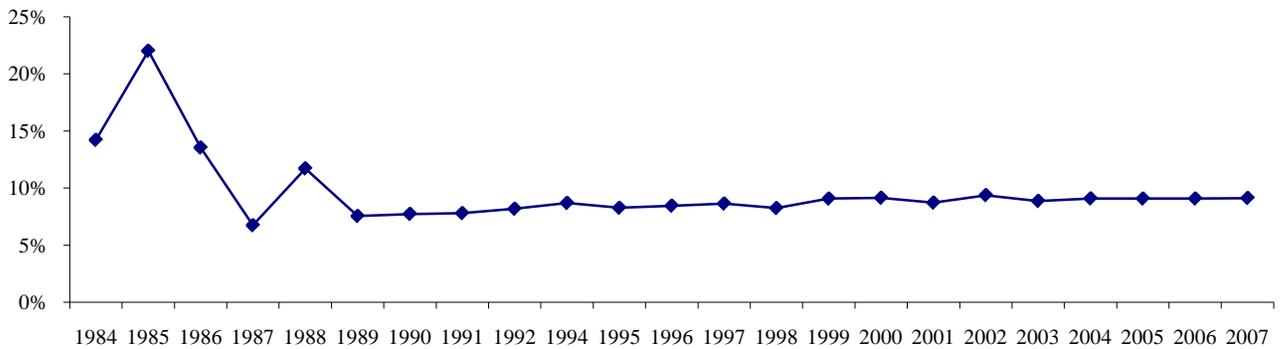
<u>City</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Anchorage	5	4	6	6	5	5	6
Douglas	1	1	1	1	0	0	0
Fairbanks	3	3	2	2	3	2	2
Homer	0	0	0	1	1	0	0
Juneau	1	2	2	2	3	4	4
Kenai	2	2	3	2	3	2	1
Kodiak	2	2	2	2	2	1	1
Soldotna	1	1	0	1	0	0	0
Wasilla	1	1	0	0	0	0	0
Total MBPs	<u><u>16</u></u>	<u><u>16</u></u>	<u><u>16</u></u>	<u><u>17</u></u>	<u><u>17</u></u>	<u><u>14</u></u>	<u><u>14</u></u>

Tables 18(a) & (b)

18(a) Annual Gross Receipts and Net Proceeds

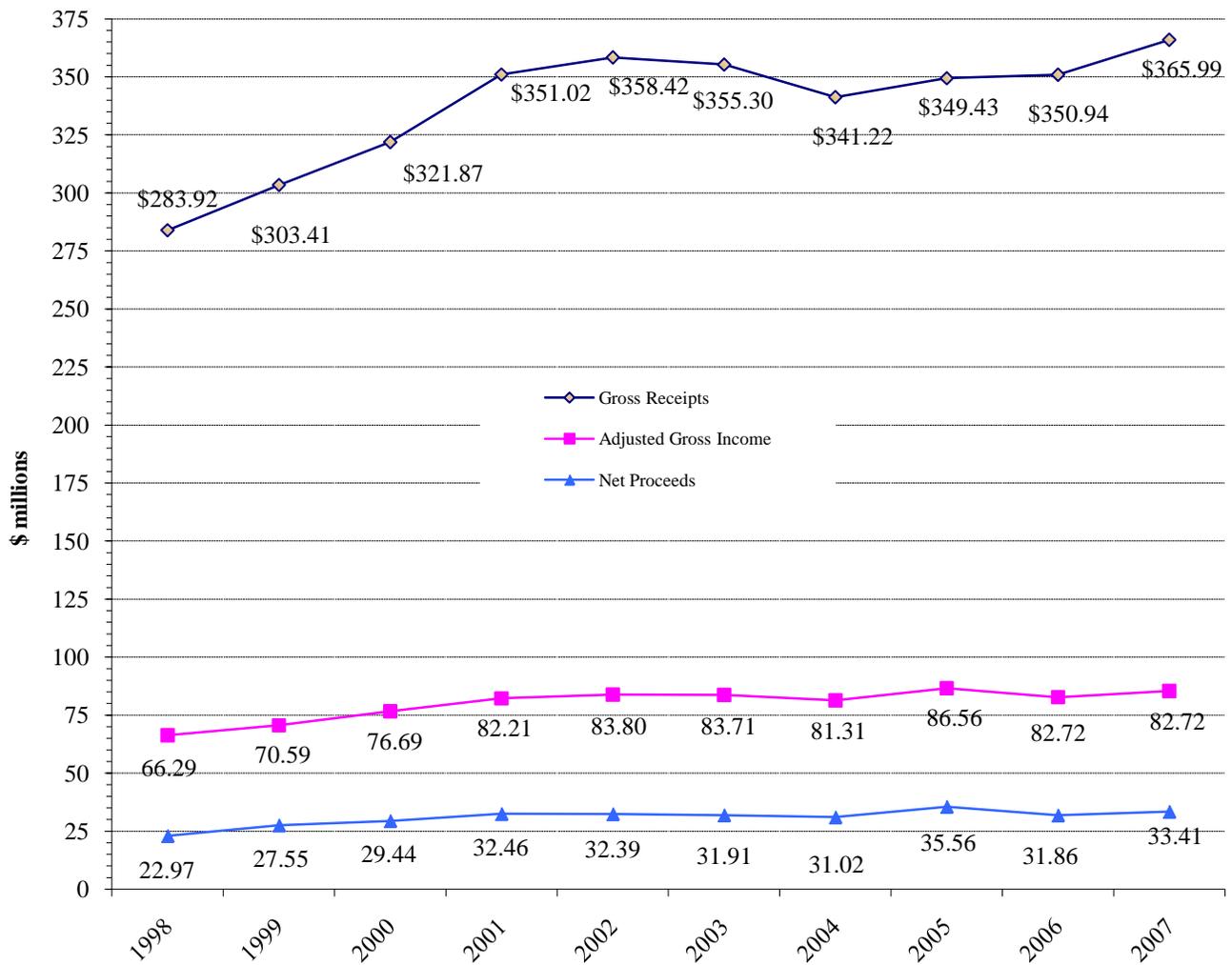


18(b) Net Proceeds as a Percentage of Gross Receipts



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

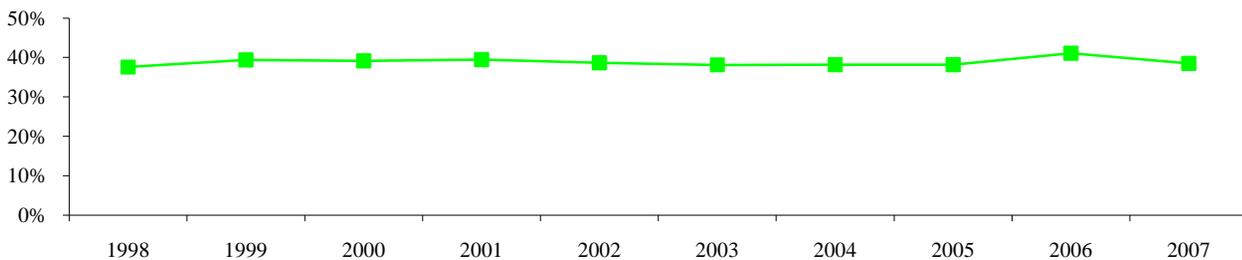


Table 20
Annual Gross Receipts, Prizes, Expenses, Taxes and Net Proceeds

