

Revenue Estimating Conference

Indian Gaming Revenues

Executive Summary

December 7, 2016

The Revenue Estimating Conference met on December 7, 2016 to adopt new estimates for Indian Gaming revenues. The Conference decreased the net win growth rates by 0.2% in fiscal years 2016-17 through 2018-19 based on total net win for Fiscal Year 2015-16 and recent quarterly financial reports. This results in slightly lower receipts throughout the forecast. Fiscal Year 2016-17 has also been reduced by a revised estimate of the true-up payment which declined from \$2.0 million to \$1.4 million.

The Compact provides that if the authorization for banked card games expires, revenue share payments from all banked card games and all Broward activity shall cease. It also provides that the Tribe has 90 days to cease operation of banked card games. The banked card games authorization expired on July 31, 2015, and the grace period ended October 31, 2015. The Tribe has indicated that they will continue to operate banked card games. Notwithstanding ongoing litigation, the Tribe has continued to make revenue share payments to the state in an amount equal to \$19.5 million each month and previously indicated that they will continue to make such revenue share payments indefinitely.

The forecast was developed by assuming revenues are received pursuant to the original provisions of the Compact. This means it includes revenue sharing for banked card games and all Broward activity only during the 90-day grace period and excludes them thereafter. Funds received in excess of the adopted forecast are effectively being held in reserve until all of the relevant litigation is resolved.

The following table compares the December 2016 and July 2016 forecasts, showing small decreases in projected revenues each year.

Indian Gaming Revenues									
Millions of \$									
	Receipts			Local Distribution			Net General Revenue		
	July 2016	Dec 2016	Difference	July 2016	Dec 2016	Difference	July 2016	Dec 2016	Difference
2011-12	150.0	150.0	0.0	3.8	3.8	0.0	146.2	146.2	0.0
2012-13	226.1	226.1	0.0	4.5	4.5	0.0	221.6	221.6	0.0
2013-14	237.3	237.3	0.0	7.0	7.0	0.0	230.3	230.3	0.0
2014-15	255.6	255.6	0.0	7.1	7.1	0.0	248.5	248.5	0.0
2015-16	215.4	215.4	0.0	7.7	7.7	0.0	207.7	207.7	0.0
2016-17	131.3	129.7	-1.6	6.3	6.3	0.0	125.0	123.4	-1.6
2017-18	128.7	127.5	-1.2	3.8	3.8	0.0	124.9	123.7	-1.2
2018-19	131.4	129.9	-1.5	3.9	3.8	0.0	127.5	126.1	-1.4
2019-20	133.5	131.5	-2.0	3.9	3.9	0.0	129.6	127.6	-2.0
2020-21	135.6	133.1	-2.5	4.0	3.9	-0.1	131.6	129.1	-2.5
2021-22	137.7	134.7	-3.0	4.1	4.0	-0.1	133.6	130.7	-2.9
2022-23	139.9	136.3	-3.6	4.1	4.0	-0.1	135.7	132.3	-3.4
2023-24	142.0	137.9	-4.1	4.3	4.1	-0.1	137.8	133.8	-4.0
2024-25	144.3	139.6	-4.7	4.3	4.1	-0.1	140.0	135.5	-4.5
2025-26	146.5	141.3	-5.2	4.4	4.2	-0.2	142.1	137.0	-5.1

Distributions may not sum to the totals due to rounding.

FY15-16 includes revenues from banked card games during the 90-day grace period.

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2012-13	226.1	226.1	0.0	4.5	4.5	0.0	221.6	221.6	0.0
2013-14	237.3	237.3	0.0	7.0	7.0	0.0	230.3	230.3	0.0
2014-15	255.6	255.6	0.0	7.1	7.1	0.0	248.5	248.5	0.0
2015-16	215.4	215.4	0.0	7.7	7.7	0.0	207.7	207.7	0.0
2016-17	131.3	129.7	-1.6	6.3	6.3	0.0	125.0	123.4	-1.6
2017-18	128.7	127.5	-1.2	3.8	3.8	0.0	124.9	123.7	-1.2
2018-19	131.4	129.9	-1.5	3.9	3.8	0.0	127.5	126.1	-1.4
2019-20	133.5	131.5	-2.0	3.9	3.9	0.0	129.6	127.6	-2.0
2020-21	135.6	133.1	-2.5	4.0	3.9	-0.1	131.6	129.1	-2.5
2021-22	137.7	134.7	-3.0	4.1	4.0	-0.1	133.6	130.7	-2.9
2022-23	139.9	136.3	-3.6	4.1	4.0	-0.1	135.7	132.3	-3.4
2023-24	142.0	137.9	-4.1	4.3	4.1	-0.1	137.8	133.8	-4.0
2024-25	144.3	139.6	-4.7	4.3	4.1	-0.1	140.0	135.5	-4.5
2025-26	146.5	141.3	-5.2	4.4	4.2	-0.2	142.1	137.0	-5.1

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Indian Gaming Revenues									
Fiscal Year	Net Win	% change	Loss From Broward 48.42%	Loss from other table games 8.67%	Remaining Net Win	Net Revenues	Revenues Collected	Minimum Payment	True-up Payment
2010-11									
2011-12									
2012-13	1,977.6				1,977.6	237.3	226.1	233.0	4.3
2013-14	2,098.0	6.09%			2,098.0	254.7	237.3	233.0	21.7
2014-15	2,218.9	5.77%			2,218.9	272.8	255.6	234.0	38.8
2015-16	2,325.6	4.81%	(750.7)	(134.4)	1,440.5	172.9	215.4		1.4
2016-17	2,414.0	3.80%	(1,168.8)	(209.3)	1,035.8	124.3	129.7		
2017-18	2,481.6	2.80%	(1,201.6)	(215.2)	1,064.8	127.8	127.5		
2018-19	2,526.2	1.80%	(1,223.2)	(219.0)	1,084.0	130.1	129.9		
2019-20	2,556.5	1.20%	(1,237.9)	(221.7)	1,097.0	131.6	131.5		
2020-21	2,587.2	1.20%	(1,252.7)	(224.3)	1,110.2	133.2	133.1		
2021-22	2,618.3	1.20%	(1,267.8)	(227.0)	1,123.5	134.8	134.7		
2022-23	2,649.7	1.20%	(1,283.0)	(229.7)	1,137.0	136.4	136.3		
2023-24	2,681.5	1.20%	(1,298.4)	(232.5)	1,150.6	138.1	137.9		
2024-25	2,713.7	1.20%	(1,314.0)	(235.3)	1,164.4	139.7	139.6		
2025-26	2,746.2	1.20%	(1,329.7)	(238.1)	1,178.4	141.4	141.3		

NOTE: Revenues collected are lagged by one month

Assumptions: Beginning in November of 2015-16, table games are no longer active
 Lose all of Broward County Revenues (48.42% of net win, source: financial reports for the quarter ending September 30, 2016)
 Lose table game revenues for non-Broward facilities (8.67% of net win, source: financial reports for the quarter ending September 30, 2016)
 True-up payments generated from activity in any Fiscal Year are received in the following Fiscal Year.

Revenue Sharing Percentages
 12% of net win up to \$2 billion
 15% of net win between \$2 billion and \$3 billion
 17.5% of net win between \$3 billion and \$3.5 billion
 20% of net win between \$3.5 billion and \$4 billion
 22.5% of net win between \$4 billion and \$4.5 billion
 25% of net win over \$4.5 billion