

Slot Machines Estimating Conference
October 20, 2006
Executive Summary

The Consensus Estimating Conference on Slot Machine revenues adopted revised estimates for tax revenues from slot machine operations for 2006-07 and 2007-08. The conference adopted an initial estimate of \$47.8 million in tax revenues to the Educational Enhancement Trust Fund (EETF) from slot machine operations for 2006-07; previously the estimate for that fiscal year was said to be indeterminate. For 2007-08, the conference reduced expected revenues to the EETF from current projections by \$56.3 million to \$168.8 million. The conference left the estimates for 2008-09 and 2009-10 unchanged at \$270.0 million and \$286.5 million, respectively.

The adjustment for the first two fiscal years is a result of including new information about when the four facilities will be opening and how many terminals they will have operating at different points in time. The previous forecast assumed that all four facilities would be fully operational at 1,500 machines on January 1, 2007. The new forecast predicts that Mardi Gras will open on December 1, 2006 with 1,148 machines, and will have 1,500 machines operating on January 1, 2007. The expectation is that Gulfstream will open on January 1, 2007 with 500 machines, and will have 1,500 machines operating beginning July 1, 2007. Pompano is predicted to open on April 1, 2007 with all 1,500 machines operating. Dania is expected to open on July 1, 2008, with 1,500 machines. There was no change in the estimate of average income per machine.

**Slot Machines Estimate
10/20/2006 Conference**

	2006-07	2007-08	2008-09	2009-10
Effective Number of Machines for Fiscal Year:				
Gulfstream (1)	250	1,500	1,500	1,500
Mardi Gras (2)	846	1,500	1,500	1,500
Pompano (3)	375	1,500	1,500	1,500
Dania (4)	0	0	1,500	1,500
Total Machines (effective for Fiscal Year)	1,471	4,500	6,000	6,000
Average Income per Machine (Annualized)	65,000	75,000	90,000	95,489
Total Terminal Income	95,593,333	337,500,000	540,000,000	572,934,000
Total Slot Machine Tax	47,796,667	168,750,000	270,000,000	286,467,000
Lottery Loss	2,772,207	9,787,500	15,660,000	16,615,086
Sales Tax Loss	3,728,140	13,162,500	21,060,000	22,344,426

(1) Startup date is assumed to be 1/1/07

(2) Startup date is assumed to be 12/1/06; 4th quarter of 2006 is one month only

(3) Startup date is assumed to be 4/1/07

(4) Startup date is assumed to be 7/1/08

Assumed source of spending	
% from tourists/non-taxable spending	25.0%
% from spending subject to Sales Tax	65.0%
% from current Lottery	10.0%
% from Parimutuels	0.0%

**Slot Machines Estimate
10/20/2006 Conference**

	2006-Q3	2006-Q4	2007-Q1	2007-Q2	Total 2006-07	2007-Q3	2007-Q4	2008-Q1	2008-Q2	Total 2007-08
Number of Machines:										
Gulfstream (1)	0	0	500	500	250	1,500	1,500	1,500	1,500	1,500
Mardi Gras (2)	0	1,148	1,500	1,500	846	1,500	1,500	1,500	1,500	1,500
Pompano (3)	0	0	0	1,500	375	1,500	1,500	1,500	1,500	1,500
Dania (4)	0	0	0	0	0	0	0	0	0	0
Total Machines	0	1,148	2,000	3,500	1,471	4,500	4,500	4,500	4,500	4,500
Average Income per Machine	16,250	16,250	16,250	16,250	65,000	18,750	18,750	18,750	18,750	75,000
Total Terminal Income	0	6,218,333	32,500,000	56,875,000	95,593,333	84,375,000	84,375,000	84,375,000	84,375,000	337,500,000
Total Slot Machine Tax	\$0	\$3,109,167	\$16,250,000	\$28,437,500	\$47,796,667	\$42,187,500	\$42,187,500	\$42,187,500	\$42,187,500	\$168,750,000
Lottery Loss	\$0	\$180,332	\$942,500	\$1,649,375	\$2,772,207	\$2,446,875	\$2,446,875	\$2,446,875	\$2,446,875	\$9,787,500
Sales Tax Loss	\$0	\$242,515	\$1,267,500	\$2,218,125	\$3,728,140	\$3,290,625	\$3,290,625	\$3,290,625	\$3,290,625	\$13,162,500

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**Slot Machines Estimate
10/20/2006 Conference**

	2008-Q3	2008-Q4	2009-Q1	2009-Q2	Total 2008-09	2009-Q3	2009-Q4	2010-Q1	2010-Q2	Total 2009-10
Number of Machines:										
Gulfstream (1)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Mardi Gras (2)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Pompano (3)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Dania (4)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Total Machines	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Average Income per Machine	22,500	22,500	22,500	22,500	90,000	23,872	23,872	23,872	23,872	95,489
Total Terminal Income	135,000,000	135,000,000	135,000,000	135,000,000	540,000,000	143,233,500	143,233,500	143,233,500	143,233,500	572,934,000
Total Slot Machine Tax	\$67,500,000	\$67,500,000	\$67,500,000	\$67,500,000	\$270,000,000	\$71,616,750	\$71,616,750	\$71,616,750	\$71,616,750	\$286,467,000
Lottery Loss	\$3,915,000	\$3,915,000	\$3,915,000	\$3,915,000	\$15,660,000	\$4,153,772	\$4,153,772	\$4,153,772	\$4,153,772	\$16,615,086
Sales Tax Loss	\$5,265,000	\$5,265,000	\$5,265,000	\$5,265,000	\$21,060,000	\$5,586,107	\$5,586,107	\$5,586,107	\$5,586,107	\$22,344,426

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