

Consensus Revenue Estimate for ELARF

October 2012

Revenue Source	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual (See Note 1)	April 2012 Estimate	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	October 2012 Estimate (See Note 7)
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Lottery Gaming Facility Privilege Fees									
NE - Hollywood Casino (Kansas Entertainment, LLC)	\$ -	\$ 25,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SW - Boot Hill Casino & Resort (Butler National Corp.)	\$ 5,500,000	\$ -	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ -	\$ -	\$ -	\$ -
SC - Kansas Star Casino (Peninsula Gaming, LLC)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SE - 777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to ELARF (100%)	\$ 5,500,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ -	\$ -	\$ -	\$ -
NE Gaming Zone - Net Revenue Estimate (See Note 2)									
Transfer to ELARF (22%)	\$ -	\$ -	\$ -	\$ -	\$ 54,622,687	\$ 157,700,000	\$ 157,700,000	\$ 137,100,000	\$ -
Problem Gambling & Addictions Grant Fund (2%)	\$ -	\$ -	\$ -	\$ -	\$ 11,554,738	\$ 34,694,000	\$ 34,694,000	\$ 30,162,000	\$ -
Cities & Counties (3%)	\$ -	\$ -	\$ -	\$ -	\$ 1,050,431	\$ 3,164,000	\$ 3,164,000	\$ 2,742,000	\$ -
Lottery Gaming Facility Manager (73%)	\$ -	\$ -	\$ -	\$ -	\$ 1,638,681	\$ 4,731,000	\$ 4,731,000	\$ 4,113,000	\$ -
SW Gaming Zone - Net Revenue Estimate (See Note 3)									
Transfer to ELARF (22%)	\$ -	\$ -	\$ -	\$ -	\$ 39,874,561	\$ 115,121,000	\$ 115,121,000	\$ 100,053,000	\$ -
Problem Gambling & Addictions Grant Fund (2%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cities & Counties (3%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lottery Gaming Facility Manager (73%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SC Gaming Zone - Net Revenue Estimate (See Note 4)									
Transfer to ELARF (22%)	\$ -	\$ -	\$ -	\$ -	\$ 43,886,501	\$ 47,400,000	\$ 47,400,000	\$ 47,300,000	\$ -
Problem Gambling & Addictions Grant Fund (2%)	\$ -	\$ -	\$ -	\$ -	\$ 9,483,467	\$ 10,428,000	\$ 10,428,000	\$ 10,406,000	\$ -
Cities & Counties (3%)	\$ -	\$ -	\$ -	\$ -	\$ 862,133	\$ 948,000	\$ 948,000	\$ 946,000	\$ -
Lottery Gaming Facility Manager (73%)	\$ -	\$ -	\$ -	\$ -	\$ 1,316,595	\$ 1,422,000	\$ 1,422,000	\$ 1,419,000	\$ -
SE Gaming Zone - Net Revenue Estimate (See Note 5)									
Transfer to ELARF (22%)	\$ -	\$ -	\$ -	\$ -	\$ 32,037,146	\$ 34,602,000	\$ 34,602,000	\$ 34,529,000	\$ -
Problem Gambling & Addictions Grant Fund (2%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cities & Counties (3%)	\$ -	\$ -	\$ -	\$ -	\$ 98,855,928	\$ 192,500,000	\$ 192,500,000	\$ 218,800,000	\$ -
Lottery Gaming Facility Manager (73%)	\$ -	\$ -	\$ -	\$ -	\$ 21,087,970	\$ 42,800,000	\$ 42,800,000	\$ 48,912,000	\$ -
Distribution of Lottery Gaming Facility Revenue									
Transfer to ELARF	\$ -	\$ 4,484,021	\$ 8,874,217	\$ 42,106,175	\$ 87,722,000	\$ 87,722,000	\$ 89,480,000	\$ 89,480,000	\$ -
Problem Gambling & Addictions Grant Fund	\$ -	\$ 378,487	\$ 806,747	\$ 3,827,834	\$ 7,952,000	\$ 7,952,000	\$ 8,064,000	\$ 8,064,000	\$ -
Cities & Counties	\$ -	\$ 649,071	\$ 1,201,658	\$ 5,920,954	\$ 11,928,000	\$ 11,928,000	\$ 12,086,000	\$ 12,086,000	\$ -
Lottery Gaming Facility Managers (see Note 6)	\$ -	\$ 15,152,408	\$ 29,172,657	\$ 144,076,535	\$ 289,998,000	\$ 289,998,000	\$ 293,560,000	\$ 293,560,000	\$ -
Lottery Gaming Facility Privilege Fees									
Lottery Gaming Facility Revenue-ELARF	\$ 5,500,000	\$ 25,000,000	\$ 25,000,000	\$ 8,874,217	\$ 42,106,175	\$ 87,722,000	\$ 89,480,000	\$ 89,480,000	\$ -
Total Available in ELARF	\$ 5,500,000	\$ 29,484,021	\$ 33,874,217	\$ 42,106,175	\$ 87,722,000	\$ 87,722,000	\$ 89,480,000	\$ 89,480,000	\$ -

Assumptions:

Note 1 - Actual distributions of net gaming revenue in FY 2012 will not add up to the total amount of net gaming revenues at each gaming facility because transfers to the ELARF and Problem Gambling & Addictions Grant Fund occur on a weekly basis and the final weekly transfer to these funds occurred prior to the end of the fiscal year.

Note 2 - Hollywood Casino opened on February 3, 2012, and no specific date for expanded operations. Contact between the Kansas Lottery and Kansas Entertainment allows the ELARF to receive an additional 3.0 percent (from the manager's share) for net revenues between \$350.0 million and \$400.0 million and an additional 6.0 percent for amounts above \$400.0 million. It is not estimated that any of the net revenue thresholds will be reached in any of the years estimated.

Note 3 - Boot Hill Casino & Resort opened on December 15, 2009 and full operations began on September 1, 2012. Contact between the Kansas Lottery and Butler National Corp. allows for part of the manager's share to be redistributed as certain net revenue thresholds are reached. It is not estimated that any of the net revenue thresholds will be reached in any of the years estimated.

Note 4 - Kansas Star Casino opened on December 26, 2011, Phase II gaming operations will begin on January 1, 2013, and full operations on January 1, 2015. Contact between the Lottery and Peninsula Gaming allows the ELARF to receive an additional 2.0 percent (from the manager's share) for net revenues between \$180.0 million and \$220.0 million and an additional 4.0 percent for amounts above \$220.0 million.

Note 5 - Unknown if there will be a manager willing to pay the \$25.0 million privilege fee and make a minimum investment of \$225.0 million for this zone.

Note 6 - Gaming facility managers are responsible for all regulatory and gaming expenses incurred by the Kansas Racing & Gaming Commission and the Kansas Lottery out of their share of net revenue.

Note 7 - Revenue estimates for FY 2015, FY 2016, FY 2017 and FY 2018 are for planning purposes only and are not an official estimate. FY 2016 and beyond estimates assume a 2.0 percent growth rate.

Revenue Source	FY 2015 Estimate	FY 2016 Estimate	FY 2017 Estimate	FY 2018 Estimate
Problem Gambling & Addictions Grant Fund	\$ 8,064,000	\$ 8,064,000	\$ 8,064,000	\$ 8,064,000
Cities & Counties	\$ 12,086,000	\$ 12,086,000	\$ 12,086,000	\$ 12,086,000
Lottery Gaming Facility Managers	\$ 293,560,000	\$ 293,560,000	\$ 293,560,000	\$ 293,560,000
Total Gaming Revenue	\$ 313,690,000	\$ 313,690,000	\$ 313,690,000	\$ 313,690,000

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Expanded Lottery Act Revenue Fund Table

FY 2011 - 2013

	Actual		Legislative Approved		Actual		Legislative Approved		Revised	
	FY 2011	FY 2011	FY 2012	FY 2012	FY 2012	FY 2012	FY 2013	FY 2013	FY 2013	FY 2013
Expanded Lottery Act Revenue Fund										
Kansas Department of Corrections										
Labette Elderly Correctional Facility	\$	-	\$	1,695,150	\$	1,695,150	\$	-	\$	-
State Fair										
Capital Improvement Master Plan Debt Service	-	-	-	-	-	-	-	11,182,256	-	11,182,256
Department of Wildlife, Parks and Tourism										
Kansas Wildscape Cabin Debt	-	-	-	-	-	-	-	1,785,473	-	1,785,473
Department of Agriculture										
Wichita Aquifer Storage and Recovery	-	-	-	-	-	-	-	500,000	-	500,000
Department of Administration										
KPERs Bonds Debt Service	-	-	-	-	-	-	-	36,142,328	-	36,142,328
Statehouse Debt Service	-	-	-	-	-	-	-	19,399,139	-	19,399,139
Public Broadcasting Council Bonds	-	-	-	-	-	-	-	1,695,523	-	1,695,523
Judicial Center Bonds	-	-	-	-	-	-	-	445,297	-	445,297
Subtotal - DoA Debt Service	-	-	-	-	-	-	-	57,682,287	-	57,682,287
Transfers to Other Funds										
Kan-Grow Engineering Funds	-	-	-	-	-	-	-	10,500,000	-	10,500,000
Local Ad Valorem Tax Reduction Fund	-	-	-	-	-	-	-	-	-	-
State General Fund	33,874,217	-	42,590,850	-	40,411,025	-	5,000,000	-	5,000,000	-
Subtotal - Transfers	33,874,217	-	42,590,850	-	40,411,025	-	15,500,000	-	15,500,000	-
TOTAL TRANSFERS AND EXPENDITURES	\$	33,874,217	\$	44,286,000	\$	42,106,175	\$	86,650,016	\$	86,650,016
ELARF Resource Estimate										
Beginning Balance	\$	8,874,217	\$	42,106,175	\$	42,106,175	\$	87,722,000	\$	79,290,000
Gaming Revenues	-	25,000,000	-	-	-	-	-	-	-	-
Privilege Fees	-	33,874,217	-	42,106,175	-	42,106,175	-	87,722,000	-	79,290,000
Total Available	\$	33,874,217	\$	44,286,000	\$	42,106,175	\$	86,650,016	\$	86,650,016
Less: Expenditures and Transfers	-	33,874,217	-	(2,179,825)	-	-	-	1,071,984	-	(7,360,016)
ENDING BALANCE	\$	-	\$	(2,179,825)	\$	-	\$	1,071,984	\$	(7,360,016)

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